

(A free translation of the original in Portuguese)

# Parent company and consolidated financial statements

at March 31, 2024  
and independent auditor's report





(A free translation of the original in Portuguese)

## ***Independent auditor's report***

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

### **Opinion**

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We have audited the accompanying parent company financial statements of São Martinho S.A. (the "Company"), which comprise the balance sheet as at March 31, 2024 and the statements of income, comprehensive income, changes in equity and cash flows for the year then ended, as well as the accompanying consolidated financial statements of São Martinho S.A. and its subsidiaries ("Consolidated"), which comprise the consolidated balance sheet as at March 31, 2024 and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company and of the Company and its subsidiaries as at March 31, 2024, and the financial performance and the cash flows for the year then ended, as well as the consolidated financial performance and the cash flows for the year then ended, in accordance with accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB)) (currently described as "IFRS Accounting Standards" by the IFRS Foundation).

### **Basis for opinion**

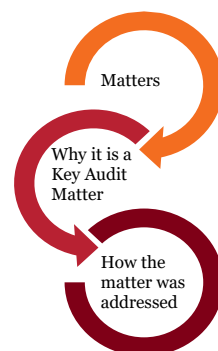
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We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Parent Company and Consolidated Financial Statements section of our report. We are independent of the Company and its subsidiaries in accordance with the ethical requirements established in the Code of Professional Ethics and Professional Standards issued by the Brazilian Federal Accounting Council, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Key Audit Matters**

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Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the parent company and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Why it is a Key Audit Matter	How the matter was addressed in the audit
<p><b>Tax incentive program (Note 22.5)</b></p> <p>The Company is the beneficiary of State Value Added Tax - ICMS tax incentives, granted by the State of Goiás under the "Goiás Industrial Development Program - Produzir", and of other ICMS benefits enjoyed by its industrial units. These tax benefits, pursuant to Complementary Law Nº 160/2017, Law Nº 12,973/2014 and a ruling of the Superior Court of Justice (STJ Theme 1,182), are exempt from income tax and social contribution (IRPJ and CSLL).</p> <p>On December 31, 2023, based on the ruling in STJ Topic 1,182 and the advice of legal counsel, management reduced the IRPJ and CSLL tax burden for the year by R\$ 86,926 thousand and made an appropriation to a tax incentive reserve of R\$ 255,665 thousand (primarily for the tax benefit from deferral of ICMS on anhydrous fuel ethanol ("EAC") output operations).</p> <p>Considering the relevant judgment made by the executive board related to the STJ decision (Theme 1,182) on ICMS deferrals, uncertainties on the calculation of IRPJ and CSL, as well as, the magnitude and complexity of determining the values involved, we treated this as an area of focus in our audit work.</p>	<p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> <li>• Understanding the internal controls over the recording and measurement of the amounts, and compliance with legislation.</li> <li>• Assessing, with the assistance of our tax specialists, (i) the Company's supporting documentation regarding its compliance with the appropriate tax legislation governing tax incentives; (ii) the process and criteria for calculating the amounts for exemption from IRPJ and CSLL; (iii) the lower court decisions in favor of the exemptions; and, (iv) the legal opinions and receiving subsequent updates from the management as to its assessment of existing tax uncertainties.</li> <li>• Assessing the adequacy of the disclosures made in the Company's individual Parent Company and Consolidated financial statements.</li> </ul> <p>Our audit procedures indicated the judgments and criteria applied by management to be reasonable and disclosures consistent with underlying information obtained during our audit.</p>
<p><b>Fair value of biological assets (Note 7)</b></p> <p>The Company's biological assets (sugarcane) are measured at fair value less costs to sell, calculated by discounting the projected cash flows from the future harvest, since there is no active market for these assets.</p> <p>As disclosed in Note 7 to the financial statements, the fair value measurement of these biological assets is determined using valuation techniques because of the inexistence of an observable and liquid market (treated as Level 3 assets for valuation purposes). The assumptions include internal and external inputs, mainly for expected productivity, Total Sugar Recoverable (ATR), projected average prices and cash flow discount rates.</p> <p>We treated this as a key audit matter because of the subjective nature of certain assumptions that</p>	<p>Our procedures included, among others, understanding the internal controls for measuring the biological asset, as well as analyzing the model used to estimate the fair value of biological asset, net of selling expenses.</p> <p>We tested the consistency of the information and main assumptions used to project the cash flows by comparing them with the Company's information and internal data and to public and/or market restricted information, as well as the calculation methodologies used by management.</p> <p>We compared the data to that used in management's key indicators for monitoring external data appropriate to the Company's core industry. We compared the data from these assessments to the related disclosures, including</p>

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Why it is a Key Audit Matter	How the matter was addressed in the audit
require management to exercise its judgment which may significantly affect the determination of the fair value of biological assets and, consequently, the balance sheet and the statement of income of the Parent company and Consolidated.	<p>the description of the main factors in the determination of and changes in the fair value less costs to sell of biological assets.</p> <p>Our audit procedures indicated the judgments applied and assumptions used by management to be reasonable, and the disclosures consistent with underlying information obtained during our audit.</p>

## Other matters

### Statements of Value Added

The parent company and consolidated Statements of Value Added for the year ended March 31, 2024, prepared under the responsibility of the Company's executive board and presented as supplementary information for IFRS Accounting Standards purposes, were submitted to audit procedures performed in conjunction with the audit of the Company's financial statements. For the purposes of forming our opinion, we evaluated whether these statements are reconciled with the financial statements and accounting records, as applicable, and if their form and content are in accordance with the criteria defined in Technical Pronouncement CPC 09 - "Statement of Value Added". In our opinion, these Statements of Value Added have been properly prepared in all material respects, in accordance with the criteria established in the Technical Pronouncement, and are consistent with the parent company and consolidated financial statements taken as a whole.

### Other information accompanying the parent company and consolidated financial statements and the auditor's report

The Company's executive board is responsible for the other information that comprises the Management Report

Our opinion on the parent company and consolidated financial statements does not cover the Management Report, and we do not express any form of audit conclusion thereon.

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

### Responsibilities of executive board and those charged with governance for the parent company and consolidated financial statements

Executive board is responsible for the preparation and fair presentation of the parent company and consolidated financial statements in accordance with accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) (currently described as "IFRS Accounting Standards" by the IFRS Foundation), and for such internal control as executive board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



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In preparing the parent company and consolidated financial statements, executive board is responsible for assessing the ability of the Company and its subsidiaries, as a whole, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless executive board either intends to liquidate the Company and its subsidiaries, as a whole, or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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



São Martinho S.A.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats to our independence or safeguards applied.

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

Ribeirão Preto, June 17, 2024

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

PricewaterhouseCoopers  
Auditores Independentes Ltda.  
CRC 2SP027654/F-4

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

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# Balance sheet

## March 31, 2024 and 2023

All amounts in thousands of reais

(A free translation of the original in Portuguese)

ASSETS	Note	Parent company		Consolidated	
		2024	2023	2024	2023
CURRENT ASSETS					
Cash and cash equivalents	4	204,467	272,342	204,560	273,408
Financial investments	4	2,672,698	2,643,193	2,946,218	2,804,873
Trade receivables	5	651,856	259,493	666,112	274,904
Derivative financial instruments	23	103,208	163,242	103,208	163,242
Inventories and advances to suppliers	6	602,885	687,944	609,479	694,118
Biological assets	7	1,364,508	1,160,568	1,364,508	1,160,568
Taxes recoverable	8	243,790	213,970	243,843	214,253
Income tax and social contribution	20	73,313	93,631	73,355	93,880
Related parties	9	105,200	-	-	-
Other assets		15,443	6,530	17,874	8,229
TOTAL CURRENT ASSETS		6,037,368	5,500,913	6,229,157	5,687,475
NON-CURRENT ASSETS					
Long-term receivables					
Financial investments	4	71,231	38,497	71,231	38,497
Inventories and advances to suppliers	6	126,731	224,678	126,731	224,678
Derivative financial instruments	23	207,898	225,568	207,898	225,568
Taxes recoverable	8	489,454	228,308	490,000	230,676
Income tax and social contribution	20	8,983	8,983	8,983	8,983
Judicial deposits	22	1,491,196	1,088,972	1,491,213	1,088,976
Trade receivables	5	-	-	32,272	40,692
Other assets	9, 16 and 17	369,560	234,287	369,560	234,425
Total long-term receivables		2,765,053	2,049,293	2,797,888	2,092,495
Investments	10	1,738,747	1,720,098	54,692	47,798
Property, plant and equipment	11	6,181,744	5,774,273	8,045,148	7,606,567
Intangible assets	12	443,304	439,135	454,967	464,125
Right-of-use assets	13	2,789,597	2,925,325	2,789,597	2,925,325
TOTAL NON-CURRENT ASSETS		13,918,445	12,908,124	14,142,292	13,136,310
TOTAL ASSETS		19,955,813	18,409,037	20,371,449	18,823,785
LIABILITIES AND EQUITY	Note	Parent company		Consolidated	
		2024	2023	2024	2023
CURRENT LIABILITIES					
Borrowings	14	1,094,298	1,028,224	1,096,406	1,028,509
Leases payable	13	108,047	115,855	108,047	115,855
Agricultural partnership payable	13	554,864	569,854	554,864	569,854
Derivative financial instruments	23	158,129	328,695	158,129	328,695
Trade payables	15	422,212	294,679	408,590	281,311
Payables to Copersucar	16	8,336	13,539	8,336	13,539
Salaries and social charges		238,995	193,597	240,837	195,162
Taxes payable		39,885	19,916	40,791	21,094
Income tax and social contribution	20	-	-	9,470	8,490
Dividend payable	18	150,139	5,963	150,139	5,963
Advances from customers		36,591	5,066	37,414	5,173
Acquisition of ownership interests	9 and 17	-	11,571	-	11,571
Other liabilities		27,311	18,558	41,407	30,565
TOTAL CURRENT LIABILITIES		2,838,807	2,605,517	2,854,430	2,615,781
NON-CURRENT LIABILITIES					
Borrowings	14	5,400,932	5,556,109	5,440,412	5,595,374
Leases payable	13	528,856	586,228	528,856	586,228
Agricultural partnership payable	13	1,682,993	1,769,834	1,682,993	1,769,834
Derivative financial instruments	23	13,596	7,250	13,596	7,250
Payables to Copersucar	16	173,709	162,986	173,709	162,986
Deferred income tax and social contribution	20	461,735	632,750	821,353	997,134
Provision for contingencies	22	123,251	110,706	124,166	111,541
Taxes with suspended payment	16(b)	1,869,563	1,063,378	1,869,563	1,063,378
Other liabilities		-	1,916	-	1,916
TOTAL NON-CURRENT LIABILITIES		10,254,635	9,891,157	10,654,648	10,295,641
EQUITY	18				
Share capital		3,941,717	3,161,384	3,941,717	3,161,384
Treasury shares		(16,325)	(139,997)	(16,325)	(139,997)
Carrying value adjustments		1,118,158	1,062,480	1,118,158	1,062,480
Revenue reserves		1,818,821	1,828,496	1,818,821	1,828,496
TOTAL EQUITY		6,862,371	5,912,363	6,862,371	5,912,363
TOTAL LIABILITIES AND EQUITY		19,955,813	18,409,037	20,371,449	18,823,785

The accompanying notes are an integral part of these financial statements.



## Statement of income

Years ended March 31, 2024 and 2023

All amounts in thousands of reais (other than earnings per share)

(A free translation of the original in Portuguese)

	Note	Parent company		Consolidated	
		2024	2023	2024	2023
Revenue	27	6,756,027	6,494,335	6,891,738	6,627,566
Cost of goods sold	28	(5,334,452)	(4,689,845)	(5,216,291)	(4,589,655)
Gross profit		1,421,575	1,804,490	1,675,447	2,037,911
Operating income (expenses)					
Selling expenses	28	(243,005)	(209,680)	(255,455)	(221,597)
General and administrative expenses	28	(326,074)	(250,241)	(343,266)	(264,367)
Equity in the results of investees	10	234,069	206,044	8,318	5,033
Other revenue, net	29	1,446,346	517,710	1,446,441	519,569
		1,111,336	263,833	856,038	38,638
Operating profit		2,532,911	2,068,323	2,531,485	2,076,549
Finance income (costs)	30				
Finance income		308,723	287,753	333,691	314,882
Finance costs		(935,202)	(895,891)	(939,183)	(898,220)
Monetary and foreign exchange variations, net		(93,894)	(174,942)	(93,894)	(174,942)
Derivatives		(45,478)	(124,657)	(45,478)	(124,657)
		(765,851)	(907,737)	(744,864)	(882,937)
Profit before income tax and social contribution		1,767,060	1,160,586	1,786,621	1,193,612
Income tax and social contribution	20(c)				
Current		(494,679)	(240,691)	(514,421)	(273,804)
Deferred		203,898	95,849	204,079	95,936
Profit for the year		1,476,279	1,015,744	1,476,279	1,015,744
Basic and diluted earnings per share - R\$	31	4.2622	2.9325	4.2622	2.9325

The accompanying notes are an integral part of these financial statements.

**Statement of comprehensive income**  
**Years ended March 31, 2024 and 2023**  
**All amounts in thousands of reais**

(A free translation of the original in Portuguese)

Parent company and Consolidated	2024	2023
Profit for the year	1,476,279	1,015,744
Items that will be subsequently reclassified to profit or loss		
Changes in the year:		
Changes in fair value		
Commodity derivatives - Futures, options and forward contracts	(36,315)	(38,879)
Foreign exchange derivatives - Options / NDF	94,651	58,616
Foreign exchange differences on borrowings (Trade Finance)	108,118	89,269
	<u>166,454</u>	<u>109,006</u>
Recognition in operating income		
Commodity derivatives - Futures, options and forward contracts	81,715	8,519
Foreign exchange derivatives - Options / NDF	(173,514)	(175,492)
Foreign exchange differences on borrowings (Trade Finance)	19,957	5,322
	<u>(71,842)</u>	<u>(161,651)</u>
Write-off due to ineffectiveness		
Commodity derivatives - Futures, options and forward contracts	128	(676)
Foreign exchange derivatives - Options / NDF	1,974	8,620
	<u>2,102</u>	<u>7,944</u>
Total changes in the year		
Commodity derivatives - Futures, options and forward contracts	45,528	(31,036)
Foreign exchange derivatives - Options / NDF	(76,889)	(108,256)
Foreign exchange differences on borrowings (Trade Finance)	128,075	94,591
Deferred taxes on the items above	(32,883)	15,198
	<u>63,831</u>	<u>(29,503)</u>
Comprehensive income for the year	<u>1,540,110</u>	<u>986,241</u>

The accompanying notes are an integral part of these financial statements.

