SMTO
B3 LISTED NM

Quarterly Information (ITR)

at December 31, 2020

and independent auditor's report on review of quarterly information

(A free translation of the original in Portuguese)

Report on review of quarterly information

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

Introduction

We have reviewed the accompanying parent company and consolidated interim accounting information of São Martinho S.A. ("Company"), included in the Quarterly Information Form (ITR) for the quarter ended December 31, 2020, 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.

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

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, 2020. 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 8, 2021

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

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

Contents

Balance sheet....2
Statement of income....3
Statement of comprehensive income....4
Statement of changes in equity....5
Statement of cash flows....6
Statement of value added....7
1. Operations....9
2. Summary of significant accounting policies....10
3. Significant accounting estimates and judgments....14
4. Cash and cash equivalents and financial investments....16
5. Trade receivables....16
6. Inventories and advances to suppliers....17
7. Biological assets....18
8. Taxes recoverable....19
9. Related parties....20
10. Investments....22
11. Property, plant and equipment....23
12. Intangible assets....26
13. Right-of-use assets, and lease and agricultural partnerships payable....27
14. Borrowings....31
15. Trade payables....33
16. Obligations and Rights with Copersucar....33
17. Acquisition and disposal of ownership interest – payables and receivables....35
18. Equity....36
19. Profit sharing....38
20. Income tax and social contribution....39
21. Commitments....42
22. Provision for contingencies....43
23. Risk management and derivative financial instruments....45
24. Classification and fair value of financial instruments....53
25. Fair value....54
26. Segment information (Consolidated)....56
27. Revenue....57
28. Other income (expenses), net....59
29. Costs and expenses by nature....59
30. Finance income (costs)....61
31. Earnings per share....62
32. Insurance coverage (unaudited)....62
33. Events after the reporting period....63

Balance sheet
At December 31, and March 31, 2020
All amounts in thousands of reais

ASSETS	Note	Parent company		Consolidated	
		December 31, 2020	March 31, 2020	December 31, 2020	March 31, 2020
CURRENT ASSETS					
Cash and cash equivalents	4	236,747	91,998	237,699	92,066
Financial investments	4	1,113,078	1,775,640	1,153,574	1,831,504
Trade receivables	5	253,505	125,531	312,878	165,829
Derivative financial instruments	23	170,049	224,635	170,049	224,635
Inventories and advances to suppliers	6	1,107,555	357,890	1,093,086	366,177
Biological assets	7	658,953	713,547	658,953	713,547
Taxes recoverable	8	17,381	12,303	17,580	12,303
Income tax and social contribution	20	37,666	71,257	37,668	71,257
Dividends receivable		-	-	249	-
Other receivables		17,189	8,581	17,459	8,832
TOTAL CURRENT ASSETS		3,612,123	3,381,382	3,699,195	3,486,150
NON-CURRENT ASSETS					
Financial investments	4	29,754	35,011	33,236	38,494
Inventories and advances to suppliers	6	110,505	49,916	110,505	49,916
Related parties	9	-	255	-	-
Derivative financial instruments	23	78,796	28,977	78,796	28,977
Trade receivables	5	-	-	22,120	27,192
Receivables from Copersucar		10,017	10,017	10,017	10,017
Taxes recoverable	8	81,481	80,051	82,407	81,046
Judicial deposits	22	469,555	270,872	469,735	271,060
Other receivables		103,918	57,159	103,918	57,159
		884,026	532,258	910,734	563,861
Investments	10	1,437,138	1,462,223	38,403	33,868
Property, plant and equipment	11	3,889,503	4,058,484	5,662,977	5,844,505
Intangible assets	12	409,385	413,075	452,034	465,689
Right-of-use assets	13	1,517,482	1,719,453	1,517,482	1,719,453
		7,253,508	7,653,235	7,670,896	8,063,515
TOTAL NON-CURRENT ASSETS		8,137,534	8,185,493	8,581,630	8,627,376
TOTAL ASSETS		11,749,657	11,566,875	12,280,825	12,113,526

LIABILITIES AND EQUITY	Note	Parent company		Consolidated	
		December 31, 2020	March 31, 2020	December 31, 2020	March 31, 2020
CURRENT LIABILITIES					
Borrowings	14	709,212	591,024	709,212	591,024
Leases payable	13	50,493	40,168	50,493	40,168
Agricultural partnership payable	13	307,182	203,835	307,182	203,835
Derivative financial instruments	23	220,757	406,473	220,757	406,473
Trade payables	15	224,011	176,848	213,002	174,524
Payables to Copersucar	16	9,075	10,892	9,075	10,892
Salaries and social charges		155,827	149,263	156,611	150,249
Taxes recoverable		35,110	32,477	38,198	34,730
Income tax and social contribution payable	20	-	-	8,555	4,985
Dividends payable	18	12	54,694	12	54,694
Advances from customers		51,155	34,662	51,198	34,710
Acquisition of ownership interests	9 and 17	11,642	11,664	11,642	11,664
Other payables		14,255	10,310	15,761	18,527
TOTAL CURRENT LIABILITIES		1,788,731	1,722,310	1,791,698	1,736,475
NON-CURRENT LIABILITIES					
Borrowings	14	3,491,447	4,223,418	3,491,447	4,223,418
Leases payable	13	341,734	377,954	341,734	377,954
Agricultural partnership payable	13	953,355	1,053,956	953,355	1,053,956
Derivative financial instruments	23	88,011	79,022	88,011	79,022
Payables to Copersucar	16	169,647	179,189	169,647	179,189
Taxes payable		1,235	7,283	1,235	7,283
Deferred income tax and social contribution	20	316,972	214,220	844,640	746,226
Provision for contingencies	22	97,414	99,793	97,947	100,283
Acquisition of ownership interests	9 and 17	15,270	15,270	15,270	15,270
Taxes with suspended payment	16 (b)	444,083	242,188	444,083	242,188
Other payables		4,489	5,596	4,489	5,586
TOTAL NON-CURRENT LIABILITIES		5,923,657	6,497,889	6,451,858	7,030,375
EQUITY	18				
Share capital		2,071,819	1,696,652	2,071,819	1,696,652
Capital reserve		-	9,418	-	9,418
Treasury shares		(139,997)	(131,361)	(139,997)	(131,361)
Carrying value adjustments		709,305	607,022	709,305	607,022
Revenue reserves		836,110	1,164,945	836,110	1,164,945
Retained earnings		560,032	-	560,032	-
TOTAL EQUITY		4,037,269	3,346,676	4,037,269	3,346,676
TOTAL LIABILITIES AND EQUITY		11,749,657	11,566,875	12,280,825	12,113,526

The accompanying notes are an integral part of this quarterly information

Statement of income
Periods ended December 31, 2020 and 2019
All amounts in thousands of reais unless otherwise stated

		Parent company			
		December 31, 2020		December 31, 2019	
	Note	Quarter	9 months	Quarter	9 months
Revenue	27	1,185,690	3,066,155	1,000,287	2,442,063
Cost of goods sold	29	(754,074)	(2,067,779)	(674,926)	(1,776,071)
Gross profit		431,616	998,376	325,361	665,992
Operating income (expenses)					
Selling expenses	29	(43,108)	(129,338)	(34,970)	(96,641)
General and administrative expenses	29	(65,539)	(176,506)	(65,618)	(164,335)
Equity in the results of investees	10	33,102	125,132	38,921	122,032
Other revenue, net	28	21,470	405,371	355,445	365,666
		(54,075)	224,659	293,778	226,722
Operating profit		377,541	1,223,035	619,139	892,714
Finance income (costs)	30				
Finance income		11,109	39,373	14,712	86,970
Finance costs		(73,072)	(326,962)	(133,410)	(337,410)
Monetary and foreign exchange variations, net		(7,365)	(15,602)	(81,471)	(86,668)
Derivatives		(1,247)	3,783	(1,665)	(13,013)
		(70,575)	(299,408)	(201,834)	(350,121)
Profit before income tax and social contribution		306,966	923,627	417,305	542,593
Income tax and social contribution	20 (a)				
Current		11,504	(159,014)	(141,081)	(113,123)
Deferred		(46,306)	(44,849)	66,696	66,895
Profit for the period		272,164	719,764	342,920	496,365
Basic and diluted earnings per share - R$	31	0.7857	2.0770	1.0152	1.4887

The accompanying notes are an integral part of this quarterly information

Statement of income
Periods ended December 31, 2020 and 2019
All amounts in thousands of reais unless otherwise stated

					Consolidated
		December 31, 2020		December 31, 2019	
	Note	Quarter	9 months	Quarter	9 months
Revenue	27	1,210,979	3,151,727	1,029,194	2,547,588
Cost of goods sold	29	(749,052)	(2,038,912)	(663,480)	(1,754,521)
Gross profit		461,927	1,112,815	365,714	793,067
Operating income (expenses)					
Selling expenses	29	(43,600)	(130,912)	(35,471)	(98,177)
General and administrative expenses	29	(66,482)	(183,163)	(67,961)	(171,157)
Equity in the results of investees	10	1,877	4,793	336	1,544
Other revenue, net	28	21,767	417,301	355,973	367,115
		(86,438)	108,019	252,877	99,325
Operating profit		375,489	1,220,834	618,591	892,392
Finance income (costs)	30				
Finance income		15,502	49,345	17,170	94,075
Finance costs		(73,110)	(327,044)	(133,432)	(337,458)
Monetary and foreign exchange variations, net		(7,365)	(15,602)	(81,471)	(86,668)
Derivatives		(1,247)	3,783	(1,665)	(13,013)
		(66,220)	(289,518)	(199,398)	(343,064)
Profit before income tax and social contribution		309,269	931,316	419,193	549,328
Income tax and social contribution	20 (a)				
Current		9,380	(167,602)	(142,878)	(120,782)
Deferred		(46,485)	(43,950)	66,605	67,819
Profit for the period		272,164	719,764	342,920	496,365
Basic and diluted earnings per share - R$	31	0.7857	2.0770	1.0152	1.4887

The accompanying notes are an integral part of this quarterly information

Statement of comprehensive income
Periods ended December 31, 2020 and 2019
All amounts in thousands of reais

Parent company and consolidated	December 31, 2020		December 31, 2019	
	Quarter	9 months	Quarter	9 months
Profit for the period	272,164	719,764	342,920	496,365
Items that will be subsequently reclassified to profit or loss				
Changes in the period:				
Changes in fair value				
Commodity derivatives - Futures, options and forward contracts	(39,182)	(120,950)	(47,449)	1,378
Foreign exchange derivatives - Options / NDF	151,521	35,753	41,753	(367)
Foreign exchange differences on borrowing agreements (Trade Financ	168,179	13,889	123,953	31,112
	280,518	(71,308)	118,257	32,123
Recognition in operating income				
Commodity derivatives - Futures, options and forward contracts	24,610	52,758	(26,513)	(37,918)
Foreign exchange derivatives - Options / NDF	42,754	185,139	9,316	24,104
Foreign exchange differences on borrowing agreements (Trade Financ	637	1,781	219	846
	68,001	239,678	(16,978)	(12,968)
Write-off due to ineffectiveness				
Commodity derivatives - Futures, options and forward contracts	(42)	1,934	4,811	4,660
Foreign exchange derivatives - Options / NDF	-	-	(457)	(455)
	(42)	1,934	4,354	4,205
Total changes in the period				
Commodity derivatives - Futures, options and forward contracts	(14,614)	(66,258)	(69,151)	(31,880)
Foreign exchange derivatives - Options / NDF	194,275	220,892	50,612	23,282
Foreign exchange differences on borrowing agreements (Trade Finance)	168,816	15,670	124,172	31,958
Deferred taxes on the items above	(118,482)	(57,903)	(35,915)	(7,942)
	229,995	112,401	69,718	15,418
Total comprehensive income for the year	502,159	832,165	412,638	511,783

