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# Quarterly information (ITR)

at December 31, 2021

and independent auditor's report on  
review of quarterly information





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

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

### **Introduction**

We have reviewed the accompanying parent company and consolidated interim accounting information of São Martinho S.A. ("Company"), included in the Quarterly Information Form (ITR) for the quarter ended December 31, 2021, comprising the balance sheet as at that date and the statements of income and comprehensive income for the quarter and nine-month period then ended, and the statements of changes in equity and cash flows for the nine-month period then ended, and a summary of significant accounting policies and other explanatory information.

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

### **Scope of review**

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

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

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



São Martinho S.A.

## **Other matters**

### **Statements of value added**

The Quarterly Information referred to above include the parent company and consolidated statements of value added for the nine-month period December 31, 2021. These statements are the responsibility of the Company's management and are presented as supplementary information for IAS 34 purposes. These statements have been subjected to review procedures performed together with the review of the quarterly information for the purpose of concluding whether they are reconciled with the interim accounting information and accounting records, as applicable, and if their form and content are in accordance with the criteria defined in the accounting standard CPC 09 - "Statement of Value Added". Based on our review, nothing has come to our attention that causes us to believe that these statements of value added have not been properly prepared, in all material respects, in accordance with the criteria defined in this accounting standard, and in a consistent manner in relation to the parent company and consolidated interim accounting information taken as a whole.

Ribeirão Preto, February 14, 2022

A blue ink signature that reads "PricewaterhouseCoopers" in a cursive script.

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

A blue ink signature that reads "Mauricio Cardoso de Moraes" in a cursive script.

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

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## Balance sheet

At December 31, and March 31, 2021

All amounts in thousands of reais

(A free translation of the original in Portuguese)

ASSETS	Note	Parent company		Consolidated	
		December 31, 2021	March 31, 2021	December 31, 2021	March 31, 2021
CURRENT ASSETS					
Cash and cash equivalents	4	322,845	287,652	323,650	288,350
Financial investments	4	1,076,104	952,142	1,179,290	1,062,154
Trade receivables	5	305,943	170,554	370,413	215,655
Derivative financial instruments	23	100,712	139,904	100,712	139,904
Inventories and advances to suppliers	6	1,578,536	441,257	1,550,356	446,313
Biological assets	7	1,008,013	989,540	1,008,013	989,540
Taxes recoverable	8	48,386	11,980	48,408	12,062
Income tax and social contribution	20	37,534	42,248	37,540	42,250
Other assets		14,304	9,131	14,747	9,376
TOTAL CURRENT ASSETS		4,492,377	3,044,408	4,633,129	3,205,608
NON-CURRENT ASSETS					
Long-term receivables					
Financial investments	4	11,127	10,166	11,127	13,644
Inventories and advances to suppliers	6	122,161	106,838	122,161	106,838
Related parties	9	-	30,000	-	-
Derivative financial instruments	23	148,002	48,639	148,002	48,639
Trade receivables	5	-	-	28,944	24,189
Taxes recoverable	8	153,241	95,315	154,237	96,241
Income tax and social contribution	20	8,617	-	8,617	-
Judicial deposits	22	733,965	484,779	734,205	485,029
Other assets		156,471	113,935	156,471	113,935
Total long-term receivables		1,333,584	889,672	1,363,764	888,515
Investments					
Property, plant and equipment	10	1,714,103	1,486,725	43,519	39,951
Intangible assets	11	4,311,100	4,172,796	6,122,356	5,962,644
Right-of-use assets	12	419,218	409,093	452,701	451,742
	13	1,782,809	1,869,396	1,782,809	1,869,396
TOTAL NON-CURRENT ASSETS		9,560,814	8,827,682	9,765,149	9,212,248
TOTAL ASSETS					
		14,053,191	11,872,090	14,398,278	12,417,856

LIABILITIES AND EQUITY	Note	Parent company		Consolidated	
		December 31, 2021	March 31, 2021	December 31, 2021	March 31, 2021
CURRENT LIABILITIES					
Borrowings	14	661,274	674,504	661,274	674,504
Leases payable	13	53,036	66,264	53,036	66,264
Agricultural partnership payable	13	307,102	285,308	307,102	285,308
Derivative financial instruments	23	254,221	218,685	254,221	218,685
Trade payables	15	558,556	229,644	521,229	221,707
Payables to Copersucar	16	10,579	9,075	10,579	9,075
Salaries and social charges		182,209	170,917	183,055	171,883
Taxes payable		45,114	21,979	48,215	24,229
Income tax and social contribution payable	20	-	-	10,114	7,480
Dividends payable	18	-	102,552	-	102,552
Advances from customers		30,106	17,393	30,804	17,436
Acquisition of ownership interests	9 and 17	-	11,638	-	11,638
Other liabilities		15,242	17,126	15,724	30,812
TOTAL CURRENT LIABILITIES		2,117,439	1,825,085	2,095,353	1,841,573
NON-CURRENT LIABILITIES					
Borrowings	14	4,221,958	3,376,459	4,221,958	3,376,459
Leases payable	13	362,168	399,157	362,168	399,157
Agricultural partnership payable	13	992,807	1,161,905	992,807	1,161,905
Derivative financial instruments	23	15,719	80,227	15,719	80,227
Payables to Copersucar	16	159,175	167,121	159,175	167,121
Deferred income tax and social contribution	20	537,773	306,100	904,319	834,822
Provision for contingencies	22	86,588	101,700	87,217	102,256
Acquisition of ownership interests	9 and 17	3,677	3,650	3,677	3,650
Taxes with suspended payment	16 (b)	709,550	458,480	709,550	458,480
Other liabilities		4,178	5,617	4,176	5,617
TOTAL NON-CURRENT LIABILITIES		7,093,593	6,060,416	7,460,766	6,589,694
EQUITY					
Share capital	18	2,681,571	2,071,819	2,681,571	2,071,819
Treasury shares		(139,997)	(139,997)	(139,997)	(139,997)
Carrying value adjustments		844,706	551,050	844,706	551,050
Revenue reserves		805,698	1,503,717	805,698	1,503,717
Retained earnings		650,181	-	650,181	-
TOTAL EQUITY		4,842,159	3,986,589	4,842,159	3,986,589
TOTAL LIABILITIES AND EQUITY		14,053,191	11,872,090	14,398,278	12,417,856

The accompanying notes are an integral part of this quarterly information

# Statement of income

Periods ended December 31, 2021 and 2020

All amounts in thousands of reais

(A free translation of the original in Portuguese)

		Parent company			
	Note	December 31, 2021		December 31, 2020	
		Quarter	9 months	Quarter	9 months
Revenue	27	1,485,838	4,045,842	1,185,690	3,066,155
Cost of goods sold	28	(851,044)	(2,444,569)	(754,074)	(2,067,779)
Gross profit		634,794	1,601,273	431,616	998,376
Operating income (expenses)					
Selling expenses	28	(30,279)	(103,115)	(43,108)	(129,338)
General and administrative expenses	28	(52,368)	(195,273)	(65,539)	(176,506)
Equity in the results of investees	10	63,002	217,732	33,102	125,132
Other revenue, net	29	419,603	435,856	21,470	405,371
		399,958	355,200	(54,075)	224,659
Operating profit		1,034,752	1,956,473	377,541	1,223,035
Finance income (costs)	30				
Finance income		34,668	96,073	11,109	39,373
Finance costs		(130,202)	(342,895)	(73,072)	(326,962)
Monetary and foreign exchange variations, net		(41,120)	(104,411)	(7,365)	(15,602)
Derivatives		2,219	25,018	(1,247)	3,783
		(134,435)	(326,215)	(70,575)	(299,408)
Profit before income taxation		900,317	1,630,258	306,966	923,627
Income tax and social contribution	20 (a)				
Current		(137,286)	(219,058)	11,504	(159,014)
Deferred		(66,093)	(155,759)	(46,306)	(44,849)
Profit for the period		696,938	1,255,441	272,164	719,764
Basic and diluted earnings per share - R\$	31	2.0121	3.6245	0.7857	2.0770

The accompanying notes are an integral part of this quarterly information

# Statement of income

Periods ended December 31, 2021 and 2020

All amounts in thousands of reais

(A free translation of the original in Portuguese)

	Note	Consolidated			
		December 31, 2021		December 31, 2020	
		Quarter	9 months	Quarter	9 months
Revenue	27	1,531,733	4,237,317	1,210,979	3,151,727
Cost of goods sold	28	(828,676)	(2,414,354)	(749,052)	(2,038,912)
Gross profit		703,057	1,822,963	461,927	1,112,815
Operating income (expenses)					
Selling expenses	28	(32,858)	(111,610)	(43,600)	(130,912)
General and administrative expenses	28	(53,618)	(202,629)	(66,482)	(183,163)
Equity in the results of investees	10	1,979	5,281	1,877	4,793
Other revenue, net	29	418,146	439,636	21,767	417,301
		333,649	130,678	(86,438)	108,019
Operating profit		1,036,706	1,953,641	375,489	1,220,834
Finance income (costs)	30				
Finance income		36,308	111,201	15,502	49,345
Finance costs		(130,244)	(343,008)	(73,110)	(327,044)
Monetary and foreign exchange variations, net		(41,120)	(104,411)	(7,365)	(15,602)
Derivatives		2,219	25,018	(1,247)	3,783
		(132,837)	(311,200)	(66,220)	(289,518)
Profit before income taxation		903,869	1,642,441	309,269	931,316
Income tax and social contribution	20 (a)				
Current		(140,475)	(232,570)	9,380	(167,602)
Deferred		(66,456)	(154,430)	(46,485)	(43,950)
Profit for the period		696,938	1,255,441	272,164	719,764
Basic and diluted earnings per share - R\$	31	2.0121	3.6245	0.7857	2.0770

The accompanying notes are an integral part of this quarterly information



**Statement of comprehensive income**  
**Periods ended December 31, 2021 and 2020**  
**All amounts in thousands of reais**

(A free translation of the original in Portuguese)

Parent Company and Consolidated	December 31, 2021		December 31, 2020	
	Quarter	9 months	Quarter	9 months
Profit for the period	696,938	1,255,441	272,164	719,764
Items that will be subsequently reclassified to profit or loss				
Changes in the period:				
Changes in fair value				
Commodity derivatives - Futures, options and forward contracts	10,497	(64,778)	(39,182)	(120,950)
Foreign exchange derivatives - Options / NDF	(22,226)	64,294	151,521	35,753
Foreign exchange differences on borrowings (Trade Finance)	10,979	143,458	168,179	13,889
	(750)	142,974	280,518	(71,308)
Recognition in operating income				
Commodity derivatives - Futures, options and forward contracts	8,493	78,152	24,610	52,758
Foreign exchange derivatives - Options / NDF	8,472	(17,549)	42,754	185,139
Foreign exchange differences on borrowings (Trade Finance)	642	29,205	637	1,781
	17,607	89,808	68,001	239,678
Write-off due to ineffectiveness				
Commodity derivatives - Futures, options and forward contracts	(2,713)	(9,504)	(42)	1,934
	(2,713)	(9,504)	(42)	1,934
Total changes in the period				
Commodity derivatives - Futures, options and forward contracts	16,277	3,870	(14,614)	(66,258)
Foreign exchange derivatives - Options / NDF	(13,754)	46,745	194,275	220,892
Foreign exchange differences on borrowings (Trade Finance)	11,621	172,663	168,816	15,670
Deferred taxes on the items above	(4,809)	(75,914)	(118,482)	(57,903)
	9,335	147,364	229,995	112,401
Total comprehensive income for the year	706,273	1,402,805	502,159	832,165

The accompanying notes are an integral part of this quarterly information



**Statements of changes in equity**  
**Periods ended December 31, 2021 and 2020**  
**All amounts in thousands of reais**

(A free translation of the original in Portuguese)

	Note	Share capital	Capital reserve	Treasury shares	Carrying value adjustments				Revenue reserve						Retained earnings	Total
					Deemed cost		Hedge accounting	Others	Legal reserve	Capital budget reserve	Unrealized revenue reserve	Tax incentive reserve	Additional dividends			
					Parent	Investees										
At March 31, 2020	18	1,696,652	9,418	(131,361)	126,500	1,031,673	(551,151)	-	142,377	487,851	34,131	487,650	12,936	-	3,346,676	
Capital increase with reserves	18 a	375,167	(9,418)	-	-	-	-	-	-	-	-	(365,749)	-	-	-	
Realization of surplus on revaluation of deemed cost	18 c (i)	-	-	-	(9,764)	(354)	-	-	-	-	-	-	-	10,118	-	
Share buyback	18 b	-	-	(8,636)	-	-	-	-	-	-	-	-	-	-	(8,636)	
Gain (loss) on derivate transactions - hedge accounting	18 c (ii)	-	-	-	-	-	112,401	-	-	-	-	-	-	-	112,401	
Payment of prior year's additional dividends	18 f	-	-	-	-	-	-	-	-	-	-	-	(12,936)	-	(12,936)	
Interest on capital paid	18 f	-	-	-	-	-	-	-	-	-	-	-	-	(120,000)	(120,000)	
Transfer to tax incentive reserve	18 d	-	-	-	-	-	-	-	-	-	-	49,850	-	(49,850)	-	
Profit for the period		-	-	-	-	-	-	-	-	-	-	-	-	719,764	719,764	
At December 31, 2021	18	2,071,819	-	(139,997)	116,736	1,031,319	(438,750)	-	142,377	487,851	34,131	171,751	-	560,032	4,037,269	
At March 31, 2021	18	2,071,819	-	(139,997)	116,187	1,029,113	(594,814)	564	188,733	885,731	27,960	203,834	197,459	-	3,986,589	
Capital increase with reserves	18 a	609,752	-	-	-	-	-	-	-	(487,851)	-	(121,901)	-	-	-	
Carrying value adjustments of investees		-	-	-	-	-	-	110	-	-	-	-	-	-	110	
Realization of surplus on revaluation of deemed cost	18 c (i)	-	-	-	(9,070)	(2,426)	-	-	-	-	-	-	-	11,496	-	
Gain (loss) on derivate transactions - hedge accounting	18 c (ii)	-	-	-	-	-	147,364	-	-	-	-	-	-	-	147,364	
Adjustment of deferred taxes in subsidiaries	18 c (iii)	-	-	-	-	157,678	-	-	-	-	-	-	-	-	157,678	
Transfer to tax incentive reserve	20 a	-	-	-	-	-	-	-	-	-	-	109,192	-	(109,192)	-	
Payment of prior year's additional dividends	18 f	-	-	-	-	-	-	-	-	-	-	-	(197,459)	-	(197,459)	
Interest on capital paid	18 e	-	-	-	-	-	-	-	-	-	-	-	-	(135,000)	(135,000)	
Payment of dividends for the year	18 e	-	-	-	-	-	-	-	-	-	-	-	-	(372,564)	(372,564)	
Profit for the period		-	-	-	-	-	-	-	-	-	-	-	-	1,255,441	1,255,441	
At December 31, 2021	18	2,681,571	-	(139,997)	107,117	1,184,365	(447,450)	674	188,733	397,880	27,960	191,125	-	650,181	4,842,159	

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

# Statement of cash flows

## Nine-month periods ended December 31, 2021 and 2020

All amounts in thousands of reais

(A free translation of the original in Portuguese)

