

Individual and consolidated financial statements

at March 31, 2025

and Independent auditor's report

(A free translation of the original report in Portuguese containing
financial information)





Independent Auditors' report on the individual company and consolidated financial statements

To the Shareholders of São Martinho S.A.

Pradópolis – SP

Opinion

We have audited the individual company and consolidated financial statements of São Martinho S.A. ("Company"), referred to as individual company and consolidated financial statements, respectively, which comprise the balance sheet as of March 31, 2025, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the individual company and consolidated financial position of São Martinho S.A. as of March 31, 2025, and its individual company and consolidated financial performance and cash flows for the year then ended, in accordance with Brazilian accounting policies and with International Financial Reporting Standards (*IFRS Accounting Standards*) issued by the *International Accounting Standards Board* (IASB).

Basis for Opinion

We conducted our audit in accordance with International and Brazilian Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' Responsibilities for the Audit of Individual Company and Consolidated Financial Statements" section of our report. We are independent of the Company and its subsidiaries in accordance with the ethical requirements that are relevant to our audit of the financial statements and are set forth on the Professional Code of Ethics for Accountants and on the professional standards issued by the Regional Association of Accountants, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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



Derivative financial instruments

See note 2.6); 3 d); 22 e 23 to the individual company and consolidated financial statements

Key audit matters	How the audit addressed the issue
<p>In order to hedge against volatility in <i>commodity</i> prices, exchange and interest rates, the Company enters into derivative financial instruments, and part of these were designated as <i>hedging</i> instruments under its <i>hedge accounting</i> policy). These derivative financial instruments total R\$258,849 thousand, R\$259,005 thousand, in asset and liability accounts, respectively, and a debt balance of R\$87,965 thousand (net of tax effects) in equity as of March 31, 2025.</p> <p>In order to be able to apply the hedge accounting method, the Company must meet certain requirements established in the accounting standards, including designation, effectiveness test, risk and <i>hedging</i> policy, and economic relationship between the <i>hedging instrument</i> and the hedged item.</p> <p>These derivative financial instruments used to hedge the Company's exposure to volatility risks are measured at fair value and changes therein are recognized in profit or loss, other comprehensive income and equity, as required by CPC 48/IFRS 9 Financial Instruments and CPC 38/IAS 39 - Financial Instruments: Recognition and Measurement. Fair value is estimated according to assumptions such as interest rate, exchange rate projection, commodity futures curve and object volatility.</p> <p>Given the technical requirements applicable to <i>hedge</i> accounting and the complexity of the assumptions used to measure fair value, we considered the accounting recognition of derivative financial instruments as a key audit matter.</p>	<p>Our audit procedures in this area included, among others:</p> <ul style="list-style-type: none"> - Understanding of the Company's risk management process, hedging policy and hedge accounting framework. - With the help of our experts in derivative financial instruments: <ul style="list-style-type: none"> i. We evaluated the Company's application of <i>hedge</i> accounting in accordance with the requirements set forth by CPC 48/IFRS 9 and CPC 38/IAS 39; ii. We performed an independent calculation to determine the fair value of derivatives and evaluated the significant assumptions used, including interest rate, estimated exchange rate, commodity futures curve and volatility of the underlying asset; iii. We inspected all the documentation about the instrument designating financial instruments for <i>hedge</i> accounting; and iv. We evaluated prospective and retrospective effectiveness tests to check whether coverage relationships are effective and whether they have been properly calculated. - We confirm outstanding positions with counterparties to the contracts. - We inspected samples of derivative financial instrument contracts of outstanding positions. - Evaluate whether disclosures in the individual company and consolidated financial statements consider relevant information related to derivative financial instruments. <p>According to the results obtained by applying the procedures summarized above, we considered that the accounting recognition of derivative financial instruments and related disclosures are acceptable in the context of the individual company and consolidated financial statements for the year ended March 31, 2025 taken as a whole.</p>



Other Matter Paragraphs

Statements of value added

The individual company and consolidated statements of value added for the year ended March 31, 2025, prepared under the responsibility of the Company's management, and presented as supplementary information for *IFRS Accounting Standards* purposes, were submitted to the same audit procedures followed simultaneously with the audit of the Company's financial statements. In order to form our opinion, we evaluated whether these statements are reconciled to the Company's financial statements and accounting records, as applicable, and whether their form and content are in accordance with the criteria set on Technical Pronouncement CPC 09 - Statement of Value Added. In our opinion, these statements of value added have been adequately prepared, in all material respects, according to the criteria set on this Technical Pronouncement and are consistent with the individual company and consolidated financial statements taken as a whole.