# Statements of changes in equity

All amounts in thousands of reais

(A free translation of the original in Portuguese)

				Carrying value adjustments										
				Deemed cost		Hedge accounting	Others	Revenue reserves						
	Note	Share capital	Treasury shares	Parent	Investees			Legal	Capital budget reserve	Unrealized profit reserve	Tax incentive reserve	Additional dividends	Retained earnings	Total
At March 31, 2022		2,681,571	(139,997)	106,799	1,183,641	(190,610)	644	262,776	1,030,260	21,989	229,887	131,465	-	5,318,425
Capital increase with reserves	18(a)	479,813	-	-	-	-	-	-	(397,880)	-	(81,933)	-	-	-
Realization of surplus on revaluation of deemed cost	18 (c. i)	-	-	(8,910)	325	-	-	-	-	-	-	-	8,585	-
Gain (loss) on derivate transactions - hedge accounting	18 (c. ii)	-	-	-	-	(29,503)	-	-	-	-	-	-	-	(29,503)
Transfer to tax incentive reserve	18(d)	-	-	-	-	-	-	-	-	-	169,867	-	(169,867)	-
Recognition of unrealized revenue reserve, outstanding	18(d)	-	-	-	-	-	-	-	-	(5,932)	-	-	-	(5,932)
Payment of prior year's additional dividends	18(e)	-	-	-	-	-	-	-	-	-	-	(131,465)	-	(131,465)
Carrying value adjustments at investees		-	-	-	-	-	94	-	-	-	-	-	-	94
Profit for the year		-	-	-	-	-	-	-	-	-	-	-	1,015,744	1,015,744
Allocation of profit:														
Transfer to reserves	18 (d)	-	-	-	-	-	-	50,787	279,607	-	-	-	(330,394)	-
Interest on capital paid	18 (e)	-	-	-	-	-	-	-	-	-	-	-	(255,000)	(255,000)
Additional dividends	18 (e)	-	-	-	-	-	-	-	-	-	-	269,068	(269,068)	-
At March 31, 2023		3,161,384	(139,997)	97,889	1,183,966	(220,113)	738	313,563	911,987	16,057	317,821	269,068	-	5,912,363
Capital increase with reserves	18(a)	780,333	-	-	-	-	-	-	(632,380)	-	(147,953)	-	-	-
Cancellation of treasury shares	18(b)	-	139,997	-	-	-	-	-	(139,997)	-	-	-	-	-
Share buyback	18(b)	-	(16,325)	-	-	-	-	-	-	-	-	-	-	(16,325)
Realization of surplus on revaluation of deemed cost	18 (c. i)	-	-	(8,515)	(33)	-	-	-	-	-	-	-	8,548	-
Gain (loss) on derivate transactions - hedge accounting	18 (c. ii)	-	-	-	-	63,831	-	-	-	-	-	-	-	63,831
Transfer to tax incentive reserve	18(d)	-	-	-	-	-	-	-	-	-	333,607	-	(333,607)	-
Recognition of unrealized revenue reserve, outstanding	18(d)	-	-	-	-	-	-	-	-	(16,057)	-	-	-	(16,057)
Payment of prior year's additional dividends	18(e)	-	-	-	-	-	-	-	-	-	-	(269,068)	-	(269,068)
Carrying value adjustments of investees		-	-	-	-	-	395	-	-	-	-	-	-	395
Profit for the year		-	-	-	-	-	-	-	-	-	-	-	1,476,279	1,476,279
Allocation of profit:														
Transfer to reserves	18 (d)	-	-	-	-	-	-	73,814	788,359	-	-	-	(862,173)	-
Interest on capital paid	18(e)	-	-	-	-	-	-	-	-	-	-	-	(155,000)	(155,000)
Mandatory minimum dividends	18(e)	-	-	-	-	-	-	-	-	-	-	-	(134,047)	(134,047)
At March 31, 2024		3,941,717	(16,325)	89,374	1,183,933	(156,282)	1,133	387,377	927,969	-	503,475	-	-	6,862,371

The accompanying notes are an integral part of these financial statements.

# Statement of cash flows

## Years ended March 31, 2024 and 2023

### All amounts in thousands of reais

(A free translation of the original in Portuguese)

	Note	Parent company		Consolidated	
		2024	2023	2024	2023
Cash flows from operating activities					
Profit for the year		1,476,279	1,015,744	1,476,279	1,015,744
Adjustments					
Depreciation and amortization	28	1,137,270	1,071,191	1,141,214	1,075,457
Biological assets harvested	28	1,207,230	1,049,119	1,207,230	1,049,119
Changes in the fair value of biological assets, agricultural produce, and CBOs	28	10,314	176,167	10,314	176,167
Provision for losses on realization of inventories	28	2,814	-	2,814	-
Amortization of electric power supply contracts		-	-	8,800	5,642
Equity in the results of investees	10	(234,069)	(206,044)	(8,318)	(5,033)
Losses (gains) on investments and PP&E written off	11	(4,477)	2,745	(4,015)	2,745
Interest, inflation adjustments, and foreign exchange gains (losses), net		350,878	419,766	334,974	398,746
Derivative financial instruments		(26,502)	(36,987)	(26,502)	(36,987)
Setup of provision for contingencies, net	22.1	34,656	34,336	34,758	34,392
Income tax and social contribution	20 b	290,781	144,842	310,342	177,868
Taxes with suspended payment		806,186	337,544	806,186	337,544
Reversal of provision for impairment of trade receivables		-	-	14	-
Adjustment to present value and other adjustments		248,345	245,394	253,883	249,377
		5,299,705	4,253,817	5,547,973	4,480,781
Changes in assets and liabilities					
Trade receivables		(411,805)	(112,142)	(411,593)	(100,124)
Inventories		68,603	(52,163)	68,182	(52,325)
Taxes recoverable		(165,377)	(224,989)	(163,001)	(226,678)
Derivative financial instruments		(71,415)	(31,179)	(71,415)	(31,179)
Other assets		(406,145)	(299,646)	(405,283)	(299,366)
Trade payables		121,974	(61,304)	119,473	(77,099)
Salaries and social charges		45,397	2,862	45,674	3,376
Taxes payable		(493,198)	(237,696)	(497,703)	(242,525)
Payables to Copersucar		1,517	(2,446)	1,517	(2,446)
Provision for contingencies( settlement)	22.1	(40,481)	(22,801)	(40,584)	(22,801)
Other liabilities		39,780	(69,098)	41,786	(71,077)
Cash from operations		3,988,555	3,143,215	4,235,026	3,358,537
Payment of interest on borrowings	14	(455,230)	(309,914)	(456,637)	(310,702)
Income tax and social contribution paid		(3,556)	(32,734)	(17,889)	(60,467)
Net cash provided by operating activities		3,529,769	2,800,567	3,760,500	2,987,368
Cash flows from investing activities					
Financial investments		(8,965)	(11,837)	(8,965)	(11,837)
Additions to property, plant and equipment and intangible assets	11 and 12	(961,224)	(1,175,257)	(994,515)	(1,197,351)
Additions to biological assets (planting and crop treatments)		(1,495,098)	(1,373,806)	(1,495,098)	(1,373,806)
Financial investments		80,934	264,732	(8,017)	319,078
Proceeds from sale of property, plant and equipment	11	9,357	5,652	9,357	5,652
Advance for future capital increase		(105,200)	-	-	(139)
Dividends received		215,817	237,600	1,156	1,723
Net cash used in investing activities		(2,264,379)	(2,052,916)	(2,496,082)	(2,256,680)
Cash flows from financing activities					
Payment of leases and agricultural partnerships	13	(676,061)	(577,319)	(676,061)	(577,319)
Proceeds from borrowings – third parties	14	573,721	857,242	573,721	875,242
Repayment of borrowings - third parties	14	(812,990)	(494,266)	(812,990)	(494,266)
Acquisition of treasury shares		(10,482)	-	(10,482)	-
Other receipts		710	-	711	-
Payment of dividends and interest on capital		(408,163)	(375,840)	(408,165)	(375,840)
Net cash used in financing activities		(1,333,265)	(590,183)	(1,333,266)	(572,183)
Net increase (decrease) in cash and cash equivalents		(67,875)	157,468	(68,848)	158,505
Cash and cash equivalents at the beginning of the year	4	272,342	114,874	273,408	114,903
Cash and cash equivalents at the end of the year	4	204,467	272,342	204,560	273,408
<u>Additional information</u>					
Balance of financial investments (current assets)	4	2,672,698	2,643,193	2,946,218	2,804,873
Total available funds	4	2,877,165	2,915,535	3,150,778	3,078,281

The accompanying notes are an integral part of these financial statements.

**Statement of value added**  
**Years ended March 31, 2024 and 2023**  
**All amounts in thousands of reais**

(A free translation of the original in Portuguese)

	Parent company		Consolidated	
	2024	2023	2024	2023
Revenue				
Gross sales of goods and products	7,088,302	6,668,261	7,234,082	6,814,471
Revenue from construction of own assets	1,830,997	1,684,543	1,831,030	1,684,768
Changes in the provision for impairment of trade receivables	-	-	14	-
Other income	15,486	8,802	15,018	8,705
	8,934,785	8,361,606	9,080,144	8,507,944
Inputs acquired from third parties				
Cost of products and goods sold	(2,206,608)	(1,701,565)	(2,055,256)	(1,567,513)
Materials, electric power, third-party services, and other operations	(2,233,854)	(1,993,983)	(2,281,199)	(2,040,986)
Impairment of assets	(2,814)	-	(2,814)	-
	(4,443,276)	(3,695,548)	(4,339,269)	(3,608,499)
Gross value added	4,491,509	4,666,058	4,740,875	4,899,445
Depreciation and amortization	(1,137,270)	(1,071,191)	(1,141,214)	(1,075,457)
Biological assets harvested	(1,207,230)	(1,049,119)	(1,207,230)	(1,049,119)
Net value added generated by the entity	2,147,009	2,545,748	2,392,431	2,774,869
Value added received in transfer				
Equity in the results of investees	234,069	206,044	8,318	5,033
Finance income	650,160	670,565	675,241	697,920
Others	1,593,604	563,198	1,594,153	565,155
Total value added to be distributed	4,624,842	3,985,555	4,670,143	4,042,977
Distribution of value added				
Personnel and payroll charges				
Direct compensation	816,944	715,280	818,621	716,628
Benefits	312,253	274,358	313,767	275,612
Government Severance Indemnity Fund for Employees (FGTS)	71,697	69,028	71,825	69,145
Management compensation	41,279	36	42,767	1,463
Taxes, charges and contributions				
Federal	442,435	284,467	478,169	334,269
State	41,651	40,051	41,989	40,418
Municipal	1,675	1,886	2,032	2,193
Financing entities				
Interest	911,892	874,223	915,409	876,750
Rentals	12,140	8,671	12,177	8,708
Foreign exchange variations	287,769	456,016	287,773	456,065
Others	208,828	245,795	209,335	245,982
Payment of interest on capital	155,000	255,000	155,000	255,000
Retained earnings in the year	1,321,279	760,744	1,321,279	760,744
Value added distributed	4,624,842	3,985,555	4,670,143	4,042,977

The accompanying notes are an integral part of these financial statements.



## Notes to the financial statements at March 31, 2024

All amounts in thousands of reais unless otherwise stated

### 1. Operations

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

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

In March 2023, the Usina Boa Vista corn ethanol plant started operations, with an estimated capacity to process 495 thousand metric tons of corn, and produce 200 thousand cubic meters of ethanol per harvest, in addition to the production of Distillers Dried Grains with Solubles (DDGS) and corn oil, added to our portfolio of products.

São Martinho is a subsidiary of the holding company LJN Participações S.A. ("LJN"), which owns 54.92% interest in the Company's voting capital.

The issue of this financial Information was authorized by the Board of Directors on June 17, 2024.

### Geopolitical conflicts

Geopolitical conflicts can pose a risk to São Martinho as they may affect both revenue and operating costs. Conflicts in key oil production regions can cause significant fluctuations in product prices, tariffs, exchange rates, input costs, and logistics, depending on the situation. These risks may impact the Company's revenue and operating costs.

## Notes to the financial statements at March 31, 2024

All amounts in thousands of reais unless otherwise stated

### Climate changes

Risks associated with climate change, especially frosts, and water shortages from prolonged droughts, in addition to fires, can adversely affect the productivity of sugarcane plantations. Consequently, this can impact the production of sugar, ethanol, and other by-products, potentially affecting revenue, costs, and the value of biological assets.

### Tax Reform

On December 20, 2023, Constitutional Amendment 132 was enacted affecting consumption taxes. Numerous details, including the rates of the new taxes, are still pending regulation by Complementary Laws, which must be submitted to Congress for review within 180 days.

The new "dual VAT" model is segregated into a Federal jurisdiction Contribution on Goods and Services (CBS) to replace the PIS and COFINS, and at the level of the States, Federal District and Municipalities, a Tax on Goods and Services (IBS), to replace the State Value Added Tax (ICMS) and the Tax on Services (ISS). A Federal Selective Tax (IS), will also be levied on the production, extraction, sale, or import of goods and services deemed harmful to health and the environment, under the terms of a Complementary Law.

During the transition period from 2026 to 2032, both the old and new models will coexist. The impacts of the tax reform from the start of the transition period, will only be fully known once the process of regulating the pending issues by Complementary Laws is completed. Accordingly, the reform has no effect on these financial statements.

## 2. Summary of material accounting policies

### 2.1 Statement of compliance and basis of preparation

These financial statements have been prepared in accordance with accounting practices adopted in Brazil, which comprise the pronouncements issued by the Brazilian Accounting Pronouncements Committee (CPC) and the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") - currently referred to by the IFRS Foundation as "IFRS Accounting Standards"- and interpretations issued by the IFRS Interpretations Committee (IFRIC Interpretations) or its predecessor body, the Standing Interpretations Committee (SIC Interpretations).

## Notes to the financial statements at March 31, 2024

All amounts in thousands of reais unless otherwise stated

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

The presentation of the parent company and consolidated statement of value added, which is required by the Brazilian corporate legislation and the accounting practices adopted in Brazil applicable to publicly-held companies, was prepared in accordance with the criteria defined in Technical Pronouncement CPC 09 - Statement of Value Added. Under the IFRS the presentation of this statement is not required. Therefore, under the IFRS, the presentation of these statements is considered supplementary information and not part of the set of financial statements.

The significant accounting practices are described in the corresponding notes; those affecting various aspects of the financial statements are described below.

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

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in applying the accounting policies of the Company and its subsidiaries. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

### 2.2 New accounting standards that are not yet effective

The following amendments to standards were issued by the IASB but were not effective for the year ended March 31, 2024. The early adoption of standards, although encouraged by the IASB, has not been implemented in Brazil by the CPC.

- **Amendments to IAS 1/CPC 26 - "Presentation of Financial Statements"**: issued in May 2020, the amendments clarify that liabilities are classified as either current or non-current depending on the rights existing at the end of the reporting period. The classification is not affected by the entity's expectations or events after the reporting date (e.g., receipt of a waiver or breach of covenant). The amendments also clarify the definition of "settlement" of a liability under IAS 1. Subsequently, in October 2022, a new amendment was issued to clarify that liabilities with covenants which an entity must comply with only after the reporting date do not affect their classification as current or non-current. Only covenants that an entity is required to comply with on or before the reporting date affect

## Notes to the financial statements at March 31, 2024

All amounts in thousands of reais unless otherwise stated

classification as current or non-current, even if compliance is only assessed after the reporting date. The amendments to IAS 1 are effective from January 1, 2024, in the case of the Company, from April 1, 2024.

- **Amendment to IFRS 16/CPC 6 - Leases:** The amendment issued in September 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising from a sale-leaseback transaction, in order to ensure that it does not recognize any amount of gain or loss that relates to the right of use retained through the lease agreement. This amendment is effective for period beginning from January 1, 2024; in the case of the Company, from April 1, 2024.
- **Amendments to IAS 7 / CPC 3: Statements of Cash Flows:** the amendment issued in May 2023 outlines the characteristics of supplier finance arrangements and introduces requirements for an entity to disclose information about its supplier finance arrangements. The disclosure requirements aim at helping users of financial statements understand the effects of supplier financing arrangements on an entity's obligations, cash flows and exposure to liquidity risk. This amendment is effective for period beginning from January 1, 2024, in the case of the Company, from April 1, 2024.

There are no other IFRSs or IFRIC interpretations that are not yet effective, which could have a material impact on the financial information of the Company and its subsidiaries.

### 2.3 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 these financial statements reflect the equity interest held in the following companies:

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

- (i) SM Terras Imobiliárias and its subsidiaries, all Special-Purpose Entities (SPEs), engaged in real estate development activities.
- (ii) Companies In the pre-operating phase.

## Notes to the financial statements at March 31, 2024

All amounts in thousands of reais unless otherwise stated

### 2.4 Functional and presentation currency

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

### 2.5 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.

### 2.6 Financial instruments

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

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

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

#### a) Financial assets

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

#### b) Financial liabilities

The Company's financial liabilities include trade payables, borrowings, leases, agricultural partnerships, payables to related parties and other payables, which



## Notes to the financial statements at March 31, 2024

All amounts in thousands of reais unless otherwise stated

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 amortization, under the effective interest rate method.

### c) Derivative financial instruments

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

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

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

## 2.7 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 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 arising from a bargain purchase.

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

For business combinations, 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.

## Notes to the financial statements at March 31, 2024

All amounts in thousands of reais unless otherwise stated

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

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

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

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

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

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

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

#### **a) Impairment losses**

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

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

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

## Notes to the financial statements at March 31, 2024

All amounts in thousands of reais unless otherwise stated

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

The Company recognizes provisions when it is probable that additional taxes will be due. When the final outcome of 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. The Company considered as tax benefits the exclusion of ICMS deferral, reduction of the tax base, reduction of the tax rate, among others, in the IRPJ and CSLL calculations, as mentioned in Note 22.5.