	Note	Parent company		Consolidated	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Cash flows from operating activities					
Profit for the period		1,255,441	719,764	1,255,441	719,764
Adjustments					
Depreciation and amortization	29	516,757	503,719	520,647	506,715
Biological assets harvested	29	608,586	527,621	608,586	527,621
Change in the fair value of biological assets	29	(10,495)	(19,738)	(10,495)	(19,738)
Amortization of electricity contracts		-	-	6,055	6,579
Equity in the results of investees	10	(217,732)	(125,132)	(5,281)	(4,793)
Gains (losses) on investments and PP&E written off	11	(2,315)	(1,116)	(815)	5,744
Interest, monetary and foreign exchange variations, net		221,719	140,473	215,629	135,559
Derivative financial instruments		64,685	236,256	64,767	236,256
Setup of provision for contingencies, net	22.1	9,167	8,780	9,168	8,794
Income tax and social contribution	20 (b)	374,817	203,863	387,000	211,552
Taxes with suspended payment		251,070	201,895	251,070	201,895
Adjustment to present value and other adjustments		108,210	105,363	113,012	103,507
		3,179,910	2,501,748	3,414,784	2,639,455
Changes in assets and liabilities					
Trade receivables		(142,465)	(135,664)	(256,398)	(156,522)
Inventories		(680,392)	(387,099)	(645,283)	(363,494)
Taxes recoverable		(67,050)	30,569	(67,647)	30,459
Derivative financial instruments		(74,007)	(251,802)	(74,007)	(251,802)
Other assets		(284,747)	(252,920)	(284,919)	(252,932)
Trade payables		402,862	38,467	460,833	37,148
Salaries and social charges		11,293	6,564	11,172	6,362
Taxes payable		(127,098)	(140,015)	(126,881)	(139,387)
Payables to Copersucar		(9,438)	(10,673)	(9,438)	(10,673)
Provision for contingencies - settlement	22.1	(20,542)	(13,047)	(20,542)	(13,060)
Other liabilities		9,385	20,748	(3,169)	14,030
Cash from operations		2,197,711	1,406,876	2,398,505	1,539,584
Payment of interest on borrowings and financing	14	(88,403)	(186,187)	(88,403)	(186,187)
Deferred income tax and social contribution		(68,824)	(22,997)	(79,070)	(27,808)
Net cash provided by operating activities		2,040,484	1,197,692	2,231,032	1,325,589
Cash flow from investing activities					
Investment of funds	31	(12,159)	(485)	(12,159)	(485)
Return of capital		-	-	-	8
Additions to property, plant and equipment and intangible assets		(739,208)	(240,627)	(768,292)	(243,626)
Additions to biological assets (planting and crop treatments)	10 and 11	(861,503)	(660,606)	(861,503)	(660,606)
Financial investments		(90,870)	682,282	(74,786)	698,706
Proceeds from sale of property, plant and equipment	11	9,564	4,311	8,872	14,327
Dividends received		178,143	150,462	1,394	-
Net cash used in investing activities		(1,516,033)	(64,663)	(1,706,474)	(191,676)
Cash flows from financing activities					
Payments of lease agreements and partnerships	13	(449,047)	(234,486)	(449,047)	(234,486)
Proceeds from borrowings – third parties	14	1,951,678	212,479	1,951,678	212,479
Repayment of borrowings - third parties	14	(1,184,332)	(770,020)	(1,184,332)	(770,020)
Acquisition of treasury shares	17 b	-	(8,636)	-	(8,636)
Payment of dividends		(807,557)	(187,617)	(807,557)	(187,617)
Net cash used in financing activities		(489,258)	(988,280)	(489,258)	(988,280)
Net increase in cash and cash equivalents		35,193	144,749	35,300	145,633
Cash and cash equivalents at the beginning of the period	4	287,652	91,998	288,350	92,066
Cash and cash equivalents at the end of the period	4	322,845	236,747	323,650	237,699
<u>Additional information</u>					
Balance of financial investments (current assets)	4	1,076,104	1,113,078	1,179,290	1,153,574
Total available funds	4	1,398,949	1,349,825	1,502,940	1,391,273

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

**Statement of value added**  
**Nine-month periods ended December 31, 2021 and 2020**  
**All amounts in thousands of reais**

(A free translation of the original in Portuguese)

	Parent company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Revenue				
Gross sales of goods and products	4,328,011	3,302,220	4,535,089	3,393,730
Revenue from construction of own assets	922,118	772,712	922,118	772,712
Other income	10,746	4,991	8,940	16,937
	<u>5,260,875</u>	<u>4,079,923</u>	<u>5,466,147</u>	<u>4,183,379</u>
Inputs acquired from third parties				
Cost of products and goods sold	(994,194)	(796,387)	(904,984)	(733,072)
Material, electricity, third-party services, and other operating expenses	(1,083,169)	(859,588)	(1,153,256)	(894,347)
	<u>(2,077,363)</u>	<u>(1,655,975)</u>	<u>(2,058,240)</u>	<u>(1,627,419)</u>
Gross value added	3,183,512	2,423,948	3,407,907	2,555,960
Depreciation and amortization	(516,757)	(503,719)	(520,647)	(506,715)
Biological assets harvested	(608,586)	(527,621)	(608,586)	(527,621)
Net value added generated by the entity	<u>2,058,169</u>	<u>1,392,608</u>	<u>2,278,674</u>	<u>1,521,624</u>
Value added received in transfer				
Equity in the results of investees	217,732	125,132	5,281	4,793
Finance income	639,237	717,410	659,986	727,411
Others	477,670	448,896	480,452	448,885
Total value added to be distributed	<u>3,392,808</u>	<u>2,684,046</u>	<u>3,424,393</u>	<u>2,702,713</u>
Distribution of value added				
Personnel and payroll charges				
Direct compensation	423,976	410,754	424,089	410,929
Benefits	153,308	154,214	153,981	154,884
Government Severance Indemnity Fund for Employees (FGTS)	39,910	38,731	39,919	38,744
Management compensation	36,306	42,149	37,264	43,043
Taxes, charges and contributions				
Federal	469,069	268,600	492,747	285,179
State	45,350	30,215	45,652	30,442
Municipal	972	824	1,120	862
Financing entities				
Interest	330,255	247,892	335,387	247,892
Rentals	4,247	2,755	4,247	2,755
Foreign exchange variations	421,335	556,467	421,795	556,467
Others	212,639	211,681	212,751	211,752
Interest on capital	135,000	120,000	135,000	120,000
Profit retained in the period	<u>1,120,441</u>	<u>599,764</u>	<u>1,120,441</u>	<u>599,764</u>
Value added distributed	<u>3,392,808</u>	<u>2,684,046</u>	<u>3,424,393</u>	<u>2,702,713</u>

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

## Notes to the quarterly information at December 31, 2021

All amounts in thousands of reais unless otherwise stated

### 1. Operations

São Martinho S.A. (the “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 production of goods derives from plantations on land owned by either the Company, its stockholders, related companies, or agricultural partnerships. The remaining 30% of sugarcane 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 supply may be affected by adverse climate conditions. Sugarcane crop takes up to 18 months to mature, and harvest begins, in general, from April to December, which is also the period when sugar and ethanol are produced, and electric power is co-generated.

The Company is a subsidiary of the holding company LJM Participações S.A. (“LJM”), which has a 53.74% interest in its voting capital.

The issue of this quarterly information was authorized by the Board of Directors on February 14, 2022.

#### RenovaBio - CBIOs

At December 31, 2021, the Company held 58,887 decarbonization credits (Cbios) issued and not yet sold (408,599 Cbios at March 31, 2021). During the current crop season, 1,026,575 Cbios were traded (831,521 Cbios at December 31, 2020), and sales classified as net revenue. Once registered, these credits may be traded mainly with fuel distributors under acquisition targets established in the RenovaBio program.

## **Notes to the quarterly information at December 31, 2021**

All amounts in thousands of reais unless otherwise stated

### **Effects of the Coronavirus pandemic on the quarterly information**

The potential impacts of the Coronavirus pandemic (Covid-19) are reflected in the estimates and judgments used in the preparation of the quarterly information, notably those relating to the fair value of biological assets, derivative financial instruments with foreign exchange exposure, and impairment tests of goodwill performed at March 31, 2021.

On the date the Board of Directors authorized the issue of this quarterly information, management had concluded that there were no material uncertainties which might cast doubt on the Company's ability to continue as a going concern, and had not identified any issues affecting this quarterly information.

## **2. Summary of significant accounting policies**

### **2.1 Statement of compliance and basis of preparation**

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

This quarterly information has been prepared under the historical cost convention, as modified to reflect the deemed cost of items of property, plant and equipment items on the date of transition to IFRS/CPC, adjusted for certain derivative financial instruments and biological assets measured at fair value. This quarterly information presents all information of significance to the periods presented, which is consistent with the information utilized by management in the performance of its duties.

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

## Notes to the quarterly information at December 31, 2021

All amounts in thousands of reais unless otherwise stated

The Company records dividends received from its subsidiaries in the parent company statement of cash flows as investing activities since it considers these dividends to be returns on the investments.

### 2.2 Basis of consolidation and investments in subsidiaries

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

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

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

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

### 2.3 Functional and presentation currency

The financial information is presented in Brazilian 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 Real/Reais has been rounded off to the nearest thousand, unless otherwise stated.

### 2.4 Foreign currency translation

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

## **Notes to the quarterly information at December 31, 2021**

All amounts in thousands of reais unless otherwise stated

### **2.5 Financial instruments**

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

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

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

#### **a) Financial assets**

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

#### **b) Financial liabilities**

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

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

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

## **Notes to the quarterly information at December 31, 2021**

All amounts in thousands of reais unless otherwise stated

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 of such changes is recorded as "Finance income (costs)" in the statement of income. The amounts accumulated in equity are reclassified to the statement of income for the year when the hedged item affects profit or loss, and the related effects are recognized as "Net sales revenue" in order to minimize changes in the hedged item.

### **2.6 Business combinations and goodwill**

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

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

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

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

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

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

## **Notes to the quarterly information at December 31, 2021**

All amounts in thousands of reais unless otherwise stated

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

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

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

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

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

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

Goodwill is tested for impairment annually. The recoverable amounts of cash-generating units 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 expected net cash flows from biological assets, which is determined through the use of assumptions established in discounted cash flow models (Note 7).

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

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

## **Notes to the quarterly information at December 31, 2021**

All amounts in thousands of reais unless otherwise stated

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

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

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

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

### **f) ICMS tax benefits**

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

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

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

### **g) 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.

## Notes to the quarterly information at December 31, 2021

All amounts in thousands of reais unless otherwise stated

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

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

	Parent company			Consolidated		
	Annual yield	December 31, 2021	March 31, 2021	Annual yield	December 31, 2021	March 31, 2021
Cash and banks - in Brazil		1,353	1,133		2,158	1,831
Cash and banks - abroad (US Dollar)						
	0.30% p.a.	321,492	286,519	0.30% p.a.	321,492	286,519
<b>Total cash and cash equivalents</b>		<b>322,845</b>	<b>287,652</b>		<b>323,650</b>	<b>288,350</b>
Financial investments						
. Investment fund	110.65% of CDI	987,618	864,527	110.65% of CDI	1,090,175	973,933
. Bank Deposit Certificate (CDB)	100.79% of CDI	88,486	87,615	100.85% of CDI	89,115	88,221
. Other (i)	100.65% of CDI	11,127	10,166	100.65% of CDI	11,127	13,644
<b>Total financial investments</b>		<b>1,087,231</b>	<b>962,308</b>		<b>1,190,417</b>	<b>1,075,798</b>
<b>Total cash and cash equivalents and financial investments</b>		<b>1,410,076</b>	<b>1,249,960</b>		<b>1,514,067</b>	<b>1,364,148</b>
<b>In non-current assets</b>		<b>11,127</b>	<b>10,166</b>		<b>11,127</b>	<b>13,644</b>
<b>Total available funds</b>		<b>1,398,949</b>	<b>1,239,794</b>		<b>1,502,940</b>	<b>1,350,504</b>

(i) Resources pledged as collateral for borrowings obtained 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.

The balance of trade receivables is as follows:

## Notes to the quarterly information at December 31, 2021

All amounts in thousands of reais unless otherwise stated

	Parent company		Consolidated	
	December 31, 2021	March 31, 2021	December 31, 2021	March 31, 2021
Domestic market customers	193,320	75,236	287,476	145,351
Foreign market customers	112,705	95,318	112,705	95,318
( - ) Expected impairment loss on trade receivables	(82)	-	(824)	(821)
	<b>305,943</b>	<b>170,554</b>	<b>399,357</b>	<b>239,848</b>
<b>Current assets</b>	<b>305,943</b>	<b>170,554</b>	<b>370,413</b>	<b>215,659</b>
<b>Non-current assets</b>	<b>-</b>	<b>-</b>	<b>28,944</b>	<b>24,189</b>

The aging list of trade receivables is as follows:

	Parent company		Consolidated	
	December 31, 2021	March 31, 2021	December 31, 2021	March 31, 2021
Falling due:	305,782	170,419	399,054	239,487
Overdue and not provisioned				
Up to 30 days	-	10	19	51
Over 31 days	161	125	284	310
	<b>305,943</b>	<b>170,554</b>	<b>399,357</b>	<b>239,848</b>

Of the amount receivable, R\$ 4,082 and R\$ 266 in the Parent company and Consolidated, respectively (R\$ 4,214 and R\$ 665, respectively, at March 31, 2021), refer to related parties (Note 9).

## Notes to the quarterly information at December 31, 2021

All amounts in thousands of reais unless otherwise stated

### 6. Inventories and advances to suppliers

	Parent company		Consolidated	
	December 31, 2021	March 31, 2021	December 31, 2021	March 31, 2021
Current				
Finished products and work-in-process	1,108,145	175,325	1,075,240	175,325
Advances - purchases of sugarcane	82,614	73,937	82,614	73,937
Advances - purchases of inputs	218,216	79,323	218,216	79,323
RenovaBio - CBIOS(i)	2,425	8,256	2,425	8,256
Land subdivisions	-	-	4,725	5,056
Inputs, maintenance materials, and other	167,136	-	167,136	-
	-	104,416	-	104,416
	<b>1,578,536</b>	<b>441,257</b>	<b>1,550,356</b>	<b>446,313</b>
Non-current				
Advances - purchases of sugarcane	122,161	106,838	122,161	106,838
	<b>122,161</b>	<b>106,838</b>	<b>122,161</b>	<b>106,838</b>
	<b>1,700,697</b>	<b>548,095</b>	<b>1,672,517</b>	<b>553,151</b>

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

(i) At December 31, 2021, the Company had 58,887 registered CBIOS carried at fair value (408,599 at March 31, 2021).

### 7. Biological assets

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

The measurement at fair value of biological assets is classified as Level 3 - Assets and liabilities for which there is little, if any, market activity, or whose prices or valuation techniques are supported by inputs from a thin, nonexistent, or illiquid market (non-observable inputs).

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

## Notes to the quarterly information at December 31, 2021

All amounts in thousands of reais unless otherwise stated

- 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	December 31, 2021	March 31, 2021
Estimated total harvested area (ha)	242,054	241,479
Expected yield (metric ton/ha)	82.92	88.11
Amount of TRS per metric ton of sugarcane (kg)	135.06	134.81
Projected average price of TRS (in R\$)	1.0492	0.8550

At the reporting date, the discount rate used to calculate the fair value of biological assets was 8.6% p.a. (6.1% p.a. at March 31, 2021).

Based on estimates of revenue and costs, the Company determines the discounted projected cash flows, adjusting them to present value through the use of a discount rate compatible with the return on investment. Changes in the fair value are accounted for under "Biological assets", with a corresponding entry to the sub-account "Changes in the fair value of biological assets", within "Cost of sales" in the statement of income.

## Notes to the quarterly information at December 31, 2021

All amounts in thousands of reais unless otherwise stated

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

	Parent company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Historical cost	1,040,629	829,616	1,040,629	829,616
Fair value	(51,089)	(116,069)	(51,089)	(116,069)
<b>Biological assets - opening balance:</b>	<b>989,540</b>	<b>713,547</b>	<b>989,540</b>	<b>713,547</b>
Changes:				
Increases arising from crop treatments	571,316	265,896	571,316	265,896
Transfer from property, plant and equipment	284,326	206,680	284,326	206,680
Changes in fair value	16,391	41,308	16,391	41,308
Decreases resulting from harvest	(853,560)	(620,932)	(853,560)	(620,932)
<b>Biological assets - closing balance:</b>	<b>1,008,013</b>	<b>606,499</b>	<b>1,008,013</b>	<b>606,499</b>
Comprised of:				
Historical cost	1,042,711	681,260	1,042,711	681,260
Fair value	(34,698)	(74,761)	(34,698)	(74,761)
<b>Biological assets - closing balance:</b>	<b>1,008,013</b>	<b>606,499</b>	<b>1,008,013</b>	<b>606,499</b>

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 the purpose of the sensitivity analysis, the Company assessed the impact on the fair value of its biological assets at December 31, 2021, 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\$ 82,058. Regarding the production volume, the same 5% variation (up or down) would result in an increase or decrease of R\$ 80.465.