The accompanying notes are an integral part of this quarterly information

Statements of changes in equity

All amounts in thousands of reais

						Carrying value adjustments									
						Deemed cost			Revenue reserves						
	Note	Share capital	Revaluation budget	Treasury shares	Options granted	Parent	Investees	Hedge accounting	Legal	Capital reserve	Unrealized revenue reserve	Tax incentive reserve	Supplementary dividends	Retained earnings	Total
At March 31, 2019	18	1,696,652	9,418	(234,100)	-	172,822	989,265	(145,732)	110,427	357,124	40,463	365,748	28,923	-	3,391,010
Capital contribution to subsidiary with PP&E items		-	-	-	-	(35,956)	36,136	-	-	-	-	-	-	-	180
Realization of surplus on revaluation of deemed cost	18 c (i)	-	-	-	-	(9,915)	6,312	-	-	-	-	-	-	3,603	-
Gain (loss) on derivate transactions - hedge account	18 c (ii)	-	-	-	-	-	-	15,418	-	-	-	-	-	-	15,418
Share buyback	18 b	-	-	(59,050)	-	-	-	-	-	-	-	-	-	-	(59,050)
Payment of prior year's additional dividends	18 b	-	-	-	-	-	-	-	-	-	-	-	(28,923)	-	(28,923)
Interest on capital paid	18 f	-	-	-	-	-	-	-	-	-	-		-	(120,000)	(120,000)
Cancellation of treasury shares	18 f	-	-	177,232	-	-	-	-	-	(177,232)	-	-	-	-	-
Transfer to tax incentive reserve	18 g	-	-	-	-	-	-	-	-	-	-	85,398	-	(85,398)	-
Profit for the period	18 b	-	-	-	-	-	-	-	-	-	-	-	-	496,365	496,365
At December 31, 2019	18	1,696,652	9,418	(115,918)	-	126,951	1,031,713	(130,314)	110,427	179,892	40,463	451,146	-	294,570	3,695,000
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 account	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, 2020	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

The accompanying notes are an integral part of this quarterly information

Statement of cash flows
Periods ended December 31, 2020 and 2019
All amounts in thousands of reais

	Note	Parent company		Consolidated	
		December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Cash flows from operating activities					
Profit for the period		719,764	496,365	719,764	496,365
Adjustments					
Depreciation and amortization	29	503,719	439,350	506,715	442,448
Biological assets harvested	29	527,621	430,360	527,621	430,360
Change in the fair value of biological assets	29	(19,738)	1,544	(19,738)	1,544
Amortization of electricity contracts		-	-	6,579	6,574
Equity in the results of investees	10	(125,132)	(122,032)	(4,793)	(1,544)
Gains (losses) on investments and PP&E written off	11	(1,116)	1,629	5,744	(16,968)
Interest, monetary and exchange variations, net		140,473	224,336	135,559	219,847
Derivative financial instruments		236,256	15	236,256	15
Setup of provision for contingencies, net	22.1	8,780	8,821	8,794	8,822
Income tax and social contribution	20 b	203,863	46,228	211,552	52,963
Taxes with suspended payment		201,895	42,794	201,895	42,794
Adjustment to present value and other adjustments		105,363	99,702	103,507	98,063
		2,501,748	1,669,112	2,639,455	1,781,283
Changes in assets and liabilities					
Trade receivables		(135,664)	(196,846)	(156,522)	(201,595)
Inventories		(387,099)	(433,161)	(363,494)	(410,915)
Taxes recoverable		30,569	25,010	30,459	24,998
Derivative financial instruments		(251,802)	(34,809)	(251,802)	(34,809)
Other receivables		(252,920)	(258,428)	(252,932)	(257,560)
Trade payables		38,467	(77,957)	37,148	(82,319)
Salaries and social charges		6,564	16,774	6,362	16,773
Taxes payable		(140,015)	39,756	(139,387)	40,251
Payables to Copersucar		(10,673)	(11,114)	(10,673)	(11,114)
Provision for contingencies - settlement	22.1	(13,047)	(16,202)	(13,060)	(16,225)
Other payables		20,748	66,433	14,030	60,851
Cash from operations		1,406,876	788,568	1,539,584	909,619
Payment of interest on borrowings	14	(186,187)	(145,800)	(186,187)	(145,800)
Income tax and social contribution paid		(22,997)	(3,663)	(27,808)	(8,416)
Net cash provided by operating activities		1,197,692	639,105	1,325,589	755,403
Cash flow from investing activities					
Investment of funds	31	(485)	(1,687)	(485)	(1,687)
Return of capital		-	-	8	-
Purchases of property, plant and equipment and intangible assets		(240,627)	(259,673)	(243,626)	(266,002)
Additions to biological assets (planting and crop treatments)	10 and 11	(660,606)	(618,351)	(660,606)	(618,351)
Financial investments		682,282	570,549	698,706	583,010
Proceeds from sale of property, plant and equipment	11	4,311	3,472	14,327	7,417
Advance for future capital increase		-	(5)	-	-
Dividends received		150,462	126,229	-	294
Net cash provided by (used in) investing activities		(64,663)	(179,466)	(191,676)	(295,319)
Cash flows from financing activities					
Payments of lease agreements and partnerships	13	(234,486)	(104,680)	(234,486)	(104,680)
Proceeds from borrowings – third parties	14	212,479	416,413	212,479	416,413
Repayment of borrowings - third parties	14	(770,020)	(662,281)	(770,020)	(662,281)
Acquisition of treasury shares	17 b	(8,636)	(59,050)	(8,636)	(59,050)
Payment of dividends		(187,617)	(229,999)	(187,617)	(229,999)
Net cash provided by (used in) financing activities		(988,280)	(639,597)	(988,280)	(639,597)
Increase (decrease) in cash and cash equivalents		144,749	(179,958)	145,633	(179,513)
Cash and cash equivalents at the beginning of the period	4	91,998	197,170	92,066	197,607
Cash and cash equivalents at the end of the period	4	236,747	17,212	237,699	18,094
Additional information					
Balance of financial investments (current assets)	4	1,113,078	1,287,758	1,153,574	1,326,231
Total available funds	4	1,349,825	1,304,970	1,391,273	1,344,325

The accompanying notes are an integral part of this quarterly information

Statement of value added
Periods ended December 31, 2020 and 2019
All amounts in thousands of reais

	Parent company		Consolidated	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Revenue				
Gross sales of goods and products	3,302,220	2,676,929	3,393,730	2,863,457
Revenue from construction of own assets	772,712	704,015	772,712	704,015
Other income	4,991	3,191	16,937	4,618
	4,079,923	3,384,135	4,183,379	3,572,090
Inputs acquired from third parties				
Cost of products and goods sold	(796,387)	(693,797)	(733,072)	(697,051)
Material, electricity, third-party services, and other operating ex	(859,588)	(771,817)	(894,347)	(798,567)
	(1,655,975)	(1,465,614)	(1,627,419)	(1,495,618)
Gross value added	2,423,948	1,918,521	2,555,960	2,076,472
Depreciation and amortization	(503,719)	(439,350)	(506,715)	(442,448)
Biological assets harvested	(527,621)	(430,360)	(527,621)	(430,360)
Net value added generated by the entity	1,392,608	1,048,811	1,521,624	1,203,664
Value added received in transfer				
Equity in the results of investees	125,132	122,032	4,793	1,544
Finance income	717,410	336,537	727,411	343,656
Others	448,896	406,191	448,885	406,213
Total value added to be distributed	2,684,046	1,913,571	2,702,713	1,955,077
Distribution of value added				
Personnel and payroll charges				
Direct compensation	410,754	377,047	410,929	377,225
Benefits	154,214	135,836	154,884	136,406
Government Severance Indemnity Fund for Employees (FGTS)	38,731	36,059	38,744	36,073
Management compensation	42,149	28,263	43,043	29,298
Taxes, charges and contributions				
Federal	268,600	112,696	285,179	129,235
State	30,215	37,956	30,442	38,825
Municipal	824	1,491	862	1,629
Financing entities				
Interest	247,892	321,357	247,892	321,376
Rentals	2,755	2,488	2,755	24,589
Foreign exchange variations	556,467	311,335	556,467	311,335
Others	211,681	52,678	211,752	52,721
Interest on capital	120,000	120,000	120,000	120,000
Retained profits for the period	599,764	376,365	599,764	376,365
Value added distributed	2,684,046	1,913,571	2,702,713	1,955,077

The accompanying notes are an integral part of this quarterly information

1. Operations

São Martinho S.A. (the "Company" or "Parent Company") is a listed corporation headquartered in Pradópolis, State of São Paulo, with its shares traded on B3 S.A. - Brasil, Bolsa, Balcão [Brazil, Stock Exchange, OTC] ("B3"). 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; cogeneration of electricity; development of real estate ventures; agricultural production; import and export of goods, products and raw materials, and investment in other companies.

Approximately 70% of the sugarcane used in the production of 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. Businesses in the sugar-ethanol sector are subject to seasonal trends based on the sugarcane growth cycle in the Center-South region of Brazil, which typically begins in April and ends in December, resulting in fluctuations in the Company's inventories. Raw material supply may be impacted by adverse climate conditions. Sugarcane crop takes up to 18 months to mature, and harvest begins, in general, from April to December, which is also the period when sugar and ethanol are produced, and electricity is cogenerated.

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

The issue of this quarterly information was authorized by the Board of Directors on February 8, 2021.

RenovaBio - CBIOs

At December 31, 2020, the Company had 90,405 decarbonization credits (Cbios) issued and not yet sold. During this crop, 831 thousand Cbios were sold, with the proceeds classified within net revenue. After their issuance and registration, these decarbonization credits are mainly traded with fuel distributors whose acquisition targets have been established under the RenovaBio program.

About Renovabio:

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

Fuel distributors are required to meet individual mandatory GHG emission reduction targets through the purchase of Decarbonization Credits (CBIOs), which are publicly traded financial assets derived from the certification of the biofuel production process based on the respective efficiency levels achieved in relation to the emissions.

Effects of the Coronavirus pandemic on the quarterly information

The potential impacts of the Coronavirus pandemic (Covid-19) are reflected in the estimates and judgments used in the preparation of this quarterly information, notably in those relating to the fair value of biological assets, derivative financial instruments with foreign exchange exposure, and goodwill impairment tests for the comparative period of March 31, 2020, which may affect the Company's future results.

On the date the issue of this quarterly information was authorized by the Board of Directors, an assessment conducted by the Company's management concluded that there were no material uncertainties which might cast doubt on the Company's ability to continue as a going concern, and no situation was identified that could affect the quarterly information at December 31, 2020.

2. Summary of significant accounting policies

2.1 Statement of compliance and basis of preparation

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

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

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

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

2.2 Basis of consolidation and investments in subsidiaries

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

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

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

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

2.3 Functional and presentation currency

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

2.4 Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in

foreign currency are recognized in the statement of income, except when deferred in equity as qualifying cash flow hedges.

2.5 Financial instruments

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

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

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

a) Financial assets

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

b) Financial liabilities

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

c) Derivative financial instruments

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

At the inception of the transaction, the Company documents the relationship between 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 from a bargain purchase.

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

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

Acquisition costs incurred accounted for as expenses

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

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

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

3. Significant accounting estimates and judgments

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

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

a) Impairment losses

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

b) Fair value of biological assets

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

c) Income tax, social contribution and other taxes

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

d) Fair value of derivatives and other financial instruments

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

e) Provision for contingencies

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

f) ICMS tax benefits

As disclosed in Note 18(d), the Company has ICMS tax incentives granted by the State of Goiás. On August 7, and December 15, 2017, the Complementary Law 160/2017 and ICMS Agreement 190/2017, respectively, were published, regulating the granting of tax benefits 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, follows up the matter, through the Treasury Department of Goiás.

g) Incremental borrowing rate on leases and agricultural partnership

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

4. Cash and cash equivalents and financial investments

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

	Parent company			Consolidated		
	Annual yield	December 31, 2020	March 31, 2020	Annual yield	December 31, 2020	March 31, 2020
Cash and banks (in Brazil)		36	180		987	248
Cash and banks (abroad) (US Dollar)	0.30% p.a.	236,711	91,818	0.30% p.a.	236,712	91,818
Total cash and cash equivalents		**236,747**	**91,998**		**237,699**	**92,066**
Financial investments						
. Investment fund	90,63% of CDI	1,025,888	1,693,054	90,63% of CDI	1,065,780	1,748,918
. Funds - Financial Treasury Bills (LFT)	100% of SELIC	19,637	19,301	100% of SELIC	19,637	19,301
. Bank Deposit Certificate (CDB)	100.78% of CDI	87,190	82,586	100.78% of CDI	87,794	82,586
. Other (i)	98.06% of CDI	10,117	15,710	98.06% of CDI	13,599	19,193
Total financial investments		**1,142,832**	**1,810,651**		**1,186,810**	**1,869,998**
Total cash and cash equivalents and financial investments		**1,379,579**	**1,902,649**		**1,424,509**	**1,962,064**
In non-current assets		**29,754**	**35,011**		**33,236**	**38,494**
Total available funds		**1,349,825**	**1,867,638**		**1,391,273**	**1,923,570**

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

5. Trade receivables

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

The balance of trade receivables is broken down as follows:

	Parent company		Consolidated	
	December 31, 2020	March 31, 2020	December 31, 2020	March 31, 2020
Domestic market customers	171,221	120,101	253,165	188,100
Foreign market customers	82,284	5,430	82,287	5,430
Expected credit losses		-	(454)	(509)
	253,505	**125,531**	**334,998**	**193,021**
Current assets	**253,505**	**125,531**	**312,878**	**165,829**
Non-current assets	**-**	**-**	**22,120**	**27,192**

The aging list of trade receivables is as follows:

	Parent company		Consolidated	
	December 31, 2020	March 31, 2020	December 31, 2020	March 31, 2020
Falling due:	252,496	124,557	333,593	191,911
Overdue and not provisioned				
For 30 days	861	69	878	112
Over 31 days	148	905	527	998
	253,505	**125,531**	**334,998**	**193,021**

Of the amount receivable, R$ 4,460 and R$ 184 in the Parent company and Consolidated, respectively (R$ 1,612 and R$ 626, respectively, at March 31, 2020), refer to related parties, as detailed in Note 9.