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

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

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

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

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

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

## Notes to the financial statements at March 31, 2024

All amounts in thousands of reais unless otherwise stated

	Parent company			Consolidated		
	Annual yield	2024	2023	Annual yield	2024	2023
Cash and banks in Brazil		202	1,520		295	2,586
Cash and banks abroad (US Dollar)	4.2%	204,265	21,454	4.2%	204,265	21,454
Financial investments						
. Investments in foreign currency (i)	4.4%	-	249,368	4.4%	-	249,368
<b>Total cash and cash equivalents</b>		<b>204,467</b>	<b>272,342</b>		<b>204,560</b>	<b>273,408</b>
Financial investments						
. Investment fund	102.2% of CDI	2,645,006	2,404,356	102.2% of CDI	2,916,882	2,566,036
. Bank Deposit Certificate (CDB)	96.9% of CDI	27,692	238,837	94.6% of CDI	29,336	238,837
. Other (ii)	94.1% of CDI	71,231	38,497	94.1% of CDI	71,231	38,497
<b>Total financial investments</b>		<b>2,743,929</b>	<b>2,681,690</b>		<b>3,017,449</b>	<b>2,843,370</b>
<b>Total cash and cash equivalents and financial investments</b>		<b>2,948,396</b>	<b>2,954,032</b>		<b>3,222,009</b>	<b>3,116,778</b>
<b>In non-current assets</b>		<b>71,231</b>	<b>38,497</b>		<b>71,231</b>	<b>38,497</b>
<b>Total available funds</b>		<b>2,877,165</b>	<b>2,915,535</b>		<b>3,150,778</b>	<b>3,078,281</b>

(i) Time Deposits (TD).

(ii) Resources pledged as collateral for borrowings from 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.

	Parent company		Consolidated	
	2024	2023	2024	2023
Domestic market customers	325,170	92,808	372,402	149,628
Foreign market customers	326,712	166,711	326,712	166,711
(-) Expected credit losses	(26)	(26)	(730)	(743)
	651,856	259,493	698,384	315,596
<b>Current assets</b>	<b>(651,856)</b>	<b>(259,493)</b>	<b>(666,112)</b>	<b>(274,904)</b>
<b>Non-current assets</b>	<b>-</b>	<b>-</b>	<b>32,272</b>	<b>40,692</b>

Trade receivables by maturity:

	Parent company		Consolidated	
	2024	2023	2024	2023
Not yet due:	650,107	259,458	696,577	315,177
Overdue and not provided for:				
Up to 30 days	331	1	360	92
Over 30 days	1,418	34	1,447	327
	<b>651,856</b>	<b>259,493</b>	<b>698,384</b>	<b>315,596</b>

The balance includes R\$ 1,018 in the parent company, and R\$ 240 in the consolidated (R\$ 1,987 and R\$ 397 in the parent company and consolidated, respectively, on March 31, 2023) referring to related parties (Note 9).

## Notes to the financial statements at March 31, 2024

All amounts in thousands of reais unless otherwise stated

### 6. Inventories and advances to suppliers

	Parent company		Consolidated	
	2024	2023	2024	2023
Current				
Finished products and work-in-process	66,675	98,396	66,675	98,396
Raw material – Corn	157,034	251,944	157,034	251,944
Advances - purchases of sugarcane	48,601	45,235	48,601	45,235
Advances - purchases of inputs and finished products	95,314	76,593	95,314	76,593
RenovaBio - CBI Os(i)	1,642	4,209	1,642	4,209
Inputs, maintenance materials and other	236,433	211,567	236,433	211,567
Land subdivisions	-	-	6,594	6,174
Provision for losses on realization of inventories	(2,814)	-	(2,814)	-
	<b>602,885</b>	<b>687,944</b>	<b>609,479</b>	<b>694,118</b>
Non-current				
Advances - purchases of sugarcane	126,731	224,678	126,731	224,678
	<b>126,731</b>	<b>224,678</b>	<b>126,731</b>	<b>224,678</b>
	<b>729,616</b>	<b>912,622</b>	<b>736,210</b>	<b>918,796</b>

- (i) On March 31, 2024, the Company had 23,000 registered decarbonization credits (Cbios) carried at fair value (60,000 Cbios on March 31, 2023).

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

The balance includes advances recorded under inventories of R\$ 1,286 in the parent company and consolidated referring to related parties (Note 9).

### 7. Biological assets

Biological assets are agricultural products under cultivation (standing sugarcane) from bearer plants, which will be used as raw material in the manufacture of sugar and ethanol at the time of harvest. After each harvest, cultural practices are carried out to provide better conditions for the growth and development of the crop post-harvest. By implementing this process, the sugarcane crop (fixed asset) gains productivity and consequently increases its useful life. Therefore, expenditures on cultural practices are classified under the investment activities group in the cash flow statement.

Biological assets are carried at fair value less costs to sell.

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



## Notes to the financial statements at March 31, 2024

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

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

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

Parent Company and Consolidated	2024	2023
Estimated total harvested area (ha)	246,604	244,695
Amount of TRS per hectare	12.15	11.45
Projected average price of TRS (in R\$)	1.12	1.11

In these financial statements, a discount rate of 9.6% p.a. was used to calculate the fair value of biological assets (12.1% p.a. on March 31, 2023).

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

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

Parent Company and Consolidated	2024	2023
Historical cost	1,351,751	1,263,787
Fair value	(191,183)	(44,506)
<b>Biological assets - opening balance:</b>	<b>1,160,568</b>	<b>1,219,281</b>
Increases arising from crop treatments	868,238	883,054
Transfer from property, plant and equipment	527,313	206,519
Changes in fair value	(7,367)	(146,677)
Decreases resulting from harvest	(1,184,244)	(1,001,609)
<b>Biological assets - closing balance:</b>	<b>1,364,508</b>	<b>1,160,568</b>
Comprised of:		
Historical cost	1,563,058	1,351,751
Fair value	(198,550)	(191,183)
<b>Biological assets - closing balance:</b>	<b>1,364,508</b>	<b>1,160,568</b>

## Notes to the financial statements at March 31, 2024

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Sugarcane cultivation is 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 purposes of the sensitivity analysis, the Company assessed the impact on the fair value of its biological assets at March 31, 2024, considering an increase/decrease in the following variables: (i) price of the sugarcane metric ton; and (ii) sugarcane production volume. The other variables were held constant. Accordingly, a 5% increase or decrease in the price of sugarcane metric ton would result in an increase or decrease of R\$ 116,659. Regarding the production volume, the same 5% variation (up or down) would result in an increase or decrease of R\$ 107.625.

## 8. Taxes recoverable

	Parent company		Consolidated	
	2024	2023	2024	2023
Current				
PIS/COFINS	120,204	139,922	120,204	139,963
ICMS (i)	118,880	69,950	118,933	69,969
Reintegra	1,533	2,782	1,533	2,782
Others	3,173	1,316	3,173	1,539
	<b>243,790</b>	<b>213,970</b>	<b>243,843</b>	<b>214,253</b>
Non-current				
PIS/COFINS	107,858	116,394	107,858	116,394
ICMS (i)	363,278	94,783	363,824	97,151
IOF on derivatives	10,285	9,701	10,285	9,701
INSS	8,033	7,430	8,033	7,430
	<b>489,454</b>	<b>228,308</b>	<b>490,000</b>	<b>230,676</b>
	<b>733,244</b>	<b>442,278</b>	<b>733,843</b>	<b>444,929</b>

(i) Changes in the balance of ICMS recoverable refer substantially to credits from intermediate materials considered essential to the production process, in the amount of R\$ 275,515. These credits were recognized following a favorable decision in a Declaratory Action (Note 22.6). The amount was recorded as follows: R\$ 188,547 under Other income (Note 29), R\$ 81,032 under Finance result, relating to indexation accruals on the receivables, and R\$ 5,936 under Inventories and costs. The credits will be used substantially in the Company's operations.

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



## Notes to the financial statements at March 31, 2024

All amounts in thousands of reais unless otherwise stated

### 9. Related parties

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

	Parent company		Consolidated	
	2024	2023	2024	2023
Current assets				
Trade receivables (i)				
Bio BV	229	1,188	-	-
Bio SM	360	303	-	-
Bio SC	27	16	-	-
SM Terras Imobiliárias	77	27	-	-
SM Terras Agrícolas	7	12	-	-
Others	318	441	240	397
	<b>1,018</b>	<b>1,987</b>	<b>240</b>	<b>397</b>
Inventories and advances to suppliers				
CTC - Centro de Tecnologia Canavieira S.A.	295	-	295	-
Others	991	-	991	-
	<b>1,286</b>	<b>-</b>	<b>1,286</b>	<b>-</b>
Advance for future capital increase				
Biometano SC (ii)	105,200	-	-	-
	<b>105,200</b>	<b>-</b>	<b>-</b>	<b>-</b>
Non-current assets				
Other assets				
Luiz Ometto Participações S.A. (Note 17)	-	19,590	-	19,590
	<b>-</b>	<b>19,590</b>	<b>-</b>	<b>19,590</b>
Current liabilities				
Trade payables				
SM Terras Agrícolas	18,647	16,316	-	-
SM Terras Imobiliárias	-	1,782	-	-
Bio SC	245	140	-	-
CTC - Centro de Tecnologia Canavieira S.A.	106	210	106	210
Others	20	15	20	15
	<b>19,018</b>	<b>18,463</b>	<b>126</b>	<b>225</b>
Acquisition of ownership interest				
Luiz Ometto Participações S.A. (Note 17)	-	11,571	-	11,571
	<b>-</b>	<b>11,571</b>	<b>-</b>	<b>11,571</b>
Current and non-current liabilities				
Leases and agricultural partnerships payable from stockholders and related parties	543,794	612,986	543,794	612,986

(i) Relate substantially to the apportionment of expenses with administrative services and sale of steam.

(ii) Relates to the capital contribution for the construction of the Biomethane plant (Note 2.3).

## Notes to the financial statements at March 31, 2024

All amounts in thousands of reais unless otherwise stated

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

	Parent company		Consolidated	
	2024	2023	2024	2023
Sales revenue				
Bio BV	8,489	11,366	-	-
Bio SM	7,723	7,862	-	-
Bio SC	4,740	5,932	-	-
	<b>20,952</b>	<b>25,160</b>	<b>-</b>	<b>-</b>
Lease revenue (purchase of products and services) / reimbursed expenses				
SM Terras Agrícolas	(95,528)	(73,135)	-	-
CTC - Centro de Tecnologia Canavieira S.A.	(21,909)	(23,200)	(21,919)	(16,172)
SM Terras Imobiliárias	(34,123)	(34,863)	-	-
Bio SC	(825)	(877)	-	-
Bio BV	446	206	-	-
Bio SM	127	82	-	-
	<b>(151,812)</b>	<b>(131,787)</b>	<b>(21,919)</b>	<b>(16,172)</b>
Stockholders and related parties				
Sugarcane purchases / land leases / agricultural partnership and land lease / reimbursed expenses				
Agro Pecuária Boa Vista S/A	(59,964)	(60,003)	(59,964)	(60,003)
Others	(22,310)	(16,360)	(22,597)	(16,649)
	<b>(82,274)</b>	<b>(76,363)</b>	<b>(82,561)</b>	<b>(76,652)</b>
Finance income (costs)				
Finance income (costs)				
Luiz Ometto Participações S.A. (Note 17)	946	946	(149)	(149)
Other (i)	(50,117)	(59,167)	(50,117)	(59,167)
	<b>(49,171)</b>	<b>(58,221)</b>	<b>(50,266)</b>	<b>(59,316)</b>

(i) Adjustment to present value of partnership contracts and leases, net of taxes.

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

### c) Management compensation:

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

	Parent company		Consolidated	
	2024	2023	2024	2023
Fixed and variable compensation, and benefits	39,319	28,296	41,745	29,363
Social security contributions	7,686	2,265	8,118	2,265
<b>Total compensation and charges</b>	<b>47,005</b>	<b>30,561</b>	<b>49,863</b>	<b>31,628</b>

## Notes to the financial statements at March 31, 2024

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### d) Long-term incentive plans:

São Martinho offers 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.

On December 11, 2023, the Board of Directors approved the granting of 1,393,489 new options, through the 15th Stock Option Plan, and 438,000 share options (exercisable in December 2028), the regulations of which are filed at the Company's headquarters.

The carrying amount of the liability relating to the new fair value calculation of the Virtual Stock Option Plan is R\$ 22,364 (R\$ 12,556 at March 31, 2023).

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

Plan	10th Plan	11th Plan	12th Plan	13th Plan	14th Plan	15th Plan	Total
Plan issue date	12/10/2018	12/09/2019	12/14/2020	12/13/2021	12/12/2022	12/11/2023	
Deadline for exercise	2025	2026	2027	2028	2029	2030	
Number of virtual options granted	1,133,513	1,072,712	754,980	563,175	1,463,211	1,393,489	6,381,080
Number of virtual options exercised/cancelled	(828,137)	(428,686)	(82,211)	(24,896)	(56,325)	-	(1,420,255)
<b>Number of virtual options to be exercised</b>	<b>305,376</b>	<b>644,026</b>	<b>672,769</b>	<b>538,279</b>	<b>1,406,886</b>	<b>1,393,489</b>	<b>4,960,825</b>
Exercise price (R\$)	19.07	19.38	24.22	37.17	27.44	33.70	

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

## 10. Investments

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

Company	Ownership interest %	Equity		Book value of investment		Equity in the results of investees	
		2024	2023	2024	2023	2024	2023
Classified as Investments							
SM Terras Agrícolas	100.00%	855,747	839,802	855,747	839,802	90,695	69,758
SM Terras Imobiliárias	100.00%	672,337	686,649	672,337	686,996	29,329	32,709
Bio SC	100.00%	55,937	47,593	58,172	58,726	47,632	27,692
SM Inova	100.00%	49,455	42,361	49,455	42,361	8,345	5,029
Bio SM	100.00%	36,142	27,805	36,142	27,805	20,337	27,197
Bio BV	100.00%	35,435	32,123	35,435	32,123	38,511	43,459
Bioenergia SM	100.00%	29,218	31,189	29,218	31,189	(1,971)	119
SM Logística	100.00%	1,141	1,097	1,141	1,096	91	81
Biometano SC	100.00%	1,100	-	1,100	-	1,100	-
Total classified as Investments		1.736.512	1.708.619	1.738.747	1.720.098	234.069	206.044

## Notes to the financial statements at March 31, 2024

All amounts in thousands of reais unless otherwise stated

				Consolidated			
Company	Ownership interest %	Equity		Book value of investment		Equity in the results of investees	
		2024	2023	2024	2023	2024	2023
Classified as Investments							
CTC - Centro de Tecnologia Canavieira S.A. (i)	5.41%	980,599	862,600	53,094	46,705	8,315	4,950
Others		-	-	1,598	1,093	3	83
Total classified as Investments		980,599	862,600	54,692	47,798	8,318	5,033

- (i) Pursuant to item 16 of CPC 18 (R2), the interest held by the Company in CTC is accounted for under the equity method, since the Company, through its subsidiary SM Inova has significant influence over the investee, in view of its direct participation in the investee's Board of Directors.

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

Changes in investments during the year were as follows:

	Parent company		Consolidated	
	2024	2023	2024	2023
<b>At the beginning of the year</b>	<b>1,720,098</b>	<b>1,751,559</b>	<b>47,798</b>	<b>45,565</b>
Equity in the results of investees	234,069	206,044	8,318	5,033
Payment of capital	1	-	139	-
Dividends paid	(215,816)	(237,599)	(1,975)	(2,899)
Other effects of investments	395	94	412	99
<b>At the end of the year</b>	<b>1,738,747</b>	<b>1,720,098</b>	<b>54,692</b>	<b>47,798</b>

## 11. Property, plant and equipment

The assets' net book values and useful lives, as well as the depreciation methods, are reviewed at each year-end, and adjusted prospectively, where applicable. For the year ended March 31, 2024, there were no changes in the useful life of the assets. Depreciation is calculated using the straight-line method; for production equipment, the accelerated depreciation method is applied, taking into consideration the crushing season.