## Notes to the quarterly information at December 31, 2021

All amounts in thousands of reais unless otherwise stated

### 8. Taxes recoverable

	Parent company		Consolidated	
	December 31, 2021	March 31, 2021	December 31, 2021	March 31, 2021
Current				
PIS/COFINS	41,902	6,236	41,902	6,278
ICMS	5,434	4,975	5,455	5,015
Others	1,050	769	1,051	769
	<b>48,386</b>	<b>11,980</b>	<b>48,408</b>	<b>12,062</b>
Non-current				
PIS/COFINS	107,800	59,778	107,800	59,778
ICMS	28,193	18,255	29,189	19,184
IOF on derivatives	8,955	8,762	8,955	8,762
INSS	6,825	6,669	6,825	6,666
Reintegra	1,468	1,851	1,468	1,851
	<b>153,241</b>	<b>95,315</b>	<b>154,237</b>	<b>96,241</b>
	<b>201,627</b>	<b>107,295</b>	<b>202,645</b>	<b>108,303</b>

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

The expected realization of long-term tax credits is as follows:

	Parent company	Consolidated
From 1/1/2023 to 12/31/2023	114,583	115,546
From 1/1/2024 to 12/31/2024	9,253	9,264
From 1/1/2025 to 12/31/2025	7,272	7,283
From 1/1/2026 to 12/31/2026	6,591	6,602
From 1/1/2027 to 12/31/2027	1,912	1,912
From 1/1/2028 onwards	13,630	13,630
	<b>153,241</b>	<b>154,237</b>

## Notes to the quarterly information at December 31, 2021

All amounts in thousands of reais unless otherwise stated

### 9. Related parties

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

	Parent company		Consolidated	
	December 31, 2021	March 31, 2021	December 31, 2021	March 31, 2021
Current assets				
Trade receivables (i)				
Bio SM	3,860	2,800	-	-
SM Terras Imobiliárias	38	36	-	-
SM Terras Agrícolas	20	8	-	-
Bio BV	12	792	-	-
Bio SC	6	15	-	-
Luiz Ometto Participações S.A.	3	-	3	-
CTC - Centro de Tecnologia Canavieira S.A.	-	468	141	578
Others	143	95	122	87
	<b>4,082</b>	<b>4,214</b>	<b>266</b>	<b>665</b>
Non-current assets				
Advance for future capital increase				
Bioenergia SM	-	30,000	-	-
	-	<b>30,000</b>	-	-
Current liabilities				
Trade payables				
SM Terras Agrícolas	48,768	7,786	-	-
SM Terras Imobiliárias	1,389	259	-	-
CTC - Centro de Tecnologia Canavieira S.A.	141	415	141	415
Bio BV	-	2,298	-	-
Bio SC	-	310	-	-
Luiz Ometto Participações S.A.	-	43	-	43
Others	1	11	1	11
	<b>50,299</b>	<b>11,122</b>	<b>142</b>	<b>469</b>
Leases and agricultural partnerships payable from stockholders and related parties	282,293	313,822	282,293	313,822
Current and non-current liabilities (Acquisition of ownership interest)				
Luiz Ometto Participações S.A. (Note 17)	3,677	15,288	3,677	15,288

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

## Notes to the quarterly information at December 31, 2021

All amounts in thousands of reais unless otherwise stated

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

	Parent company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Sales revenue				
Bio BV	10,094	-	-	-
Bio SC	7,385	8,400	-	-
Bio SM	6,411	3,897	-	-
	<b>23,890</b>	<b>12,297</b>	<b>-</b>	<b>-</b>
Reimbursed expenses / Lease revenue (purchase of products and services)				
SM Terras Agrícolas	(96,342)	(71,217)	-	-
CTC - Centro de Tecnologia Canavieira S.A.	(28,003)	(24,288)	(26,769)	(23,588)
SM Terras Imobiliárias	(3,948)	(2,300)	-	-
Bio SC	(1,166)	(1,254)	-	-
Bio BV	45	-	-	-
Bio SM	24	39	-	-
	<b>(129,390)</b>	<b>(99,020)</b>	<b>(26,769)</b>	<b>(23,588)</b>
Shareholders and related parties				
Sugarcane purchases / land leases / reimbursed expenses				
Agro Pecuária Boa Vista S/A	(39,286)	(25,902)	(39,286)	(25,902)
Others	(21,278)	(18,334)	(21,278)	(18,334)
	<b>(60,564)</b>	<b>(44,236)</b>	<b>(60,564)</b>	<b>(44,236)</b>

Sales revenues relate 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	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Fixed and variable compensation, and benefits	36,432	21,912	38,034	23,415
Social security contributions	2,330	4,345	2,330	4,614
<b>Total compensation and charges</b>	<b>38,762</b>	<b>26,257</b>	<b>40,364</b>	<b>28,029</b>

## Notes to the quarterly information at December 31, 2021

All amounts in thousands of reais unless otherwise stated

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 13, 2021, the Board of Directors approved the granting of 563,175 new options, through the 13th Stock Option Plan, which is regulated by the same terms as those defined in previously approved plans.

The carrying amount of the liability relating to the new fair value calculation of the Virtual Option Plan is R\$ 37,768 (R\$ 18,259 at March 31, 2021).

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

Plan	8th Plan	9th Plan	10th Plan	11th Plan	12th Plan	13th Plan	Total
Plan issue date	12/12/2016	05/02/2018	12/10/2018	12/09/2019	12/14/2020	12/13/2021	
Deadline for exercise (i)	2023	2024	2025	2026	2027	2028	
Number of virtual options granted	727,273	882,074	1,133,513	1,072,712	754,980	563,175	5,133,727
Number of virtual options exercised	(712,063)	(580,542)	(341,726)	-	-	-	(1,634,331)
<b>Number of virtual options to be exercised</b>	<b>15,210</b>	<b>301,532</b>	<b>791,787</b>	<b>1,072,712</b>	<b>754,980</b>	<b>563,175</b>	<b>3,499,396</b>
Exercise price (R\$)	17.70	17.76	19.07	19.38	24.22	37.17	

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

## Notes to the quarterly information at December 31, 2021

All amounts in thousands of reais unless otherwise stated

### 10. Investments

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

				Parent company			
Company	Ownership interest %	Equity		Book value of investment		Equity in the results of investees	
		December 31, 2021	March 31, 2021	December 31, 2021	March 31, 2021	December 31, 2021	December 31, 2020
Classified as Investments							
SM Terras Imobiliárias	100.00%	685,390	165,439	684,434	165,439	47,063	13,902
Bio SM	100.00%	33,353	26,539	33,353	26,539	14,214	6,819
SM Inova	100.00%	37,463	33,205	37,463	33,205	5,148	4,726
SM Terras Agrícolas	100.00%	834,455	1,150,050	803,867	1,150,050	62,939	54,907
SM Logística	100.00%	1,000	2,572	1,000	2,572	(1,571)	(100)
Bio SC	100.00%	62,270	71,368	79,187	94,436	50,826	44,916
Bio BV	100.00%	43,941	14,250	43,941	14,250	38,490	-
Bioenergia SM	100.00%	30,858	234	30,858	234	623	(38)
Total classified as Investments		1,728,730	1,463,657	1,714,103	1,486,725	217,732	125,132

				Consolidated			
Company	Ownership interest %	Equity		Book value of investment		Equity in the results of investees	
		December 31, 2021	March 31, 2021	December 31, 2021	March 31, 2021	December 31, 2021	December 31, 2020
Classified as Investments							
CTC - Centro de Tecnologia Canavieira S.A. (i)	5.41%	785,701	714,746	42,542	38,699	5,208	4,752
Others		-	-	977	1,252	73	41
Total classified as Investments		785,701	714,746	43,519	39,951	5,281	4,793

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

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

## **Notes to the quarterly information at December 31, 2021**

All amounts in thousands of reais unless otherwise stated

### **11. Property, plant and equipment**

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

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

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

## Notes to the quarterly information at December 31, 2021

All amounts in thousands of reais unless otherwise stated

(A free translation of the original in Portuguese)

Parent company	Land	Buildings and outbuildings	Manufacturing equipment and facilities	Intercrop maintenance	Vehicles	Agricultural machinery and implements	Sugarcane plantations	Construction in progress	Other PP&E	Total
<b>At March 31, 2020</b>	<b>96,103</b>	<b>395,287</b>	<b>1,166,760</b>	<b>301,311</b>	<b>223,751</b>	<b>298,255</b>	<b>1,350,926</b>	<b>174,939</b>	<b>51,152</b>	<b>4,058,484</b>
Total cost	96,103	496,251	1,841,782	301,311	377,559	617,139	1,350,926	174,939	178,131	5,434,141
Accumulated depreciation	-	(100,964)	(675,022)	-	(153,808)	(318,884)	-	-	(126,979)	(1,375,657)
<b>Net book value</b>	<b>96,103</b>	<b>395,287</b>	<b>1,166,760</b>	<b>301,311</b>	<b>223,751</b>	<b>298,255</b>	<b>1,350,926</b>	<b>174,939</b>	<b>51,152</b>	<b>4,058,484</b>
Acquisitions	-	211	10,534	143,051	3,987	17,443	239,824	74,520	2,022	491,592
Transfer of PP&E/biological assets	-	-	-	-	-	-	(209,178)	-	-	(209,178)
Cost of sale	(4)	(512)	(83)	-	(1,704)	(875)	(17)	-	-	(3,195)
Transfer between groups	-	33,486	85,366	-	10,085	(19,073)	27,393	(140,151)	2,894	-
Depreciation	-	(10,998)	(85,419)	(301,311)	(23,188)	(17,582)	-	-	(9,702)	(448,200)
<b>At December 31, 2020</b>	<b>96,099</b>	<b>417,474</b>	<b>1,177,158</b>	<b>143,051</b>	<b>212,931</b>	<b>278,168</b>	<b>1,408,948</b>	<b>109,308</b>	<b>46,366</b>	<b>3,889,503</b>
Total cost	96,099	529,005	1,937,332	143,051	388,297	638,909	1,408,948	109,308	183,048	5,433,997
Accumulated depreciation	-	(111,531)	(760,174)	-	(175,366)	(360,741)	-	-	(136,682)	(1,544,494)
<b>Net book value</b>	<b>96,099</b>	<b>417,474</b>	<b>1,177,158</b>	<b>143,051</b>	<b>212,931</b>	<b>278,168</b>	<b>1,408,948</b>	<b>109,308</b>	<b>46,366</b>	<b>3,889,503</b>
<b>At March 31, 2021</b>	<b>96,099</b>	<b>416,133</b>	<b>1,172,051</b>	<b>354,100</b>	<b>227,003</b>	<b>324,217</b>	<b>1,375,872</b>	<b>160,366</b>	<b>46,955</b>	<b>4,172,796</b>
Total cost	96,099	529,604	1,930,596	354,100	405,478	681,399	1,375,872	160,366	185,050	5,718,564
Accumulated depreciation	-	(113,471)	(758,545)	-	(178,475)	(357,182)	-	-	(138,095)	(1,545,768)
<b>Net book value</b>	<b>96,099</b>	<b>416,133</b>	<b>1,172,051</b>	<b>354,100</b>	<b>227,003</b>	<b>324,217</b>	<b>1,375,872</b>	<b>160,366</b>	<b>46,955</b>	<b>4,172,796</b>
Acquisitions	-	39	6,145	167,149	38,716	34,634	292,309	412,014	3,390	954,396
Transfer of PP&E/biological assets	-	-	-	-	-	-	(284,326)	-	-	(284,326)
Cost of sale	(52)	(42)	(18)	-	(2,009)	(5,128)	-	-	-	(7,249)
Transfer between groups	-	6,755	18,689	-	1,105	(1,291)	9,602	(38,200)	3,340	-
Depreciation	-	(11,663)	(87,722)	(354,781)	(22,243)	(38,420)	-	-	(9,688)	(524,517)
<b>At December 31, 2021</b>	<b>96,047</b>	<b>411,222</b>	<b>1,109,145</b>	<b>166,468</b>	<b>242,572</b>	<b>314,012</b>	<b>1,393,457</b>	<b>534,180</b>	<b>43,997</b>	<b>4,311,100</b>
Total cost	96,047	536,320	1,955,346	166,468	440,576	695,781	1,393,457	534,180	191,614	6,009,789
Accumulated depreciation	-	(125,098)	(846,201)	-	(198,004)	(381,769)	-	-	(147,617)	(1,698,689)
<b>Net book value</b>	<b>96,047</b>	<b>411,222</b>	<b>1,109,145</b>	<b>166,468</b>	<b>242,572</b>	<b>314,012</b>	<b>1,393,457</b>	<b>534,180</b>	<b>43,997</b>	<b>4,311,100</b>
Residual values:										
Historical cost	24,760	349,519	931,751	166,468	225,489	291,528	1,393,457	534,180	43,997	3,961,149
Surplus on revaluation	71,287	61,703	177,394	-	17,083	22,484	-	-	-	349,951
Annual average depreciation rates / Transfer of biological assets	-	3%	5%	100%	7%	9%	14%	-	13%	

## Notes to the quarterly information at December 31, 2021

All amounts in thousands of reais unless otherwise stated

(A free translation of the original in Portuguese)