6. Inventories and advances to suppliers

	Parent company		Consolidated	
	December 31, 2020	March 31, 2020	December 31, 2020	March 31, 2020
Current				
Finished products and work-in-process	858,902	139,599	836,503	139,599
Advances - purchases of sugarcane	55,888	61,238	55,888	61,238
Advances - purchases of inputs	98,342	71,254	98,342	71,254
Land subdivisions	-	-	7,930	8,287
Inputs, ancillary materials for maintenance and other	94,423	85,799	94,423	85,799
	1,107,555	**357,890**	**1,093,086**	**366,177**
Non-current				
Advances - purchases of sugarcane	110,505	49,916	110,505	49,916
	110,505	**49,916**	**110,505**	**49,916**
	1,218,060	**407,806**	**1,203,591**	**416,093**

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

7. Biological assets

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

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

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

a) Cash inflows obtained by multiplying the *(i)* estimated production measured in kilograms of Total Recoverable Sugar (TRS) by *(ii)* sugarcane futures market price, which is projected based on publicly-available data and price estimates of sugar and ethanol; and

b) Cash outflows represented by the estimated *(i)* costs necessary for the biological transformation of sugarcane (crop treatments) up to the harvest; *(ii)* harvesting/cutting, loading, and transportation costs; *(iii)* capital costs (land and machinery and equipment); *(iv)* costs of leases and agricultural partnerships; and *(v)* taxes levied on positive cash flows.

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

Parent company and Consolidated	December 31, 2020	March 31, 2020
Estimated total harvest area (ha)	238,953	239,774
Expected yield (metric ton/ha)	86.11	91.35
Amount of TRS per metric ton of sugar (kg)	133.33	133.30
Projected average price of TRS (R$)	0.6854	0.6038

At the reporting date, the discount rate used to calculate the fair value of biological assets was 6.59% p.a. (7.22% p.a. at March 31, 2020).

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

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

	Parent company		Consolidated	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Historical cost	829,616	742,524	829,616	742,524
Fair value	(116,069)	(85,467)	(116,069)	(85,467)
Biological assets - opening balance:	**713,547**	**657,057**	**713,547**	**657,057**
Changes:				
Increases arising from crop treatments	421,520	392,084	421,520	392,084
Transfer from property, plant and equipment	209,178	220,385	209,178	220,385
Changes in fair value	27,848	8,160	27,848	8,160
Decreases resulting from harvest	(713,140)	(619,734)	(713,140)	(619,734)
Biological assets - closing balance:	**658,953**	**657,952**	**658,953**	**657,952**
Comprised of:				
Historical cost	747,175	735,258	747,175	735,258
Fair value	(88,222)	(77,306)	(88,222)	(77,306)
Biological assets - closing balance:	**658,953**	**657,952**	**658,953**	**657,952**

The operating activities of sugarcane cultivation are exposed to the risk of damage caused by climate changes, pests and diseases, forest fires, and other forces of nature, which may impact, either by increasing or reducing future harvest results.

Fair value sensitivity analysis

For the purpose of the sensitivity analysis, the Company assessed the impact on the fair value of its biological assets at December 31, 2020, 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$ 36,783. Regarding the production volume, the same 5% variation (up or down) would result in an increase or decrease of R$ 34.919.

8. Taxes recoverable

Breakdown of taxes recoverable:

	Parent company		Consolidated	
	December 31, 2020	March 31, 2020	December 31, 2020	March 31, 2020
Current				
PIS / COFINS	11,411	4,031	11,427	4,031
ICMS	5,296	7,407	5,333	7,407
Others	674	865	820	865
	17,381	**12,303**	**17,580**	**12,303**
Non-current				
PIS / COFINS	52,544	44,832	52,544	44,864
Reintegra Program	1,147	4,870	1,147	4,870
IOF on derivatives	8,738	8,653	8,738	8,653
ICMS	12,402	15,117	13,330	16,080
INSS	6,650	6,579	6,648	6,579
	81,481	**80,051**	**82,407**	**81,046**
	98,862	**92,354**	**99,987**	**93,349**

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

9. Related parties

a) Parent company and consolidated balances:

	Parent company		Consolidated	
	December 31, 2020	March 31, 2020	December 31, 2020	March 31, 2020
Current assets				
Trade receivables (i)				
São Martinho Terras Imobiliárias S.A.	26	22	-	-
Bioenergética Santa Cruz S.A.	12	9	-	-
Bioenergética São Martinho S.A.	4,301	1,014	-	-
São Martinho Terras Agrícolas S.A.	18	14	-	-
CTC - Centro de Tecnologia Canavieira S.A.	10	447	97	528
Others	93	106	87	98
	4,460	**1,612**	**184**	**626**
Non-current assets				
Advance for future capital increase				
São Martinho Inova S.A.	-	5	-	-
Bioenergia São Martinho Ltda.	-	250	-	-
	-	**255**	**-**	**-**
Current liabilities				
Trade payables				
Luiz Ometto Participações S.A.	2,344	-	2,344	-
São Martinho Terras Imobiliárias S.A.	462	168	-	-
Bioenergética Santa Cruz S.A.	362	258	-	-
São Martinho Terras Agrícolas S.A.	13,451	5,423	-	-
CTC - Centro de Tecnologia Canavieira S.A.	166	346	166	346
Others	9	9	9	9
	16,794	**6,204**	**2,519**	**355**
Leases and agricultural partnerships payable from stockholders and related parties	296,079	291,281	296,079	291,281
Current and non-current liabilities (Acquisition of ownership interest)				
Luiz Ometto Participações S.A. (Note 17)	26,912	26,934	26,912	26,934

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

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

	Parent company		Consolidated	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Sales revenue				
Bioenergética Santa Cruz S.A.	8,400	6,134	-	-
Bioenergética São Martinho S.A.	3,897	6,325	-	-
	12,297	**12,459**	**-**	**-**
Reimbursed expenses/ Lease revenue (purchase of products and services)				
São Martinho Terras Imobiliárias S.A.	(2,300)	(2,042)	-	-
São Martinho Terras Agrícolas S.A.	(71,217)	(56,613)	-	-
Bioenergética Santa Cruz S.A.	(1,254)	(2,340)	-	-
Bioenergética São Martinho S.A.	39	168	-	-
CTC - Centro de Tecnologia Canavieira S.A.	(24,288)	(17,415)	(23,588)	(16,814)
Agro Pecuária Boa Vista S/A	114	131	114	131
	(98,906)	**(78,111)**	**(23,474)**	**(16,683)**
Stockholders and related parties				
Sugarcane purchases / agricultural partnership and land lease				
Agro Pecuária Boa Vista S/A	(26,016)	(23,312)	(26,016)	(23,312)
Others	(18,334)	(15,644)	(18,334)	(15,644)
	(44,350)	**(38,956)**	**(44,350)**	**(38,956)**

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

c) Management compensation:

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

	Parent company		Consolidated	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Fixed and variable compensation, and benefits	21,912	20,855	23,415	22,311
Social security contributions	4,345	4,212	4,614	4,474
Total compensation and charges	**26,257**	**25,067**	**28,029**	**26,785**

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

On December 14, 2020, the Board of Directors approved the granting of 754,980 new options, through the 12th Stock Option Plan, whose regulation follows that of other plans already existing in the Company.

Accordingly, in this quarterly information, the carrying amount of the liability relating to the new fair value calculation of the Virtual Option Plan is R$ 25,145 (R$ 82 at March 31, 2020).

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

Plan	6th Plan	7th Plan	8th Plan	9th Plan	10th Plan	11th Plan	12th Plan	Total
Plan issue date	15/12/2014	14/12/2015	12/12/2016	02/05/2018	10/12/2018	09/12/2019	14/12/2020	
Deadline for the exercise *(i)*	2021	2022	2023	2024	2025	2026	2027	
Number of virtual options granted	835,725	696,465	727,273	882,074	1,133,513	1,072,712	754,980	6,102,742
Number of virtual options exercised	(807,951)	(655,515)	(410,383)	(108,066)	-	-	-	(1,981,915)
Number of virtual options to be exercised	**27,774**	**40,950**	**316,890**	**774,008**	**1,133,513**	**1,072,712**	**754,980**	**4,120,827**
Exercise price (R$)	12.04	15.87	17.70	17.76	19.07	19.38	24.22	

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

10. Investments

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

				Parent company			
	Ownership interest %	Investee's adjusted equity		Book value of investment		Equity in the results of investees	
Company		December 31, 2020	March 31, 2020	December 31, 2020	March 31, 2020	December 31, 2020	December 31, 2019
Classified as Investments							
SM Terras Imobiliárias	100.00%	160,489	159,086	160,489	159,086	13,902	18,867
Bio SM	100.00%	24,900	37,381	24,900	37,381	6,819	27,002
SM Inova	100.00%	31,602	26,870	31,602	26,870	4,726	2,053
SM Terras Agrícolas	100.00%	1,123,244	1,144,494	1,123,244	1,144,494	54,907	31,842
SM Logística	100.00%	2,604	2,703	2,604	2,703	(100)	(94)
Bio SC	100.00%	94,097	91,688	94,097	91,688	44,916	42,885
Bioenergética BV	100.00%	-	1	-	1	-	-
Bioenergia SM	100.00%	202	-	202	-	(38)	-
Others		-	-	-	-	-	(523)
Total classified as Investments		**1,437,138**	**1,462,223**	**1,437,138**	**1,462,223**	**125,132**	**122,032**

				Consolidated			
	Ownership interest %	Investee's adjusted equity		Book value of investment		Equity in the results of investees	
Company		December 31, 2020	March 31, 2020	December 31, 2020	March 31, 2020	December 31, 2020	December 31, 2019
Classified as Investments							
CTC - Centro de Tecnologia Canavieira S.A. (i)	5.41%	685,067	601,912	37,093	32,590	4,752	2,057
Others		-	-	1,310	1,278	41	(513)
Total classified as Investments		**685,067**	**601,912**	**38,403**	**33,868**	**4,793**	**1,544**

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

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

11. Property, plant and equipment

The assets' net book values and useful lives, 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 bearer plants that are exclusively used to grow sugarcane. Sugarcane is classified as a permanent crop and its economically productive cycle lasts, on average, eight years after the first harvest. The costs of charges on borrowings taken to finance the construction of property, plant and equipment are capitalized during the period required to construct and prepare the asset for its intended use.