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

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



## Notes to the financial statements at March 31, 2024

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Parent company	Land	Buildings and facilities	Manufacturing equipment and facilities	Vehicles	Agricultural machinery and implements	Sugarcane plantations	Construction in progress	Other PP&E	Total
<b>At March 31, 2022</b>	<b>96,046</b>	<b>418,728</b>	<b>1,365,682</b>	<b>335,253</b>	<b>451,619</b>	<b>1,521,169</b>	<b>724,727</b>	<b>43,411</b>	<b>4,956,635</b>
Acquisitions	-	41	6,437	50,935	26,822	495,783	589,577	4,727	1,174,322
Intercrop maintenance	-	-	275,457	82,987	102,220	-	-	-	460,664
Transfer of PP&E/biological assets	-	-	-	-	-	(206,519)	-	-	(206,519)
Cost of sale	-	(3)	(22)	(949)	(4,092)	(30)	-	(3,301)	(8,397)
Transfer between groups	-	145,234	555,920	910	(19,516)	24,863	(708,605)	1,194	-
Depreciation	-	(14,553)	(333,233)	(107,903)	(135,846)	-	-	(10,897)	(602,432)
<b>At March 31, 2023</b>	<b>96,046</b>	<b>549,447</b>	<b>1,870,241</b>	<b>361,233</b>	<b>421,207</b>	<b>1,835,266</b>	<b>605,699</b>	<b>35,134</b>	<b>5,774,273</b>
Total cost	96,046	690,946	2,808,247	590,024	840,405	1,835,266	605,699	193,762	7,660,395
Accumulated depreciation	-	(141,499)	(938,889)	(228,444)	(418,662)	-	-	(158,628)	(1,886,122)
<b>Net book value</b>	<b>96,046</b>	<b>549,447</b>	<b>1,869,358</b>	<b>361,580</b>	<b>421,743</b>	<b>1,835,266</b>	<b>605,699</b>	<b>35,134</b>	<b>5,774,273</b>
<b>At March 31, 2023</b>	<b>96,046</b>	<b>549,447</b>	<b>1,869,358</b>	<b>361,580</b>	<b>421,743</b>	<b>1,835,266</b>	<b>605,699</b>	<b>35,134</b>	<b>5,774,273</b>
Acquisitions	-	4,189	14,820	10,366	96,600	631,989	353,177	1,763	1,112,904
Intercrop maintenance	-	-	276,247	95,862	129,218	-	-	-	501,327
Transfer of PP&E/biological assets	-	-	-	-	-	(527,313)	-	-	(527,313)
Cost of sale	-	-	(796)	(2,284)	(1,792)	-	-	(8)	(4,880)
Transfer between groups	-	40,771	372,386	12,635	33,692	7,642	(469,402)	2,276	-
Depreciation	-	(17,493)	(369,858)	(117,297)	(161,002)	-	-	(8,917)	(674,567)
<b>At March 31, 2024</b>	<b>96,046</b>	<b>576,914</b>	<b>2,162,157</b>	<b>360,862</b>	<b>518,459</b>	<b>1,947,584</b>	<b>489,474</b>	<b>30,248</b>	<b>6,181,744</b>
Total cost	96,046	735,906	3,262,120	634,704	984,047	1,947,584	489,474	197,733	8,347,614
Accumulated depreciation	-	(158,992)	(1,099,963)	(273,842)	(465,588)	-	-	(167,485)	(2,165,870)
<b>Net book value</b>	<b>96,046</b>	<b>576,914</b>	<b>2,162,157</b>	<b>360,862</b>	<b>518,459</b>	<b>1,947,584</b>	<b>489,474</b>	<b>30,248</b>	<b>6,181,744</b>
Residual value:									
Historical cost	24,759	521,826	2,016,670	347,829	508,564	1,947,584	489,474	30,248	5,886,954
Surplus on revaluation	71,287	55,088	145,487	13,033	9,895	-	-	-	294,790
Annual average depreciation rates/ Transfer of biological assets	-	2%	4%	7%	9%	14%	-	14%	

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Consolidated	Land	Buildings and facilities	Manufacturing equipment and facilities	Vehicles	Agricultural machinery and implements	Sugarcane plantations	Construction in progress	Improvements and other PPE	Total
<b>At March 31, 2022</b>	<b>1,816,933</b>	<b>419,701</b>	<b>1,430,604</b>	<b>335,253</b>	<b>451,621</b>	<b>1,521,167</b>	<b>752,518</b>	<b>43,414</b>	<b>6,771,211</b>
Acquisitions	-	41	6,437	50,935	26,822	495,783	610,667	4,727	1,195,412
Intercrop maintenance	-	-	259,802	84,631	117,519	-	-	-	461,952
Cost of sale	(178)	5	(22)	(949)	(4,093)	(30)	-	(3,301)	(8,568)
Transfer of biological assets	-	-	-	-	-	(206,519)	-	-	(206,519)
Transfer between groups	-	145,234	555,920	910	(19,516)	24,863	(708,605)	1,194	-
Depreciation	-	(14,603)	(320,730)	(109,548)	(151,146)	-	-	(10,894)	(606,921)
<b>At March 31, 2023</b>	<b>1,816,755</b>	<b>550,378</b>	<b>1,932,011</b>	<b>361,232</b>	<b>421,207</b>	<b>1,835,264</b>	<b>654,580</b>	<b>35,140</b>	<b>7,606,567</b>
Total cost	1,816,755	694,006	2,909,759	590,024	840,407	1,835,265	654,580	193,775	9,534,571
Accumulated depreciation	-	(143,628)	(978,630)	(228,445)	(418,664)	-	-	(158,637)	(1,928,004)
<b>Net book value</b>	<b>1,816,755</b>	<b>550,378</b>	<b>1,931,129</b>	<b>361,579</b>	<b>421,743</b>	<b>1,835,265</b>	<b>654,580</b>	<b>35,138</b>	<b>7,606,567</b>
<b>At March 31, 2023</b>	<b>1,816,755</b>	<b>550,378</b>	<b>1,931,129</b>	<b>361,579</b>	<b>421,743</b>	<b>1,835,265</b>	<b>654,580</b>	<b>35,138</b>	<b>7,606,567</b>
Acquisitions	4,500	4,189	15,184	10,366	96,600	631,989	383,417	1,763	1,148,008
Intercrop maintenance	-	-	276,710	95,862	129,218	-	-	-	501,790
Transfer of biological assets	-	-	-	-	-	(527,313)	-	-	(527,313)
Cost of sale	(462)	-	(796)	(2,284)	(1,792)	-	-	(8)	(5,342)
Transfer between groups	-	41,889	425,525	12,635	33,692	7,642	(523,659)	2,276	-
Depreciation	-	(17,538)	(373,806)	(117,297)	(161,002)	-	-	(8,919)	(678,562)
<b>At March 31, 2024</b>	<b>1,820,793</b>	<b>578,918</b>	<b>2,273,946</b>	<b>360,861</b>	<b>518,459</b>	<b>1,947,583</b>	<b>514,338</b>	<b>30,250</b>	<b>8,045,148</b>
Total cost	1,820,793	740,086	3,417,738	634,704	984,047	1,947,583	514,338	197,748	10,257,037
Accumulated depreciation	-	(161,168)	(1,143,792)	(273,843)	(465,588)	-	-	(167,498)	(2,211,889)
<b>Net book value</b>	<b>1,820,793</b>	<b>578,918</b>	<b>2,273,946</b>	<b>360,861</b>	<b>518,459</b>	<b>1,947,583</b>	<b>514,338</b>	<b>30,250</b>	<b>8,045,148</b>
Residual value:									
Historical cost	171,565	523,033	2,115,686	347,828	508,564	1,947,583	514,338	30,250	6,158,847
Surplus on revaluation	1,649,228	55,885	158,260	13,033	9,895	-	-	-	1,886,301
Annual average depreciation rates/ Transfer of biological assets	-	2%	4%	8%	9%	14%	-	12%	

## Notes to the financial statements at March 31, 2024

All amounts in thousands of reais unless otherwise stated

The corn ethanol plant started operations during the year ended March 31, 2023, and consequently the balance of "Construction in Progress" was transferred to the respective classes of assets.

The amount recorded under "Construction in Progress" refers mainly to the construction of the biogas plant, scheduled for completion in August 2025, and the irrigation plan project, scheduled for June 2024.

Some property, plant and equipment items were pledged as collateral for certain borrowings obtained by São Martinho. The total carrying amount of these assets in the consolidated accounts is R\$ 803,770, of which R\$ 39,144 corresponds to rural properties, which cover a total area of 1,505 hectares of land.

Financial charges capitalized during the year amounted to R\$ 8,199 (R\$ 11,574 at March 31, 2023).

## 12. Intangible assets

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

Parent company	Goodwill based on future profitability (i)	Rights on sugarcane contracts (ii)	Software	Forest easement right	Other intangible assets	Intangible assets under construction	Total
<b>At March 31, 2022</b>	<b>374,632</b>	<b>18,898</b>	<b>8,925</b>	<b>36</b>	<b>1,291</b>	<b>20,107</b>	<b>423,889</b>
Acquisitions	-	-	1,618	-	-	16,391	18,009
Cost of sale	-	-	-	(7)	-	-	(7)
Amortization	-	(1,065)	(1,691)	-	-	-	(2,756)
<b>At March 31, 2023</b>	<b>374,632</b>	<b>17,833</b>	<b>8,852</b>	<b>29</b>	<b>1,291</b>	<b>36,498</b>	<b>439,135</b>
Total cost	384,118	42,443	43,438	29	1,291	36,498	507,817
Accumulated amortization	(9,486)	(24,610)	(34,586)	-	-	-	(68,682)
<b>Net book value</b>	<b>374,632</b>	<b>17,833</b>	<b>8,852</b>	<b>29</b>	<b>1,291</b>	<b>36,498</b>	<b>439,135</b>
<b>At March 31, 2023</b>	<b>374,632</b>	<b>17,833</b>	<b>8,852</b>	<b>29</b>	<b>1,291</b>	<b>36,498</b>	<b>439,135</b>
Acquisitions	-	-	13,563	-	-	-	13,563
Transfer between groups	-	-	36,294	-	-	(36,294)	-
Amortization	-	(1,064)	(8,330)	-	-	-	(9,394)
<b>At March 31, 2024</b>	<b>374,632</b>	<b>16,769</b>	<b>50,379</b>	<b>29</b>	<b>1,291</b>	<b>204</b>	<b>443,304</b>
Total cost	384,118	42,443	93,295	29	1,291	204	521,380
Accumulated amortization	(9,486)	(25,674)	(42,916)	-	-	-	(78,076)
<b>Net book value</b>	<b>374,632</b>	<b>16,769</b>	<b>50,379</b>	<b>29</b>	<b>1,291</b>	<b>204</b>	<b>443,304</b>
Annual average amortization rates	-	3%	20%	-	-	-	-

## Notes to the financial statements at March 31, 2024

All amounts in thousands of reais unless otherwise stated

Consolidated	Goodwill based on future profitability (i)	Rights on sugarcane contracts (ii)	Rights on electric power supply contracts	Software	Forest easement right	Other intangible assets	Intangible assets under construction	Total
<b>At March 31, 2022</b>	<b>374,632</b>	<b>18,898</b>	<b>21,883</b>	<b>8,925</b>	<b>11,530</b>	<b>1,291</b>	<b>20,154</b>	<b>457,313</b>
Acquisitions	-	-	-	1,618	113	-	16,393	18,124
Cost of sale	-	-	-	-	(7)	-	-	(7)
Amortization	-	(1,065)	(8,549)	(1,691)	-	-	-	(11,305)
<b>At March 31, 2023</b>	<b>374,632</b>	<b>17,833</b>	<b>13,334</b>	<b>8,852</b>	<b>11,636</b>	<b>1,291</b>	<b>36,547</b>	<b>464,125</b>
Total cost	384,118	42,443	103,401	43,438	11,636	1,291	36,547	622,874
Accumulated amortization	(9,486)	(24,610)	(90,067)	(34,586)	-	-	-	(158,749)
<b>Net book value</b>	<b>374,632</b>	<b>17,833</b>	<b>13,334</b>	<b>8,852</b>	<b>11,636</b>	<b>1,291</b>	<b>36,547</b>	<b>464,125</b>
<b>At March 31, 2023</b>	<b>374,632</b>	<b>17,833</b>	<b>13,334</b>	<b>8,852</b>	<b>11,636</b>	<b>1,291</b>	<b>36,547</b>	<b>464,125</b>
Acquisitions	-	-	-	13,563	-	-	7	13,570
Transfer between groups	-	-	-	36,294	-	-	(36,294)	-
Amortization	-	(1,064)	(13,334)	(8,330)	-	-	-	(22,728)
<b>At March 31, 2024</b>	<b>374,632</b>	<b>16,769</b>	<b>-</b>	<b>50,379</b>	<b>11,636</b>	<b>1,291</b>	<b>260</b>	<b>454,967</b>
Total cost	384,118	42,443	103,401	93,295	11,636	1,291	260	636,444
Accumulated amortization	(9,486)	(25,674)	(103,401)	(42,916)	-	-	-	(181,477)
<b>Net book value</b>	<b>374,632</b>	<b>16,769</b>	<b>-</b>	<b>50,379</b>	<b>11,636</b>	<b>1,291</b>	<b>260</b>	<b>454,967</b>
Annual average amortization rates	-	3%	10%	20%	-	-	-	-

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

Goodwill allocation	2024	2023
Sugar	242,960	242,960
Ethanol	122,579	122,579
Others	9,093	9,093
	<b>374,632</b>	<b>374,632</b>

- (ii) Relates to the acquisition of rights to agricultural partnership and sugarcane supply contracts, which have a useful life defined pursuant to their contractual relationship, with amortization calculated on the basis of the quantity of sugarcane harvested during the term of the contract with the partner or supplier.

### Impairment of non-financial assets

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

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

On March 31, 2024, the Company tested its non-current assets for impairment. The assessment was based on calculations of the value in use of each CGU, using pre-tax cash flow projections supported by financial budgets approved by management. The growth rate does not exceed the long-term average growth rate of the sector in which the CGU operates.

## Notes to the financial statements at March 31, 2024

All amounts in thousands of reais unless otherwise stated

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

Main assumptions used by the Company (data from March 31, 2024):

Cash-generating Units	Nominal perpetuity growth rate	Nominal discount rate
São Martinho production unit	5.00%	9.56%
Santa Cruz production unit	5.00%	9.56%

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

São Martinho adopts IFRS 16 (CPC 06 (R2)) - Leases, which introduces a single accounting model for leases and agricultural partnerships in the balance sheet. Right-of-use assets were recognized in assets and lease payment obligations in liabilities.