Audit of prior year's financial statements

The individual company and consolidated balance sheets as of March 31, 2024 and the individual company and consolidated statements of profit or loss, comprehensive income (loss), changes in equity and cash flows and the related notes for the year then ended, presented as related amounts in the individual company and consolidated financial statements for the current year, were previously audited by other independent auditors, who issued an unchanged report thereon dated June 17, 2024. The related amounts for the individual company and consolidated statements of value added for the year ended March 31, 2024 were submitted to the same audit procedures by those independent auditors and, based on their audit, they issued their report with no changes.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Management Report.

Our opinion on the individual company and consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibilities of Management and Those Charged with Governance for the Individual Company and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these individual company and consolidated financial statements in accordance with accounting policies adopted in Brazil and with *IFRS Accounting Standards* issued by the *International Accounting Standards Board* (IASB), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from misstatement material, whether due to fraud or error.

In preparing the individual company and consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and its subsidiaries or to cease operations, or have no realistic alternative to avoid shutting down operations.

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



Auditors' Responsibilities for the Audit of the Individual Company and Consolidated Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would



reasonably be expected to outweigh the public interest benefits of such communication.

Ribeirão Preto, June 23, 2025.

KPMG Auditores Independentes Ltda.
CRC 2SP-027666/O-5 F SP

(Original signed in Portuguese)
Giovani Ricardo Pigatto
Accountant CRC 1SP263189/O-7

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Balance sheet

March 31, 2025 and 2024

All amounts in thousands of reais

ASSETS	Note	Parently		Consolidated	
		2025	2024	2025	2024
CURRENT					
Cash and cash equivalents	4	898,517	204,467	898,588	204,560
Financial investments	4	2,004,012	2,672,698	2,184,443	2,946,218
Trade receivables	5	457,645	651,856	477,210	666,112
Derivative financial instruments	22	81,482	103,208	81,482	103,208
Inventories	6	590,958	458,970	597,081	465,564
Advances to suppliers	6	145,980	143,915	145,980	143,915
Biological assets	7	1,405,729	1,364,508	1,405,729	1,364,508
Recoverable taxes	8	423,472	243,790	423,822	243,843
Income and social contribution taxes	19	75,301	73,313	75,900	73,355
Dividends receivable	9	13,592	-	-	-
Advance for future increase in capital	9	-	105,200	-	-
Other assets		12,732	15,443	15,006	17,874
TOTAL CURRENT		6,109,420	6,037,368	6,305,241	6,229,157
NON-CURRENT					
Long-term assets					
Financial investments	4	80,196	71,231	80,196	71,231
Trade receivables	5	-	-	37,544	32,272
Advances to suppliers	6	56,005	126,731	56,005	126,731
Derivative financial instruments	22	177,367	207,898	177,367	207,898
Recoverable taxes	8	704,558	489,454	710,071	490,000
Income and social contribution taxes	19 (i)	8,983	8,983	8,983	8,983
Court deposits	21	2,049,008	1,491,196	2,049,045	1,491,213
Receivables from Copersucar	15(b)	369,560	369,560	369,560	369,560
Total non-current assets		3,445,677	2,765,053	3,488,771	2,797,888
Investments	10	1,845,827	1,738,747	62,573	54,692
Property, Plant and Equipment	11	6,743,683	6,181,744	8,708,049	8,045,148
Intangible assets	12	440,451	443,304	452,114	454,967
Right-of-use	13	2,752,635	2,789,597	2,752,635	2,789,597
TOTAL NON-CURRENT		15,228,273	13,918,445	15,464,142	14,142,292
TOTAL ASSETS		21,337,693	19,955,813	21,769,383	20,371,449

EQUITY AND LIABILITIES	Note	Parently		Consolidated	
		2025	2024	2025	2024
CURRENT					
Trade payables	14	405,130	422,212	404,994	408,590
Lease payable	13	113,485	108,047	113,485	108,047
Agricultural partnership payable	13	577,005	554,864	577,005	554,864
Obligations to Copersucar	15	-	8,336	-	8,336
Loans and financing	16	903,719	1,094,298	906,297	1,096,406
Derivative financial instruments	22	207,006	158,129	207,006	158,129
Salaries and social contribution taxes		262,955	238,995	264,498	240,837
Taxes payable		36,699	39,885	38,408	40,791
Income and social contribution taxes payable	19	-	-	5,834	9,470
Dividends payable	17	20	150,139	20	150,139
Customer advances		47,418	36,591	47,732	37,414
Other liabilities		9,432	27,311	24,344	41,407
TOTAL CURRENT		2,562,869	2,838,807	2,589,623	2,854,430
NON-CURRENT					
Lease payable	13	532,830	528,856	532,830	528,856
Agricultural partnership payable	13	1,607,133	1,682,993	1,607,133	1,682,993
Obligations to Copersucar	15	139,276	173,709	139,276	173,709
Loans and financing	16	7,139,873	5,400,932	7,183,164	5,440,412
Derivative financial instruments	22	51,999	13,596	51,999	13,596
Deferred income and social contribution taxes	19	433,701	461,735	792,961	821,353
Provision for contingencies	21	118,648	123,251	121,033	124,166
Taxes whose enforceability has been suspended	15(b)	2,025,634	1,869,563	2,025,634	1,869,563
Other liabilities		26,368	-	26,368	-
TOTAL NON-CURRENT		12,075,462	10,254,635	12,480,398	10,654,648
TOTAL LIABILITIES		14,638,331	13,093,442	15,070,021	13,509,078
EQUITY					
Share capital	17	4,445,192	3,941,717	4,445,192	3,941,717
Treasury share reserve		(90,323)	(16,325)	(90,323)	(16,325)
Equity valuation adjustments		1,180,341	1,118,158	1,180,341	1,118,158
Profit reserves		1,164,152	1,818,821	1,164,152	1,818,821
TOTAL EQUITY		6,699,362	6,862,371	6,699,362	6,862,371
TOTAL EQUITY AND LIABILITIES		21,337,693	19,955,813	21,769,383	20,371,449