Consolidated	Land	Buildings and outbuildings	Manufacturing equipment and facilities	Intercrop maintenance	Vehicles	Agricultural machinery and implements	Sugarcane plantations	Construction in progress	Improvements and other PPE	Total
<b>At March 31, 2020</b>	<b>1,822,005</b>	<b>398,817</b>	<b>1,222,262</b>	<b>302,397</b>	<b>223,749</b>	<b>298,256</b>	<b>1,350,925</b>	<b>174,937</b>	<b>51,157</b>	<b>5,844,505</b>
Total cost	1,822,005	502,487	1,923,767	303,017	377,558	617,139	1,350,925	174,937	178,135	7,249,970
Accumulated depreciation	-	(103,670)	(701,505)	(620)	(153,809)	(318,883)	-	-	(126,978)	(1,405,465)
<b>Net book value</b>	<b>1,822,005</b>	<b>398,817</b>	<b>1,222,262</b>	<b>302,397</b>	<b>223,749</b>	<b>298,256</b>	<b>1,350,925</b>	<b>174,937</b>	<b>51,157</b>	<b>5,844,505</b>
Acquisitions	2,500	211	10,534	143,441	3,987	17,443	239,824	74,520	2,022	494,482
Cost of sale	(11,545)	(512)	(83)	-	(1,704)	(875)	(16)	-	-	(14,735)
Transfer from Inventories to Sales	(850)	-	-	-	-	-	-	-	-	(850)
Transfer of biological assets	-	-	-	-	-	-	(209,178)	-	-	(209,178)
Transfer between groups	-	33,486	85,367	-	10,085	(19,073)	27,393	(140,151)	2,893	-
Depreciation	-	(11,144)	(87,637)	(301,993)	(23,188)	(17,582)	-	-	(9,703)	(451,247)
<b>At December 31, 2020</b>	<b>1,812,110</b>	<b>420,858</b>	<b>1,230,443</b>	<b>143,845</b>	<b>212,929</b>	<b>278,169</b>	<b>1,408,948</b>	<b>109,306</b>	<b>46,369</b>	<b>5,662,977</b>
Total cost	1,812,110	535,241	2,019,318	144,597	388,297	638,910	1,408,948	109,306	183,051	7,239,778
Accumulated depreciation	-	(114,383)	(788,875)	(752)	(175,368)	(360,741)	-	-	(136,682)	(1,576,801)
<b>Net book value</b>	<b>1,812,110</b>	<b>420,858</b>	<b>1,230,443</b>	<b>143,845</b>	<b>212,929</b>	<b>278,169</b>	<b>1,408,948</b>	<b>109,306</b>	<b>46,369</b>	<b>5,662,977</b>
<b>At March 31, 2021</b>	<b>1,814,977</b>	<b>419,482</b>	<b>1,238,940</b>	<b>354,831</b>	<b>227,002</b>	<b>324,219</b>	<b>1,375,871</b>	<b>160,364</b>	<b>46,958</b>	<b>5,962,644</b>
Total cost	1,814,977	535,840	2,030,958	355,950	405,479	681,400	1,375,871	160,364	185,062	7,545,901
Accumulated depreciation	-	(116,358)	(792,018)	(1,119)	(178,477)	(357,181)	-	-	(138,104)	(1,583,257)
<b>Net book value</b>	<b>1,814,977</b>	<b>419,482</b>	<b>1,238,940</b>	<b>354,831</b>	<b>227,002</b>	<b>324,219</b>	<b>1,375,871</b>	<b>160,364</b>	<b>46,958</b>	<b>5,962,644</b>
Acquisitions	5,764	39	6,145	167,605	38,716	34,634	292,309	435,330	3,391	983,933
Cost of sale	(436)	(2,292)	(18)	-	(2,009)	(5,127)	-	-	-	(9,882)
Transfer from Inventories to Sales	(1,526)	-	-	-	-	-	-	-	-	(1,526)
Transfer of biological assets	-	-	-	-	-	-	(284,326)	-	-	(284,326)
Transfer between groups	-	6,756	18,690	-	1,104	(1,292)	9,602	(38,200)	3,340	-
Depreciation	-	(11,788)	(90,855)	(355,492)	(22,242)	(38,421)	-	-	(9,689)	(528,487)
<b>At December 31, 2021</b>	<b>1,818,779</b>	<b>412,197</b>	<b>1,172,902</b>	<b>166,944</b>	<b>242,571</b>	<b>314,013</b>	<b>1,393,456</b>	<b>557,494</b>	<b>44,000</b>	<b>6,122,356</b>
Total cost	1,818,779	539,374	2,055,708	167,383	440,576	695,782	1,393,456	557,494	191,627	7,860,179
Accumulated depreciation	-	(127,177)	(882,806)	(439)	(198,005)	(381,769)	-	-	(147,627)	(1,737,823)
<b>Net book value</b>	<b>1,818,779</b>	<b>412,197</b>	<b>1,172,902</b>	<b>166,944</b>	<b>242,571</b>	<b>314,013</b>	<b>1,393,456</b>	<b>557,494</b>	<b>44,000</b>	<b>6,122,356</b>
Residual values:										
Historical cost	167,254	349,613	981,397	166,944	225,488	291,529	1,393,456	557,494	44,000	4,177,175
Surplus on revaluation	1,651,525	62,584	191,505	-	17,083	22,484	-	-	-	1,945,181
Annual average depreciation rates/ Transfer of biological assets	-	3%	5%	100%	7%	9%	14%	-	13%	

## Notes to the quarterly information at December 31, 2021

All amounts in thousands of reais unless otherwise stated

The amount allocated to Work in Progress refers mainly to the construction of corn ethanol plant and the cogeneration plant UTE phase II.

Under the terms of certain borrowing agreements entered into by São Martinho, items of property, plant and equipment totaling R\$ 809,876 were pledged as collateral, of which R\$ 32,364 relates to rural properties (1,243 hectares of land).

Financial charges capitalized during the period amounted to R\$ 4,739 (R\$ 909 at December 31, 2020).

### 12. Intangible assets

Contractual relationships have a finite useful life, and their amortization is calculated based on the quantity of sugarcane harvested during the term of the agreement with the partner or supplier.

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

	Parent company		Consolidated	
	December 31, 2021	March 31, 2021	December 31, 2021	March 31, 2021
Goodwill based on future profitability (i)	374,633	374,632	374,633	374,633
Software	41,061	40,437	41,061	40,437
Accumulated amortization	(32,476)	(30,999)	(32,476)	(30,999)
Rights on sugarcane contracts (ii)	42,443	42,443	42,443	42,443
Amortization of rights on sugarcane contracts (ii)	(23,545)	(20,285)	(23,545)	(20,285)
Cost of rights on electric power contracts (iii)	-	-	103,401	103,401
Amortization of rights on electric power contracts (iii)	-	-	(81,455)	(72,280)
Other assets	17,102	2,865	28,639	14,392
	<b>419,218</b>	<b>409,093</b>	<b>452,701</b>	<b>451,742</b>

- (i) Goodwill related to prior years' business combination of companies merged into the Company;
- (ii) Relates to the acquisition of rights on agreements for agricultural partnership and sugarcane supply;
- (iii) Relates to the fair value of agreements for electric power supply entered into with Bio SC, effective up to 2025 (business combination).

## Notes to the quarterly information at December 31, 2021

All amounts in thousands of reais unless otherwise stated

### Impairment of non-financial assets

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

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

At March 3, 2021, the Company tested its non-current assets for impairment. The assessment was based on calculations of the value in use of each CGU, which use pre-tax cash flow projections, based on financial budgets approved by management. The growth rate does not exceed the long-term average growth rate of the industry in which the CGU operates.

The main assumptions and estimates involved are estimates of sugar and ethanol sales prices, costs related to energy and other macroeconomic data.

Main assumptions used by the Company (data from March 31, 2021):

Cash-generating Units	Average growth rate of net operating revenue	Nominal perpetuity growth rate	Nominal discount rate
São Martinho and Itacema production units	0.8%	3.9%	6.5%
Santa Cruz production unit	1.3%	3.9%	6.5%

The effects of the Coronavirus (Covid-19) pandemic did not have a significant impact on the estimates used to assess impairment.

## Notes to the quarterly information at December 31, 2021

All amounts in thousands of reais unless otherwise stated

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

#### a) Leases

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

#### b) Definition of a lease as per IFRS 16 (CPC 06 R2)

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

#### c) 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 asset and balance payable are remeasured at year-end, 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 items (computers, telephones and small IT equipment in general) and/or short-term lease agreements (up to 12 months). Payments associated with these agreements were recorded as expenses on a straight-line basis.

#### d) The Company as the Lessor

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

## Notes to the quarterly information at December 31, 2021

All amounts in thousands of reais unless otherwise stated

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

Right-of-use assets	Parent Company and Consolidated			
	Vehicles	Agricultural partnership	Agricultural lease	Total
<b>At March 31, 2020</b>	<b>2,683</b>	<b>1,315,293</b>	<b>401,477</b>	<b>1,719,453</b>
New contracts	28,385	82,350	3,724	114,459
Updated contracts	2,522	(9,579)	(8,457)	(15,514)
Write-offs	(2,472)	(28,841)	(11,745)	(43,058)
Depreciation	(10,976)	(210,546)	(36,336)	(257,858)
<b>At December 31, 2020</b>	<b>20,142</b>	<b>1,148,677</b>	<b>348,663</b>	<b>1,517,482</b>
<b>At March 31, 2021</b>	<b>16,498</b>	<b>1,415,829</b>	<b>437,069</b>	<b>1,869,396</b>
New contracts	4,357	132,641	10,273	147,271
Updated contracts	-	20,873	44	20,917
Write-offs	(3,280)	(21,473)	(4,749)	(29,502)
Depreciation	(11,079)	(179,922)	(34,272)	(225,273)
<b>At December 31, 2021</b>	<b>6,496</b>	<b>1,367,948</b>	<b>408,365</b>	<b>1,782,809</b>
Useful lives (years)	1 to 2	2 to 29	2 to 20	

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

Leases and agricultural partnerships payable	Parent Company and Consolidated			
	Balance of lease agreements	Balance of advance payments	Adjustment to present value	Total
<b>At March 31, 2020</b>	<b>2,663,969</b>	<b>(108,822)</b>	<b>(879,234)</b>	<b>1,675,913</b>
Offset of advances	-	46,744	-	46,744
New agreements	156,082	-	(41,623)	114,459
Updated contracts	(26,814)	-	11,300	(15,514)
Write-offs	(63,393)	-	15,230	(48,163)
Payments	(234,486)	-	-	(234,486)
Financial charges	-	-	113,811	113,811
<b>At December 31, 2020</b>	<b>2,495,358</b>	<b>(62,078)</b>	<b>(780,516)</b>	<b>1,652,764</b>
<b>At March 31, 2021</b>	<b>2,955,027</b>	<b>(113,634)</b>	<b>(928,759)</b>	<b>1,912,634</b>
Offset of advances	-	1,980	-	1,980
New agreements	234,283	-	(87,012)	147,271
Updated contracts	39,051	-	(18,134)	20,917
Write-offs	(37,677)	-	6,159	(31,518)
Payments	(449,047)	-	-	(449,047)
Financial charges	-	-	112,876	112,876
<b>At December 31, 2021</b>	<b>2,741,637</b>	<b>(111,654)</b>	<b>(914,870)</b>	<b>1,715,113</b>
<b>Current liabilities</b>				<b>360,138</b>
Leases payable				53,036
Agricultural partnership payable				307,102
<b>Non-current liabilities</b>				<b>1,354,975</b>
Leases payable				362,168
Agricultural partnership payable				992,807
				<b>1,715,113</b>

## Notes to the quarterly information at December 31, 2021

All amounts in thousands of reais unless otherwise stated

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

Maturity	Parent Company and Consolidated
From 1/1/2023 to 12/31/2023	313,096
From 1/1/2024 to 12/31/2024	288,947
From 1/1/2025 to 12/31/2025	268,610
From 1/1/2025 to 12/31/2026	247,041
From 1/1/2026 to 12/31/2027	202,115
From 1/1/2027 to 12/31/2028	156,331
From 1/1/2028 to 12/31/2029	120,862
From 1/1/2030 onwards	543,087
(-) Adjustment to present value	(785,114)
	<b>1,354,975</b>

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

Parent Company and Consolidated	Agricultural lease	Adjustment to present value
Lease payment	706,653	266,852
Potentially recoverable PIS/COFINS (9.25%)	(47,692)	(17,673)
December 31, 2021	<b>658,961</b>	<b>249,179</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, and adjusted for its economic circumstances:

Contract terms	Incremental rate
2 years	8.04%
3 years	8.55%
4 years	8.48%
5 years	8.57%
6 years	8.65%
7 years	8.49%
8 years	8.74%
9 years	9.08%
10 years	9.21%
11 years	8.77%
From 12 to 30 years	9.07%

## Notes to the quarterly information at December 31, 2021

All amounts in thousands of reais unless otherwise stated

Pursuant to IFRS 16, the Company measured and remeasured its lease liabilities and right-of-use assets using the discounted cash flow methodologies, without considering the projected future inflation in the flows to be discounted, which is prohibited by the standard.

Additionally, in compliance with CVM Circular Letter 02/2019, comparative information on lease and agricultural partnership liabilities, right-of-use assets, deferred taxes, depreciation expense and finance costs for the nine-month period ended December 31, 2021 and future periods is presented below, using a discounted cash flow that considers future inflation projected in the payment flows, and discounted at the nominal rates presented above:

Parent Company and Consolidated	From 1/1/2022 to 12/31/2022	From 1/1/2022 to 12/31/2023	From 1/1/2024 to 12/31/2024	From 1/1/2025 to 12/31/2025	From 1/1/2026 to 12/31/2026	From 1/1/2027 to 12/31/2031	From 1/1/2032 to 12/31/2036	From 1/1/2037 to 12/31/2041
Right-of-use assets								
IFRS 16	1,502,027	1,258,964	1,039,545	838,481	656,123	197,786	32,966	-
CVM Official Letter	2,015,492	1,701,211	1,414,682	1,150,822	910,338	283,651	48,713	-
	34.18%	35.13%	36.09%	37.25%	38.75%	43.41%	47.77%	N/A
Liabilities of leases and agricultural partnerships								
IFRS 16	1,351,915	1,129,815	929,029	745,159	579,192	185,978	28,033	-
CVM Official Letter	1,938,696	1,639,953	1,366,089	1,112,952	882,180	334,262	61,539	-
	43.40%	45.15%	47.04%	49.36%	52.31%	79.73%	119.52%	N/A
Amortization expense								
IFRS 16	(274,822)	(243,063)	(219,419)	(201,064)	(182,359)	(458,337)	(164,820)	(32,966)
CVM Official Letter	(366,903)	(314,280)	(286,529)	(263,860)	(240,484)	(626,687)	(234,938)	(48,713)
	33.51%	29.30%	30.59%	31.23%	31.87%	36.73%	42.54%	47.77%
Interest expenses								
IFRS 16	(95,175)	(93,695)	(91,395)	(88,586)	(84,707)	(305,682)	(123,052)	(32,513)
CVM Official Letter	(122,282)	(121,724)	(119,319)	(116,305)	(112,007)	(457,226)	(162,345)	(41,662)
	28.48%	29.92%	30.55%	31.29%	32.23%	49.58%	31.93%	28.14%
	IFRS 16/CPC 06	CVM Official Letter						
Amortization expense	(1,776,850)	(2,382,394)						
Interest expenses	(914,805)	(1,252,870)						
	(2,691,655)	(3,635,264)						

## Notes to the quarterly information at December 31, 2021

All amounts in thousands of reais unless otherwise stated

### 14. Borrowings

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

Type	Annual charges		Parent Company and Consolidated	
	Rate	Index	December 31, 2021	March 31, 2021
<b>In local currency</b>				
BNDES credit facility	2.17%	+TJLP	129,307	145,682
BNDES credit facility	3.52%	+IPCA	180,365	-
BNDES credit facility	3.43%	Fixed rate	89,014	117,845
FINEP	4.00%	Fixed rate	48,971	64,169
Rural credit	8.00%	Fixed rate	301,641	-
Agribusiness Receivable Certificate (CRA)	98.63%	CDI	1,143,342	1,442,018
Agribusiness Receivable Certificate (CRA) (a) (iii)	4.88%	+IPCA	519,495	475,325
Debentures (iv)	4.69%	+IPCA	522,717	-
International Finance Corporation (IFC)	1.47%	CDI	298,316	-
Other securitized credits	3.00%	+IGP-M/PRE	33	36
Leases	5.98%	Fixed rate	46	180
<b>Total in local currency</b>	<b>96.5%</b>	<b>CDI</b>	<b>3,233,247</b>	<b>2,245,255</b>
<b>In foreign currency</b>				
Export prepayment (PPE) (vi)	1.72%	6M Libor	474,115	1,307,281
Export prepayment (PPE)	0.96%	FX variation	223,537	-
Export prepayment (PPE)	1.60%	6M Sofr	223,305	-
International Finance Corporation (IFC) (v)	1.52%	6M Libor	580,689	344,468
Export Credit Note (NCE) (iii)	2.27%	FX variation	142,011	142,513
FINEM	2.71%	Currency Basket	6,328	11,446
<b>Total in foreign currency</b>	<b>2.91%</b>		<b>1,649,985</b>	<b>1,805,708</b>
<b>TOTAL (i)</b>			<b>4,883,232</b>	<b>4,050,963</b>
Current			661,274	674,504
Non-current			4,221,958	3,376,459

- (i) Total costs of liabilities in local and foreign currency were calculated based on the terms of the portfolios, and on Interbank Deposit (DI) and LIBOR curves.
- (ii) 100% of the Agribusiness Receivable Certificates (CRAs) is linked to 117.35% of the DI rate, through a swap contract.
- (iii) 100% of the Export Credit Note (NCE) amount is linked to the DI rate +1.40% p.a., through a swap contract.
- (iv) 100% of the amount of debentures is linked to the DI rate + 1.10% p.a., through a swap contract.
- (v) 43% of the borrowing with International Finance Corporation (IFC) is linked to the DI rate +1.15% p.a. through a swap contract.