Parent company	Land	Buildings and outbuildings	Manufacturing equipment and facilities	Off-season maintenance	Vehicles	Agricultural machinery and implements	Sugarcane plantations	Construction in progress	Other PP&E	Total
At March 31, 2019	**209,296**	**401,832**	**1,179,860**	**306,422**	**229,566**	**287,476**	**1,190,628**	**120,764**	**53,460**	**3,979,304**
Total cost	209,296	490,357	1,775,974	306,422	363,639	565,861	1,190,628	120,764	170,003	5,192,944
Accumulated depreciation	-	(88,525)	(596,114)	-	(134,073)	(278,385)	-	-	(116,543)	(1,213,640)
Residual value	**209,296**	**401,832**	**1,179,860**	**306,422**	**229,566**	**287,476**	**1,190,628**	**120,764**	**53,460**	**3,979,304**
Acquisitions	5,871	286	7,393	302,757	15,950	59,151	339,388	125,690	6,252	862,738
Capital contribution to subsidiary (i)	(119,064)	-	-	-	-	-	-	-	-	(119,064)
Transfer of biological assets	-	-	-	-	-	-	(188,814)	-	-	(188,814)
Cost of sale	-	-	(35)	-	(2,497)	(3,835)	(47)	-	(372)	(6,786)
Transfer between groups	-	5,607	58,566	-	1,918	(6,848)	9,771	(71,515)	2,501	-
Depreciation	-	(12,438)	(79,024)	(307,868)	(21,186)	(37,689)	-	-	(10,689)	(468,894)
At March 31, 2020	**96,103**	**395,287**	**1,166,760**	**301,311**	**223,751**	**298,255**	**1,350,926**	**174,939**	**51,152**	**4,058,484**
Total cost	96,103	496,251	1,841,782	301,311	377,559	617,139	1,350,926	174,939	178,131	5,434,141
Accumulated depreciation	-	(100,964)	(675,022)		(153,808)	(318,884)	-	-	(126,979)	(1,375,657)
Residual value	**96,103**	**395,287**	**1,166,760**	**301,311**	**223,751**	**298,255**	**1,350,926**	**174,939**	**51,152**	**4,058,484**
Acquisitions	-	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)
At December 31, 2020	**96,099**	**417,474**	**1,177,158**	**143,051**	**212,931**	**278,168**	**1,408,948**	**109,308**	**46,366**	**3,889,503**
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)
Residual value	**96,099**	**417,474**	**1,177,158**	**143,051**	**212,931**	**278,168**	**1,408,948**	**109,308**	**46,366**	**3,889,503**
Residual value										
Historical cost	24,812	352,542	982,169	143,051	192,464	244,091	1,408,948	109,308	46,366	3,503,751
Surplus on revaluation	71,287	64,932	194,989	-	20,467	34,077	-	-	-	385,752
Annual average depreciation rates/ Transfer of biological assets	-	3%	5%	100%	7%	9%	14%	-	14%	

Consolidated	Land	Buildings and outbuildings	Manufacturing equipment and facilities	Off-season maintenance	Vehicles	Agricultural machinery and implements	Sugarcane plantations	Construction in progress	Improvements and other PPE	Total
At March 31, 2019	**1,812,339**	**405,543**	**1,237,880**	**307,002**	**229,564**	**287,477**	**1,190,627**	**120,762**	**53,466**	**5,644,660**
Total cost	1,812,339	496,594	1,857,960	307,158	363,637	565,861	1,190,627	120,762	170,003	6,884,941
Accumulated depreciation	-	(91,051)	(620,080)	(156)	(134,073)	(278,384)	-	-	(116,537)	(1,240,281)
Residual value	**1,812,339**	**405,543**	**1,237,880**	**307,002**	**229,564**	**287,477**	**1,190,627**	**120,762**	**53,466**	**5,644,660**
Acquisitions	11,782	286	7,393	303,851	15,950	59,151	339,388	125,690	6,252	869,743
Cost of sale	(334)	-	(35)	-	(2,497)	(3,835)	(47)	-	(373)	(7,121)
Transfer from Inventories to Sales	(1,782)	-	-	-	-	-	-	-	-	(1,782)
Transfer of biological assets	-	-	-	-	-	-	(188,814)	-	-	(188,814)
Transfer between groups	-	5,607	58,566	-	1,918	(6,848)	9,771	(71,515)	2,501	-
Depreciation	-	(12,619)	(81,542)	(308,456)	(21,186)	(37,689)	-	-	(10,689)	(472,181)
At March 31, 2020	**1,822,005**	**398,817**	**1,222,262**	**302,397**	**223,749**	**298,256**	**1,350,925**	**174,937**	**51,157**	**5,844,505**
Total cost	1,822,005	502,487	1,923,767	303,017	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)
Residual value	**1,822,005**	**398,817**	**1,222,262**	**302,397**	**223,749**	**298,256**	**1,350,925**	**174,937**	**51,157**	**5,844,505**
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)
At December 31, 2020	**1,812,110**	**420,858**	**1,230,443**	**143,845**	**212,929**	**278,169**	**1,408,948**	**109,306**	**46,369**	**5,662,977**
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)
Residual value	**1,812,110**	**420,858**	**1,230,443**	**143,845**	**212,929**	**278,169**	**1,408,948**	**109,306**	**46,369**	**5,662,977**
Residual value										
Historical cost	161,471	355,003	1,021,748	143,845	192,462	244,092	1,408,948	109,306	46,369	3,683,244
Surplus on revaluation	1,650,639	65,855	208,695	-	20,467	34,077	-	-	-	1,979,733
Annual average depreciation rates/ Transfer of biological assets	-	3%	5%	100%	7%	9%	14%	-	14%	

The amount recorded within "Construction in progress" relates mainly to projects for the implementation of data transmission technology (4G), consulting costs related to the corn and ethanol project, and fire prevention.

Under the terms of certain borrowing agreements entered into by the Company, property, plant and equipment items totaling R$ 615,230 were pledged as collateral, of which R$ 6,592 relates to rural properties (483 hectares of land).

Financial charges capitalized by the Company during the period amounted to R$ 909 (R$ 1,488 at December 31, 2019).

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, 2020	March 31, 2020	December 31, 2020	March 31, 2020
Goodwill based on future profitability (i)	374,632	374,632	374,633	374,633
Software	40,420	37,492	40,420	37,492
Accumulated amortization	(30,426)	(28,821)	(30,426)	(28,821)
Rights on sugarcane contracts (ii)	42,443	42,443	42,443	42,443
Amortization of rights on sugarcane contracts (ii)	(20,285)	(17,026)	(20,285)	(17,026)
Rights on electricity contracts (iii)	-	-	103,401	103,401
Amortization of rights on electricity contracts (iii)	-	-	(72,280)	(62,315)
Other receivables	2,601	4,355	14,128	15,882
	409,385	**413,075**	**452,034**	**465,689**

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

Impairment of non-financial assets

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

Goodwill and intangible assets with indefinite useful lives are tested for impairment at least once a year, or more frequently, if evidence of impairment is found. 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 that generate cash flows clearly independent from those generated by another CGU.

At March 3, 2020, the Company tested its non-current assets for impairment. The assessment was based on calculations of the value in use of each CGU, which use pre-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 (March 31, 2020):

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

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

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

a) Leases

From the year ended March 31, 2020, the Company adopted IFRS 16 (CPC 06 (R2)) - Leases, which introduces a single accounting model for leases and agricultural partnerships in the balance sheet. Right-of-use assets were recognized in assets and lease liabilities, in liabilities. Additionally, in compliance with CVM Resolution 859, the Company declares that there have been no changes and/or revaluations in its lease agreements as a consequence of the COVID-19 pandemic.

Changes in accounting policies are detailed below:

b) Lease. Definition provided by IFRS 16 (CPC 06 R2)

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

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

d) The Company as the Lessor

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

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

	Parent company and Consolidated			
Right-of-use assets	Vehicles and buildings	Agricultural partnership	Agricultural lease	Total
First-time adoption on April 1, 2019	**18,368**	**1,194,692**	**374,501**	**1,587,561**
Adjustments	349	14,613	-	14,962
Amortization	(12,012)	(162,756)	(31,636)	(206,404)
December 31, 2019	**6,705**	**1,046,549**	**342,865**	**1,396,119**
At March 31, 2020	**2,682**	**1,315,294**	**401,477**	**1,719,453**
New agreements	28,385	82,350	3,724	114,459
Contract update	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)
At December 31, 2020	**20,141**	**1,148,678**	**348,663**	**1,517,482**
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
First-time adoption on April 1, 2019	**2,439,375**	**(94,649)**	**(851,814)**	**1,492,912**
Offset of advances	-	7,071	-	7,071
Additions arising from new agreements	23,835	-	(9,222)	14,613
Contract update	361	-	(12)	349
Payments made	(104,680)	-	-	(104,680)
Financial charges	-	-	111,187	111,187
December 31, 2019	**2,358,891**	**(87,578)**	**(749,861)**	**1,521,452**
At March 31, 2020	**2,663,968**	**(108,822)**	**(879,233)**	**1,675,913**
Offset of advances	-	46,744	-	46,744
New agreements	156,082	-	(41,623)	114,459
Contract update	(26,814)	-	11,300	(15,514)
Write-offs	(63,393)	-	15,230	(48,163)
Payments made	(234,486)	-	-	(234,486)
Financial charges	-	-	113,811	113,811
At December 31, 2020	**2,495,357**	**(62,078)**	**(780,515)**	**1,652,764**
Current liabilities				**357,675**
Leases payable				50,493
Land partnership payable				307,182
Non-current liabilities				**1,295,089**
Leases payable				341,734
Land partnership payable				953,355
				1,652,764

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

Final	Parent company and Consolidated
From 1/1/2022 to 12/31/2022	291,098
From 1/1/2023 to 12/31/2023	263,275
From 1/1/2024 to 12/31/2024	238,841
From 1/1/2025 to 12/31/2025	218,946
From 1/1/2025 to 12/31/2026	194,025
From 1/1/2026 to 12/31/2027	143,243
From 1/1/2027 to 12/31/2028	118,392
From 1/1/2029 onwards	503,259
(-) Adjustment to present value	(675,990)
	1,295,089

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	623,953	250,296
Potentially recoverable PIS/COFINS (9.25%)	(41,392)	(16,324)
December 31, 2020	582,561	233,972

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

Parent company and consolidated	
Contract terms	Incremental borrowing rate
2 years	7.81%
3 years	8.43%
4 years	8.63%
5 years	8.58%
6 years	8.72%
7 years	8.60%
8 years	8.75%
9 years	9.12%
10 years	9.15%
11anos	9.22%
From 12 to 30 years	9.15%

In full compliance with IFRS 16, the Company measured and remeasured its lease liabilities and right-of-use assets using the discounted cash flow method, without considering the projected future inflation in the flows to be discounted, as prohibited by the standard.

Additionally, in compliance with CVM Circular Letter 02/2019, comparative information on lease and agricultural partnership liabilities, right-of-use assets, deferred taxes, depreciation expense and finance costs for the six-month period ended December 31, 2020 and future periods is presented below, using a discounted cash flow that considers future inflation projected in the payment flows, and discounted at the nominal rates presented above:

Parent company and Consolidated	From 1/1/2021 to 12/31/2021	From 1/1/2022 to 12/31/2022	From 1/1/2023 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 12/31/2030	From 1/1/2031 to 12/31/2035	From 1/1/2036 to 12/31/2040
Right-of-use assets								
IFRS 16	1,394,262	1,167,751	962,904	781,509	618,390	183,037	22,657	-
CVM Official Letter	1,682,516	1,421,969	1,184,005	970,944	777,655	240,245	31,106	-
	20.67%	21.77%	22.96%	24.24%	25.75%	31.25%	37.29%	N/A
Liabilities of leases and agricultural partnerships								
IFRS 16	1,268,373	1,063,364	876,758	711,095	562,040	199,704	31,689	-
CVM Official Letter	1,632,233	1,381,966	1,151,711	945,062	757,473	286,974	48,822	-
	28.69%	29.96%	31.36%	32.90%	34.77%	43.70%	54.07%	N/A
Depreciation expenses								
IFRS 16	(253,385)	(226,511)	(204,847)	(181,395)	(163,119)	(435,353)	(160,380)	(22,657)
CVM Official Letter	(288,192)	(260,547)	(237,964)	(213,061)	(193,289)	(537,410)	(209,139)	(31,106)
	13.74%	15.03%	16.17%	17.46%	18.50%	23.44%	30.40%	37.29%
Interest expense								
IFRS 16	(79,781)	(78,764)	(77,061)	(73,969)	(70,728)	(283,437)	(104,627)	(11,551)
CVM Official Letter	(103,348)	(104,354)	(102,557)	(99,309)	(95,800)	(406,823)	(157,265)	(19,711)
	29.54%	32.49%	33.09%	34.26%	35.45%	43.53%	50.31%	70.64%

	IFRS 16/CPC 06	CVM Official Letter
Depreciation expenses	(1,647,647)	(1,970,708)
Interest expense	(779,918)	(1,089,167)
	(2,427,565)	(3,059,875)

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.