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

Statement of profit or loss
Years ended March 31, 2025 and 2024
All amounts in thousands of reais

	Note	Company		Consolidated	
		2025	2024	2025	2024
INCOME	25	6.971.099	6.756.027	7.162.034	6.891.738
Cost of sales	26	(5.450.989)	(5.334.452)	(5.376.732)	(5.216.291)
Gross profit		1.520.110	1.421.575	1.785.302	1.675.447
Operating income (expenses)					
Selling expenses	26	(248.006)	(243.005)	(262.564)	(255.455)
General and administrative expenses	26	(322.312)	(326.074)	(340.066)	(343.266)
Share of profit of equity-accounted investees	10	251.629	234.069	9.456	8.318
Other revenues and expenses, net	27	321.368	1.446.346	325.275	1.446.441
		2.679	1.111.336	(267.899)	856.038
Operating profit		1.522.789	2.532.911	1.517.403	2.531.485
Net finance income (costs)	28				
Finance income		345.275	308.723	378.732	333.691
Finance costs		(1.045.606)	(935.202)	(1.050.689)	(939.183)
Monetary and exchange rate fluctuations, net		(126.467)	(93.894)	(126.467)	(93.894)
Derivatives		(216.205)	(45.478)	(216.205)	(45.478)
		(1.043.003)	(765.851)	(1.014.629)	(744.864)
Profit before income tax and of social contribution tax		479.786	1.767.060	502.774	1.786.621
Income and social contribution taxes	19(c)				
For the year		13.718	(494.679)	(9.572)	(514.421)
Deferred		63.227	203.898	63.529	204.079
Profit for the year		556.731	1.476.279	556.731	1.476.279
Basic and diluted earnings per share (in real)	29			1,6697	4,2622

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



Statement of comprehensive income
Years ended March 31, 2025 and 2024
All amounts in thousands of reais

Parent and Consolidated	2025	2024
Profit for the year	556,731	1,476,279
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	5,667	(36,315)
Foreign exchange derivatives - Options / NDF	(228,882)	94,651
Foreign exchange differences on borrowings (Trade Finance)	74,430	108,118
	<u>(148,785)</u>	<u>166,454</u>
Recognition in operating income		
Commodity derivatives - Futures, options and forward contracts	(3,153)	81,715
Foreign exchange derivatives - Options / NDF	218,485	(173,514)
Foreign exchange differences on borrowings (Trade Finance)	30,317	19,957
	<u>245,649</u>	<u>(71,842)</u>
Write-off due to ineffectiveness		
Commodity derivatives - Futures, options and forward contracts	4,777	128
Foreign exchange derivatives - Options / NDF	1,869	1,974
	<u>6,646</u>	<u>2,102</u>
Total changes in the year		
Commodity derivatives - Futures, options and forward contracts	7,291	45,528
Foreign exchange derivatives - Options / NDF	(8,528)	(76,889)
Foreign exchange differences on borrowings (Trade Finance)	104,747	128,075
Deferred taxes on the items above	(35,193)	(32,883)
	<u>68,317</u>	<u>63,831</u>
Comprehensive income for the year	<u>625,048</u>	<u>1,540,110</u>