Definitions used:

#### Lease

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

#### The Company as the Lessee

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

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

Changes relating to Right-of-use assets, Lease liabilities, and Agricultural partnerships are shown below:



## Notes to the financial statements at March 31, 2024

All amounts in thousands of reais unless otherwise stated

### a) Right-of-use assets

	Parent Company and Consolidated			
	Vehicles	Agricultural partnership	Agricultural lease	Total
<b>At March 31, 2022</b>	<b>4,439</b>	<b>2,452,464</b>	<b>627,409</b>	<b>3,084,312</b>
Additions	34,001	336,581	148,235	518,817
Reductions	(9,421)	(65,383)	(552)	(75,356)
Remeasurement	-	(69,716)	(5,864)	(75,580)
Depreciation	(7,925)	(420,366)	(98,577)	(526,868)
<b>At March 31, 2023</b>	<b>21,094</b>	<b>2,233,580</b>	<b>670,651</b>	<b>2,925,325</b>
Additions	7,664	492,986	2,121	502,771
Reductions	(1,409)	(11,209)	-	(12,618)
Remeasurement	-	(107,781)	17,010	(90,771)
Depreciation	(18,660)	(419,683)	(96,767)	(535,110)
<b>At March 31, 2024</b>	<b>8,689</b>	<b>2,187,893</b>	<b>593,015</b>	<b>2,789,597</b>
Useful lives (years)	1 to 2	2 to 29	2 to 20	

### b) Lease liabilities and agricultural partnership

	Parent Company and Consolidated		
	Leases payable	Agricultural partnership	Total
<b>At March 31, 2022</b>	<b>621,533</b>	<b>2,385,318</b>	<b>3,006,851</b>
Offset of advances	-	(18,789)	(18,789)
Additions	182,236	336,581	518,817
Reductions	(14,698)	(72,686)	(87,384)
Payments made	(152,322)	(424,997)	(577,319)
Financial charges	71,198	203,977	275,175
Remeasurement	(5,864)	(69,716)	(75,580)
<b>At March 31, 2023</b>	<b>702,083</b>	<b>2,339,688</b>	<b>3,041,771</b>
Offset of advances	-	(137,683)	(137,683)
Additions	9,784	492,987	502,771
Reductions	(1,603)	(22,386)	(23,989)
Payments made	(155,327)	(520,734)	(676,061)
Financial charges	64,956	193,766	258,722
Remeasurement	17,010	(107,781)	(90,771)
<b>At March 31, 2024</b>	<b>636,903</b>	<b>2,237,857</b>	<b>2,874,760</b>
Total in current liabilities	108,047	554,864	662,911
Total in non-current liabilities	528,856	1,682,993	2,211,849
<b>At March 31, 2024</b>	<b>636,903</b>	<b>2,237,857</b>	<b>2,874,760</b>



## Notes to the financial statements at March 31, 2024

All amounts in thousands of reais unless otherwise stated

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

Maturity	and Consolidated
From 4/1/2025 to 3/31/2026	619,566
From 4/1/2026 to 3/31/2027	558,988
From 4/1/2027 to 3/31/2028	439,994
From 4/1/2028 to 3/31/2029	358,178
From 4/1/2029 to 3/31/2030	283,440
From 4/1/2030 to 3/31/2031	251,563
From 4/1/2031 to 3/31/2032	209,103
From 4/1/2032 onwards	771,701
(-) Adjustment to present value	(1,280,684)
	<b>2,211,849</b>

The table below shows the potentially recoverable to PIS/COFINS from lease payments:

Parent Company and Consolidated	Agricultural lease	Adjustment to present value
Lease payment	973,673	310,231
Potentially recoverable PIS/COFINS (9.25%)	(68,744)	(21,320)
	<b>904,929</b>	<b>288,911</b>

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

Parent Company and Consolidated	
Contract terms	Incremental rate
2 years	8.73%
3 years	9.77%
4 years	8.87%
5 years	9.90%
6 years	10.39%
7 years	10.26%
8 years	9.54%
9 years	10.89%
10 years	9.24%
11 years	10.54%
From 12 to 30 years	10.47%

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

## Notes to the financial statements at March 31, 2024

All amounts in thousands of reais unless otherwise stated

To comply 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 is presented for the year ended March 31, 2024 and future periods using a discounted cash flows with future inflation projected in the payment flows, and discounted at the nominal rates presented above:

Parent Company and Consolidated	From 4/1/2025 to 3/31/2026	From 4/1/2026 to 3/31/2027	From 4/1/2027 to 3/31/2028	From 4/1/2028 to 3/31/2029	From 4/1/2029 to 3/31/2030	From 4/1/2030 to 3/31/2035	From 4/1/2035 to 3/31/2040	From 4/1/2040 onwards
Right-of-use assets								
IFRS 16	2,263,217	1,829,328	1,437,394	1,138,557	901,089	227,198	47,954	-
CVM Official Letter	3,383,068	2,741,504	2,169,050	1,725,271	1,374,159	373,366	89,385	-
	49.48%	49.86%	50.90%	51.53%	52.50%	64.34%	86.40%	N/A
Lease liability and agricultural partnership								
IFRS 16	2,114,458	1,685,300	1,304,357	1,019,777	798,253	201,546	41,715	-
CVM Official Letter	7,718,359	6,641,486	5,655,861	4,834,459	4,149,582	1,945,661	1,145,942	780,764
	265.03%	294.08%	333.61%	374.07%	419.83%	865.37%	2647.07%	N/A
Amortization expense								
IFRS 16	(517,690)	(433,888)	(391,935)	(298,837)	(237,467)	(673,891)	(179,245)	(47,954)
CVM Official Letter	(808,486)	(641,564)	(572,453)	(443,779)	(351,112)	(1,000,793)	(283,981)	(89,385)
	56.17%	47.86%	46.06%	48.50%	47.86%	48.51%	58.43%	86.40%
Interest expenses								
IFRS 16	(180,545)	(177,284)	(170,661)	(153,105)	(137,410)	(500,230)	(173,639)	(68,300)
CVM Official Letter	(239,907)	(231,531)	(223,979)	(202,764)	(185,500)	(788,554)	(248,895)	(119,164)
	32.88%	30.60%	31.24%	32.43%	35.00%	57.64%	43.34%	74.47%

	IFRS 16/CPC 06	CVM Official Letter
Amortization expense	(2,780,907)	(4,191,553)
Interest expenses	(1,561,174)	(2,240,294)
	(4,342,081)	(6,431,847)

## 14. Borrowings

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

Type	Annual charges		Parent company		Consolidated	
	Rate	Index	2024	2023	2024	2023
<b>In local currency</b>						
BNDES credit facility	2.13% (1.8% - 2023)	+TJLP	90,619	105,197	90,619	105,197
BNDES credit facility	4.27% (3.5% - 2023)	+IPCA	1,261,389	815,861	1,302,977	855,411
BNDES credit facilities (ii)	4.78% (6.2% - 2023)	Fixed rate	183,246	164,777	183,246	164,777
FINEP	4.0%	Fixed rate	3,377	23,641	3,377	23,641
FINEP	2.7%	TR	140,894	-	140,894	-
Agro Export	0.6%	+CDI	104,370	92,286	104,370	92,286
Rural credit (ii)	8.0%	+ Referential Rate (TR)	185,723	339,355	185,723	339,355
Agribusiness Receivable Certificate (CRA)	98.5%	CDI	922,970	929,719	922,970	929,719
Agribusiness Receivable Certificate (CRA)	4.68% (4.9% - 2023)	+IPCA	293,778	551,500	293,778	551,500
Debentures (iv)	6.0%	+IPCA	2,317,491	2,197,001	2,317,491	2,197,001
International Finance Corporation (IFC)	1.5%	+CDI	309,628	312,571	309,628	312,571
Other securitized credits	3.0%	+IGP-M/ Fixed rate	28	29	28	29
<b>Total in local currency</b>			<b>5,813,513</b>	<b>5,531,937</b>	<b>5,855,101</b>	<b>5,571,487</b>
<b>In foreign currency</b>						
Export prepayment (PPE) (V)	1.7%	6M Sofr	301,379	590,090	301,379	590,090
International Finance Corporation (IFC) (vii)	1.83% (1.5% - 2023)	6M Sofr	380,338	462,306	380,338	462,306
<b>Total in foreign currency</b>			<b>681,717</b>	<b>1,052,396</b>	<b>681,717</b>	<b>1,052,396</b>
<b>TOTAL (i)</b>			<b>6,495,230</b>	<b>6,584,333</b>	<b>6,536,818</b>	<b>6,623,883</b>
Total in current liabilities			1,094,298	1,028,224	1,096,406	1,028,509
Total in non-current liabilities			5,400,932	5,556,109	5,440,412	5,595,374
			<b>6,495,230</b>	<b>6,584,333</b>	<b>6,536,818</b>	<b>6,623,883</b>

## Notes to the financial statements at March 31, 2024

All amounts in thousands of reais unless otherwise stated

- (i) Total costs of liabilities in local and foreign currency were calculated as per the terms of the portfolios, and on Interbank Deposit (DI) and SOFR yield curves.
- (ii) 60.5% of the BNDES credit facilities at fixed rate is linked to 53.5% of the DI rate, through a swap contract.
- (iii) 100% of the rural credit amount is linked to 72.95% of the DI rate, through a swap contract.
- (iv) 25.5% of the debentures are linked to the DI rate +1.1% p.a., 22.9% to the DI rate + 1.4% p.a., and the remaining 51.6%, to 108.2% of the DI rate, through a swap contract.
- (v) 65.9% of the Export Credit Note (PPE) amount indexed to SOFR is linked to the DI rate + +0.83% p.a., through a swap contract.
- (vi) 60.1% of the borrowing with International Finance Corporation (IFC) is linked to the DI rate +1.15% p.a., and 39.9% is linked to a fixed rate of 5.0%, through a swap contract.

Long-term swaps are highly susceptible to fluctuations in inflation indices, notably the IPCA, which can significantly affect their fair value over time. However, the contracts, are linked to the floating CDI rate plus a fixed percentage.

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

Changes in debt	Parent company		Consolidated	
	2024	2023	2024	2023
At the beginning of the year	6,584,333	5,868,315	6,623,883	5,888,349
Proceeds from borrowings	573,721	857,242	573,721	875,242
Repayment of principal	(812,990)	(494,266)	(812,990)	(494,266)
Payment of interest	(455,230)	(309,914)	(456,637)	(310,702)
Provision for interest/indexation accruals	623,514	581,857	626,959	584,161
Foreign exchange effects	(18,118)	81,099	(18,118)	81,099
<b>At the end of the year</b>	<b>6,495,230</b>	<b>6,584,333</b>	<b>6,536,818</b>	<b>6,623,883</b>

Long-term borrowings mature as follows:

	Parent company	Consolidated
From 4/1/2025 to 3/31/2026	745,401	747,197
From 4/1/2026 to 3/31/2027	578,401	580,322
From 4/1/2027 to 3/31/2028	307,623	309,612
From 4/1/2028 to 3/31/2029	630,150	632,209
From 4/1/2029 to 3/31/2030	456,495	458,628
From 4/1/2030 to 3/31/2031	440,013	442,222
From 4/1/2031 to 3/31/2032	911,608	913,896
From 4/1/2032 to 3/31/2033	148,759	151,128
From 4/1/2033 to 3/31/2034	116,058	118,511
From 4/1/2034 onwards	1,066,424	1,086,687
	<b>5,400,932</b>	<b>5,440,412</b>

## Notes to the financial statements at March 31, 2024

All amounts in thousands of reais unless otherwise stated

In these financial statements, R\$ 803,770 of São Martinho's debt is backed by assets, being approximately 95% by equipment, vehicles, buildings and facilities, and approximately 5% by land. In addition, the Company has a contract secured by receivables from the sale of electric power

On the reporting date, the carrying amounts of borrowings approximate their fair value. The fair values are based on discounted cash flows using a borrowing rate of 10.0% p.a. (corresponding to 12.3% p.a. on March 31, 2023) ) and are classified within Level 2 of the fair value hierarchy.

### Covenants

The Company has contracts amounting to R\$ 4,760,681 with restrictive financial covenants, such as 'cross-default' and 'negative pledge,' which are linked to the compliance with certain financial ratios such as the ratio of Net Debt to Adjusted EBITDA. These covenants are required and assessed annually and are in compliance in the current financial statements.

## 15. Trade payables

	Parent company		Consolidated	
	2024	2023	2024	2023
Sugarcane (i)	46,296	37,120	25,187	19,022
Materials, services, and other	375,916	257,559	383,403	262,289
	<b>422,212</b>	<b>294,679</b>	<b>408,590</b>	<b>281,311</b>

(i) The amounts payable are related to the supply of sugarcane, as well as any potential price adjustments calculated based on the ATR (Total Recoverable Sugar) index, as disclosed by CONSECANA (Council of Sugarcane, Sugar, and Ethanol Producers of the State of São Paulo).

Includes trade payables of R\$ 19,018 in the parent company, and R\$ 126 in the consolidated (R\$ 18,463 and R\$ 225, respectively, on March 31, 2023) due to related parties (Note 9).

## 16. Obligations and rights with Copersucar

As part of the Company's withdrawal from Copersucar, it entered into an agreement that established obligations and rights that have not yet prescribed. The main obligations and rights are detailed below:

### a) Obligations:

Copersucar provided funds, through bills of exchange, to its members, including the Company during the period of its association, for the purpose of financing their

## Notes to the financial statements at March 31, 2024

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operations. These funds were obtained by the Cooperative from temporary cash surpluses arising from preliminary injunctions in lawsuits claiming suspension of the enforceability of taxes. These cash surpluses relate to provisions for contingencies recorded by the Cooperative as non-current liabilities. However, in the event of unfavorable outcomes in the lawsuits, the Company may be required to reimburse the amount within 120 days.

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

Parent Company and Consolidated	2024	2023
REFIS - Copersucar - Interest accruals based on the SELIC rate	8,303	21,341
Exchange Bill (LC) - Interest accruals based on the SELIC rate	79,670	76,591
Exchange Bill (LC) - Transfer of funds without imposition of charges	52,356	52,356
Expenses with tax proceedings	39,416	23,937
Others	2,300	2,300
	182,045	176,525
Current liabilities	(8,336)	(13,539)
<b>Non-current liabilities</b>	<b>173,709</b>	<b>162,986</b>

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

Copersucar has been served tax assessment notices with respect to State Value-Added Tax (ICMS) levied on sales of fuel and industrial ethanol to December 31, 2008. These assessments were settled by Copersucar in March 2024, with exemption from the penalties imposed. The Company's contribution was proportional to its share, in the amount of R\$9 million, recorded under Other income, net.

### b) Rights:

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

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

## Notes to the financial statements at March 31, 2024

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In June 2017, the first court-ordered debt security of R\$ 5.6 billion was issued (of which R\$ 730.5 million is due to the Company), and in June 2018, the second court-ordered debt security of R\$ 10.6 billion (of which R\$ 1.4 billion is due to the Company) was issued. In March 2024, the last installment of the second court-ordered debt security was settled and the third court-ordered debt security was issued and settled (R\$286.3 million due to the Company), relating to the amount of R\$2.2 billion that was under discussion.

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

Copersucar rights	March 2019	December 2019	September 2020	October 2021	October 2022	July 2023	March 2024
1st Court-ordered debt security	906,287	1,059,956	1,083,223	1,174,400	1,346,041	1,418,483	-
2nd Court-ordered debt security	-	1,724,797	1,974,578	2,138,858	2,450,167	2,595,166	2,750,313
3rd Court-ordered debt security	-	-	-	-	-	-	3,313,612
<b>Court-ordered debt securities - Copersucar</b>	<b>906,287</b>	<b>2,784,753</b>	<b>3,057,801</b>	<b>3,313,258</b>	<b>3,796,208</b>	<b>4,013,649</b>	<b>6,063,925</b>
<b>SMSA portion</b>	<b>150,563</b>	<b>462,634</b>	<b>507,996</b>	<b>550,436</b>	<b>630,668</b>	<b>666,792</b>	<b>1,007,407</b>
PIS/COFINS withheld - Copersucar	(13,927)	(42,794)	(46,990)	(50,915)	(58,337)	(61,678)	(93,185)
Transfer to Luiz Ometto Participações S.A.	(3,313)	(24,119)	(26,700)	(28,697)	(33,226)	(35,296)	(51,400)
Other withholdings and expenses	(26,824)	(46,665)	(51,266)	(55,348)	(63,489)	(66,984)	(121,413)
<b>Other net revenue - SMSA</b>	<b>106,499</b>	<b>349,056</b>	<b>383,040</b>	<b>415,476</b>	<b>475,616</b>	<b>502,834</b>	<b>741,409</b>

Upon transferring the funds, Copersucar withheld a portion to cover legal costs related to the disputed PIS and COFINS on the compensation received; it has undertaken to transfer the corresponding amounts in the event of a favorable outcome. On March 31, 2024, the balance receivable from Copersucar, of R\$ 367,826 (R\$ 212,963 on March 31, 2023) was recognized within "Other non-current assets". The Company, in line with the measures taken by Copersucar, also filed a lawsuit, supported by a judicial deposit, claiming the suspension of IRPJ/CSLL/PIS/COFINS. The judicial deposit was provided for within "Taxes with suspended payment"

As established in the Agreement for Purchase and Sale of Shares of Santa Cruz S.A. Açúcar e Alcool ("USC"), the Company transferred R\$ 202,751 to Luiz Ometto Participações S.A.



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

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

Parent Company and Consolidated	Acquisitions	Disposals	Net balance
	Usina Santa Cruz	Agro Pecuária Boa Vista	
<b>At March 31, 2022</b>	<b>(62,745)</b>	<b>59,076</b>	<b>(3,669)</b>
Repayment of principal	31,210	(19,590)	11,620
Repayment of interest	7,131	(6,914)	217
Indexation accruals	(6,996)	6,847	(149)
<b>At March 31, 2023</b>	<b>(31,400)</b>	<b>39,419</b>	<b>8,019</b>
Repayment of principal (i)	31,210	(39,180)	(7,970)
Repayment of interest	3,829	(4,824)	(995)
Indexation accruals	(3,639)	4,585	946
<b>At March 31, 2024</b>	<b>-</b>	<b>-</b>	<b>-</b>

(i) The portion of R\$ 19,590 relating to the sale of Agro Pecuária Boa Vista, originally due in January 2025, was settled in advance in March 2024.