Insurance	Annual charges		consolidated	
	Rate	Index	December 31, 2020	March 31, 2020
In local currency				
Export Credit Note (NCE)	105.50%	CDI	30,223	131,780
BNDES credit facility	2.21%	+ TJLP	150,837	162,873
BNDES credit facility	3.27%	-	131,046	160,039
Rural credit	0%	-	-	278,497
FINEP	4.00%	-	69,235	84,433
Agribusiness Receivable Certificate (CRA)	98.06%	CDI	1,444,229	1,474,171
Agribusiness Receivable Certificate (CRA) (a) (iii)	4.88%	+ IPCA	468,705	448,743
Other securitized credits	3.00%	+IGP-M/PRE	36	8,389
Leases	5.98%	Fixed rate	223	-
Total in local currency	**111.40%**	**CDI**	**2,294,534**	**2,748,925**
In foreign currency				
Export prepayment (PPE)	0%	Exchange rate variation	-	1,050,150
Export prepayment (PPE)	1.53%	6M Libor	1,293,226	394,865
International Finance Corporation (IFC)	1.70%	6M Libor	468,844	474,334
Export Credit Note (NCE) (iii)	2.27%	Exchange rate variation	132,260	130,057
FINEM	2.73%	Currency basket	11,795	16,111
Total in foreign currency	**3.76%**		**1,906,125**	**2,065,517**
TOTAL (i)			**4,200,659**	**4,814,442**
Current			709,212	591,024
Non-current			3,491,447	4,223,418

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

(ii) 51% of the Agribusiness Receivable Certificates (CRAs) is linked to 121.87% of the DI variation, through a swap contract.
(ii) 100% of the Export Credit Note (NCE) amount is linked to the DI variation +1.40% p.a., through a swap contract.

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

Changes in debt	Parent company and	
	December 31, 2020	December 31, 2019
Previous balance	4,814,442	4,452,600
Proceeds from borrowings	212,479	416,413
Repayment of principal amount	(770,020)	(662,281)
Repayment of interest	(186,187)	(145,800)
Monetary adjustment	127,001	194,486
Foreign exchange variation	2,944	49,437
	4,200,659	**4,304,855**

Long-term borrowings mature as follows:

Parent company and Consolidated	Final
From 1/1/2022 to 12/31/2022	475,251
From 1/1/2023 to 12/31/2023	985,917
From 1/1/2024 to 1/1/2025	432,917
From 1/1/2025 to 12/31/2025	1,042,754
From 1/1/2026 to 12/31/2026	488,647
From 1/1/2026 to 12/31/2026	21,350
From 1/1/2027 to 1/1/2028	20,085
From 12/1/2028 onwards	24,526
	3,491,447

In this quarterly information, R$ 635,645 of São Martinho's debt is collateralized as follows: 99% by equipment, properties and buildings, approximately 1% by land, and less than 1% by receivables from energy 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 3.9% (4.7% at March 31, 2020), and are classified within Level 2 of the fair value hierarchy.

Covenants

The Company has entered into contracts that include financial covenants amounting to R$ 1,778,849, which are determined and required annually. At September 30, 2020, these covenants were complied with.

15. Trade payables

	Parent company		Consolidated	
	December 31, 2020	March 31, 2020	December 31, 2020	March 31, 2020
Sugarcane	65,621	74,749	51,708	69,158
Materials, services, and other	158,390	102,099	161,294	105,366
	224,011	**176,848**	**213,002**	**174,524**

Of the total amount of trade payables, R$ 16,794 in the parent company, and R$ 2,519 in the consolidated (R$ 6,204 and R$ 355, respectively, at March 31, 2020) refer to related parties, as detailed in 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 yet. 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 association, for the purpose of financing their operations. The funds were obtained by the Cooperative and relate to temporary cash surpluses arising from preliminary injunctions in lawsuits claiming suspension of the enforceability of taxes. These cash surpluses relate to provisions for contingencies recorded by the Cooperative within non-current liabilities. However, in the event of unfavorable outcomes in the lawsuits, the Company could be required to reimburse the amount within 120 days. The main amounts included in these liabilities arise from Excise Tax (IPI), the constitutionality and lawfulness of which were challenged in court by the Cooperative, and from tax liabilities included in the Tax Recovery Program (REFIS) of Copersucar, as shown below.

Parent company and Consolidated	December 31, 2020	March 31, 2020
REFIS - Copersucar - Restated by reference to SELIC rate	43,504	53,456
Exchange Bill (LC) - Restated by reference to SELIC rate	71,487	71,077
change Bill (LC) - Transfer of funds without imposition of charge	52,356	52,356
Expenses with tax proceedings	9,075	10,892
Others	2,300	2,300
Total	**178,722**	**190,081**
Current liabilities	**9,075**	**10,892**
Non-current liabilities	**169,647**	**179,189**

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 previous Copersucar`s harvests, resulting from tax assessments that may arise in relation to periods when the Company was a cooperative member.

Copersucar has been served delinquency notices with respect to State Value-Added Tax (ICMS) levied on sales of fuel and industrial ethanol made up to December 31, 2008, of which the amount attributed to the Company would be approximately R$ 260 million. Copersucar believes to have solid grounds to successfully defend itself against the fines imposed, and the risk of loss involved was classified by its legal advisors as possible.

b) **Rights:**

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

Among the lawsuits to which Copersucar is the plaintiff, it should be highlighted the one that ordered the Federal Government to compensate for financial damages arising from the price controls imposed over sugar and ethanol sales in the 1980s.

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

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

In March 2019, Copersucar received and transferred to the Cooperative members the first installment of the first court-ordered debt security (R$ 906 million).

Additionally, in December 2019, the second installment of the first court-ordered debt security (R$ 1.06 billion) and the first installment of the supplementary court-ordered debt security (R$ 1.725 billion) were collected.
Additionally, in September 30, 2020, the second 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.

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

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

After the transfer and withholding of the amounts related to court expenses and taxes under litigation, the balance of R$ 383,040 was recorded in the interim accounting information within "Other income, net". As management classifies the receipt of the remainder credit as probable, but not practically certain, the related amount has not been recorded.

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

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

	Acquisitions	Disposals	
Parent company and Consolidated	Santa Cruz	Agro Pecuária Boa Vista	Net balance
At March 31, 2020	(125,043)	98,109	(26,934)
Monetary adjustment	(2,149)	1,686	(463)
Repayment of interest	2,250	(1,765)	485
At December 31, 2020	**(124,942)**	**98,030**	**(26,912)**
		Current liabilities	(11,642)
		Non-current liabilities	(15,270)
			(26,912)

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

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

18. Equity

a) Share capital

The share capital at the reporting date amounted to R$ 2,071,819 (R$ 1,696,652 at March 31, 2020), 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 (three hundred and seventy-two million) common shares, regardless of amendments to its bylaws, upon resolution by the Board of Directors, which will determine the share issue conditions, including price and payment term.

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

b) Treasury shares

Since these are 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.

	March 31, 2020	Acquisition of shares	December 31, 2020
Quantity	7,267,063	369,200	7,636,263
Average price	18.08	23.39	18.33
Total amount	**131,361**	**8,636**	**139,997**

c) Carrying value adjustments

(i) *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.

(ii) Hedge accounting fair value

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

d) Revenue reserves

Legal reserve

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

Capital budget reserve

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

Unrealized profit reserve

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

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 ICM reduction is calculated on the debt balance determined for each computation period, by applying the discount percentage granted under the tax incentive program.

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

The incentive amount that impacted profit or loss in this quarterly information totaled R$ 49,850 in the Parent and Consolidated, (R$ 85,398 at December 31, 2019).

e) Capital reserve

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

f) Dividends and interest on capital

At the Board of Directors' meeting held on December 9, 2019, a new dividend policy was established, whereby stockholders are entitled to a dividend and/or interest on capital equivalent to 40% of cash profit, as calculated and disclosed by the Company, or 25% of the profit for the year, after deduction of accumulated deficit and transfer to the legal reserve, whichever is greater.

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

At the Board of Directors' meetings held on November 9, 2020, the payment of interest on capital in the gross amount of R$ 120,000 was approved.

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. In the reporting period, the amount of profit sharing totaled R$ 47,283 in the Parent company and R$ 47,335 in the Consolidated (R$ 44,827 and R$ 44,864 in the Parent company and Consolidated, respectively, at December 31, 2019).

20. Income tax and social contribution

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

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

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

a) Changes in deferred income tax and social contribution

		Quarter		
Parent company	September 30, 2020	Recognized in the statement of income	Recognized in other comprehensive income	December 31, 2020
Income tax and social contribution losses	21,495	4,993	-	26,488
Derivative financial instruments	362,632	(2,392)	(118,482)	241,758
Provision for contingencies	80,498	7,886	-	88,384
Foreign exchange variation	23,306	(7,946)	-	15,360
Other receivables	60,355	10,852	-	71,207
Total income and social contribution tax assets	**548,286**	**13,393**	**(118,482)**	**443,197**
Surplus on revaluation of PP&E (deemed cost)	(133,274)	1,928	-	(131,346)
Accelerated depreciation incentive	(348,042)	(27,163)	-	(375,205)
Tax benefit on merged goodwill	(189,183)	(4,387)	-	(193,570)
Foreign exchange losses	-	(31,719)	-	(31,719)
Other payables	(29,971)	1,642	-	(28,329)
Total income and social contribution tax liabilities	**(700,470)**	**(59,699)**	**-**	**(760,169)**
Deferred income tax and social contribution	**(152,184)**	**(46,306)**	**(118,482)**	**(316,972)**

Consolidated	September 30, 2020	Quarter: Recognized in the statement of income	Quarter: Recognized in other comprehensive income	Quarter: Consolidation adjustment - Rights on electricity contracts	December 31, 2020
Income tax and social contribution losses	21,494	4,993	-	-	26,487
Derivative financial instruments	362,633	(2,392)	(118,482)	-	241,759
Provision for contingencies	63,651	(539)	-	-	63,112
Provision for other obligations	17,337	8,425	-	-	25,762
Foreign exchange gains	23,306	(7,946)	-	-	15,360
Other receivables	60,619	10,634	-	-	71,253
Total income and social contribution tax assets	**549,040**	**13,175**	**(118,482)**	**-**	**443,733**
Surplus on revaluation of PP&E (deemed cost)	(644,025)	1,966	-	-	(642,059)
Accelerated depreciation incentive	(348,042)	(27,163)	-	-	(375,205)
Tax benefit on merged goodwill	(189,183)	(4,387)	-	-	(193,570)
Intangible assets	(11,932)	-	-	47	(11,885)
Gain from change in interest held in CTC	(5,068)	-	-	-	(5,068)
Foreign exchange losses	-	(31,719)	-	-	(31,719)
Other payables	(29,971)	1,643	-	-	(28,328)
Total income and social contribution tax liabilities	**(1,228,221)**	**(59,660)**	**-**	**47**	**(1,287,834)**
Deferred income tax and social contribution	**(679,181)**	**(46,485)**	**(118,482)**	**47**	**(844,101)**
Other deferred taxes	**(539)**	**-**	**-**	**-**	**(539)**

Parent company	March 31, 2020	Year-to-date: Recognized in the statement of income	Year-to-date: Recognized in other comprehensive income	December 31, 2020
Income tax and social contribution losses	38,137	(11,648)	-	26,489
Derivative financial instruments	305,040	(5,378)	(57,903)	241,759
Provision for contingencies	53,629	34,756	-	88,385
Foreign exchange variation	25,344	(9,984)	-	15,360
Other receivables	67,585	3,619	-	71,204
Total income and social contribution tax assets	**489,735**	**11,365**	**(57,903)**	**443,197**
Surplus on revaluation of PP&E (deemed cost)	(142,805)	11,461	-	(131,344)
Accelerated depreciation incentive	(346,415)	(28,790)	-	(375,205)
Tax benefit on merged goodwill	(180,409)	(13,162)	-	(193,571)
Foreign exchange losses	-	(31,719)	-	(31,719)
Other payables	(34,326)	5,996	-	(28,330)
Total income and social contribution tax liabilities	**(703,955)**	**(56,214)**	**-**	**(760,169)**
Deferred income tax and social contribution	**(214,220)**	**(44,849)**	**(57,903)**	**(316,972)**