## Notes to the quarterly information at December 31, 2021

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- (vi) 100% of the Export Credit Note (PPE) amount is linked to the LIBOR +1.13% p.a., through a swap contract.

Changes in borrowings during the period were as follows:

Changes in debt	Parent Company and Consolidated	
	December 31, 2021	December 31, 2020
Balance at the beginning of the year	4,050,963	4,814,442
Proceeds from borrowings	1,951,678	212,479
Repayment of principal amount	(1,184,332)	(770,020)
Payment of interest	(88,403)	(186,187)
Monetary adjustment	197,591	127,001
Foreign exchange variation	(44,265)	2,944
<b>Balance at the end of the period</b>	<b>4,883,232</b>	<b>4,200,659</b>

Long-term borrowings mature as follows:

Parent Company and Consolidated	Maturity
From 1/1/2023 to 12/31/2023	1,056,641
From 1/1/2024 to 12/31/2024	468,126
From 1/1/2025 to 12/31/2025	988,326
From 1/1/2026 to 12/31/2026	551,041
From 1/1/2027 to 12/31/2027	194,422
From 1/1/2028 to 12/31/2028	360,946
From 1/1/2029 to 12/31/2029	165,592
From 1/1/2030 onwards	436,864
	<b>4,221,958</b>

São Martinho's debt, of R\$ 809,875, is collateralized as follows: 96% by liens on equipment, properties and buildings, approximately 4% by land, and 1% by receivables from electric power trading and stockholders' sureties.

At the reporting date, the carrying amounts of borrowings approximate their fair value. The fair values are based on cash flows discounted using the borrowing rate of 9.73% (5.3% at March 31, 2021), and are classified within Level 2 of the fair value hierarchy.

### Covenants

Contracts in the amount of R\$ 2,868,621 include financial covenants determined and measured annually. These covenants had been complied with for the periods presented.

## Notes to the quarterly information at December 31, 2021

All amounts in thousands of reais unless otherwise stated

### 15. Trade payables

	Parent company		Consolidated	
	December 31, 2021	March 31, 2021	December 31, 2021	March 31, 2021
Sugarcane	222,429	64,026	172,273	55,980
Materials, services, and other	336,127	165,618	348,956	165,727
	<b>558,556</b>	<b>229,644</b>	<b>521,229</b>	<b>221,707</b>

Of the total amount of trade payables, R\$ 50,299 in the parent company, and R\$ 142 in the consolidated (R\$ 11,122 and R\$ 469, respectively, at March 31, 2021) refer to related parties (Note 9).

### 16. Obligations and Rights with Copersucar

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

#### a) Obligations:

Copersucar provided funds, through bills of exchange, to its members, including the Company during the period of its association, for the purpose of financing their operations. The funds were obtained by the Cooperative and relate to temporary cash surpluses arising from preliminary injunctions in lawsuits claiming suspension of the enforceability of taxes. These cash surpluses relate to provisions for contingencies recorded by the Cooperative as non-current liabilities. However, in the event of unfavorable outcomes in the lawsuits, the Company could be required to reimburse the amount within 120 days. The main amounts included in these liabilities arise from Excise Tax (IPI), of which the constitutionality and basis under law was challenged in court by the Cooperative, and from tax liabilities included in the Tax Recovery Program (REFIS) of Copersucar, as shown below.

## Notes to the quarterly information at December 31, 2021

All amounts in thousands of reais unless otherwise stated

Parent Company and Consolidated	December 31, 2021	March 31, 2021
REFIS - Copersucar - Restated by reference to SELIC rate	32,134	40,896
Exchange Bill (LC) - Restated by reference to SELIC rate	72,385	71,569
Exchange Bill (LC) - Transfer of funds without imposition of charges	52,356	52,356
Expenses with tax proceedings	10,579	9,075
Others	2,300	2,300
<b>Total</b>	<b>169,754</b>	<b>176,196</b>
<b>Current liabilities</b>	<b>10,579</b>	<b>9,075</b>
<b>Non-current liabilities</b>	<b>159,175</b>	<b>167,121</b>

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

Copersucar has been served tax assessment notices with respect to State Value-Added Tax (ICMS) levied on sales of fuel and industrial ethanol made up to December 31, 2008, of which the amount attributed to the Company would be approximately R\$ 260 million. Copersucar is confident that its position will prevail and it will successfully defend against fines; under the advice of legal counsel, the risk of loss is considered to be possible.

### b) Rights:

Copersucar is also a plaintiff in legal proceedings claiming the refund of undue tax payments 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.

Included among the lawsuits to which Copersucar is an active party is a claim against the Federal Government to compensate for damages arising from a mandatory freeze of prices of sugar and ethanol in the 1980s.

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 supplementary court-ordered debt security of R\$ 10.6 billion (of which R\$ 1.4 billion is due to the Company) was issued.

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

## **Notes to the quarterly information at December 31, 2021**

All amounts in thousands of reais unless otherwise stated

In March 2019, Copersucar received and transferred to the Cooperative members the first installment of the first court-ordered debt security (R\$ 906 million). Additionally, in December 2019, the second installment of the first court-ordered debt security (R\$ 1.06 billion) and the first installment of the supplementary court-ordered debt security (R\$ 1.725 billion) were collected. In September 30, 2020, the third installment of the first-court ordered debt security (R\$ 1.08 billion) and the second installment of the supplementary court-ordered debt security (R\$ 1.975 billion) were collected.

Upon transferring the funds, Copersucar withheld a portion to cover legal costs and the levy of PIS and COFINS taxes, while undertaking to transfer the corresponding amounts in the event of a favorable outcome. At March 31, 2021, the balance receivable from Copersucar was R\$ 103,710, recognized within "Other non-current assets".

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

At December 31, 2021, after the transfer and the deduction of legal expenses and taxes under litigation, the balance of R\$ 415,476 was recorded within "Other income, (net)". Management classifies the receipt of the remaining credit as probable, though not virtually certain, and therefore, the amount has not been recorded.

## Notes to the quarterly information at December 31, 2021

All amounts in thousands of reais unless otherwise stated

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

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

Parent Company and Consolidated	Acquisitions	Disposals	Net balance
	Usina Santa Cruz	Agro Pecuária Boa Vista	
<b>At March 31, 2021</b>	<b>(93,739)</b>	<b>78,451</b>	<b>(15,288)</b>
Repayment of the principal amount	31,210	(19,590)	11,620
Monetary adjustment	(3,486)	2,938	(548)
Repayment of interest	3,301	(2,762)	539
<b>At December 31, 2021</b>	<b>(62,714)</b>	<b>59,037</b>	<b>(3,677)</b>
Current liabilities			-
Non-current liabilities			(3,677)
			<b>(3,677)</b>

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

Maturity	(Acquisition) / Disposal
From 1/1/2023 to 12/31/2024	(11,620)
From 1/1/2024 to 12/31/2025	(11,620)
From 10/1/2025 to 12/31/2026	19,563
	<b>(3,677)</b>

### 18. Equity

#### a) Share capital

Share capital at the reporting date amounted to R\$ 2,681,571 (R\$ 2,071,819 at March 31, 2021), represented by 364,011,329 registered common shares without par value.

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

## **Notes to the quarterly information at December 31, 2021**

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At the Extraordinary General Meeting held on July 30, 2021, the stockholders approved a capital increase of R\$ 609,752, through the transfer of R\$ 487,851 from the Capital Budget Reserve, and R\$ 121,901 from the Tax Incentive Reserve.

### **b) Treasury shares**

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

### **c) Carrying value adjustments**

#### **Deemed cost**

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

#### **Hedge accounting fair value**

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

### **d) Revenue reserves**

#### **Legal reserve**

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

#### **Capital budget reserve**

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

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### **Unrealized profit reserve**

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

### **Tax incentive reserve**

The Company benefits from a tax incentive program introduced by the State of Goiás and effective until 2033, in the form of deferral of ICMS payment, named “Goiás Industrial Development Program - Produzir”, which provides for a partial reduction on such tax. The use of this benefit is conditional upon compliance with all the obligations set forth in the program, which relate to factors under the Company's control.

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

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

The incentive benefit at the reporting date amounted to R\$ 109,192 in the parent and consolidated (R\$ 49,850 at December 31, 2020).

### **e) Dividends and interest on capital**

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

At the Annual General Meeting held on July 30, 2021, the stockholders approved the payment of additional dividends of R\$ 197,459, as proposed by management for the year ended March 31, 2021.

At the Annual General Meeting held on November 8, 2021, the prepayment of stockholder compensation was approved, in the gross amount of R\$ 507,564, of which R\$ 135,000 was paid as interest on capital, and R\$ 372,564 as advance payment of dividends.

## **Notes to the quarterly information at December 31, 2021**

All amounts in thousands of reais unless otherwise stated

### **19. Profit sharing**

As part of its policy, the Company manages a profit-sharing program for its employees, linked to a previously established plan of operating and financial targets. The amounts of profit sharing for the reporting period totaled R\$ 48,147 in the Parent company and R\$ 48,219 in the Consolidated (R\$ 65,318 and R\$ 65,386 in the Parent company and Consolidated, respectively, at March 31, 2021).

### **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 should be followed. No impacts were identified from the adoption of this interpretation.

## Notes to the quarterly information at December 31, 2021

All amounts in thousands of reais unless otherwise stated

### 20.1 Changes in deferred income tax and social contribution

Parent company	September 30, 2021	Quarter		December 31, 2021
		Recognized in the statement of income	Recognized in other comprehensiv e income	
Income tax and social contribution losses	4,828	9,405	-	14,233
Non levy of IRPJ/CSLL on tax overpayments (a)	-	6,903	-	6,903
Derivative financial instruments	242,209	(13,839)	(4,809)	223,561
Provision for contingencies	75,999	16,776	-	92,775
Foreign exchange variation	19,957	9,319	-	29,276
Other assets	16,230	(3,421)	-	12,809
<b>Total income and social contribution tax assets</b>	<b>359,223</b>	<b>25,143</b>	<b>(4,809)</b>	<b>379,557</b>
Surplus on revaluation of PP&E (deemed cost)	(120,402)	1,230	-	(119,172)
Accelerated depreciation incentive	(426,075)	(36,903)	-	(462,978)
Tax benefit on merged goodwill	(197,959)	-	-	(197,959)
Foreign exchange losses	(63,032)	(56,858)	-	(119,890)
Other liabilities	(18,627)	1,295	-	(17,331)
<b>Total income and social contribution tax liabilities</b>	<b>(826,095)</b>	<b>(91,236)</b>	<b>-</b>	<b>(917,330)</b>
<b>Balance of income tax and social contribution</b>	<b>(466,872)</b>	<b>(66,093)</b>	<b>(4,809)</b>	<b>(537,773)</b>

Consolidated	September 30, 2021	Quarter				December 31, 2021
		Recognized in the statement of income	Recognized in other comprehensiv e income	Consolidation adjustment - Rights on electric power agreements	Write-off due to spin-off	
Income tax and social contribution losses	4,827	9,405	-	-	-	14,232
Non levy of IRPJ/CSLL on tax overpayments (a)	-	6,903	-	-	-	6,903
Derivative financial instruments	242,211	(13,839)	(4,809)	-	-	223,563
Provision for contingencies	70,314	16,776	-	-	-	87,090
Foreign exchange variation	19,957	9,319	-	-	-	29,276
Other assets	22,272	(3,421)	-	-	-	18,851
<b>Total income and social contribution tax assets</b>	<b>359,581</b>	<b>25,143</b>	<b>(4,809)</b>	<b>-</b>	<b>-</b>	<b>379,915</b>
Surplus on revaluation of PP&E (deemed cost)	(630,824)	1,251	-	-	157,678	(471,895)
Accelerated depreciation incentive	(426,075)	(36,903)	-	-	-	(462,978)
Tax benefit on merged goodwill	(197,959)	-	-	-	-	(197,959)
Intangible assets	(9,171)	-	-	456	-	(8,715)
Gain from change in interest held in CTC	(5,068)	-	-	-	-	(5,068)
Foreign exchange losses	(63,032)	(56,858)	-	-	-	(119,890)
Other liabilities	(18,640)	911	-	-	-	(17,729)
<b>Total income and social contribution tax liabilities</b>	<b>(1,350,769)</b>	<b>(91,599)</b>	<b>-</b>	<b>456</b>	<b>157,678</b>	<b>(1,284,234)</b>
<b>Balance of IR and CSLL</b>	<b>(991,188)</b>	<b>(66,456)</b>	<b>(4,809)</b>	<b>456</b>	<b>157,678</b>	<b>(904,319)</b>

## Notes to the quarterly information at December 31, 2021

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Parent company	March 31, 2021	9 months		December 31, 2021
		Recognized in the statement of income	Recognized in other comprehensive income	
Income tax and social contribution losses	63,293	(49,060)	-	14,233
Non levy of IRPJ/CSLL on tax overpayments (a)	-	6,903	-	6,903
Derivative financial instruments	317,620	(18,143)	(75,914)	223,563
Provision for contingencies	74,922	17,853	-	92,775
Foreign exchange gains	22,745	6,531	-	29,276
Other assets	58,387	(45,578)	-	12,809
<b>Total income and social contribution tax assets</b>	<b>536,967</b>	<b>(81,494)</b>	<b>(75,914)</b>	<b>379,559</b>
Surplus on revaluation of PP&E (deemed cost)	(130,297)	11,125	-	(119,172)
Accelerated depreciation incentive	(424,017)	(38,961)	-	(462,978)
Tax benefit on merged goodwill	(197,959)	-	-	(197,959)
Foreign exchange losses	(67,182)	(52,709)	-	(119,891)
Other liabilities	(23,612)	6,280	-	(17,332)
<b>Total income and social contribution tax liabilities</b>	<b>(843,067)</b>	<b>(74,265)</b>	<b>-</b>	<b>(917,332)</b>
<b>Balance of IR and CSLL</b>	<b>(306,100)</b>	<b>(155,759)</b>	<b>(75,914)</b>	<b>(537,773)</b>

Consolidated	March 31, 2021	9 months				December 31, 2021
		Recognized in the statement of income	Recognized in other comprehensive income	Consolidation adjustment - Rights on electric power	Write-off due to spin-off	
Income tax and social contribution losses	63,292	(49,060)	-	-	-	14,232
Non levy of IRPJ/CSLL on tax overpayments (a)	-	6,903	-	-	-	6,903
Derivative financial instruments	317,621	(18,143)	(75,914)	-	-	223,564
Provision for contingencies	69,237	17,853	-	-	-	87,090
Foreign exchange gains	22,745	6,531	-	-	-	29,276
Other assets	63,919	(45,068)	-	-	-	18,851
<b>Total income and social contribution tax assets</b>	<b>536,814</b>	<b>(80,984)</b>	<b>(75,914)</b>	<b>-</b>	<b>-</b>	<b>379,916</b>
Surplus on revaluation of PP&E (deemed cost)	(641,012)	11,439	-	-	157,678	(471,895)
Accelerated depreciation incentive	(424,017)	(38,961)	-	-	-	(462,978)
Tax benefit on merged goodwill	(197,959)	-	-	-	-	(197,959)
Intangible assets	(11,884)	-	-	3,169	-	(8,715)
Gain from change in interest held in CTC	(5,068)	-	-	-	-	(5,068)
Foreign exchange losses	(67,182)	(52,708)	-	-	-	(119,890)
Other liabilities	(24,514)	6,784	-	-	-	(17,730)
<b>Total income and social contribution tax liabilities</b>	<b>(1,371,636)</b>	<b>(73,446)</b>	<b>-</b>	<b>3,169</b>	<b>157,678</b>	<b>(1,284,235)</b>
<b>Balance of IR and CSLL</b>	<b>(834,822)</b>	<b>(154,430)</b>	<b>(75,914)</b>	<b>3,169</b>	<b>157,678</b>	<b>(904,319)</b>

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

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

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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, according to the depreciation rates of the respective property, plant and equipment items, except for the deferred tax liabilities on the surplus value of land, which will be realized if sold.