### 18. Equity

#### a) Share capital

Share capital at the reporting date amounted to R\$ 3,941,717 (R\$ 3,161,384 at March 31, 2023), represented by 346,375,066 registered common shares without par value (354,011,329 at March 31, 2023).

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

At the Extraordinary General Meeting held on July 28, 2023, the stockholders approved a capital increase of R\$ 780,333, without the issue of new shares, through the capitalization of R\$ 632,380 from the Capital Reserve and R\$ 147,953 from the Tax Incentive Reserve.

At the Extraordinary General Meeting to be held on July 26, 2024, the stockholders will propose a capital increase of R\$ 503,475, without the issue of new shares, by capitalizing the Tax Incentive Reserve.

## Notes to the financial statements at March 31, 2024

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### b) Treasury shares

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

The Board of Directors' meeting held on March 25, 2024 approved the cancellation of 7,636,263 treasury shares, and the opening of the 7th Share Buyback Program limited to 14,234,811 shares. Changes in the year were as follows:

	2023	Cancellation of shares	Acquisition of shares (i)	2024
Quantity	7,636,263	(7,636,263)	544,400	544,400
Average price (in R\$)	18.33	(18.33)	29.99	29.99
<b>Total amount</b>	<b>139,997</b>	<b>(139,997)</b>	<b>16,325</b>	<b>16,325</b>

(i) Of the shares acquired in March 2024, R\$5,843 was settled in April.

### c) Carrying value adjustments

#### Deemed cost

These adjustments arose from the surplus increment on revaluation to establish 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 matches the depreciation, write-off, or sale of the related assets. The realized amounts are transferred to "Retained earnings"

#### Hedge accounting fair value

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

### d) Revenue reserves

#### Legal reserve

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

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### Capital reserve

This reserve is for future funding of investments aimed at increasing the production capacity and other improvement processes, and for working capital purposes.

### Unrealized profit reserve

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

On March 31, 2024, the sale of the interest held in Agro Pecuária Boa Vista S/A was settled and, consequently, the dividends related to the completion of the operation were accrued (Note 17).

### Tax incentive reserve

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

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

The tax incentive for the year was recorded in the statement of income in "Deductions from gross revenue" reducing the "ICMS payable" account. Since this amount may not be allocated as dividends, a tax incentive reserve is set up at the amount of the grant, with appropriations from "Retained earnings".

The amount of R\$ 333,607 was appropriated from Retained earnings to the Tax incentive reserve, with effects on the parent company and consolidated results in these financial statements. This includes R\$ 77,942 related to ICMS Produzir and R\$ 255,665 to other ICMS incentives pursuant to the Superior Court of Justice resolution of multiple appeals on the same point of law (*Tema Repetitivo* No. 1.182) (Note 22.5) (until December 31, 2023); (R\$ 169,867 on March 31, 2023, of which R\$ 113,258 related to ICMS Produzir, and R\$ 56,609 to the credit granted).

### e) Dividends and interest on capital

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

## Notes to the financial statements at March 31, 2024

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At the Annual General Meeting held on July 29, 2022, the stockholders approved the payment of additional dividends of R\$ 131,465, as proposed by management for the year ended March 31, 2022.

The Board of Directors' meeting held on December 12, 2022 approved the prepayment of stockholders' compensation, in the gross amount of R\$ 140,000, paid as interest on capital. The Board of Directors' meeting held on June 19, 2023, approved the prepayment of stockholders' compensation, in the gross amount of R\$ 155,000, also paid as interest on capital.

At the Annual General Meeting held on July 28, 2023, the stockholders approved the payment of additional dividends of R\$ 269,068, as proposed by management

in the year ended March 31, 2023. This amount, increased by R\$5,932 from the realization of the unrealized profit reserve, totaled R\$275,000, which was paid to the stockholders on August 15, 2023.

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

The minimum distribution of 40% of the cash profit may be overridden upon recommendation of the Board of Directors, in the following hypotheses:

- need for investment of funds in the business operations, share buyback program, and/or mergers and acquisitions;
- adverse effect on leverage indicators, such as a ratio of net debt to adjusted EBITDA of more than 2 times, ascertained at year-end, seeking to maintain the investment grade rating assigned by S&P;
- changes in tax legislation; and
- transfer to mandatory reserves, or restrictions on the allocation of a portion of these reserves, which could affect profit distribution.

## Notes to the financial statements at March 31, 2024

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The table below shows the dividends based on the compensation policy:

Cash profit calculation	2024	2023
EBT	1,786,621	1,193,612
IR/CS - book value	(310,342)	(177,868)
Profit for the year	1,476,279	1,015,744
Non-cash effect of IFRS on EBT	133,541	174,484
IR/CS - book value	310,342	177,868
IR/CS paid	(17,889)	(60,467)
Judicial deposit (IR/CS IAA)	(203,406)	(192,400)
Adjustment of biological assets	10,314	176,167
<b>Cash profit</b>	<b>1,709,181</b>	<b>1,291,396</b>
<b>Dividend policy (i)</b>	<b>267,215</b>	<b>524,068</b>
Unrealized profit reserve	16,057	5,932
<b>Total profit to be distributed</b>	<b>283,272</b>	<b>530,000</b>

- (i) On March 31, 2024, the Board of Directors agreed to pay the minimum mandatory dividends of 25%.

The table below shows the proposed allocation of profit for the year. The Board of Directors' meeting held on June 17, 2024 approved the proposal for additional distribution of dividends in the amount of R\$ 150.103 (R\$ 0.4340 per share), to be ratified at the Annual General Meeting.

	2024	2023
Profit for the year	1,476,279	1,015,744
Transfer to legal reserve - 5%	(73,814)	(50,787)
Transfer to tax incentive reserve	(333,607)	(169,867)
Minimum mandatory dividend calculation basis	1,068,858	795,090
Minimum mandatory dividend - 25%	267,215	198,773
Interest on capital paid	155,000	255,000
IRRF on interest on capital	(21,832)	(36,889)
Minimum mandatory dividends payable	134,047	-
Prepaid dividends	-	19,338
Recognition of unrealized revenue reserve, outstanding	16,057	5,932
Additional dividends	-	269,068
<b>Total</b>	<b>283,272</b>	<b>493,111</b>
Dividends per share	0.8191	1.4236
Quantity of shares, net of treasury shares - March 31	345,831	346,375

## 19. Profit sharing

As part of its policy, the Company manages a profit-sharing program for its employees, linked to a pre-agreed plan of operating and financial targets. The amounts of profit sharing for the year totaled R\$ 80,240 in the Parent company, and R\$ 80,645 in the Consolidated (R\$ 75,560 and R\$ 75,848 in the Parent company and Consolidated, respectively, on March 31, 2023).

## Notes to the financial statements at March 31, 2024

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### 20. Income tax and social contribution

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

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

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

#### a) Balances

	Parent company		Consolidated	
	2024	2023	2024	2023
Current assets				
. Income tax and social contribution recoverable	73,313	93,631	73,355	93,880
Debts in current liabilities				
. Income tax and social contribution payable	-	-	9,470	8,490

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

Parent company	2023	Recognized in the statement of income	Recognized in other comprehensive income	2024
Income tax and social contribution losses	3,617	(171)	-	3,446
Exclusion of IRPJ/CSSL on tax overpayments (20.1)	6,937	-	-	6,937
Derivative financial instruments	111,885	(122,828)	(32,883)	(43,826)
Provision for contingencies	109,416	56,897	-	166,313
Foreign exchange gains	5,250	22,367	-	27,617
Other assets	136,317	56,740	-	193,057
<b>Total deferred income and social contribution tax assets</b>	<b>373,422</b>	<b>13,005</b>	<b>(32,883)</b>	<b>353,544</b>
Surplus on revaluation of PP&E (deemed cost)	(109,333)	8,916	-	(100,417)
Accelerated depreciation incentive	(616,564)	152,326	-	(464,238)
Tax benefit on merged goodwill	(197,959)	-	-	(197,959)
Foreign exchange losses	(72,635)	24,521	-	(48,114)
Other liabilities	(9,681)	5,130	-	(4,551)
<b>Total deferred income and social contribution tax liabilities</b>	<b>(1,006,172)</b>	<b>190,893</b>	<b>-</b>	<b>(815,279)</b>
<b>Deferred income tax and social contribution</b>	<b>(632,750)</b>	<b>203,898</b>	<b>(32,883)</b>	<b>(461,735)</b>



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Consolidated	2023	Recognized in the statement of income	Recognized in other comprehensive income	Consolidation adjustment - Rights on electric power supply contracts	2024
Income tax and social contribution losses	3,617	(171)	-	-	3,446
Exclusion of IRPJ/CSLL on tax overpayments (20.1)	6,937	-	-	-	6,937
Derivative financial instruments	111,884	(122,827)	(32,883)	-	(43,826)
Provision for contingencies and other liabilities	109,416	56,897	-	-	166,313
Foreign exchange gains	5,250	22,367	-	-	27,617
Other assets	136,322	56,735	-	-	193,057
<b>Total deferred income and social contribution tax assets</b>	<b>373,426</b>	<b>13,001</b>	<b>(32,883)</b>	<b>-</b>	<b>353,544</b>
Surplus on revaluation of PP&E (deemed cost)	(462,221)	9,103	-	-	(453,118)
Accelerated depreciation incentive	(616,564)	152,326	-	-	(464,238)
Tax benefit on merged goodwill	(197,959)	-	-	-	(197,959)
Intangible assets	(5,736)	-	-	4,585	(1,151)
Gain from change in interest held in CTC	(5,068)	-	-	-	(5,068)
Foreign exchange losses	(72,635)	24,521	-	-	(48,114)
Other liabilities	(10,377)	5,128	-	-	(5,249)
<b>Total deferred income and social contribution tax liabilities</b>	<b>(1,370,560)</b>	<b>191,078</b>	<b>-</b>	<b>4,585</b>	<b>(1,174,897)</b>
<b>Deferred income tax and social contribution</b>	<b>(997,134)</b>	<b>204,079</b>	<b>(32,883)</b>	<b>4,585</b>	<b>(821,353)</b>

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

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

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

Based on the projections of taxable profit approved by management, including the expected realization of temporary differences, the recovery of all deferred tax credits is estimated as follows:

Parent company	Expected realization
24/25 crop season	72,994
25/26 crop season	101,203
26/27 crop season	90,300
27/28 crop season	6,310
From 28/29 crop season onwards	82,737
	<u>353,544</u>

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

On September 24, 2021, the Supreme Court ("STF") judgment of RE No. 1.063.187, with general repercussion effects (Topic 962), by unanimous vote, ruled that income taxes charged on SELIC interest receivable from rebates for tax overpayments are unconstitutional.

Based on this decision, and in accordance with ICPC 22 / IFRIC 23 - Uncertainty over Tax Treatments, the Company recognized R\$ 15,920 as current and deferred income tax assets for the year, as follows: R\$ 8,983 as income tax (IRPJ) and social contribution (CSLL) recoverable for the periods when the Company computed taxable profit, presented in non-current assets. The remaining R\$ 6,937 relates to the recovery of tax losses for the periods in which the Company recorded tax loss carryforwards and to additional tax losses from SELIC interest receivable, offset against non-current liabilities under Deferred income tax and social contribution.

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

	Parent company		Consolidated	
	2024	2023	2024	2023
Profit before taxes	1,767,060	1,160,586	1,786,621	1,193,612
<b>Income tax and social contribution at nominal rates (34%)</b>	<b>(600,800)</b>	<b>(394,599)</b>	<b>(607,451)</b>	<b>(405,828)</b>
Adjustments for calculation of the effective tax rate:				
. Equity in the results of investees	79,583	70,055	2,828	1,711
. Permanent (additions) exclusions, net	(2,377)	(1,676)	(2,377)	(1,837)
. Cbios	31,786	31,786	31,786	31,786
. Interest on capital	52,700	86,700	52,700	86,700
. State subsidy (Note 22.5) / Credit granted (Note 27)	113,421	57,760	113,421	57,760
. Tax incentives	-	2,145	-	2,577
. Adjustment to the calculation relating to subsidiary taxed based on deemed p	-	-	63,833	46,234
. Recognition of income tax and social contribution credits from prior years	19,989	2,969	19,989	2,969
. "Lei do Bem"	14,917	-	14,917	-
. Others	-	18	12	60
<b>Income tax and social contribution expenses</b>	<b>(290,781)</b>	<b>(144,842)</b>	<b>(310,342)</b>	<b>(177,868)</b>
Income tax and social contribution at the effective rate	16.5%	12.5%	17.4%	14.9%
Current income tax and social contribution	(494,679)	(240,691)	(514,421)	(273,804)
Deferred income tax and social contribution	203,898	95,849	204,079	95,936

## 21. Commitments

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

### Riparian forests and Legal Reserve areas

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

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

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

### **Sales commitments**

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

	Up to one year	From 2 to 3 years	More than 3 years
Ethanol (m³)	186,495	96,000	528,000
Sugar (metric tons)	1,402,148	1,674,636	2,500,000
Electric power (Mwh)	684,374	828,488	5,228,910
Biometano (m³)	-	21,279,817	115,306,483

These commitments reflect the Company's strategy of ensuring the sale of its future production and the stability of its revenue.

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

The Company regularly enters into purchase agreements for the acquisition of inputs intended for crop maintenance throughout the crop season, to purchase corn at fixed prices to be used in its production of ethanol. These transactions are usually carried out on an annual basis.

These contracts are a common practice for the Company to ensure the proper supply of agricultural inputs and essential raw materials for its operations, thereby contributing to the efficient management of its production over time.

## **22 Provision for contingencies**

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

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### 22.1 Probable losses

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

	Parent company			
	Tax claims	Civil and environmental claims	labor claims	Total
<b>At March 31, 2022</b>	<b>14,779</b>	<b>3,983</b>	<b>67,589</b>	<b>86,351</b>
Additions	484	2,478	39,983	42,945
Reversals	(23)	(461)	(8,125)	(8,609)
Utilization	(23)	(513)	(22,265)	(22,801)
Indexation accruals	1,030	2,194	9,596	12,820
<b>At March 31, 2023</b>	<b>16,247</b>	<b>7,681</b>	<b>86,778</b>	<b>110,706</b>
Additions	1,100	935	46,238	48,273
Reversals	(1,177)	(246)	(12,194)	(13,617)
Utilization	(488)	(1,960)	(38,033)	(40,481)
Indexation accruals	6,148	126	12,096	18,370
<b>At March 31, 2024</b>	<b>21,830</b>	<b>6,536</b>	<b>94,885</b>	<b>123,251</b>

	Consolidated			
	Tax claims	Civil and environmental claims	labor claims	Total
<b>At March 31, 2022</b>	<b>14,779</b>	<b>4,638</b>	<b>67,589</b>	<b>87,006</b>
Additions	484	2,535	39,983	43,002
Reversals	(23)	(462)	(8,125)	(8,610)
Utilization	(23)	(513)	(22,265)	(22,801)
Indexation accruals	1,030	2,318	9,596	12,944
<b>At March 31, 2023</b>	<b>16,247</b>	<b>8,516</b>	<b>86,778</b>	<b>111,541</b>
Additions	1,100	1,040	46,238	48,378
Reversals	(1,177)	(249)	(12,194)	(13,620)
Utilization	(489)	(2,062)	(38,033)	(40,584)
Indexation accruals	6,148	207	12,096	18,451
<b>At March 31, 2024</b>	<b>21,829</b>	<b>7,452</b>	<b>94,885</b>	<b>124,166</b>

The nature of the main lawsuits was as follows (Parent company and Consolidated):

#### Tax lawsuits:

Relate to (i) Social Security Contribution (INSS); and (ii) success fees payable to lawyers defending the Company's interests in the related lawsuits.

#### Civil and environmental lawsuits:

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

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### Labor lawsuits:

Relate to: (i) overtime; (ii) indemnity for elimination of breaks between shifts; (iii) hazardous duty and health hazard premiums; (iv) sundry indemnities; and (v) other labor charges.