Consolidated	March 31, 2020	Year-to-date: Recognized in the statement of income	Year-to-date: Recognized in other comprehensive income	Year-to-date: Consolidation adjustment - Rights on electricity contracts	December 31, 2020
Income tax and social contribution losses	38,136	(11,649)	-	-	26,487
Derivative financial instruments	305,041	(5,378)	(57,903)	-	241,760
Provision for contingencies	47,944	15,168	-	-	63,112
Provision for other obligations	6,174	19,588	-	-	25,762
Foreign exchange gains	25,344	(9,984)	-	-	15,360
Other receivables	66,942	4,311	-	-	71,253
Total income and social contribution tax assets	**489,581**	**12,056**	**(57,903)**	**-**	**443,734**
Surplus on revaluation of PP&E (deemed cost)	(653,728)	11,669	-		(642,059)
Accelerated depreciation incentive	(346,415)	(28,790)	-	-	(375,205)
Tax benefit on merged goodwill	(180,409)	(13,162)	-	-	(193,571)
Foreign exchange losses	-	(31,719)	-	-	(31,719)
Adjustment to present value	1	(1)	-	-	-
Intangible assets	(15,323)	-	-	3,439	(11,884)
Gain from change in interest held in CTC	(5,068)	-	-	-	(5,068)
Other payables	(34,326)	5,997	-	-	(28,329)
Total income and social contribution tax liabilities	**(1,235,268)**	**(56,006)**	**-**	**3,439**	**(1,287,835)**
Deferred income tax and social contribution	**(745,687)**	**(43,950)**	**(57,903)**	**3,439**	**(844,101)**
Other deferred taxes	**(539)**	**-**	**-**	**-**	**(539)**

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

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

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

b) Reconciliation of the income tax and social contribution expense

	December 31, 2020		December 31, 2019	
Parent company	**Quarter**	**Year-to-date**	**Quarter**	**Year-to-date**
Profit before taxes	306,966	923,627	417,305	542,593
Income tax and social contribution at nominal rates - 34%	**(104,368)**	**(314,033)**	**(141,884)**	**(184,482)**
Adjustments for calculation of the effective tax rate:				
. Equity in the results of investees	11,255	42,545	13,233	41,491
. Permanent (additions) exclusions, net	10,258	9,497	(438)	(1,294)
. Permanent exclusions - interest on capital	40,800	40,800	40,800	40,800
. State subsidy	7,401	16,949	13,709	29,036
. Others and tax incentives	(148)	379	195	28,221
Income tax and social contribution expense	**(34,802)**	**(203,863)**	**(74,385)**	**(46,228)**
Income tax and social contribution at the effective rate	11.3%	22.1%	17.8%	8.5%
Current income tax and social contribution	11,504	(159,014)	(141,081)	(113,123)
Deferred income tax and social contribution	(46,306)	(44,849)	66,696	66,895

	December 31, 2020		December 31, 2019	
Consolidated	**Quarter**	**Year-to-date**	**Quarter**	**Year-to-date**
Profit before taxes	309,269	931,316	419,193	549,328
Income tax and social contribution at nominal rates - 34%	**(105,151)**	**(316,647)**	**(142,526)**	**(186,772)**
Adjustments for calculation of the effective tax rate:				
. Equity in the results of investees	638	1,630	114	525
. Permanent (additions) exclusions, net	10,258	9,496	(438)	(1,294)
. Permanent exclusions - interest on capital	40,800	40,800	40,800	40,800
. State subsidy	7,401	16,950	13,709	29,037
. Adjustment to the calculation relating to subsidiary taxed based on deeme	9,100	24,710	11,873	36,527
. Recognition of income tax and social contribution credits from prior years (	(179)	11,355	(133)	27,893
. Tax incentives	27	135	324	323
. Others	1	19	4	(2)
Income tax and social contribution expense	**(37,105)**	**(211,552)**	**(76,273)**	**(52,963)**
Income tax and social contribution at the effective rate	12.0%	22.7%	18.2%	9.6%
Current income tax and social contribution	9,380	(167,602)	(142,878)	(120,782)
Deferred income tax and social contribution	(46,485)	(43,950)	66,605	67,819

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, and are intended to protect the biodiversity and ensure the sustainability of agricultural activities.

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

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

Sale commitment

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

	Up to one year	From two to three years	More than 3 years
Ethanol (m³)	955,516	195,596	720,000
Sugar (metric tons)	1,488,664	1,768,649	-
Electricity (Mwh)	572,240	1,229,584	7,168,180

Purchases of inputs

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

22. Provision for contingencies

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

22.1 Probable losses

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

	Parent company				
	Tax	Civil and environmental	Labor	TOTAL	Judicial deposits
At March 31, 2020	14,958	27,583	57,252	99,793	270,872
Additions	119	250	16,991	17,360	204,772
Reversals	(513)	(2,494)	(5,573)	(8,580)	-
Utilization	(229)	(690)	(12,128)	(13,047)	(6,719)
Accruals	(69)	(3,255)	5,212	1,888	630
At December 31, 2020	**14,266**	**21,394**	**61,754**	**97,414**	**469,555**

	Consolidated				
	Tax	Civil and environmental	Labor	TOTAL	Judicial deposits
At March 31, 2020	14,958	28,073	57,252	100,283	271,060
Additions	131	252	16,991	17,374	204,772
Reversals	(513)	(2,494)	(5,573)	(8,580)	-
Utilization	(241)	(691)	(12,128)	(13,060)	(6,728)
Accruals	(69)	(3,213)	5,212	1,930	631
At December 31, 2020	**14,266**	**21,927**	**61,754**	**97,947**	**469,735**

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

On the date of this quarterly information, the nature of the main lawsuits covered by the provisions above is as follows (Parent company and Consolidated):

Tax lawsuits:
Relate to: (*i*) payment of taxes that are 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.

Civil and environmental lawsuits:
Relate to: (i) compensation amounts, in general; (ii) environmental administrative penalties for the event of a fire in a sugarcane crop area, the legality of which is being challenged by the Company, with the respective amounts deposited in court; (iii) success fees payable to the lawyers hired to defend the Company in the related 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 and civil matters that were assessed by the legal counsel as involving possible losses. The nature and the amounts thereof are as follows:

		Parent company				Consolidated			
		December 31, 2020		March 31, 2020		December 31, 2020		March 31, 2020	
Nature		Number of proceedings	Amount	Number of proceedings	Amount	Number of proceedings	Amount	Number of proceedings	Amount
Environmental		97	7,834	91	6,120	97	7,834	91	6,120
Civil									
Indemnities		49	23,744	51	28,353	49	23,744	53	28,787
Review of contracts		11	1,434	11	2,472	11	1,434	12	2,493
Other lawsuits		16	15,521	13	15,187	19	15,554	16	15,260
Labor		45	3,955	36	3,246	46	3,955	36	3,246
Tax									
Social security contribution	(i)	16	165,506	16	227,621	16	165,506	16	227,621
Computation of IRPJ/CSLL	(ii)	5	263,593	5	292,703	5	263,593	5	292,703
Offset of federal taxes	(iii)	101	149,903	76	110,047	106	153,888	77	114,032
ICMS	(iv)	14	56,128	13	36,399	14	56,128	13	36,399
Federal taxes	(v)	1	242,188	1	242,188	1	242,188	1	242,188
Other lawsuits	(vi)	24	498,304	21	473,442	29	511,781	26	486,861
TOTAL		**379**	**1,428,110**	**334**	**1,437,778**	**393**	**1,445,605**	**346**	**1,455,710**

Tax lawsuits:

(i) The lawsuits relate to the levy of the Social Security Contribution (INSS) on export revenue, under the allegation that the exports carried out through the intermediation of a cooperative are not included in the exemptions provided for in Article 149, paragraph 2, of the Federal Constitution.

(ii) The lawsuits relate to the exclusion from the income tax and social contribution calculation basis, expenses related to securitized financing, as well as expenses arising from the benefit of accelerated tax-incentive depreciation, as provided for in Article 325 of the Income Tax Regulations (RIR)/2018.

(iii) The lawsuits relate to requests to offset IRPJ, CSLL, PIS, COFINS, and other federal taxes as a result of overpayments and/or tax losses, and tax credits proportional to the export revenue, which have been rejected by the Brazilian Federal Revenue Service (RFB), and are currently pending judgment.

(iv) These lawsuits address allegedly undue ICMS credit, based on the Control of ICMS Credit on Permanent Assets (CIAP).
(v) The lawsuit relates to the levy of IRPJ/CSLL/PIS/COFINS on court-ordered debt payment received pursuant to the Sugar Pricing Lawsuit filed against the Sugar and Alcohol Institute (IAA), as mentioned in Note 16.
(vi) The proceedings deal with other tax disputes such as: (a) Public Civil Action disputing the legality of the decrees of the State of Goiás that granted ICMS credits under the PRODUZIR Program; (b) tax assessment notices related to a fine arising from the disallowance of offset; (c) contribution to the National Service for Industrial Training (SENAI)I; (d) fee payable to the National Department of Mineral Research (DNPM); (e) levy of Property Transfer Tax (ITBI) on merger transaction. and (f) Municipal Real Estate Tax (IPTU) collection claims.

Other proceedings:

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

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

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

22.3 Assets - ICMS based on PIS / Cofins

The Company has 3 ICMS lawsuits based on PIS / Cofins, of which 2 are final and unappealable.

Despite the judgment of the STF in favor of taxpayers, there are still some uncertainties in relation to the criteria for calculating credits and complexities in determining amounts, mainly for the calculation period (includes the period in which it was cooperative) and the special ethanol tax regime.

The Company hired tax specialists to evaluate the criteria and determine the credits that can be recovered and their accounting, which will occur when there is a reliable measurement of the amounts.

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 risk

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.

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 the reporting date:

Consolidated	December 31, 2020	Equivalent to thousands of US$
Current and non-current		
Cash and cash equivalents (banks - demand deposits	236,712	45,556
Trade receivables	82,287	15,836
Derivative financial instruments	248,845	47,891
Total assets	567,844	109,283
Current and non-current liabilities:		
Borrowings	1,906,125	366,795
Derivative financial instruments	308,768	59,416
Total liabilities	2,214,893	426,211
Subtotal assets (liabilities)	(1,647,049)	(316,928)
(-) Borrowings in foreign currency	1,906,125	366,795
Net asset exposure	**259,076**	**49,867**

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

These assets and liabilities were adjusted and recorded in this quarterly information at the exchange rate in effect on the reporting date: R$5.1961 per US$ 1.00 for assets and R$ 5.1967 per US$ 1.00 for liabilities.

b) Commodity price volatility risk

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

c) Cash flow and fair value interest rate risk

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

d) Market risk sensitivity analysis

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

		Impacts on P/L		
Consolidated	Risk factor	Probable scenarios 5%	scenarios 25%	scenarios 50%
Cash and cash equivalents	Decrease in exchange rate - R$/US$	(11,839)	(59,195)	(118,389)
Trade receivables	Decrease in exchange rate - R$/US$	(6,421)	(32,106)	(64,212)
Borrowings	Increase in exchange rate - R$/US$	(135)	(675)	(1,349)
Derivative financial instruments				
Currency forward contracts	Increase in exchange rate - R$/US$	(194)	(972)	(1,943)
Futures price (sugar and ethanol)	Increase in commodity futures prices	(41)	(204)	(407)
Swap contracts	Decrease in exchange rate - R$/US$ and increase in the yield curve	(999)	(2,504)	(5,028)
Net exposure		**(19,629)**	**(95,656)**	**(191,328)**

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

e) Financial instruments

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

dollar); and b) foreign currency debts (US dollar) that cover sales of the crop years from 2020/2021 to 2025/2026, and were classified as cash flow hedge of highly probable forecast transactions (future sales).

In order to apply hedge accounting, prospective and retrospective tests were carried out to verify the effectiveness. These tests showed that the hedge-designated instruments qualify as highly effective hedges against the effects of price fluctuations on the value of future sales.
In the case of sugar hedges, the derivatives were designated as cash flow hedges against variations in future sales of sugar. These transactions are carried out on the New York - Intercontinental Exchange (ICE Futures US), and with top-tier financial institutions through over-the-counter contracts or directly with the Company's customers.