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



Statements of changes in equity

Years ended March 31, 2025 and 2024

All amounts in thousands of reais

	Note	Share capital	Treasury shares	Carrying value adjustments				Revenue reserves					Retained earnings	Total
				Deemed cost		Hedge accounting	Others	Legal	Capital budget	Unrealized profit reserve	Tax incentive reserve	Additional dividends		
				Parent	Investees									
At March 31, 2023		3,161,384	(139,997)	97,889	1,183,966	(220,113)	738	313,563	911,987	16,057	317,821	269,068	-	5,912,363
Capital increase with reserves	17(a)	780,333	-	-	-	-	-	-	(632,380)	-	(147,953)	-	-	-
Cancellation of treasury shares	17(b)	-	139,997	-	-	-	-	-	(139,997)	-	-	-	-	-
Share buyback	17(b)	-	(16,325)	-	-	-	-	-	-	-	-	-	-	(16,325)
Realization of surplus on revaluation of deemed cost	17 (c. i)	-	-	(8,515)	(33)	-	-	-	-	-	-	-	8,548	-
Gain (loss) on derivate transactions - hedge accounting	17 (c. ii)	-	-	-	-	63,831	-	-	-	-	-	-	-	63,831
Transfer to tax incentive reserve	17(d)	-	-	-	-	-	-	-	-	-	333,607	-	(333,607)	-
Recognition of unrealized revenue reserve, outstanding	17(d)	-	-	-	-	-	-	-	-	(16,057)	-	-	-	(16,057)
Payment of prior year's additional dividends	17(e)	-	-	-	-	-	-	-	-	-	-	(269,068)	-	(269,068)
Carrying value adjustments of investees		-	-	-	-	-	395	-	-	-	-	-	-	395
Profit (loss) for the year		-	-	-	-	-	-	-	-	-	-	-	1,476,279	1,476,279
Allocation of profit:														
Transfer to reserves	17 (d)	-	-	-	-	-	-	73,814	788,359	-	-	-	(862,173)	-
Interest on capital paid	17 (e)	-	-	-	-	-	-	-	-	-	-	-	(155,000)	(155,000)
Mandatory minimum dividends	17 (e)	-	-	-	-	-	-	-	-	-	-	-	(134,047)	(134,047)
At March 31, 2024		3,941,717	(16,325)	89,374	1,183,933	(156,282)	1,133	387,377	927,969	-	503,475	-	-	6,862,371
Capital increase with reserves	17(a)	503,475	-	-	-	-	-	-	-	-	(503,475)	-	-	-
Share buyback	17(b)	-	(496,309)	-	-	-	-	-	-	-	-	-	-	(496,309)
Payment of bonus with treasury shares	17(b)	-	7,869	-	-	-	-	-	-	-	-	-	-	7,869
Cancellation of treasury shares	17(b)	-	414,442	-	-	-	-	-	(414,442)	-	-	-	-	-
Reversal of unclaimed dividends		-	-	-	-	-	-	-	-	-	-	-	21	21
Realization of surplus on revaluation of deemed cost	17 (c. i)	-	-	(5,601)	(895)	-	-	-	-	-	-	-	6,496	-
Gain (loss) on derivate transactions - hedge accounting	17 (c. ii)	-	-	-	-	68,317	-	-	-	-	-	-	-	68,317
Carrying value adjustments of investees		-	-	-	-	-	362	-	-	-	-	-	-	362
Profit (loss) for the year		-	-	-	-	-	-	-	-	-	-	-	556,731	556,731
Allocation of profit:														
Transfer to reserves	17 (d)	-	-	-	-	-	-	27,837	235,411	-	-	-	(263,248)	-
Interest on capital paid	17(e)	-	-	-	-	-	-	-	-	-	-	-	(300,000)	(300,000)
At March 31, 2025		4,445,192	(90,323)	83,773	1,183,038	(87,965)	1,495	415,214	748,938	-	-	-	-	6,699,362