## 22.2 Judicial deposits

	Parent company			Consolidated		
	IAA (i)	Others	Total	IAA (i)	Others	Total
<b>At March 31, 2022</b>	<b>715,277</b>	<b>33,843</b>	<b>749,120</b>	<b>715,277</b>	<b>34,084</b>	<b>749,361</b>
Additions	250,737	6,642	257,379	250,737	8,061	258,798
Utilization	-	(6,280)	(6,280)	-	(7,946)	(7,946)
Indexation accruals	85,669	3,084	88,753	85,669	3,094	88,763
<b>At March 31, 2023</b>	<b>1,051,683</b>	<b>37,289</b>	<b>1,088,972</b>	<b>1,051,683</b>	<b>37,293</b>	<b>1,088,976</b>
Additions	266,640	5,222	271,862	266,640	5,227	271,867
Utilization	-	(8,760)	(8,760)	-	(8,758)	(8,758)
Indexation accruals	137,262	1,860	139,122	137,262	1,866	139,128
<b>At March 31, 2024</b>	<b>1,455,585</b>	<b>35,611</b>	<b>1,491,196</b>	<b>1,455,585</b>	<b>35,628</b>	<b>1,491,213</b>

(i) Note 16 (b))

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

## 22.3 Possible risk of losses

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

Nature		Parent company				Consolidated			
		2024		2023		2024		2023	
		Number of proceedings	Amount	Number of proceedings	Amount	Number of proceedings	Amount	Number of proceedings	Amount
Environmental		95	9,671	94	8,353	95	9,671	94	8,353
Civil		68	26,671	63	21,293	145	36,690	125	28,871
Labor claims		78	16,379	80	14,898	79	16,400	81	14,917
Tax claims									
Social security contribution	(i)	8	102,455	11	119,819	8	102,455	11	119,819
Computation of IRPJ/CSLL	(ii)	4	213,447	5	264,420	4	213,447	5	264,420
Offset of federal taxes	(iii)	74	192,523	108	213,225	81	207,197	114	213,812
ICMS	(iv)	18	103,534	17	87,441	18	103,534	17	87,441
Federal taxes	(v)	1	1,455,585	1	1,051,683	1	1,455,585	1	1,051,683
Other lawsuits	(vi)	9	16,582	30	553,171	12	16,029	35	566,743
<b>Total</b>		<b>355</b>	<b>2,136,847</b>	<b>409</b>	<b>2,334,303</b>	<b>443</b>	<b>2,161,008</b>	<b>483</b>	<b>2,356,059</b>

### 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

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are eligible for the exemptions set out in Article 149, paragraph 2, of the Brazilian Federal Constitution.

- (ii) The lawsuits relate to deductibility of securitized expenses and incentivized accelerated depreciation for the income tax and social contribution, as provided for in Article 325 of the Income Tax Regulations (RIR)/2018.
- (iii) The lawsuits relate to requests to offset and refund IRPJ, CSLL, PIS, COFINS, and other federal taxes for overpayments and/or tax losses, and tax credits proportional to the export revenue, which have been rejected by the Brazilian Federal Revenue Service (RFB).
- (iv) a) challenge of ICMS credits based on the Control of ICMS Credit on Permanent Assets (CIAP); b.) allegedly incorrect ICMS credits granted under the "PRODUZIR" Program; c) ICMS-ST levied on interstate sales of ethanol; d) ICMS improperly levied on sales of yeast intended for animal feed, which are exempt from this tax.
- (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 against the Sugar and Alcohol Institute (IAA) (Note 16).
- (vi) Other tax disputes: a) fee payable to the National Department of Mineral Research (DNPM); b.) levy of Property Transfer Tax (ITBI) on merger transaction; c) Municipal Real Estate Tax (IPTU) collection claims; d.) Supplementary collection of Rural Property Tax (ITR); f) incorrect deduction of goodwill (joint and several liability).

### Other proceedings:

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

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

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

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

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



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

The ICMS tax benefits under the State of Goiás Produzir Program received by the Company were recognized and accounted for as a subsidy for investment in the profit reserve, in accordance with the requirements of Complementary Law No. 160/2017 and Law No. 12.973/2014, until December 31, 2023.

Regarding the other tax benefits, based on the decision of the Superior Court of Justice - STJ (Theme 1,182) and opinions from legal advisors on the matter, as of December 31, 2023, the Company excluded the other tax benefits (ICMS deferral, reduction of the tax base, reduction of the tax rate, among others), for income tax (IRPJ) and social contribution (CSLL) calculations.

Accordingly, in view of the trial court rulings and the STJ decision ("Topic 1.182"), the Company treated as tax exempt R\$ 255,665 (recorded as Tax incentive reserve (Note 18)) for income tax and social contribution purposes for the period ended December 31, 2023, which resulted in a tax reduction of R\$ 86,926 (Note 20). For periods prior to 2023, the income tax and social contribution exemptions and adjustments to the accounting records will only be made after a final decision on the matter has been rendered.

With respect to exemption of tax incentives from income tax and social contribution, pursuant to STJ decision (Topic 1.182), management, based on the assessment of its legal counsel and considering the current case law, believes that it is probable that its position will prevail.

## **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.

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### 23.1 Market risks

#### a) Foreign exchange risk

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

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

#### Assets and liabilities exposed to exchange variation

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

Consolidated	2024	Equivalent to thousands of US\$
Current and non-current assets		
Cash and cash equivalents (banks - demand deposits)	204,265	40,889
Trade receivables	326,712	65,400
Derivative financial instruments	311,106	62,276
<b>(+) Total assets</b>	<b>842,083</b>	<b>168,565</b>
Current and non-current liabilities:		
Borrowings	681,717	136,447
Derivative financial instruments	171,725	34,371
<b>(-) Total liabilities</b>	<b>853,442</b>	<b>170,818</b>
Subtotal assets (liabilities)	(11,359)	(2,253)
Borrowings in foreign currency	681,717	136,447
<b>Net asset exposure</b>	<b>670,358</b>	<b>134,194</b>

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

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These assets and liabilities were adjusted and recorded at the exchange rate in effect at the reporting date: R\$ 4.9956 per US\$ 1.00 for assets, and R\$ 4.9962 per US\$ 1.00 for liabilities.

### b) Commodity price volatility risk

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

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

The Company's borrowings are contracted at floating rates. For borrowings in local currency, the risk of fluctuation in interest rates is mitigated naturally since all financial investments are linked to floating rates. For borrowings in foreign currency, the risk of interest rate and currency fluctuation is mitigated through offshore financial investments, exports, and derivative instruments such as swaps.

### d) Market risk sensitivity analysis

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

Consolidated	Risk factor	Impacts on P/L		
		Probable scenario 5%	Possible scenario 25%	Possible scenario 50%
Cash and cash equivalents	Decrease in exchange rate - R\$/US\$	(10,214)	(51,071)	(102,143)
Trade receivables	Decrease in exchange rate - R\$/US\$	(11,492)	(57,461)	(114,922)
Borrowings	Increase in exchange rate - R\$/US\$	(358)	(1,792)	(3,585)
Derivative financial instruments				
Currency forward contracts	Increase in exchange rate - R\$/US\$	(127)	(633)	(1,265)
Futures price (sugar and ethanol)	Increase in commodity futures prices	(36)	(178)	(357)
Swap contracts	Decrease in exchange rate (R\$/US\$) and increase in the yield curve	(7,363)	(18,579)	(37,735)
<b>Net exposure</b>		<b>(29,590)</b>	<b>(129,714)</b>	<b>(260,007)</b>

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

### e) Financial instruments

São Martinho elected to use hedge accounting to record the following derivative financial instruments: a) derivatives of sugar, ethanol and foreign currency - US

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dollar; and b) foreign currency debts - US dollar - that cover sales of the 2023/24 to 2025/26 crop seasons and were classified as cash flow hedges of highly probable expected transactions (future sales).

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

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

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

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

Parent Company and Consolidated	2024			
	Contracted amount/volume	Average price/rate	Notional value R\$	Fair value - R\$
<u>In current assets - Gain</u>				
Margin deposit				30,292
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Sale commitment	62,589	23.56	162,423	8,913
. Purchase commitment	57,712	22.09	140,422	5,906
Commodity futures contracts - Corn				
. Purchase commitment	87,750	60.40	5,300	91
Commodity futures contracts - Ethanol				
. Sale commitment	150	2,210.00	332	1
Commodity forward contracts - Sugar #11				
. Sale commitment	9,703	22.93	24,507	585
Currency forward contracts (NDF) - US Dollar - OTC				
. Sale commitment	117,764	5.16	607,662	10,062
. Purchase commitment	10,092	5.03	50,763	474
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Bidding position in call options	67,872	24.78	185,253	2,396
. Bidding position in put options	216,723	23.21	554,056	39,173
Interest rate swap contracts - OTC				5,315
<b>Total derivative financial instruments in current assets</b>				<b>103,208</b>
<u>In non-current assets - Gain</u>				
Currency forward contracts (NDF) - US Dollar - OTC				
. Purchase commitment	590	5.18	3,056	21
Interest rate swap contracts - OTC				207,877
<b>Total derivative financial instruments in non-current assets</b>				<b>207,898</b>

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Parent Company and Consolidated	2024			
	Contracted amount/volume	Average price/rate	Notional value - R\$	Fair value - R\$
<u>In current liabilities - Loss</u>				
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Sale commitment	140,875	21.22	329,271	15,454
. Purchase commitment	66,094	25.11	182,803	23,115
Commodity futures contracts - Corn				
. Purchase commitment	319,500	62.89	20,093	538
Commodity forward contracts - Sugar #11				
. Sale commitment	19,915	21.73	47,667	852
Currency forward contracts (NDF) - US Dollar - OTC				
. Sale commitment	307,054	5.03	1,544,482	10,938
. Purchase commitment	7,505	5.12	38,426	337
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Short position in call options	282,004	26.09	810,407	7,710
. Bidding position in put options	2,591	24.50	6,992	776
Interest rate swap contracts - OTC				98,409
<b>Total derivative financial instruments in current liabilities</b>				<b>158,129</b>
<u>In non-current liabilities - Loss</u>				
Currency forward contracts (NDF) - US Dollar - OTC				
. Sale commitment	590	5.19	3,063	14
Interest rate swap contracts - OTC				13,582
<b>Total derivative financial instruments in non-current liabilities</b>				<b>13,596</b>

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

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

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

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

Financial instruments designated for hedge accounting were as follows:

Parent Company and Consolidated	Assets	Liabilities	Total in other comprehensive income
Financial instruments:			
Commodity derivatives - Futures, options and forward contracts	43,106	40,911	2,195
Foreign exchange derivatives - Options / NDF	10,413	8,613	1,800
Foreign exchange differences on borrowings (Trade Finance)	15,158	255,944	(240,786)
	68,677	305,468	(236,791)
Deferred taxes on the items above	(23,350)	(103,859)	80,509
	<b>45,327</b>	<b>201,609</b>	<b>(156,282)</b>

### f) Estimated realization

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



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Parent company and Consolidated	24/25 crop season	25/26 crop season	Total
Derivative financial instruments:			
Commodity derivatives - Futures, options and forward contracts	2,195	-	2,195
Foreign exchange derivatives - Options / NDF	1,800	-	1,800
Foreign exchange differences on borrowings (Trade Finance)	(124,091)	(116,695)	(240,786)
	(120,096)	(116,695)	(236,791)
Deferred taxes on the items above	40,833	39,676	80,509
	<b>(79,263)</b>	<b>(77,019)</b>	<b>(156,282)</b>

### 23.2 Credit risk

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

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

### 23.3 Liquidity risk

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

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

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

The table below presents the financial liabilities by maturity groupings, based on undiscounted future cash flows.

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Parent company	Up to 1 year	From 2 to 3 years	More than 3 years	Total
<b>At March 31, 2024</b>				
Borrowings	1,377,190	2,066,780	5,687,546	9,131,516
Leases payable	153,658	255,747	540,305	949,710
Agricultural partnership payable	789,954	922,807	1,773,674	3,486,435
Derivative financial instruments	158,129	13,596	-	171,725
Trade payables	422,212	-	-	422,212
Other liabilities	27,311	-	-	27,311
	<b>2,928,454</b>	<b>3,258,930</b>	<b>8,001,525</b>	<b>14,188,909</b>
<b>At March 31, 2023</b>				
Borrowings	1,266,140	2,381,684	5,384,080	9,031,904
Leases payable	164,570	263,694	635,176	1,063,440
Agricultural partnership payable	787,098	886,562	1,868,307	3,541,967
Derivative financial instruments	328,695	7,250	-	335,945
Trade payables	294,679	-	-	294,679
Acquisition of ownership interest	10,354	-	-	10,354
Other liabilities	18,558	1,916	-	20,474
	<b>2,870,094</b>	<b>3,541,106</b>	<b>7,887,563</b>	<b>14,298,763</b>
Consolidated	Up to 1 year	From 2 to 3 years	More than 3 years	Total
<b>At March 31, 2024</b>				
Borrowings	1,380,441	2,073,255	5,732,961	9,186,657
Leases payable	153,658	255,747	540,305	949,710
Agricultural partnership payable	789,954	922,807	1,773,674	3,486,435
Derivative financial instruments	158,129	13,596	-	171,725
Trade payables	408,590	-	-	408,590
Other liabilities	41,407	-	-	41,407
	<b>2,932,179</b>	<b>3,265,405</b>	<b>8,046,940</b>	<b>14,244,524</b>
<b>At March 31, 2023</b>				
Borrowings	1,267,504	2,387,882	5,430,403	9,085,789
Leases payable	164,570	263,694	635,176	1,063,440
Agricultural partnership payable	787,098	886,562	1,868,307	3,541,967
Derivative financial instruments	328,695	7,250	-	335,945
Trade payables	281,311	-	-	281,311
Acquisition of ownership interest	10,354	-	-	10,354
Other liabilities	30,565	1,916	-	32,481
	<b>2,870,097</b>	<b>3,547,304</b>	<b>7,933,886</b>	<b>14,351,287</b>

### 23.4 Capital management

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

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

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### 24 Classification and fair value of financial instruments

#### 24.1 Classification

Financial assets and liabilities are classified as follows:

		Parent company	
	Classification	2024	2023
Financial assets			
Cash and cash equivalents	Amortized cost	204,467	272,342
Financial investments	Fair value through profit or loss	2,743,929	2,681,690
Trade receivables	Amortized cost	651,856	259,493
	Fair value through other		
Derivative financial instruments	comprehensive income	97,914	156,210
Derivative financial instruments	Fair value through profit or loss	213,192	232,600
Judicial deposits	Amortized cost	1,491,196	1,088,972
Other assets, except prepayments	Amortized cost	374,524	236,233
		<b>5,777,078</b>	<b>4,927,540</b>
Financial liabilities			
Borrowings	Fair value through profit or loss	28	29
Borrowings	Amortized cost	6,495,202	6,584,304
	Fair value through other		
Derivative financial instruments	comprehensive income	59,734	94,036
Derivative financial instruments	Fair value through profit or loss	111,991	241,909
Leases and agricultural partnerships payable	Amortized cost	2,874,760	3,041,771
Trade payables	Amortized cost	422,212	294,679
Acquisition of ownership interests	Amortized cost	-	11,571
Other liabilities	Amortized cost	27,311	20,474
		<b>9,991,238</b>	<b>10,288,773</b>

		Consolidated	
	Classification	2024	2023
Financial assets			
Cash and cash equivalents	Amortized cost	204,560	273,408
Financial investments	Fair value through profit or loss	3,017,449	2,843,370
Trade receivables	Amortized cost	698,384	315,596
	Fair value through other		
Derivative financial instruments	comprehensive income	97,914	156,210
Derivative financial instruments	Fair value through profit or loss	213,192	232,600
Judicial deposits	Amortized cost	1,491,213	1,088,976
Other assets, except prepayments	Amortized cost	376,669	237,690
		<b>6,099,381</b>	<b>5,147,850</b>
Financial liabilities			
Borrowings	Fair value through profit or loss	28	29
Borrowings	Amortized cost	6,536,790	6,623,854
	Fair value through other		
Derivative financial instruments	comprehensive income	59,734	94,036
Derivative financial instruments	Fair value through profit or loss	111,991	241,909
Trade payables	Amortized cost	408,590	281,311
Leases and agricultural partnerships payable	Amortized cost	2,874,760	3,041,771
Acquisition of ownership interests	Amortized cost	-	11,571
Other liabilities	Amortized cost	41,407	32,481
		<b>10,033,300</b>	<b>10,326,962</b>

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

## Notes to the financial statements at March 31, 2024

All amounts in thousands of reais unless otherwise stated

### 25 Fair value

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

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

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

**Level 3** - Assets and liabilities for which there is little, if any, market activity, or whose prices or valuation techniques are supported by inputs from a thin, 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 Level 1, 2 or 3.