On November 8, 2021, a partial spin-off of São Martinho Terras Agrícolas S.A. ("SMTA") was carried out, followed by the merger of the spun-off portion into São Martinho Terras Imobiliárias S.A. ("SMTI") As a result of this transaction, São Martinho S.A. recognized R\$ 157,678 as deferred taxes on the surplus value of deemed cost of land, within Carrying value adjustments, in equity, with a corresponding entry to the Investments account.

### **(a) Non-levy of income tax/social contribution (IRPJ/CSLL) on tax overpayments adjusted by the Selic rate**

On September 24, 2021, the Supreme Court ("STF") judgment of RE No. 1.063.187, recognized general repercussion (Topic 962) and, by unanimous vote, ruled the incidence of income taxes on indexation/interest accruals (Selic rate) on tax overpayments due for recovery to be unconstitutional.

Based on this decision, and in accordance with ICPC 22 / (IFRIC 23) – Uncertainty over Tax Treatments, the Company recognized R\$ 15,520 for the period as current and deferred income tax assets, as follows: R\$ 8,617 in non-current assets, as income tax and social contribution recoverable related to periods in which the Company recorded taxable income; and R\$ 6,903 in non-current assets, due to the adjustment of tax loss carryforwards related to periods in which the Company recorded tax losses and the use of tax loss carryforwards increased by the Selic rate, offset in non-current liabilities under deferred income tax and social contribution.

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### 20.2 Reconciliation of the income tax and social contribution expense

Parent company	December 31, 2021		December 31, 2020	
	Quarter	9 months	Quarter	9 months
Profit before taxation	900,317	1,630,258	306,966	923,627
<b>Income tax and social contribution at nominal rates - 34%</b>	<b>(306,108)</b>	<b>(554,288)</b>	<b>(104,368)</b>	<b>(314,033)</b>
Adjustments for calculation of the effective tax rate:				
. Equity in the results of investees	21,421	74,029	11,255	42,545
. Permanent (additions) exclusions, net	3,210	5,385	10,258	9,497
. Permanent exclusions - interest on capital	45,900	45,900	40,800	40,800
. State subsidy	16,635	37,125	7,401	16,949
. Recognition of income tax and social contribution credits from prior years	15,520	15,520	(148)	379
. Others and tax incentives	43	1,512	-	-
<b>Income tax and social contribution expenses</b>	<b>(203,379)</b>	<b>(374,817)</b>	<b>(34,802)</b>	<b>(203,863)</b>
Income tax and social contribution at the effective rate	22.6%	23.0%	11.3%	22.1%
Current income tax and social contribution	(137,286)	(219,058)	11,504	(159,014)
Deferred income tax and social contribution	(66,093)	(155,759)	(46,306)	(44,849)

Consolidated	December 31, 2021		December 31, 2020	
	Quarter	9 months	Quarter	9 months
Profit before taxes	903,869	1,642,441	309,269	931,316
<b>Income tax and social contribution at nominal rates - 34%</b>	<b>(307,315)</b>	<b>(558,430)</b>	<b>(105,151)</b>	<b>(316,647)</b>
Adjustments for calculation of the effective tax rate:				
. Equity in the results of investees	673	1,796	638	1,630
. Permanent (additions) exclusions, net	3,210	5,386	10,258	9,496
. Permanent exclusions - interest on capital	45,900	45,900	40,800	40,800
. State subsidy	16,635	37,125	7,401	16,950
. Adjustment to the calculation relating to subsidiary taxed based on deemed	18,398	64,213	9,100	24,710
. Recognition of income tax and social contribution credits from prior years	15,520	15,520	(179)	11,355
. Others	48	1,490	28	154
<b>Income tax and social contribution expenses</b>	<b>(206,931)</b>	<b>(387,000)</b>	<b>(37,105)</b>	<b>(211,552)</b>
Income tax and social contribution at the effective rate	22.9%	23.6%	12.0%	22.7%
Current income tax and social contribution	(140,475)	(232,570)	9,380	(167,602)
Deferred income tax and social contribution	(66,456)	(154,430)	(46,485)	(43,950)

## 21 Commitments

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

### Riparian forests and Legal Reserve areas

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

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

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

### **Sale commitment**

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

	Up to one year	From two to three years	More than three years
Ethanol (m³)	851,502	184,250	672,000
Sugar (metric tons)	1,236,119	1,387,869	700,000
Electric power (Mwh)	782,586	1,159,264	6,600,260

### **Purchases of inputs**

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

## **22 Provision for contingencies**

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

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### 22.1 Probable losses

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

	Parent company				
	Tax claims	Civil and environmental claims	Labor claims	Total	Judicial deposits
<b>At March 31, 2021</b>	<b>14,514</b>	<b>22,452</b>	<b>64,734</b>	<b>101,700</b>	<b>484,779</b>
Additions	1,747	1,703	18,966	22,416	234,353
Reversals	(217)	(9,538)	(3,494)	(13,249)	-
Utilization	(1,439)	(3,599)	(15,504)	(20,542)	(7,975)
Restatements	256	(7,273)	3,280	(3,737)	22,808
<b>At December 31, 2021</b>	<b>14,861</b>	<b>3,745</b>	<b>67,982</b>	<b>86,588</b>	<b>733,965</b>

	Consolidated				
	Tax claims	environmental claims	Labor claims	Total	Judicial deposits
<b>At March 31, 2021</b>	<b>14,514</b>	<b>23,008</b>	<b>64,734</b>	<b>102,256</b>	<b>485,029</b>
Additions	1,865	1,704	18,966	22,535	234,353
Reversals	(335)	(9,538)	(3,494)	(13,367)	-
Utilization	(1,438)	(3,600)	(15,504)	(20,542)	(7,985)
Restatements	256	(7,201)	3,280	(3,665)	22,808
<b>At December 31, 2021</b>	<b>14,862</b>	<b>4,373</b>	<b>67,982</b>	<b>87,217</b>	<b>734,205</b>

Judicial deposits relate to active and passive lawsuits, are monetarily adjusted, and recorded as non-current assets. About additions for the year, see Note 16 (b).

At the reporting date, the nature of the main lawsuits included in the above provisions was as follows (parent company and consolidated):

#### Tax lawsuits:

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

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### 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 supported by judicial deposits; and (iii) success fees payable to legal counsel for civil and environmental lawsuits.

### Labor lawsuits:

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

## 22.2 Possible losses

São Martinho is a party to various litigations involving tax, environmental, civil and labor matters that management assessed, under the advice of legal counsel, as likely resulting in possible losses. The nature and the amounts thereof are as follows:

Nature		Parent company				Consolidated			
		December 31, 2021		March 31, 2021		December 31, 2021		March 31, 2021	
		Number of proceedings	Amount	Number of proceedings	Amount	Number of proceedings	Amount	Number of proceedings	Amount
Environmental		98	7,978	86	5,863	98	7,978	86	5,863
Civil									
Indemnities		40	17,796	45	23,376	40	17,796	45	23,376
Review of contracts		10	1,735	11	1,480	10	1,735	11	1,480
Other lawsuits		15	388	17	15,550	52	4,835	20	15,585
Labor claims		36	4,425	47	3,914	36	4,425	48	3,914
Tax claims									
Social security contribution	(i)	14	134,969	16	167,132	14	134,969	16	167,132
Computation of IRPJ/CSLL	(ii)	5	228,726	5	264,754	5	228,726	5	264,754
Offset of federal taxes	(iii)	107	188,173	101	173,629	113	188,696	106	177,854
ICMS	(iv)	14	67,097	14	56,317	14	67,097	14	56,317
Federal taxes	(v)	1	662,891	1	444,083	1	662,891	1	444,083
Other lawsuits	(vi)	26	537,561	23	509,520	31	551,057	28	522,999
<b>Total</b>		<b>366</b>	<b>1,851,739</b>	<b>366</b>	<b>1,665,618</b>	<b>414</b>	<b>1,870,205</b>	<b>380</b>	<b>1,683,357</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 are not included in the exemption established in Article 149, paragraph 2 of the Federal Constitution.
- (ii) The lawsuits relate to deductibility from the income tax and social contribution calculation basis, of expenses related to securitized financing, as well as those arising from incentive accelerated depreciation, as provided for in Article 325 of the Income Tax Regulations (RIR)/2018.

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- (iii) The lawsuits relate to requests to offset IRPJ, CSLL, PIS, COFINS, and other federal taxes as a result of overpayments and/or tax losses, and tax credits proportional to the export revenue, which have been rejected by the Brazilian Federal Revenue Service (RFB), and are currently pending judgment.
- (iv) These lawsuits have challenged the ICMS credits, based on the Control of ICMS Credit on Permanent Assets (CIAP).
- (v) The lawsuit relates to the levy of IRPJ/CSLL/PIS/COFINS on court-ordered debt payment received pursuant to the Sugar Pricing Lawsuit filed against the Sugar and Alcohol Institute (IAA) (Note 16).
- (vi) The proceedings deal with other tax disputes such as: a) Public Civil Action disputing the legality of the decrees of the State of Goiás that granted ICMS credits under the PRODUZIR Program; (b) tax assessment notices related to a fine for lack of approval of offset; (c) contribution to the National Service for Industrial Training (SENAI); (d) fee payable to the National Department of Mineral Research (DNPM); (e) levy of Property Transfer Tax (ITBI) on merger transaction; and (f) Municipal Real Estate Tax (IPTU) collection claims.

### Other proceedings:

Civil proceedings comprise lawsuits for damage, in general arising from (i) traffic accidents and (ii) review of contracts.

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

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

### 22.3 Assets – ICMS on the PIS/COFINS tax base

The Company has filed three lawsuits challenging the inclusion of ICMS in the PIS and COFINS tax base, two of which have already been ruled final and unappealable.

At March 31, 2021, the Company recognized credits of R\$ 1,353 related to claims for which final and unappealable decisions were handed down. These credits were computed based on the ICMS paid in the accrual months, since, at the reporting date, this was the understanding of the Brazilian Federal Revenue Service, and there were motions for clarification filed by the Federal Government pending judgment.

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On May 13, 2021, the Federal Supreme Court (STF) rendered a decision on these motions for clarification, confirming that the ICMS amount to be excluded is that displayed on the invoice and not the amount paid. The effects of this decision were modified to apply only as from March 15, 2017, the date of the judgment on the merits of the action, except for judicial and administrative measures that had been filed before that date.

São Martinho engaged tax experts to assist in the calculation of the credits accounted for up to September 30, 2020, which totaled R\$ 49,539 recorded in assets and relating to credits computed (R\$ 20,043 (Note 29)) and interest/indexation accruals (R\$ 29,496 (Note 30(i))). Additionally, the credits referring to the special ethanol regime ("ad rem") that are likely to be recovered are being calculated, and have not been accounted for so far, because the Company is evaluating to discuss in court its right to the recognition of these credits.

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

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

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

#### **23.1 Market risks**

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

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

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Non-Derivable Forwards (NDF), and swap and option strategies are used to manage this risk. The Company's financial risk management policy defines guidelines that establish the adequate level of protection for expected cash flows, mainly those related to export sales.

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

The table below summarizes the assets and liabilities denominated in foreign currency (U.S. dollars), recorded in the balance sheet at December 31, 2021:

Consolidated	December 31, 2021	Equivalent to thousands of US\$
Current and non-current assets		
Cash and cash equivalents (banks - demand deposits)	321,492	57,616
Trade receivables	112,705	20,198
Derivative financial instruments	248,714	44,573
Total assets	682,911	122,387
Current and non-current liabilities:		
Borrowings	1,649,985	295,670
Derivative financial instruments	269,940	48,372
Total liabilities	1,919,925	344,042
Subtotal assets (liabilities)	(1,237,014)	(221,655)
(-) Borrowings in foreign currency	1,649,985	295,670
<b>Exposição líquida ativa</b>	<b>412,971</b>	<b>74,015</b>

Borrowings in foreign currency are not included in the calculation of net exposure, since these will be settled with resources from future export revenue and are, therefore, covered by the Company's hedging policy.

These assets and liabilities were adjusted and recorded at the exchange rate in effect at the reporting date: R\$ 5.5799 per US\$ 1.00 for assets, and R\$ 5.5805 per US\$ 1.00 for liabilities.

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

São Martinho is exposed to the risk of fluctuations in commodity prices in the processes of producing sugar and ethanol.

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### 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, swaps may be contracted to mitigate possible interest-rate fluctuations (LIBOR). For the other risk factors, the impact on the result is the percentage variation of 5%, 25% and 50% in the respective market curve of their associated risk, described in the table above (exchange rate and commodity prices).

### d) Market risk sensitivity analysis

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

Consolidated	Risk factor	Impacts on P/L		
		Probable scenarios 5%	Possible scenarios 25%	Possible scenarios 50%
Cash and cash equivalents	Decrease in exchange rate - R\$/US\$	(16,081)	(80,404)	(160,807)
Trade receivables	Decrease in exchange rate - R\$/US\$	(5,611)	(28,056)	(56,112)
Borrowings	Increase in exchange rate - R\$/US\$	(20)	(100)	(201)
Derivative financial instruments				
Currency forward contracts	Increase in exchange rate - R\$/US\$	(95)	(476)	(951)
Futures price (sugar and ethanol)	Increase in commodity futures prices	(1,063)	(5,314)	(10,627)
	Decrease in exchange rate - R\$/US\$ and			
Swap contracts	increase in the yield curve	(4,916)	(12,372)	(25,019)
<b>Net exposure</b>		<b>(27,786)</b>	<b>(126,722)</b>	<b>(253,717)</b>

The sensitivity analysis of variations in interest curves considers the effects of an increase or decrease of 5bps, 25bps and 50bps (basis points) in the pricing curve of the derivative instrument. The exposure to rates relates exclusively to changes in the Interbank Deposit (DI) yield curve.

### e) Financial instruments

São Martinho elected to use hedge accounting to record the following derivative financial instruments: a) derivatives of sugar, ethanol and foreign currency - US dollar; and b) foreign currency debts - US dollar - that cover sales of the 2020/2021 to 2025/2026 crops and were classified as cash flow hedge of highly probable forecast transactions (future sales).

In order to apply hedge accounting, prospective and retrospective tests were carried out to verify their effectiveness. These tests showed that the hedge-

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designated instruments qualify as highly effective hedges against the effects of price fluctuations on the value of future sales.

In relation to sugar hedges, the derivatives were designated as cash flow hedges to mitigate 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 over-the-counter 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), swap and option strategies, and foreign currency borrowings from top-tier financial institutions.