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

Statement of cash flows

Years ended March 31, 2025 and 2024

All amounts in thousands of reais

	Note	Parenty		Consolidated	
		2025	2024	2025	2024
Cash flows from operating activities					
Profit for the year		556,731	1,476,279	556,731	1,476,279
Settings					
Depreciation and amortization	26	1,179,141	1,137,270	1,185,212	1,141,214
Harvested biological assets	26	1,216,970	1,207,230	1,216,970	1,207,230
Change in fair value of biological assets, agricultural produce and CBIOS	26	62,654	10,314	62,654	10,314
Inventory valuation allowance	26	(2,814)	2,814	(2,814)	2,814
Amortization of energy contracts		-	-	-	8,800
Share of profit of equity-accounted investees	10	(251,629)	(234,069)	(9,456)	(8,318)
Income from investments and property, plant and equipment written off	11	935	(4,477)	1,633	(4,015)
Interest, monetary and exchange rate fluctuations, net		361,025	356,635	337,791	340,731
Derivative financial instruments	25 and 27	462,226	(26,502)	462,226	(26,502)
Recognition of provision for contingencies, net	21.1	39,849	34,656	39,043	34,758
Income and social contribution taxes	19 (b)	(76,945)	290,781	(53,957)	310,342
Taxes whose enforceability has been suspended		156,070	806,186	156,070	806,186
Reversal (recognition) of the allowance for loan losses		(26)	-	(158)	14
Discounted present value and others		273,546	248,345	269,013	253,883
		3,977,733	5,305,462	4,220,958	5,553,730
Changes in assets and liabilities					
Trade receivables		177,682	(411,805)	174,413	(411,593)
Inventories		(88,684)	68,603	(88,213)	68,182
Recoverable taxes		(333,193)	(165,377)	(338,859)	(163,001)
Derivative financial instruments		(293,609)	(71,415)	(293,609)	(71,415)
Other assets (basically court deposits)		(397,868)	(406,145)	(397,753)	(405,283)
Trade payables		33,381	121,974	46,731	119,473
Salaries and social contribution taxes		23,960	45,397	23,662	45,674
Taxes payable		(11,006)	(493,198)	(15,215)	(497,703)
Obligations to Copersucar		(45,474)	1,517	(45,474)	1,517
Provision for contingencies (settlements)	21.1	(48,237)	(40,481)	(48,244)	(40,584)
Other liabilities		19,314	39,780	19,623	41,786
Cash from operating activities		3,013,999	3,994,312	3,258,020	4,240,783
Payment of interest on loans and financing	16	(544,934)	(455,230)	(546,400)	(456,637)
Income and social contribution taxes paid		-	(3,556)	(22,083)	(17,889)
Net cash from operating activities		2,469,065	3,535,526	2,689,537	3,766,257
Cash flows from investing activities					
Investment funds		-	(8,965)	-	(8,965)
Return of capital		1,140	-	-	-
Additions to property, plant and equipment and intangible assets	11 and 12	(1,120,069)	(961,224)	(1,227,416)	(994,515)
Additions to farming and land management (assets)		(1,556,308)	(1,495,098)	(1,556,308)	(1,495,098)
Financial investments		900,798	80,934	1,020,012	(8,017)
Proceeds from the sale of property, plant and equipment	11	17,183	9,357	17,183	9,357
Advance for future increase in capital		(60,000)	(105,200)	-	-
Dividends received		295,381	215,817	1,959	1,156
Net cash used in investing activities		(1,521,875)	(2,264,379)	(1,744,570)	(2,496,082)
Cash flows from financing activities					
Lease payment and agricultural partnership	13	(679,181)	(676,061)	(679,181)	(676,061)
Raising finance - third parties	16	2,472,597	573,721	2,476,779	573,721
Repayment of financing agreements - third parties	16	(1,108,739)	(812,990)	(1,110,720)	(812,990)
Acquisition of treasury shares		(502,152)	(10,482)	(502,152)	(10,482)
Other receipts		2,130	710	2,130	711
Payment of dividends and interest on equity capital		(407,408)	(408,163)	(407,408)	(408,165)
Net cash used in financing activities		(222,753)	(1,333,265)	(220,552)	(1,333,266)
Increase (decrease) in cash and cash equivalents, net		724,437	(62,118)	724,415	(63,091)
Cash and cash equivalents at beginning of year	4	204,467	272,342	204,560	273,408
Effect of movements in exchange rates on cash and cash equivalents held		(30,387)	(5,757)	(30,387)	(5,757)
Cash and cash equivalents at end of year	4	898,517	204,467	898,588	204,560
Additional information					
Balances of financial investments (current assets)	4	2,004,012	2,672,698	2,184,443	2,946,218
Total available funds	4	2,902,529	2,877,165	3,083,031	3,150,778

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

Statement of value added
Years ended March 31, 2025 and 2024
All amounts in thousands of reais

	Parenty		Consolidated	
	2025	2024	2025	2024
INCOME				
Revenue from customer contracts	7,352,682	7,088,302	7,555,830	7,234,082
Revenue from construction of own assets	1,964,035	1,830,997	1,964,472	1,831,030
Reversal of the allowance for loan losses	(26)	-	(214)	14
Other income	(174,364)	15,486	(174,371)	15,018
	9,142,327	8,934,785	9,345,717	9,080,144
INPUT ACQUIRED FROM THIRD PARTIES				
Cost of goods and merchandise sold	(1,901,513)	(2,206,608)	(1,781,542)	(2,055,256)
Materials, energy, third-party services and other operating expenses	(2,280,901)	(2,233,854)	(2,337,713)	(2,281,199)
Loss of assets	-	(2,814)	-	(2,814)
	(4,182,414)	(4,443,276)	(4,119,255)	(4,339,269)
GROSS VALUE ADDED	4,959,913	4,491,509	5,226,462	4,740,875
Depreciation and amortization	(2,396,111)	(2,344,500)	(2,402,182)	(2,348,444)
Net value added generated by the entity	2,563,802	2,147,009	2,824,280	2,392,431
Value added received by transfer				
Share of profit of equity-accounted investees	251,629	234,069	9,456	8,318
Finance income	287,867	650,160	321,597	675,241
Other	324,679	1,593,604	328,777	1,594,153
Total value added to be distributed	3,427,977	4,624,842	3,484,110	4,670,143
DISTRIBUTION OF VALUE ADDED				
Personnel and charges				
Direct compensation	879,970	816,944	884,688	818,621
Benefits	343,021	312,253	344,130	313,767
FGTS	83,464	71,697	83,656	71,825
Management's fees	18,510	41,279	19,142	42,767
Taxes fees and contributions				
Federal	172,848	442,435	215,734	478,169
State	40,639	41,651	41,550	41,989
Municipal	1,614	1,675	1,749	2,032
Return on debt capital				
Interest	1,028,652	911,892	1,032,281	915,409
Rents	10,394	12,140	10,432	12,177
Foreign exchange gains (losses)	284,782	287,769	284,782	287,773
Other	7,352	208,828	9,235	209,335
Return on equity capital				
Payment of interest on equity capital	300,000	155,000	300,000	155,000
Retained earnings for the year	256,731	1,321,279	256,731	1,321,279
Value added distributed	3,427,977	4,624,842	3,484,110	4,670,143