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

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

	December 31, 2020			
Parent company and Consolidated	Contracted amount/volume	Average price/rate	Notional value - R$	Fair value - R$
In current assets - Gain				
Margin deposit				59,211
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Purchase commitment	402,711	13.56	625,626	62,064
Commodity futures contracts - Ethanol				
. Sale commitment	7,800	1,956.88	15,264	
. Purchase commitment	3,900	2,100.00	8,190	
Currency forward contracts (NDF) - US dollar - OTC				
. Purchase commitment	1,562	4.80	7,498	599
. Sale commitment	210,716	5.39	1,135,759	38,732
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Bidding position in call options	20,321	14.00	32,594	2,584
. Bidding position in put options	153,677	13.71	241,384	2,313
Interest rate swap contracts - OTC				4,546
Total derivative financial instruments in current assets				**170,049**
In non-current assets - Gain				
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Purchase commitment	30,685	13.46	47,319	1,474
Currency forward contracts (NDF) - US dollar - OTC				
. Sale commitment	82,613	5.79	478,329	30,517
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Bidding position in put options	84,027	12.37	119,083	4,594
Interest rate swap contracts - OTC				42,211
Total derivative financial instruments in non-current assets				**78,796**

Parent company and Consolidated	December 31, 2020			
	Contracted amount/volume	Average price/rate	Notional value - R$	Fair value - R$
In current liabilities - Loss				
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Sale commitment	411,245	12.72	599,307	97,103
Commodity futures contracts - Ethanol				
. Sale commitment	4,800	1,964.53	9,430	37
. Purchase commitment	1,710	2,104.86	3,599	66
Commodity forward contracts - Sugar #11				
. Sale commitment	20,626	13.10	30,956	3,253
Currency forward contracts (NDF) - US dollar - OTC				
. Sale commitment	109,555	4.45	487,520	80,438
. Purchase commitment	644	5.40	3,478	125
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Short position in call options	173,998	15.11	301,211	16,148
Interest rate swap contracts - OTC				23,587
Total derivative financial instruments in current liabilities				**220,757**
In non-current liabilities - Loss				
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Sale commitment	43,842	12.84	64,494	5,086
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Short position in call options	84,027	13.61	131,020	15,815
Interest rate swap contracts - OTC				67,110
Total derivative financial instruments in non-current liabilities				**88,011**

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

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

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

On the date of this quarterly information, financial instruments designated for hedge accounting are broken down as follows:

Parent company and Consolidated	Assets	Liabilities	Total in other comprehensive income
Financial instruments:			
Commodity derivatives - Futures, options and forward contracts	63,561	116,498	(52,937)
Foreign exchange derivatives - Options / NDF	64,316	71,144	(6,828)
Foreign exchange differences on borrowings (Trade Finance)	5,243	610,254	(605,011)
	133,120	797,896	(664,776)
Deferred taxes on the items above	(45,261)	(271,287)	226,026
	87,859	**526,609**	**(438,750)**

f) Estimated realization

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

Parent company and consolidated	20/21 crop year	21/22 crop year	22/23 and 23/24 crop years	24/25 to 25/26 crop years	TOTAL
Derivative financial instruments:					
Commodity derivatives - Futures, options and forward contracts	(6,527)	(45,970)	(440)	-	(52,937)
Foreign exchange derivatives - Options / NDF	(57,394)	32,522	18,044	-	(6,828)
Foreign exchange differences on borrowings (Trade Finance)	(531)	(122,032)	(250,202)	(232,246)	(605,011)
	(64,452)	(135,480)	(232,598)	(232,246)	(664,776)
Deferred taxes on the items above	21,914	46,063	79,083	78,966	226,026
	(42,538)	**(89,417)**	**(153,515)**	**(153,280)**	**(438,750)**

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 the 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, 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.

Parent company	Up to 1 year	From 2 to 3 years	More than 3 years	Total
At December 31, 2020				
Borrowings	235,748	2,337,023	2,187,225	4,759,996
Leases payable	57,358	159,644	405,394	622,396
Agricultural partnership payable	270,989	627,427	776,044	1,674,460
Derivative financial instruments	220,757	63,595	24,416	308,768
Trade payables	224,011	-	-	224,011
Acquisition of ownership interest	11,722	34,935	20,780	67,437
Other payables	14,255		4,489	18,744
	1,034,840	**3,222,624**	**3,418,348**	**7,675,812**
At March 31, 2020				
Borrowings	695,444	2,125,151	2,949,233	5,769,828
Leases payable	66,110	119,929	517,511	703,550
Agricultural partnership payable	281,961	507,585	1,173,327	1,962,873
Derivative financial instruments	406,473	79,022	-	485,495
Trade payables	176,848	-	-	176,848
Acquisition of ownership interest	12,687	12,283	1,872	26,842
Other payables	10,310	-	5,596	15,906
	1,649,833	**2,843,970**	**4,647,539**	**9,141,342**

Consolidated	Up to 1 year	From 2 to 3 years	More than 3 years	Total
At December 31, 2020				
Borrowings	235,748	2,337,023	2,187,225	4,759,996
Leases payable	57,358	159,644	405,394	622,396
Agricultural partnership payable	270,989	627,427	776,044	1,674,460
Derivative financial instruments	220,757	88,011	-	308,768
Trade payables	213,002	-	-	213,002
Acquisition of ownership interest	11,722	34,935	20,780	67,437
Other payables	15,761	-	4,489	20,250
	1,025,337	**3,247,040**	**3,393,932**	**7,666,309**
At March 31, 2020				
Borrowings	695,444	2,125,151	2,949,233	5,769,828
Leases payable	66,110	119,929	517,511	703,550
Agricultural partnership payable	281,961	507,585	1,173,327	1,962,873
Derivative financial instruments	406,473	79,022	-	485,495
Trade payables	174,524	-	-	174,524
Acquisition of ownership interest	12,687	12,283	1,872	26,842
Other payables	18,527	-	5,586	24,113
	1,655,726	**2,843,970**	**4,647,529**	**9,147,225**

23.4 Capital management

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

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

24. Classification and fair value of financial instruments

24.1 Classification

Financial assets and liabilities are classified as follows:

		Parent company	
	Classification	December 31, 2020	March 31, 2020
Financial assets			
Cash and cash equivalents	Amortized cost	236,747	91,998
Financial investments	Fair value through profit or loss	1,142,832	1,810,651
Trade receivables	Amortized cost	253,505	125,531
Derivative financial instruments	Fair value through other comprehensive income	202,088	222,899
Derivative financial instruments	Fair value through profit or loss	46,757	30,713
Judicial deposits	Amortized cost	469,555	270,872
Related parties	Amortized cost	-	255
Other assets, except prepayments	Amortized cost	106,340	60,826
		2,457,824	**2,613,745**
Financial liabilities			
Borrowings	Fair value through profit or loss	259	8,389
Borrowings	Amortized cost	4,200,400	4,806,053
Derivative financial instruments	Fair value through other comprehensive income	218,071	398,071
Derivative financial instruments	Fair value through profit or loss	90,697	87,424
Leases and agricultural partnerships payable	Amortized cost	1,652,764	1,675,913
Trade payables	Amortized cost	224,011	176,848
Acquisition of ownership interests	Amortized cost	26,912	26,934
Other payables	Amortized cost	18,744	15,906
		6,431,858	**7,195,538**

		Consolidated	
	Classification	December 31, 2020	March 31, 2020
Financial assets			
Cash and cash equivalents	Amortized cost	237,699	92,066
Financial investments	Fair value through profit or loss	1,186,810	1,869,998
Trade receivables	Amortized cost	334,998	193,021
Derivative financial instruments	Fair value through other comprehensive income	202,088	222,899
Derivative financial instruments	Fair value through profit or loss	46,757	30,713
Judicial deposits	Amortized cost	469,735	271,060
Other assets, except prepayments	Amortized cost	106,392	60,879
		2,584,479	**2,740,636**
Financial liabilities			
Borrowings	Fair value through profit or loss	259	8,389
Borrowings	Amortized cost	4,200,400	4,806,053
Derivative financial instruments	Fair value through other comprehensive income	218,071	398,071
Derivative financial instruments	Fair value through profit or loss	90,697	87,424
Trade payables	Amortized cost	213,002	174,524
Leases and agricultural partnerships payable	Amortized cost	1,652,764	1,675,913
Acquisition of ownership interests	Amortized cost	26,912	26,934
Other payables	Amortized cost	20,250	24,113
		6,422,355	**7,201,421**

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 the counterparties' default rates. There is no history of significant default in the Company.

25. Fair value

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

Level 1 - Quoted prices (unadjusted) in active, liquid and visible markets, for identical assets and liabilities that are readily available at the measurement date;
Level 2 - Quoted prices (which may be adjusted or not) for similar assets or liabilities in active markets; and
Level 3 - Assets and liabilities for which there is little, if any, market activity, or whose prices or valuation techniques are supported by inputs from a thin, nonexistent, or illiquid market (non-observable inputs).

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

Parent company	December 31, 2020			March 31, 2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Financial investments	-	1,142,832	-	-	1,810,651	-
Derivative financial instruments	73,029	175,816	-	173,008	80,604	-
Biological assets	-	-	658,953	-	-	713,547
	73,029	**1,318,648**	**658,953**	**173,008**	**1,891,255**	**713,547**
Liabilities						
Derivative financial instruments	185,983	122,785	-	161,629	323,866	-
Borrowings	-	259	-	-	8,389	-
	185,983	**123,044**	**-**	**161,629**	**332,255**	**-**

Consolidated	December 31, 2020			March 31, 2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Financial investments	-	1,186,810	-	-	1,869,998	-
Derivative financial instruments	73,029	175,816	-	173,008	80,604	-
Biological assets	-	-	658,953	-	-	713,547
	73,029	**1,362,626**	**658,953**	**173,008**	**1,950,602**	**713,547**
Liabilities						
Derivative financial instruments	185,983	122,785	-	161,629	323,866	-
Borrowings	-	259	-	-	8,389	-
	185,983	**123,044**	**-**	**161,629**	**332,255**	**-**

Futures and Options - ICE

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

Currency options

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

Forward contracts

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

Other financial assets and financial 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) Electricity;
(iv) Real estate developments;
(v) Yeast; and
(vi) Other less relevant products and by-products.

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

Consolidated result by segment

								December 31, 2020
Consolidated	Sugar	Ethanol	Electricity	Real estate developments	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)
Net revenue	**1,394,291**	**1,464,491**	**188,957**	**10,922**	**40,140**	**59,504**	**(6,578)**	**3,151,727**
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
Gross profit	**479,659**	**415,853**	**127,692**	**9,715**	**27,565**	**39,171**	**13,160**	**1,112,815**
Gross margin	*34.40%*	*28.40%*	*67.58%*	*88.95%*	*68.67%*	*65.83%*	-	*35.31%*
Selling expenses	(89,007)	(32,396)	(9,190)	-	-	(319)	-	(130,912)
Other operating income, net	-	-	-	12,209			226,722	238,931
Operating profit	**390,652**	**383,457**	**118,502**	**21,924**	**27,565**	**38,852**	**239,882**	**1,220,834**
Operating margin	28.02%	26.18%	62.71%	200.73%	68.67%	65.29%	-	38.74%
Other income and expenses not by segment	-	-	-	-	-	-	(501,070)	(501,070)
Profit for the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**719,764**

								December 31, 2019
Consolidated	Sugar	Ethanol	Electricity	Real estate developments	Yeast	Other products	Not by segment	Total
Gross revenue								
Domestic market	93,642	1,334,560	225,922	21,239	23,545	44,019	-	1,742,927
Foreign market	662,842	379,364	-	-	-	-	-	1,042,206
Gain/loss on derivatives	26,624	(13,656)	-	-	-	-	-	12,968
Amortization of electricity supply contract	-	-	-	-	-	-	(6,574)	(6,574)
(-) Taxes, contributions, and deductions on sales	(5,789)	(207,161)	(18,644)	(1,768)	(2,901)	(7,676)		(243,939)
Net revenue	**777,319**	**1,493,107**	**207,278**	**19,471**	**20,644**	**36,343**	**(6,574)**	**2,547,588**
Cost of goods sold	(658,774)	(1,007,280)	(46,023)	(1,616)	(7,543)	(31,741)	-	(1,752,977)
Change in the market value of biological assets	-	-	-	-	-	-	(1,544)	(1,544)
Gross profit	**118,545**	**485,827**	**161,255**	**17,855**	**13,101**	**4,602**	**(8,118)**	**793,067**
Gross margin	*15.25%*	*32.54%*	*77.80%*	*91.70%*	*63.46%*	*12.66%*	-	*31.13%*
Selling expenses	(54,257)	(35,705)	(8,215)	-	-	-	-	(98,177)
Other operating income, net	-	-	-	-	-	-	197,502	197,502
Operating profit	**64,288**	**450,122**	**153,040**	**17,855**	**13,101**	**4,602**	**189,384**	**892,392**
Operating margin	8.27%	30.15%	73.83%	91.70%	63.46%	12.66%	-	35.03%
Other income and expenses not by segment	-	-	-	-	-	-	(396,027)	(396,027)
Profit for the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**496,365**

At December 31, 2020, net revenue from Cbios (decarbonization credits), amounting to R$ 27,719, 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, present variations from one period to another.