At the reporting date and at March 31, 2021, 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	December 31, 2021			
	Contracted amount/volume	Average price/rate	Notional value R\$	Fair value - R\$
<u>In current assets - Gain</u>				
Margin deposit				39,460
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Sale commitment	29,110	19.55	70,016	2,405
. Purchase commitment	44,249	14.65	79,753	22,051
Currency forward contracts (NDF) - US dollar - OTC				
. Sale commitment	111,995	5.84	654,051	7,425
. Purchase commitment	789	5.69	4,489	124
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Bidding position in call options	200,568	19.20	473,772	18,171
. Bidding position in put options	146,717	14.53	262,273	5,361
Interest rate swap contracts - OTC				5,715
<b>Total derivative financial instruments in current assets</b>				<b>100,712</b>
<u>In non-current assets - Gain</u>				
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Sale commitment	10,618	19.05	24,885	816
Currency forward contracts (NDF) - US dollar - OTC				
. Sale commitment	40,000	6.35	254,000	2,639
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Bidding position in call options	20,321	20.00	50,001	2,700
. Bidding position in put options	82,503	17.41	176,716	10,412
Interest rate swap contracts - OTC				131,435
<b>Total derivative financial instruments in non-current assets</b>				<b>148,002</b>

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Parent Company and Consolidated	December 31, 2021			
	Contracted amount/volume	Average price/rate	Notional value R\$	Fair value - R\$
<b>In current liabilities - Loss</b>				
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Sale commitment	111,003	13.58	185,456	70,982
. Purchase commitment	46,078	19.53	110,714	3,791
Commodity forward contracts - Sugar #11				
. Sale commitment	8,789	14.66	15,852	4,251
Currency forward contracts (NDF) - US dollar - OTC				
. Sale commitment	171,569	5.65	969,365	36,002
. Purchase commitment	966	6.02	5,815	72
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Short position in call options	284,697	21.15	740,799	22,416
Interest rate swap contracts - OTC				116,707
<b>Total derivative financial instruments in current liabilities</b>				<b>254,221</b>
<b>In non-current liabilities - Loss</b>				
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Purchase commitment	10,567	19.14	24,883	922
Currency forward contracts (NDF) - US dollar - OTC				
. Sale commitment	10,500	6.02	63,254	2,682
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Short position in call options	87,228	24.37	261,528	4,815
Interest rate swap contracts - OTC				7,300
<b>Total derivative financial instruments in non-current liabilities</b>				<b>15,719</b>
Parent Company and Consolidated	March 31, 2021			
	Contracted amount/volume	Average price/rate	Notional value R\$	Fair value - R\$
<b>In current assets - Gain</b>				
Margin deposit				55,372
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Sale commitment	75,543	15.51	147,166	7,014
. Purchase commitment	229,728	13.06	376,843	50,035
Commodity futures contracts - Ethanol				
. Sale commitment	8,130	2,248.08	18,277	36
. Purchase commitment	16,560	2,345.00	38,833	-
Currency forward contracts (NDF) - US dollar - OTC				
. Sale commitment	74,925	5.73	429,320	5,589
. Purchase commitment	669	5.36	3,586	200
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Bidding position in call options	25,604	13.85	44,541	4,348
. Bidding position in put options	151,747	13.16	250,830	6,385
Interest rate swap contracts - OTC				10,925
<b>Total derivative financial instruments in current assets</b>				<b>139,904</b>
<b>In non-current assets - Gain</b>				
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Purchase commitment	14,021	12.95	22,806	1,520
Commodity forward contracts - Sugar #11				
. Sale commitment	8,789	14.66	16,184	364
Currency forward contracts (NDF) - US dollar - OTC				
. Sale commitment	16,757	6.13	102,720	1,363
. Purchase commitment	625	5.73	3,581	125
Interest rate swap contracts - OTC				45,267
<b>Total derivative financial instruments in non-current assets</b>				<b>48,639</b>

## Notes to the quarterly information at December 31, 2021

All amounts in thousands of reais unless otherwise stated

Parent Company and Consolidated	March 31, 2021			
	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	266,662	12.10	405,275	90,427
. Purchase commitment	89,666	15.51	174,680	8,158
Commodity futures contracts - Ethanol				
. Sale commitment	3,300	2,231.82	7,365	1
Commodity forward contracts - Sugar #11				
. Sale commitment	19,102	13.05	31,311	4,117
Currency forward contracts (NDF) - US dollar - OTC				
. Sale commitment	254,249	5.48	1,393,285	63,054
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Short position in call options	172,068	14.60	315,541	26,648
. Bidding position in put options	5,283	12.00	7,963	60
Interest rate swap contracts - OTC				26,220
<b>Total derivative financial instruments in current liabilities</b>				<b>218,685</b>
<u>In non-current liabilities - Loss</u>				
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Sale commitment	21,439	12.93	34,818	2,375
Currency forward contracts (NDF) - US dollar - OTC				
. Sale commitment	76,854	5.82	446,914	16,425
. Purchase commitment	900	6.05	5,447	30
Interest rate swap contracts - OTC				61,397
<b>Total derivative financial instruments in non-current liabilities</b>				<b>80,227</b>

Margin deposit balances relate to funds maintained in current accounts with brokers to cover the initial and variation margins established by the Commodities Exchange on which the contracts are signed, for the purpose of securing outstanding contracts and net remittances in relation to the 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.

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

Parent Company and Consolidated	Assets	Liabilities	Total in other comprehensive income
Financial instruments:			
Commodity derivatives - Futures, options and forward contracts	34,291	100,054	(65,763)
Foreign exchange derivatives - Options / NDF	8,142	38,661	(30,519)
Foreign exchange differences on borrowings (Trade Finance)	7,225	588,900	(581,675)
	49,658	727,615	(677,957)
Deferred taxes on the items above	(16,883)	(247,390)	230,507
	<b>32,775</b>	<b>480,225</b>	<b>(447,450)</b>

## Notes to the quarterly information at December 31, 2021

All amounts in thousands of reais unless otherwise stated

### f) Estimated realization

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

Parent Company and Consolidated	21/22 crop season	22/23 crop season	23/24 crop season	24/25 to 25/26 crop season	Total
Derivative financial instruments:					
Commodity derivatives - Futures, options and forward contracts	(54,920)	(10,843)	-	-	(65,763)
Foreign exchange derivatives - Options / NDF	(8,494)	(22,025)	-	-	(30,519)
Foreign exchange differences on borrowings (Trade Finance)	(33,955)	(141,354)	(136,364)	(270,002)	(581,675)
	(97,369)	(174,222)	(136,364)	(270,002)	(677,957)
Deferred taxes on the items above	33,105	59,235	46,365	91,802	230,507
	<b>(64,264)</b>	<b>(114,987)</b>	<b>(89,999)</b>	<b>(178,200)</b>	<b>(447,450)</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 rating of the financial institution.

With respect to customers' default risk, the credit risk associated with each individual customer is assessed annually, and whenever a new customer is included in the Company's customer base, when 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 (CDB) and investment funds pegged to the CDI interest rate, with high liquidity and active trading in the market.

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

The table below analyzes the financial liabilities into relevant maturity groupings, which correspond to the remaining period from the balance sheet date to the contractual maturity date, based on undiscounted future cash flows.

## Notes to the quarterly information at December 31, 2021

All amounts in thousands of reais unless otherwise stated

Parent company	Up to one year	From two to three years	More than three years	Total
<b>At December 31, 2021</b>				
Borrowings	423,190	1,779,979	3,822,402	6,025,571
Leases payable	63,773	126,732	412,900	603,405
Agricultural partnership payable	249,323	430,825	856,536	1,536,684
Derivative financial instruments	254,221	15,719	-	269,940
Trade payables	558,556	-	-	558,556
Acquisition of ownership interest	95	22,422	(21,273)	1,244
Other liabilities	15,242	4,178	-	19,420
	<b>1,564,400</b>	<b>2,379,855</b>	<b>5,070,565</b>	<b>9,014,820</b>

<b>At March 31, 2021</b>				
Borrowings	735,737	1,546,631	2,258,785	4,541,153
Leases payable	68,300	63,669	456,352	588,321
Agricultural partnership payable	279,041	254,328	1,162,543	1,695,912
Derivative financial instruments	218,685	80,227	-	298,912
Trade payables	229,644	-	-	229,644
Acquisition of ownership interest	12,156	22,665	(20,781)	14,040
Other liabilities	17,126	-	5,617	22,743
	<b>1,560,689</b>	<b>1,967,520</b>	<b>3,862,516</b>	<b>7,390,725</b>

Consolidated	Up to one year	From two to three years	More than three years	Total
<b>At December 31, 2021</b>				
Borrowings	423,190	1,779,979	3,822,402	6,025,571
Leases payable	63,773	126,732	412,900	603,405
Agricultural partnership payable	249,323	430,825	856,536	1,536,684
Derivative financial instruments	254,221	15,719	-	269,940
Trade payables	521,229	-	-	521,229
Acquisition of ownership interest	95	22,422	(21,273)	1,244
Other liabilities	15,724	4,176	-	19,900
	<b>1,527,555</b>	<b>2,379,853</b>	<b>5,070,565</b>	<b>8,977,973</b>

<b>At March 31, 2021</b>				
Borrowings	735,737	1,546,631	2,258,785	4,541,153
Leases payable	68,300	63,669	456,352	588,321
Agricultural partnership payable	279,041	254,328	1,162,543	1,695,912
Derivative financial instruments	218,685	80,227	-	298,912
Trade payables	221,707	-	-	221,707
Acquisition of ownership interest	12,156	22,665	(20,781)	14,040
Other liabilities	30,812	-	5,617	36,429
	<b>1,566,438</b>	<b>1,967,520</b>	<b>3,862,516</b>	<b>7,396,474</b>

## Notes to the quarterly information at December 31, 2021

All amounts in thousands of reais unless otherwise stated

### 23.4 Capital management

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

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

## 24 Classification and fair value of financial instruments

### 24.1 Classification

Financial assets and liabilities are classified as follows:

		Parent company	
	Classification	December 31, 2021	March 31, 2021
Financial assets			
Cash and cash equivalents	Amortized cost	322,845	287,652
Financial investments	Fair value through profit or loss	1,087,231	962,308
Trade receivables	Amortized cost	305,943	170,554
	Fair value through other comprehensive income	117,279	132,351
Derivative financial instruments	Fair value through profit or loss	131,435	56,192
Judicial deposits	Amortized cost	733,965	484,779
Related parties	Amortized cost	-	30,000
Other assets, except prepayments	Amortized cost	162,163	114,777
		<b>2,860,861</b>	<b>2,238,613</b>
Financial liabilities			
Borrowings	Fair value through profit or loss	79	216
Borrowings	Amortized cost	4,883,153	4,050,747
	Fair value through other comprehensive income	145,933	211,295
Derivative financial instruments	Fair value through profit or loss	124,007	87,617
Leases and agricultural partnerships payable	Amortized cost	1,715,113	1,912,634
Trade payables	Amortized cost	558,556	229,644
Acquisition of ownership interests	Amortized cost	3,677	15,288
Other liabilities	Amortized cost	19,420	22,743
		<b>7,449,938</b>	<b>6,530,184</b>

## Notes to the quarterly information at December 31, 2021

All amounts in thousands of reais unless otherwise stated

		Consolidated	
	Classification	December 31, 2021	March 31, 2021
Financial assets			
Cash and cash equivalents	Amortized cost	323,650	288,350
Financial investments	Fair value through profit or loss	1,190,417	1,075,798
Trade receivables	Amortized cost	399,357	239,848
	Fair value through other		
Derivative financial instruments	comprehensive income	117,279	132,351
Derivative financial instruments	Fair value through profit or loss	131,435	56,192
Judicial deposits	Amortized cost	734,205	485,029
Other assets, except prepayments	Amortized cost	162,207	114,862
		<b>3,058,550</b>	<b>2,392,430</b>
Financial liabilities			
Borrowings	Fair value through profit or loss	79	216
Borrowings	Amortized cost	4,883,153	4,050,747
	Fair value through other		
Derivative financial instruments	comprehensive income	145,933	211,295
Derivative financial instruments	Fair value through profit or loss	124,007	87,617
Trade payables	Amortized cost	521,229	221,707
Leases and agricultural partnerships payable	Amortized cost	1,715,113	1,912,634
Acquisition of ownership interests	Amortized cost	3,677	15,288
Other liabilities	Amortized cost	19,900	36,429
		<b>7,413,091</b>	<b>6,535,933</b>

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

## 25 Fair value

For measuring and determining fair value, the Company uses 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

## Notes to the quarterly information at December 31, 2021

All amounts in thousands of reais unless otherwise stated

**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	December 31, 2021			March 31, 2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Financial investments	-	1,087,231	-	-	962,308	-
Derivative financial instruments	61,916	186,798	-	24,892	163,651	-
Biological assets	-	-	1,008,013	-	-	989,540
	<b>61,916</b>	<b>1,274,029</b>	<b>1,008,013</b>	<b>24,892</b>	<b>1,125,959</b>	<b>989,540</b>
Liabilities						
Derivative financial instruments	79,946	189,994	-	92,863	206,049	-
Borrowings	-	79	-	-	216	-
	<b>79,946</b>	<b>190,073</b>	<b>-</b>	<b>92,863</b>	<b>206,265</b>	<b>-</b>

Consolidated	December 31, 2021			March 31, 2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Financial investments	-	1,190,417	-	-	1,075,798	-
Derivative financial instruments	61,916	186,798	-	24,892	163,651	-
Biological assets	-	-	1,008,013	-	-	989,540
	<b>61,916</b>	<b>1,377,215</b>	<b>1,008,013</b>	<b>24,892</b>	<b>1,239,449</b>	<b>989,540</b>
Liabilities						
Derivative financial instruments	79,946	189,994	-	92,863	206,049	-
Borrowings	-	79	-	-	216	-
	<b>79,946</b>	<b>190,073</b>	<b>-</b>	<b>92,863</b>	<b>206,265</b>	<b>-</b>

### Futures and Options - ICE

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

### Currency options

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

## Notes to the quarterly information at December 31, 2021

All amounts in thousands of reais unless otherwise stated

### **Forward contracts**

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

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

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

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

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

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

- (i) Sugar;
- (ii) Ethanol;
- (iii) Electric power;
- (iv) Real estate businesses;
- (v) Yeast; and
- (vi) 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 quarterly information at December 31, 2021

All amounts in thousands of reais unless otherwise stated

### Consolidated result by segment

December 31, 2021								
Consolidated	Sugar	Ethanol	Electricity	Real estate businesses	Yeast	Other products	Not by segment	Total
Gross revenue								
Domestic market	165,168	2,173,200	244,324	46,249	46,868	101,708	-	2,777,517
Foreign market	1,576,225	272,791	-	-	4,567	-	-	1,853,583
Gain/loss on derivatives	(91,405)	1,597	-	-	-	-	-	(89,808)
Amortization of electricity supply contract	-	-	-	-	-	-	(6,055)	(6,055)
(-) Taxes, contributions, and deductions on sales	(10,380)	(239,719)	(15,384)	(3,548)	(5,810)	(23,079)	-	(297,920)
<b>Net Revenue</b>	<b>1,639,608</b>	<b>2,207,869</b>	<b>228,940</b>	<b>42,701</b>	<b>45,625</b>	<b>78,629</b>	<b>(6,055)</b>	<b>4,237,317</b>
Cost of goods sold	(1,088,804)	(1,201,089)	(74,532)	(2,205)	(21,199)	(37,020)	-	(2,424,849)
Change in the market value of biological assets	-	-	-	-	-	-	10,495	10,495
<b>Gross profit</b>	<b>550,804</b>	<b>1,006,780</b>	<b>154,408</b>	<b>40,496</b>	<b>24,426</b>	<b>41,609</b>	<b>4,440</b>	<b>1,822,963</b>
Gross margin	33.6%	45.6%	67.4%	94.8%	53.5%	52.9%	-	43.0%
Selling expenses	(83,784)	(17,645)	(10,181)	-	-	-	-	(111,610)
Other operating income, net	-	-	-	3,710	-	-	238,578	242,288
<b>Operating profit</b>	<b>467,020</b>	<b>989,135</b>	<b>144,227</b>	<b>44,206</b>	<b>24,426</b>	<b>41,609</b>	<b>243,018</b>	<b>1,953,641</b>
Operating margin	28.5%	44.8%	63.0%	103.5%	53.5%	52.9%	-	46.1%
Other income and expenses not by segment	-	-	-	-	-	-	(698,200)	(698,200)
<b>Profit for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,255,441</b>