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

1. Operations

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

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

São Martinho is a subsidiary of the holding company LJM Participações S.A. ("LJM"), which owns 57.9% interest in the Company's voting capital.

The issue of this financial Information was authorized by the Board of Directors on June 23, 2025.

Geopolitical conflicts

Geopolitical conflicts pose a risk to São Martinho, as their escalation in key oil-producing regions can cause significant fluctuations in product prices, tariffs, exchange rates, input costs, and logistics, which may increase the Company's operating costs and impact its revenue.

Climate changes

Climate-related risks, particularly frosts, along with water shortages caused by prolonged droughts and fires, have the potential of adverse impact sugarcane plantation productivity. As a result, the production of sugar, ethanol, and other by-products, as well as the related revenue and costs, and the value of biological assets, may also be affected.

Fire outbreaks

In accordance with the announcement released on August 26, 2024, the Company informed its stockholders and the market in general that, between August 22 and August 25, approximately 20,000 hectares of sugarcane were hit by widespread fires that affected the sector.

Thanks to the prompt action of the Company's fire brigades to contain the outbreaks, no casualties or impacts on other assets were reported. The sugarcane affected was processed without any significant impact on Total Recoverable Sugar (TRS) in relation to the Production Guidance for the 2024/2025 crop season. An additional R\$86 million will be invested in crop treatments with a view to preserving productivity in future seasons.

Fire outbreak at Iracema Unit

On March 26, 2025, the Company announced to its shareholders and the market that on March 23, 2025, a fire broke out in a boiler inside the industrial park of Iracema Unit. Thanks to the prompt action of the Company's fire brigades and the support of local teams to contain the outbreak, no injuries or material damages were reported. The Company has already filed a claim under its insurance policy which covers property damage and business interruption.

The impact of the fire, which was limited to Iracema Unit, shut down a boiler for the 2025/26 crop season, and may reduce by up to 30% the Unit's daily production capacity, with an estimated grinding volume of 2.4 million metric tons in the season.

Tax Reform

On January 16, 2025, Complementary Law 214/2025, the first regulatory bill of the new consumption taxes, was enacted.

The Reform is based on the "dual VAT" model, divided into two taxes, one at the Federal level, the Contribution on Goods and Services (CBS) to replace the PIS and COFINS, and the other at the level of the States, Federal District and Municipalities, the Tax on Goods and Services (IBS), to replace the State Value Added Tax (ICMS) and the Tax on Services (ISS). The Reform also provides for the creation of a federal Selective Tax (IS), to be levied on the production, extraction, sale, or import of goods and services deemed harmful to health and the environment, under the terms of a Complementary Law (LC).

During the transition period scheduled to run from 2026 to 2032, both the old and new models will coexist. The impact of the Reform on the calculation of the above-

mentioned taxes, from the start of the transition period, will only be fully known once the process of regulating the pending issues by Complementary Laws is completed. Accordingly, the Reform has no effect on these financial statements.

2. Summary of material accounting policies

2.1 Statement of compliance and basis of preparation

These financial statements have been prepared in accordance with accounting practices adopted in Brazil, which comprise the pronouncements issued by the Brazilian Accounting Pronouncements Committee (CPC) and the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") - currently referred to by the IFRS Foundation as "IFRS Accounting Standards", and including interpretations developed by the IFRS Interpretations Committee (IFRIC Interpretations) or its predecessor body, the Standing Interpretations Committee (SIC Interpretations). Disclosures are limited to all information of significance to the financial statements, being consistent with that used by management in the performance of its duties.

The aforementioned financial statements were prepared considering historical cost as the basis for measurement, except for certain derivative financial instruments and biological assets measured at their fair values, and reflect all relevant information pertaining to the financial statements, and only such, which are consistent with those used by management in its decision-making.