							December 31, 2020
	Sugar	Ethanol	Electricity	Real estate ventures	Yeast	Not by segment	Total
Trade receivables	88,545	113,674	74,065	44,294	2,729	11,691	334,998
Inventories and advances to suppliers	577,695	607,347	-	7,930	1,594	9,025	1,203,591
Biological assets	283,446	375,507	-	-	-	-	658,953
Property, plant and equipment	2,774,711	2,725,748	121,032	-	39,000	2,486	5,662,977
Intangible assets	247,744	173,170	31,120	-	-	-	452,034
Right-of-use assets	749,599	767,883	-	-	-	-	1,517,482
Total assets allocated	**4,721,740**	**4,763,329**	**226,217**	**52,224**	**43,323**	**23,202**	**9,830,035**
Other unallocated assets	-	-	-	-	-	2,450,790	2,450,790
Total	**4,721,740**	**4,763,329**	**226,217**	**52,224**	**43,323**	**2,473,992**	**12,280,825**

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

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

27. Revenue

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

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

Regarding the real estate development segment, the Company adopts the provisions of Technical Interpretation 02 (OCPC 04), in accordance with CVM guidance, recognizing revenue over time (Percentage of Completion (PoC)). The year-to-date amount recognized in this quarterly information totaled R$ 5,206 (R$ 1,055 at December 31, 2019).

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

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

São Martinho sells sugar, ethanol, electricity, and yeast, among other products. Sales are recognized when the products are delivered to the customer. In order for revenue to be recognized, the Company follows the conceptual framework of the standard, 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 clients representing more than 10% of its net revenue. The Company's three largest customers of sugar sales account for about 26% of net revenue, while for the ethanol sold, the three largest customers account for 17%.

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 required by CVM and detailed above.

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

Sales revenue is broken down as follows:

	Parent company			
	December 31, 2020		December 31, 2019	
	Quarter	Year-to-date	Quarter	Year-to-date
Gross sales revenue				
Domestic market	802,011	1,678,796	696,918	1,623,210
Foreign market	571,130	1,863,948	393,342	1,042,206
Gain/loss on derivatives	(68,001)	(239,678)	16,978	12,968
	1,305,140	3,303,066	1,107,238	2,678,384
Taxes, contributions, and deductions on sales	(119,450)	(236,911)	(106,951)	(236,321)
	1,185,690	**3,066,155**	**1,000,287**	**2,442,063**

	Consolidated			
	December 31, 2020		December 31, 2019	
	Quarter	Year-to-date	Quarter	Year-to-date
Gross sales revenue				
Domestic market	829,148	1,777,476	728,359	1,742,927
Foreign market	571,130	1,863,948	393,342	1,042,206
Gain/loss on derivatives	(68,001)	(239,678)	16,978	12,968
	1,332,277	3,401,746	1,138,679	2,798,101
Amortization of electricity supply contract *(i)*	(76)	(6,578)	(564)	(6,574)
	1,332,201	3,395,168	1,138,115	2,791,527
Taxes, contributions, and deductions on sales	(121,222)	(243,441)	(108,921)	(243,939)
	1,210,979	**3,151,727**	**1,029,194**	**2,547,588**

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

28. Other income (expenses), net

Of the total recorded within other income (expenses), R$ 383,040 relates to the indemnity received from Copersucar and transferred to the Company, as detailed in Note16.b

29. Costs and expenses by nature

The reconciliation of expenses by nature is as follows:

Parent company	December 31, 2020		December 31, 2019	
	Quarter	Year-to-date	Quarter	Year-to-date
Raw materials and consumables	238,695	641,612	200,049	534,385
Personnel expenses	131,142	347,210	123,953	311,350
Depreciation and amortization (including biological assets harv	366,840	1,031,340	329,984	869,710
Third-party services	47,307	151,276	43,381	116,431
Maintenance parts and services	32,433	98,491	32,122	81,011
Litigation	1,222	7,516	2,980	6,885
Changes in the fair value of biological assets	(2,038)	(19,738)	1,122	1,544
Material for resale	12,791	20,150	5,481	18,165
Other expenses	34,329	95,766	36,442	97,566
	862,721	**2,373,623**	**775,514**	**2,037,047**
Classified as:				
Cost of goods sold	754,074	2,067,779	674,926	1,776,071
Selling expenses	43,108	129,338	34,970	96,641
General and administrative expenses	65,539	176,506	65,618	164,335
	862,721	**2,373,623**	**775,514**	**2,037,047**

Consolidated	December 31, 2020		December 31, 2019	
	Quarter	Year-to-date	Quarter	Year-to-date
Raw materials and consumables	215,934	590,323	183,394	497,622
Personnel expenses	131,849	349,629	124,954	313,868
Depreciation and amortization (including biological assets harv	367,202	1,034,336	330,859	872,808
Third-party services	47,334	150,513	43,024	114,645
Maintenance parts and services	32,709	99,105	32,176	81,277
Litigation	1,222	7,529	2,964	6,886
Changes in the fair value of biological assets	(2,038)	(19,738)	1,122	1,544
Material for resale	29,459	38,004	9,764	29,788
Cost of land sales	347	1,207	179	1,616
Other expenses	35,116	102,079	38,476	103,801
	859,134	**2,352,987**	**766,912**	**2,023,855**
Classified as:				
Cost of goods sold	749,052	2,038,912	663,480	1,754,521
Selling expenses	43,600	130,912	35,471	98,177
General and administrative expenses	66,482	183,163	67,961	171,157
	859,134	**2,352,987**	**766,912**	**2,023,855**

30. Finance income (costs)

Parent company	December 31, 2020		December 31, 2019	
	Quarter	Year-to-date	Quarter	Year-to-date
Finance income				
Interest received and earned	7,074	26,808	14,148	83,167
PIS/COFINS on finance income	(460)	(1,698)	(711)	(3,704)
Other income	4,495	14,263	1,275	7,507
	11,109	**39,373**	**14,712**	**86,970**
Finance costs				
(-) Adjustment to present value (i)	(22,667)	(105,178)	(61,789)	(109,962)
Interest on borrowings	(40,187)	(128,387)	(56,287)	(190,585)
Interest paid	(5,340)	(80,389)	(7,332)	(20,796)
Bank guarantee commission	(313)	(771)	(216)	(622)
Payables to Copersucar	(1,961)	(6,191)	(1,935)	(5,296)
Other expenses	(2,604)	(6,046)	(5,851)	(10,149)
	(73,072)	**(326,962)**	**(133,410)**	**(337,410)**
Exchange and monetary variation, net				
Available funds	(4,644)	4,279	(1,706)	(2,286)
Trade receivables and payables	(8,402)	(8,173)	(5,054)	(3,833)
Borrowings	5,681	(11,708)	(74,711)	(80,549)
	(7,365)	**(15,602)**	**(81,471)**	**(86,668)**
Derivatives - not designated for hedge accounting				
Gain (loss) on sugar transactions	(13,311)	(18,262)	(2,430)	(3,672)
Gain (loss) on ethanol transactions	2	551	(4,354)	(4,146)
Gain (loss) on foreign exchange transactions	24,364	17,179	4,595	3,627
Gain/loss on swaps	(7,941)	3,830	3,243	(7,459)
Cost of stock exchange transactions	(306)	(985)	(242)	(743)
Foreign exchange variation, net	(4,055)	1,470	(2,477)	(620)
	(1,247)	**3,783**	**(1,665)**	**(13,013)**
Finance income (costs)	**(70,575)**	**(299,408)**	**(201,834)**	**(350,121)**

Consolidated	December 31, 2020		December 31, 2019	
	Quarter	Year-to-date	Quarter	Year-to-date
Finance income				
Interest received and earned	7,820	29,993	15,672	88,319
PIS/COFINS on finance income	(527)	(1,845)	(745)	(3,760)
Other income	8,209	21,197	2,243	9,516
	15,502	**49,345**	**17,170**	**94,075**
Finance costs				
(-) Adjustment to present value (i)	(22,667)	(105,178)	(61,789)	(109,961)
Interest on borrowings	(40,187)	(128,387)	(56,287)	(190,585)
Interest paid	(5,342)	(80,395)	(7,350)	(20,814)
Bank guarantee commission	(313)	(771)	(216)	(622)
Payables to Copersucar	(1,961)	(6,191)	(1,935)	(5,296)
Other expenses	(2,640)	(6,122)	(5,855)	(10,180)
	(73,110)	**(327,044)**	**(133,432)**	**(337,458)**
Exchange and monetary variation, net				
Available funds	(4,644)	4,279	(1,706)	(2,286)
Trade receivables and payables	(8,402)	(8,173)	(5,054)	(3,833)
Borrowings	5,681	(11,708)	(74,711)	(80,549)
	(7,365)	**(15,602)**	**(81,471)**	**(86,668)**
Derivatives - not designated for hedge accounting				
Gain (loss) on sugar transactions	(13,311)	(18,262)	(2,430)	(3,672)
Gain (loss) on ethanol transactions	2	551	(4,354)	(4,146)
Gain (loss) on foreign exchange transactions	24,364	17,179	4,595	3,627
Gain/loss on swaps	(7,941)	3,830	3,243	(7,459)
Cost of stock exchange transactions	(306)	(985)	(242)	(743)
Foreign exchange variation, net	(4,055)	1,470	(2,477)	(620)
	(1,247)	**3,783**	**(1,665)**	**(13,013)**
Finance income (costs)	**(66,220)**	**(289,518)**	**(199,398)**	**(343,064)**

(i) Mainly represented by leases and agricultural partnerships payable

31. Earnings per share

	December 31, 2020		December 31, 2019	
	Quarter	Year-to-date	Quarter	Year-to-date
Profit for the period attributed to the Company's stockholder	272,164	719,764	342,920	496,365
Weighted average number of common shares in the period - in thousands	346,375	346,548	337,779	333,428
Basic and diluted earnings per share - R$	**0.7857**	**2.0770**	**1.0152**	**1.4887**

32. Insurance coverage (unaudited)

São Martinho maintains a standard program of safety, training and quality in its units, which, among other purposes, aims at reducing the risks of accidents. In addition, insurance policies are taken out at amounts considered sufficient to cover

significant losses, if any, on its assets and liabilities. The amounts covered by the insurance policies in effect at the reporting date were as follows:

Parent company and Consolidated Insurance line	Risks covered	Maximum coverage *(i)*
Operational Risks (ii)	Any material damage to buildings, facilities, inventories, and agricultural/industrial machinery and equipment.	1,148,357
Loss of Profit	Loss of profit due to material damages to facilities, buildings, industrial machinery and equipment, and power generation.	1,023,706
Civil Liability	Protection against damages to third parties due to errors or omissions in the exercise of professional activity.	2,461,869
Environmental Responsibility	Protection against 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. Events after the reporting period

(i) As disclosed in Material Fact released on January 20, 2021, the Board of Directors approved the implementation of a unit to produce ethanol from corn, in the municipality of Quirinópolis, State of Goiás.

The new unit, adjacent to the Boa Vista Mill, will have an approximate annual production capacity of up to: (i) 210 thousand m³ of ethanol, split into 110 thousand m³ of hydrated ethanol and 100 thousand m³ of anhydrous ethanol; (ii) 150 thousand metric tons of Distiller's Dried Grains with Solubles (DDGS), a by-product used for animal feed; and (iii) 10 thousand metric tons of corn oil. The operation is foreseen to start in November 2022, with 50% of its capacity in the 22/23 crop year, and at full capacity from the 23/24 crop year (330 days of operation per year).

The investment, estimated at approximately R$ 640 million, includes adjustments to the current boiler (intended to minimize the consumption of available energy), industrial facilities, corn storage (50% of capacity) and working capital required to start operations. The resources will be financed by the BNDES with a term of up to 20 years. This funding was approved at the Board of Directors' Meeting held on December 14, 2020, along with the funding for the thermoelectric plant São Martinho Bioenergia, which uses sugarcane bagasse as its main fuel, in addition to other minor projects.

(ii) On February 8, 2021, the Board of Directors approved the payment of capital with assets, in the amount of R$ 13.614 milion, in the subsidiary Bioenergética Boa Vista S.A. ("Bioenergética UBV").

* * *