December 31, 2020								
Consolidated	Sugar	Ethanol	Electricity	Real estate businesses	Yeast	Other products	Not by segment	Total
Gross revenue								
Domestic market	117,992	1,319,050	205,505	12,079	46,494	76,356	-	1,777,476
Foreign market	1,515,988	347,960	-	-	-	-	-	1,863,948
Gain/loss on derivatives	(230,289)	(9,389)	-	-	-	-	-	(239,678)
Amortization of electricity supply contract	-	-	-	-	-	-	(6,578)	(6,578)
(-) Taxes, contributions, and deductions on sales	(9,400)	(193,130)	(16,548)	(1,157)	(6,354)	(16,852)	-	(243,441)
<b>Net revenue</b>	<b>1,394,291</b>	<b>1,464,491</b>	<b>188,957</b>	<b>10,922</b>	<b>40,140</b>	<b>59,504</b>	<b>(6,578)</b>	<b>3,151,727</b>
Cost of goods sold	(914,632)	(1,048,638)	(61,265)	(1,207)	(12,575)	(20,333)	-	(2,058,650)
Change in the market value of biological assets	-	-	-	-	-	-	19,738	19,738
<b>Gross profit</b>	<b>479,659</b>	<b>415,853</b>	<b>127,692</b>	<b>9,715</b>	<b>27,565</b>	<b>39,171</b>	<b>13,160</b>	<b>1,112,815</b>
Gross margin	34.4%	28.4%	67.6%	88.9%	68.7%	65.8%	-	35.3%
Selling expenses	(89,007)	(32,396)	(9,190)	-	-	(319)	-	(130,912)
Other operating income, net	-	-	-	12,209	-	-	226,722	238,931
<b>Operating profit</b>	<b>390,652</b>	<b>383,457</b>	<b>118,502</b>	<b>21,924</b>	<b>27,565</b>	<b>38,852</b>	<b>239,882</b>	<b>1,220,834</b>
Operating margin	28.0%	26.2%	62.7%	200.7%	68.7%	65.3%	-	38.7%
Other income and expenses not by segment	-	-	-	-	-	-	(501,070)	(501,070)
<b>Profit for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>719,764</b>

At December 31, 2021, net revenue from Cbios (decarbonization credits), amounting to R\$ 29,270, is recorded within "Other products"

### Consolidated operating assets by segment

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

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All amounts in thousands of reais unless otherwise stated

December 31, 2021							
	Sugar	Ethanol	Electric power	Real estate ventures	Yeast	Not by segment	Total
Trade receivables	97,718	196,420	29,552	66,732	749	8,186	399,357
Inventories and advances to suppliers	789,119	856,862	-	4,724	380	21,432	1,672,517
Biological assets	426,422	581,591	-	-	-	-	1,008,013
Property, plant and equipment	2,879,554	3,074,563	129,625	-	38,614	-	6,122,356
Intangible assets	254,242	176,512	21,947	-	-	-	452,701
Right-of-use assets	918,587	864,222	-	-	-	-	1,782,809
<b>Total assets allocated</b>	<b>5,365,642</b>	<b>5,750,170</b>	<b>181,124</b>	<b>71,456</b>	<b>39,743</b>	<b>29,618</b>	<b>11,437,753</b>
Other unallocated assets	-	-	-	-	-	2,960,525	2,960,525
<b>Total</b>	<b>5,365,642</b>	<b>5,750,170</b>	<b>181,124</b>	<b>71,456</b>	<b>39,743</b>	<b>2,990,143</b>	<b>14,398,278</b>

March 31, 2021							
	Sugar	Ethanol	Electric power	Real estate ventures	Yeast	Not by segment	Total
Trade receivables	109,133	34,661	43,630	41,037	721	10,666	239,848
Inventories and advances to suppliers	270,296	259,856	-	5,056	17	17,926	553,151
Biological assets	421,222	568,318	-	-	-	-	989,540
Property, plant and equipment	2,904,233	2,891,509	125,183	-	39,274	2,445	5,962,644
Intangible assets	247,568	173,054	31,120	-	-	-	451,742
Right-of-use assets	950,912	918,484	-	-	-	-	1,869,396
<b>Total assets allocated</b>	<b>4,903,364</b>	<b>4,845,882</b>	<b>199,933</b>	<b>46,093</b>	<b>40,012</b>	<b>31,037</b>	<b>10,066,321</b>
Other unallocated assets	-	-	-	-	-	2,351,535	2,351,535
<b>Total</b>	<b>4,903,364</b>	<b>4,845,882</b>	<b>199,933</b>	<b>46,093</b>	<b>40,012</b>	<b>2,382,572</b>	<b>12,417,856</b>

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

## 27 Revenue

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

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

For the real estate development segment, the Company adopts the provisions of the Technical Interpretation 02 (OCPC 04), in accordance with CVM guidance, recognizing revenue over time (Percentage of Completion (PoC)). The year-to-date amount recognized at December 31, 2021 totaled R\$ 25,176 (R\$ 5,206 at December 31, 2020).

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.

## Notes to the quarterly information at December 31, 2021

All amounts in thousands of reais unless otherwise stated

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

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

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

At the reporting date, the Company had customers that represented over 10% of its net revenue. The Company's three largest customers of sugar sales account for about 28% of net revenue; for the ethanol sold, the three largest customers account for 40%.

### 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 CVM and detailed above.

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

Sales revenue is broken down as follows:

	Parent company			
	December 31, 2021		December 31, 2020	
	Quarter	9 months	Quarter	9 months
Gross sales revenue				
Domestic market	1,043,240	2,566,160	802,011	1,678,796
Foreign market	574,561	1,853,583	571,130	1,863,948
Gain/loss on derivatives	(17,607)	(89,808)	(68,001)	(239,678)
	1,600,194	4,329,935	1,305,140	3,303,066
Taxes, contributions, and deductions on sales	(114,356)	(284,093)	(119,450)	(236,911)
	<b>1,485,838</b>	<b>4,045,842</b>	<b>1,185,690</b>	<b>3,066,155</b>

## Notes to the quarterly information at December 31, 2021

All amounts in thousands of reais unless otherwise stated

	Consolidated			
	December 31, 2021		December 31, 2020	
	Quarter	9 months	Quarter	9 months
Gross sales revenue				
Domestic market	1,093,000	2,777,517	829,148	1,777,476
Foreign market	574,561	1,853,583	571,130	1,863,948
Gain/loss on derivatives	(17,607)	(89,808)	(68,001)	(239,678)
	1,649,954	4,541,292	1,332,277	3,401,746
Amortization of electric power supply contract (i)	(875)	(6,055)	(76)	(6,578)
	1,649,079	4,535,237	1,332,201	3,395,168
Taxes, contributions, and deductions on sales	(117,346)	(297,920)	(121,222)	(243,441)
	<b>1,531,733</b>	<b>4,237,317</b>	<b>1,210,979</b>	<b>3,151,727</b>

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

## 28 Costs and expenses by nature

The reconciliation of expenses by nature is as follows:

Parent company	December 31, 2021		December 31, 2020	
	Quarter	9 months	Quarter	9 months
Depreciation and amortization (including biological assets harvested)	(407,053)	(1,125,343)	(366,840)	(1,031,340)
Raw materials and consumables	(287,726)	(879,520)	(238,695)	(641,612)
Personnel expenses	(112,188)	(364,853)	(131,142)	(347,210)
Maintenance parts and services	(31,240)	(94,872)	(32,433)	(98,491)
Freight on sales	(25,731)	(90,556)	(27,855)	(100,645)
Third-party services	(19,496)	(57,081)	(19,452)	(50,631)
Material for resale	(12,127)	(23,521)	(12,791)	(20,150)
Changes in the fair value of biological assets	(4,104)	10,495	2,038	19,738
Other expenses	(36,716)	(109,747)	(34,329)	(95,766)
Litigation	2,690	(7,959)	(1,222)	(7,516)
	<b>(933,691)</b>	<b>(2,742,957)</b>	<b>(862,721)</b>	<b>(2,373,623)</b>
Classified as:				
Cost of goods sold	(851,044)	(2,444,569)	(754,074)	(2,067,779)
Selling expenses	(30,279)	(103,115)	(43,108)	(129,338)
General and administrative expenses	(52,368)	(195,273)	(65,539)	(176,506)
	<b>(933,691)</b>	<b>(2,742,957)</b>	<b>(862,721)</b>	<b>(2,373,623)</b>

## Notes to the quarterly information at December 31, 2021

All amounts in thousands of reais unless otherwise stated

Consolidated	December 31, 2021		December 31, 2020	
	Quarter	9 months	Quarter	9 months
Depreciation and amortization (including biological assets harvested)	(407,714)	(1,129,233)	(367,202)	(1,034,336)
Raw materials and consumables	(260,928)	(811,923)	(215,934)	(590,323)
Personnel expenses	(113,078)	(367,837)	(131,849)	(349,629)
Maintenance parts and services	(31,415)	(95,270)	(32,709)	(99,105)
Freight on sales	(25,731)	(90,556)	(27,855)	(100,645)
Third-party services	(19,768)	(56,977)	(19,479)	(49,868)
Material for resale	(15,594)	(52,175)	(29,459)	(38,004)
Changes in the fair value of biological assets	(4,104)	10,495	2,038	19,738
Cost of land sales	(1,187)	(2,205)	(347)	(1,207)
Other expenses	(38,440)	(124,954)	(35,116)	(102,079)
Litigation	2,807	(7,958)	(1,222)	(7,529)
	<b>(915,152)</b>	<b>(2,728,593)</b>	<b>(859,134)</b>	<b>(2,352,987)</b>
<u>Classified as:</u>				
Cost of goods sold	(828,676)	(2,414,354)	(749,052)	(2,038,912)
Selling expenses	(32,858)	(111,610)	(43,600)	(130,912)
General and administrative expenses	(53,618)	(202,629)	(66,482)	(183,163)
	<b>(915,152)</b>	<b>(2,728,593)</b>	<b>(859,134)</b>	<b>(2,352,987)</b>

## 29 Other income, net

Of the total recorded in the consolidated within other income (expenses), R\$ 415,476 relates to the indemnity received from Copersucar and transferred to the Company (Note 16.b) and R\$ 20,043 refer to credits derived from the ICMS exclusion process from the PIS and Cofins calculation basis, as detailed in 22.3.

## Notes to the quarterly information at December 31, 2021

All amounts in thousands of reais unless otherwise stated

### 30 Finance income (costs)

Parent company	December 31, 2021		December 31, 2020	
	Quarter	9 months	Quarter	9 months
Finance income				
Interest received and earned	24,908	50,726	7,074	26,808
Other income (ii)	10,994	49,562	4,495	14,263
PIS/COFINS on finance income	(1,234)	(4,215)	(460)	(1,698)
	<b>34,668</b>	<b>96,073</b>	<b>11,109</b>	<b>39,373</b>
Finance costs				
Interest on borrowings	(95,814)	(196,834)	(40,187)	(128,387)
Adjustment to present value (i)	(15,183)	(107,842)	(22,667)	(105,178)
Interest paid	(13,887)	(27,205)	(5,340)	(80,389)
Bank guarantee commission	(3,231)	(5,589)	(313)	(771)
Payables to Copersucar	(1,621)	(4,481)	(1,961)	(6,191)
Other expenses	(466)	(944)	(2,604)	(6,046)
	<b>(130,202)</b>	<b>(342,895)</b>	<b>(73,072)</b>	<b>(326,962)</b>
Exchange and monetary variation, net				
Trade receivables and payables	1,491	(3,127)	(8,402)	(8,173)
Available funds	7,390	(2,088)	(4,644)	4,279
Borrowings	(50,001)	(99,196)	5,681	(11,708)
	<b>(41,120)</b>	<b>(104,411)</b>	<b>(7,365)</b>	<b>(15,602)</b>
Derivatives - not designated for hedge accounting				
Gain/loss on swap transactions	11,902	(6,017)	(7,941)	3,830
Gain (loss) on ethanol transactions	2,713	9,884	2	551
Foreign exchange variation, net	2,107	(587)	(4,055)	1,470
Gain (loss) on sugar transactions	(8,997)	21,600	(13,311)	(18,262)
Gain (loss) on foreign exchange transactions	(5,059)	1,728	24,364	17,179
Cost of stock exchange transactions	(447)	(1,590)	(306)	(985)
	<b>2,219</b>	<b>25,018</b>	<b>(1,247)</b>	<b>3,783</b>
<b>Finance income (costs)</b>	<b>(134,435)</b>	<b>(326,215)</b>	<b>(70,575)</b>	<b>(299,408)</b>

## Notes to the quarterly information at December 31, 2021

All amounts in thousands of reais unless otherwise stated

Consolidated	December 31, 2021		December 31, 2020	
	Quarter	9 months	Quarter	9 months
Finance income				
Interest received and earned	29,365	62,192	7,820	29,993
Other income (ii)	8,060	53,287	8,209	21,197
PIS/COFINS on finance income	(1,117)	(4,278)	(527)	(1,845)
	<b>36,308</b>	<b>111,201</b>	<b>15,502</b>	<b>49,345</b>
Finance costs				
Interest on borrowings	(95,814)	(196,834)	(40,187)	(128,387)
Adjustment to present value (i)	(15,183)	(107,842)	(22,667)	(105,178)
Interest paid	(13,889)	(27,211)	(5,342)	(80,395)
Bank guarantee commission	(3,231)	(5,589)	(313)	(771)
Payables to Copersucar	(1,621)	(4,481)	(1,961)	(6,191)
Other expenses	(506)	(1,051)	(2,640)	(6,122)
	<b>(130,244)</b>	<b>(343,008)</b>	<b>(73,110)</b>	<b>(327,044)</b>
Exchange and monetary variation, net				
Trade receivables and payables	7,390	(3,127)	(8,402)	(8,173)
Available funds	1,492	(2,088)	(4,644)	4,279
Borrowings	(50,002)	(99,196)	5,681	(11,708)
	<b>(41,120)</b>	<b>(104,411)</b>	<b>(7,365)</b>	<b>(15,602)</b>
Derivatives - not designated for hedge accounting				
Gain/loss on swap transactions	11,902	(6,017)	(7,941)	3,830
Gain (loss) on ethanol transactions	2,713	9,884	2	551
Foreign exchange variation, net	2,107	(587)	(4,055)	1,470
Gain (loss) on sugar transactions	(8,997)	21,600	(13,311)	(18,262)
Gain (loss) on foreign exchange transactions	(5,059)	1,728	24,364	17,179
Cost of stock exchange transactions	(447)	(1,590)	(306)	(985)
	<b>2,219</b>	<b>25,018</b>	<b>(1,247)</b>	<b>3,783</b>
<b>Finance income (costs)</b>	<b>(132,837)</b>	<b>(311,200)</b>	<b>(66,220)</b>	<b>(289,518)</b>

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

(ii) The amount of R\$ 29.496 relates to indexation accruals on amounts of taxes overpaid upon exclusion of ICMS from the PIS and COFINS tax bases (Note 22.3).

## 31 Earnings per share

	December 31, 2021		December 31, 2020	
	Quarter	9 months	Quarter	9 months
Profit for the period attributed to stockholders of the Company	696,938	1,255,441	272,164	719,764
Weighted average number of common shares in the period - in thousands	346,375	346,375	346,375	346,548
<b>Basic and diluted earnings per share - R\$</b>	<b>2.0121</b>	<b>3.6245</b>	<b>0.7857</b>	<b>2.0770</b>

## Notes to the quarterly information at December 31, 2021

All amounts in thousands of reais unless otherwise stated

### 32 Insurance coverage

São Martinho maintains a standard program of safety, training, and quality in its units, reducing the risks of accidents. In addition, insurance policies are taken out at amounts considered sufficient to cover potentially significant losses. The amounts covered by the insurance policies in effect at the reporting date are as follows:

Parent Company and Consolidated Item	Risks covered	Maximum coverage (i)
Operational Risks (ii)	Any material damage to buildings, facilities, inventories, agricultural and industrial machinery and equipment.	1,129,867
Loss of Income	Loss of income due to material damages to facilities, buildings, industrial machinery and equipment, and power generation.	1,023,706
Civil Liability	Damages caused to third parties as a result of professional errors or omissions (E&O insurance).	2,550,140
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 events

On December 13th 2021, the Company filed in CVM an offer request in the scope of public distribution of 1,200,000 (one million and two hundred thousand) debentures, all of them being nominative and book-entry, non-convertible debentures, from unsecured kind. In a notice to the market, the Company announced a change in the schedule and the opening of the withdrawal period for the Public Offer of those debentures. In this new schedule it is estimated that the offer will be made after the disclosure of the present quarterly financial information.

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