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

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

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

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the accounting policies of the Company and its subsidiaries.

Notes to the financial statements at March 31, 2025

All amounts in thousands of reais unless otherwise stated

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

2.2 New standards that are not yet effective

The following amendments to standards were issued by the IASB but were not effective for the year ended March 31, 2025. The early adoption of standards, although encouraged by the IASB, has not been implemented in Brazil by the CPC.

- **IFRS 18 - Presentation and Disclosure in Financial Statements:** IFRS 18 will replace CPC 26/IAS 1 Presentation of Financial Statements and applies to annual reporting periods beginning on or after January 1, 2027, or, in the case of the Company, from April 1, 2027. Key new requirements introduced by the new standard:

i) Entities are required to classify all income and expenses into five categories in statement of income, namely operating, investing, financing, discontinued operations, and income tax. Entities are also required to present newly defined operating profit subtotals. The entities' net profit will remain unchanged. ii) Management-defined performance measures (MPMs) are disclosed in a single note to the financial statements. iii) Enhanced guidance is provided on aggregation and disaggregation of information in the financial statements.

Furthermore, all entities are required to use the subtotal of operating profit as the starting point for the statement of cash flows when presenting operating cash flows by the indirect method.

Currently, the Company is working to identify all the impacts that these changes will have on its financial statements and respective explanatory notes in order to comply with the new requirement within the established deadline.

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

2.3 Basis of consolidation and investments in subsidiaries

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

The consolidated balances in these financial statements represent 100% of the equity interest held in the following companies:

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

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

2.4 Functional and presentation currency

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

2.5 Foreign currency translation

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

2.6 Financial instruments

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

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

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

a) Financial assets

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

b) Financial liabilities

The Company's financial liabilities include trade payables, borrowings, leases, agricultural partnerships, payables to related parties and other payables, which 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 profit or loss when the liabilities are derecognized, and also through the amortization process, using the effective interest rate method.

c) Derivative financial instruments

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

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

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

2.7 Business combinations and goodwill

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

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

Notes to the financial statements at March 31, 2025

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net identifiable assets acquired exceeds (a), (b) and (c) above, the excess amount is immediately recognized in the statement of profit or loss as gains arising from a bargain purchase.

Goodwill corresponding to consolidated entities is recorded within "Intangible assets" in the parent and consolidated statement of financial position.

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.

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

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

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For purposes of impairment testing, goodwill acquired in a business combination is, 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 assessed based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

a) Impairment losses

Annually, the Company reviews the accounting balances of its non-financial assets (except for biological assets, inventories, and deferred taxes) with the purpose of identifying any indication of impairment. If such indications exist, the recoverable amount of the asset is estimated. For the closing of the current fiscal year, no

Notes to the financial statements at March 31, 2025

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indications were identified that would justify performing impairment tests on these assets.

However, in accordance with the applicable standards, the Company performs, at least annually, the impairment test of goodwill based on expected future profitability. Management uses the value in use method to determine the recoverable amount, which is based on the projection of discounted cash flows expected from the Cash-Generating Units (CGUs) determined by Management.

The test includes the group's 4 operational industrial units, whose future cash flows are projected based on budgets approved by Management, reflecting specific assumptions for each CGU, using available market information and past performance. The Company's discounted cash flows, which substantially comprise São Martinho, were prepared for a five-year period, considered a reasonable recovery time for assets related to the activities of the economic sector in which it operates. The discount rate used was 10.28% per year (9.56% in 2024). The main assumptions used by the Company were: (i) long-term sales price expectations of commodities, (ii) productivity of agricultural areas, (iii) ATR performance, and (iv) operational and administrative costs. All cash flows were discounted at rates that reflect specific risks related to the relevant assets of the CGUs.

In addition to the aforementioned industrial units, the group consolidates its financial statements, in the current fiscal year, considering another 11 Cash-Generating Units (CGUs), whose activities predominantly include: (i) land exploitation through lease and agricultural partnership agreements, property rental and sales; (ii) purchase and sale of properties, development and exploitation of real estate and mining ventures; (iii) 6 electric power cogeneration units; (iv) general product storage; (v) equity participation in companies; (vi) gas production and processing.

In the financial statements for the 23.24 crop year, the group consolidated 9 Cash-Generating Units (CGUs), whose activities predominantly included: (i) land exploitation through lease and agricultural partnership agreements, property rental and sales; (ii) purchase and sale of properties, development and exploitation of real estate and mining ventures; (iii) 4 electric power cogeneration units; (iv) general product storage; (v) equity participation in companies; (vi) gas production and processing.

These CGUs contribute to the Company's consolidated performance but do not have allocated goodwill, which is why they are not individually subject to goodwill impairment testing.