Parent company	2024			2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Financial investments	-	2,743,929	-	-	2,681,690	-
Derivative financial instruments	56,389	254,717	-	48,399	340,411	-
Biological assets	-	-	1,364,508	-	-	1,160,568
	<b>56,389</b>	<b>2,998,646</b>	<b>1,364,508</b>	<b>48,399</b>	<b>3,022,101</b>	<b>1,160,568</b>
Liabilities						
Derivative financial instruments	47,055	124,670	-	81,056	254,889	-
Borrowings	-	28	-	-	29	-
	<b>47,055</b>	<b>124,698</b>	<b>-</b>	<b>81,056</b>	<b>254,918</b>	<b>-</b>

Consolidated	2024			2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Financial investments	-	3,017,449	-	-	2,843,370	-
Derivative financial instruments	56,389	254,717	-	48,399	340,411	-
Biological assets	-	-	1,364,508	-	-	1,160,568
	<b>56,389</b>	<b>3,272,166</b>	<b>1,364,508</b>	<b>48,399</b>	<b>3,183,781</b>	<b>1,160,568</b>
Liabilities						
Derivative financial instruments	47,055	124,670	-	81,056	254,889	-
Borrowings	-	28	-	-	29	-
	<b>47,055</b>	<b>124,698</b>	<b>-</b>	<b>81,056</b>	<b>254,918</b>	<b>-</b>

### Futures and Options - ICE

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

## Notes to the financial statements at March 31, 2024

All amounts in thousands of reais unless otherwise stated

### **Currency options**

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

### **Forward contracts**

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

### **Other financial assets and liabilities**

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

## **26 Segment information (Consolidated)**

Management has determined the Company's operating segments based on the reports used for strategic decisions and reviewed by the chief operating 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) Corn ethanol;
- (iv) Electric power;
- (v) Real estate businesses;
- (vi) Yeast
- (vii) DDGs; and
- (viii) Other less relevant products and by-products.

The analyses of operating segment performance 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.



## Notes to the financial statements at March 31, 2024

All amounts in thousands of reais unless otherwise stated

### Consolidated result by segment

2024										
Consolidated	Sugar	Ethanol	Corn ethanol	Electric power	Real estate businesses	Yeast	DDGs	Other products	Not by segment	Total
Gross revenue										
Domestic market	333,783	2,163,298	404,165	202,153	16,667	58,043	120,368	187,300	-	3,485,777
Foreign market	3,229,331	455,098	-	-	-	8,322	-	1,569	-	3,694,320
Gain/loss on derivatives	63,570	8,272	-	-	-	-	-	-	-	71,842
Amortization of electric power supply contract	-	-	-	-	-	-	-	-	(8,800)	(8,800)
(-) Taxes, contributions, and deductions on sales	(25,845)	(246,377)	(12,101)	(10,503)	(8,949)	(5,948)	(17,239)	(24,439)	-	(351,401)
Net revenue	3,600,839	2,380,291	392,064	191,650	7,718	60,417	103,129	164,430	(8,800)	6,891,738
Cost of goods sold	(1,976,530)	(2,450,240)	(432,357)	(51,381)	(35)	(23,116)	(143,766)	(128,552)	-	(5,205,977)
Change in the market value of biological assets, agricultural produce, and CBIOS	68,563	(78,553)	-	-	-	-	-	(324)	-	(10,314)
Gross profit	1,692,872	(148,502)	(40,293)	140,269	7,683	37,301	(40,637)	35,554	(8,800)	1,675,447
Gross margin	47.0%	-6.2%	-10.3%	73.2%	99.5%	61.7%	-39.4%	21.6%	-	24.3%
Selling expenses	(171,915)	(64,974)	(2,964)	(14,909)	-	-	-	(693)	-	(255,455)
Other operating income, net	-	-	-	-	-	-	-	-	1,111,493	1,111,493
Operating profit	1,520,957	(213,476)	(43,257)	125,360	7,683	37,301	(40,637)	34,861	1,102,693	2,531,485
Operating margin	42.2%	-9.0%	-11.0%	65.4%	99.5%	61.7%	-39.4%	21.2%	-	36.7%
Other income and expenses not by segment	-	-	-	-	-	-	-	-	(1,055,206)	(1,055,206)
Profit for the year	-	-	-	-	-	-	-	-	-	1,476,279
Depreciation and amortization - intangible assets and right-of-use asset	(1,106,461)	(1,159,772)	(13,118)	(11,468)	-	(7,997)	(12,496)	(18,824)	(18,308)	(2,348,444)

2023										
Consolidated	Sugar	Ethanol	Electric power	Real estate businesses	Yeast	Other products	Not by segment	Total		
Gross revenue										
Domestic market	220,673	2,408,474	210,857	7,081	50,499	177,231	-	3,074,815		
Foreign market	2,264,548	1,309,712	-	-	11,931	-	-	3,586,191		
Gain/loss on derivatives	139,115	20,756	-	-	1,780	-	-	161,651		
Amortization of electric power supply contract	-	-	-	-	-	-	-	-		
(-) Taxes, contributions, and deductions on sales	(16,394)	(98,578)	(14,402)	(4,688)	(6,275)	(49,111)	(5,643)	(189,448)		
Net revenue	2,607,942	3,640,364	196,455	2,393	57,935	128,120	(5,643)	6,627,566		
Cost of goods sold	(1,775,528)	(2,451,721)	(50,969)	329	(23,206)	(112,393)	-	(4,413,488)		
Changes in the market value of biological assets, and agricultural produce	(45,324)	(113,747)	-	-	-	(17,096)	-	(176,167)		
Gross profit	787,090	1,074,896	145,486	2,722	34,729	(1,369)	(5,643)	2,037,911		
Gross margin	30.2%	29.5%	74.1%	113.7%	59.9%	-1.1%	-	30.7%		
Selling expenses	(117,329)	(89,035)	(15,229)	-	-	(4)	-	(221,597)		
Other operating income, net	-	-	-	-	-	-	260,235	260,235		
Operating profit	669,761	985,861	130,257	2,722	34,729	(1,373)	254,592	2,076,549		
Operating margin	25.7%	27.1%	66.3%	113.7%	59.9%	-1.1%	-	31.3%		
Other income and expenses not by segment	-	-	-	-	-	-	(1,060,805)	(1,060,805)		
Profit for the year	-	-	-	-	-	-	-	1,015,744		
Depreciation and amortization - intangible assets and right-of-use asset	(812,515)	(1,246,216)	(12,624)	-	(8,229)	(30,955)	(14,037)	(2,124,576)		

On March 31, 2024, net revenue from Cbios (decarbonization credits), amounting to R\$ 75,505, (R\$ 80,181 at March 31, 2023) was recorded within "Ethanol".

Geographically, consolidated net operating revenues are presented below:

Consolidated	2024	2023
Domestic market	3,101,360	2,879,770
Foreign market		
Middle East and Asia	1,778,872	1,304,584
Europe	1,514,442	2,140,299
North America	404,714	302,913
Specific purpose export	92,350	-
<b>Net revenue</b>	<b>6,891,738</b>	<b>6,627,566</b>

### 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 considers the share of each product in relation to total production. This allocation could, therefore, vary from one period to another.



## Notes to the financial statements at March 31, 2024

All amounts in thousands of reais unless otherwise stated

	2024							
	Sugar	Ethanol	Corn ethanol	Electric power	Real estate businesses	Yeast	DDGs	Not by segment
Trade receivables	293,687	221,395	73,402	6,607	41,839	1,825	2,404	57,225
Inventories and advances to suppliers	374,632	190,199	151,649	-	6,594	460	2,908	9,768
Biological assets	890,278	474,230	-	-	-	-	-	-
Property, plant and equipment	3,740,024	3,559,977	527,821	147,148	-	33,547	11,766	24,865
Intangible assets	281,656	172,195	1,116	-	-	-	-	-
Right-of-use assets	1,166,783	1,622,814	-	-	-	-	-	-
<b>Total assets allocated</b>	<b>6,747,060</b>	<b>6,240,810</b>	<b>753,988</b>	<b>153,755</b>	<b>48,433</b>	<b>35,832</b>	<b>17,078</b>	<b>91,858</b>
Other unallocated assets	-	-	-	-	-	-	-	6,282,635
<b>Total</b>	<b>6,747,060</b>	<b>6,240,810</b>	<b>753,988</b>	<b>153,755</b>	<b>48,433</b>	<b>35,832</b>	<b>17,078</b>	<b>6,374,493</b>

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

According to the approach of the main decision-makers, liabilities are not being disclosed by segment, but are analyzed on a consolidated basis.

## 27 Revenue

The Company recognizes its revenues based on the consideration expected to be received in exchange for the control of goods and services.

No losses are expected in connection with sales in the sugar and ethanol market and other by-products, since all performance obligations are met upon delivery of the final product, at which time revenue is recognized.

For the real estate development segment, the Company adopts the provisions of the Technical Interpretation 02 (OCPC 04), in accordance with guidance from the Brazilian Securities Commission (CVM), recognizing revenue over time (Percentage of Completion (PoC) method).

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

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

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

## Notes to the financial statements at March 31, 2024

All amounts in thousands of reais unless otherwise stated

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

At the reporting date, the Company's principal customer represented approximately 22% of its net revenue.

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

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

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

	Parent company		Consolidated	
	2024	2023	2024	2023
Gross sales revenue				
Domestic market	3,323,006	2,918,619	3,485,777	3,074,815
Foreign market	3,694,320	3,586,191	3,694,320	3,586,191
Gain/loss on derivatives	71,842	161,651	71,842	161,651
	<u>7,089,168</u>	<u>6,666,461</u>	<u>7,251,939</u>	<u>6,822,657</u>
Amortization of electric power supply contract (i)	-	-	(8,800)	(5,643)
	<u>7,089,168</u>	<u>6,666,461</u>	<u>7,243,139</u>	<u>6,817,014</u>
Taxes (ii), contributions, and deductions on sales	(333,141)	(172,126)	(351,401)	(189,448)
	<u><b>6,756,027</b></u>	<u><b>6,494,335</b></u>	<u><b>6,891,738</b></u>	<u><b>6,627,566</b></u>

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

(ii) In 2023 includes R\$ 56,609 related to tax benefit credits granted.

## Notes to the financial statements at March 31, 2024

All amounts in thousands of reais unless otherwise stated

### 28 Costs and expenses by nature

The presentation of expenses by nature is as follows:

	Parent company		Consolidated	
	2024	2023	2024	2023
Depreciation and amortization (including biological assets harvested)	(2,344,500)	(2,120,310)	(2,348,444)	(2,124,576)
Raw materials and consumables	(1,964,544)	(1,492,767)	(1,834,765)	(1,384,577)
Personnel expenses	(597,644)	(513,554)	(604,634)	(519,752)
Material for resale (mainly ethanol in 2023)	(41,971)	(206,302)	(46,090)	(209,148)
Maintenance parts and services	(254,667)	(177,093)	(255,018)	(177,302)
Changes in the fair value of biological assets, agricultural produce, and CBIOS	(10,314)	(176,167)	(10,314)	(176,167)
Provision for losses on realization of inventories	(2,814)	-	(2,814)	-
Freight on sales	(223,823)	(167,358)	(223,804)	(167,358)
Third-party services	(143,094)	(91,809)	(147,575)	(94,646)
Litigation	(30,379)	(32,940)	(30,479)	(32,996)
Cost of land sales	-	329	45	329
Other expenses	(289,781)	(171,795)	(311,120)	(189,426)
	<b>(5,903,531)</b>	<b>(5,149,766)</b>	<b>(5,815,012)</b>	<b>(5,075,619)</b>
<u>Classified as:</u>				
Cost of goods sold	(5,334,452)	(4,689,845)	(5,216,291)	(4,589,655)
Selling expenses	(243,005)	(209,680)	(255,455)	(221,597)
General and administrative expenses	(326,074)	(250,241)	(343,266)	(264,367)
	<b>(5,903,531)</b>	<b>(5,149,766)</b>	<b>(5,815,012)</b>	<b>(5,075,619)</b>

### 29 Other income, net

The balance of "Other income" in the consolidated is comprised as follows: R\$1,244,243 (R\$475,761 at March 31, 2023) corresponds to the indemnity received by Copersucar and transferred to the Company (Note 16(b)); and R\$188,547 refers to prior period ICMS credits on inputs that are now recognized as essential to production, in accordance with case law (Note 8).

## Notes to the financial statements at March 31, 2024

All amounts in thousands of reais unless otherwise stated

### 30 Finance income (costs)

	Parent company		Consolidated	
	2024	2023	2024	2023
Finance income				
Interest received and earned	304,862	289,736	333,529	315,772
Other income	19,910	11,951	16,163	13,275
PIS/COFINS on finance income	(16,049)	(13,934)	(16,001)	(14,165)
	<b>308,723</b>	<b>287,753</b>	<b>333,691</b>	<b>314,882</b>
Finance costs				
Interest on borrowings	(633,951)	(589,244)	(637,396)	(591,548)
Adjustment to present value (i)	(248,345)	(245,394)	(248,345)	(245,394)
Interest paid	(22,832)	(30,527)	(22,813)	(30,310)
Bank guarantee commission	(10,174)	(8,711)	(10,186)	(8,717)
Payables to Copersucar	(6,156)	(6,733)	(6,156)	(6,733)
Other expenses	(13,744)	(15,282)	(14,287)	(15,518)
	<b>(935,202)</b>	<b>(895,891)</b>	<b>(939,183)</b>	<b>(898,220)</b>
Exchange and monetary variation, net				
Trade receivables and payables	914	(5,116)	914	(5,116)
Available funds	(4,810)	573	(4,810)	573
Borrowings	(89,998)	(170,399)	(89,998)	(170,399)
	<b>(93,894)</b>	<b>(174,942)</b>	<b>(93,894)</b>	<b>(174,942)</b>
Derivatives - not designated for hedge accounting				
Gain/loss on swap transactions	(54,398)	(163,362)	(54,398)	(163,362)
Gain (loss) on ethanol transactions	(57)	(500)	(57)	(500)
Foreign exchange gain (loss), net	(157)	1,863	(157)	1,863
Gain (loss) on sugar transactions	(3,003)	(4,710)	(3,003)	(4,710)
Gain (loss) on foreign exchange transactions	12,372	43,011	12,372	43,011
Cost of stock exchange transactions	(235)	(959)	(235)	(959)
	<b>(45,478)</b>	<b>(124,657)</b>	<b>(45,478)</b>	<b>(124,657)</b>
	<b>(765,851)</b>	<b>(907,737)</b>	<b>(744,864)</b>	<b>(882,937)</b>

(i) Mainly leases and agricultural partnerships payable.

### 31 Earnings per share

	Parent company		Consolidated	
	2024	2023	2024	2023
Profit for the year attributed to owners of the parent	1,476,279	1,015,744	1,476,279	1,015,744
Weighted average number of common shares in the year - in thousands (i)	346,368	346,375	346,368	346,375
<b>Basic and diluted earnings per share - R\$</b>	<b>4.2622</b>	<b>2.9325</b>	<b>4.2622</b>	<b>2.9325</b>

(i) In 2024, the weighted average number of shares was affected by the share buyback program (Note 18b).

## Notes to the financial statements at March 31, 2024

All amounts in thousands of reais unless otherwise stated

### 32 Insurance coverage

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

Parent Company and Consolidated Item	Insured risks	Maximum coverage (i)
Loss of Income and Operational Risks (ii)	Loss of income due to material damages to facilities, buildings, industrial machinery and equipment, and electric power generation. Operational Risks: Any material damage to buildings, facilities, inventories, agricultural and industrial machinery and equipment.	2,347,355
Civil Liability	Damages caused to third parties as a result of professional errors or omissions (E&O insurance).	2,425,900
Environmental Responsibility	Environmental accidents that may lead to breaches of environmental laws.	30,000

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

(ii) Insurance coverage against material damages (operating risks) to vehicles are excluded, as the reference used is 100% of the Economic Research Institute (FIPE) table.

### 33 Subsequent event

The Board of Directors Meeting held on June 17, 2024, approved the payment of interest on equity ("IOE") in the gross amount of R\$ 150,000,000.00 (one hundred and fifty million reais), equivalent to R\$ 0.445733054 per share, with income tax withheld at source. The IOE will be paid to shareholders on July 02, 2024, without monetary adjustment, and will be deducted from dividends for the fiscal year ending on March 31, 2025.

\* \* \*