As a result of the annual tests, no significant impairment losses were recognized for the fiscal years ended March 31, 2025 and 2024.

The determination of asset recoverability depends on certain key assumptions as described above, which are influenced by current market, technological, and

economic conditions when such recoverability is tested and, therefore, it is not possible to determine whether impairment losses will occur in the future and, if they do, whether they will be material (Note 12).

b) Fair value of biological assets

Biological assets are measured at fair value less costs to sell, and any changes are recognized in profit or loss (Note 7).

c) Income tax, social contribution and other taxes

The Company recognizes provisions when it is probable that additional taxes will be due. When the 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 through the use of valuation techniques, including the discounted cash flow model. The assumptions underlying these valuation techniques are based primarily on the market conditions existing at the reporting date, if available. Where this is not feasible, a certain level of judgment is required to determine fair value with respect to data such as liquidity, credit risk, and volatility.

e) Provision for contingencies

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

f) Incremental borrowing rate on leases and agricultural partnerships

Right-of-use assets, lease liabilities, and agricultural partnerships are measured at present value based on discounted cash flows 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, under equivalent terms and conditions, and considering the lessee's credit risk, the term of the agreement, and the collateral offered.

Notes to the financial statements at March 31, 2025

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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			Consolidated		
	Annual yield	2025	2024	Annual yield	2025	2024
Cash and banks in Brazil		854	202		925	295
Cash and banks abroad (US Dollar)	4.6%	316,500	204,265	4.6%	316,500	204,265
Financial investments						
· Investments in foreign currency	5.5%	581,163	-	5.5%	581,163	-
Total cash and cash equivalents		898,517	204,467		898,588	204,560
Financial investments						
· Investment fund	101.7% of CDI	1,994,866	2,645,006	101.7% of CDI	2,174,697	2,916,882
· Bank Deposit Certificate (CDB)	99.3% of CDI	9,146	27,692	99.2% of CDI	9,746	29,336
· Other (i)	95.5% of CDI	80,196	71,231	95.5% of CDI	80,196	71,231
Total financial investments		2,084,208	2,743,929		2,264,639	3,017,449
Total cash and cash equivalents and financial investments		2,982,725	2,948,396		3,163,227	3,222,009
In non-current assets		80,196	71,231		80,196	71,231
Total available funds		2,902,529	2,877,165		3,083,031	3,150,778

(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 as follows:

	Parent		Consolidated	
	2025	2024	2025	2024
Domestic market customers	248,163	325,170	306,162	372,402
Foreign market customers	209,482	326,712	209,481	326,712
(-) Expected credit losses	-	(26)	(889)	(730)
	457,645	651,856	514,754	698,384
Current assets	(457,645)	(651,856)	(477,210)	(666,112)
Non-current assets	-	-	37,544	32,272

Trade receivable by maturity date:

Notes to the financial statements at March 31, 2025

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	Parent		Consolidated	
	2025	2024	2025	2024
Falling due:				
In up to 30 days	331,839	433,600	341,395	437,599
From 31 to 60 days	11,318	40,598	12,138	41,260
From 61 to 90 days	2,978	39,034	3,931	39,755
From 91 to 120 days	27,332	110,504	28,227	111,156
From 121 to 180 days	1,499	3,013	4,883	4,069
Over 180 days	76,278	23,357	117,705	62,739
	451,244	650,106	508,279	696,578
Amounts overdue and not provided for				
Up to 30 days	2,920	331	2,274	256
From 31 to 60 days	38	43	47	57
From 61 to 90 days	5	654	18	482
From 91 to 120 days	3	16	11	16
From 121 to 180 days	89	656	99	491
Over 180 days	3,346	50	4,026	503
	6,401	1,750	6,475	1,806
	457,645	651,856	514,754	698,384

Of the balance receivable, R\$ 2,961 in the Parent, and R\$ 216 in the Consolidated (R\$ 1,018 and R\$ 240 in the Parent and Consolidated, respectively, at March 31, 2024) refer to related parties (Note 9).

6. Inventories and advances to suppliers

	Parent		Consolidated	
	2025	2024	2025	2024
Current				
Finished products and work in progress	234,780	66,675	234,780	66,675
Raw material – Corn	113,919	157,034	113,919	157,034
Advances - purchases of sugar cane	23,704	48,601	23,704	48,601
Advances - purchases of inputs and finished products	122,276	95,314	122,276	95,314
RenovaBio - CBIOs (i)	567	1,642	567	1,642
Inputs, maintenance materials and other	241,692	236,433	241,692	236,433
Allotments - land	-	-	6,123	6,594
Inventory valuation allowance	-	(2,814)	-	(2,814)
	736,938	602,885	743,061	609,479
Non-current				
Advances - purchases of sugarcane	56,005	126,731	56,005	126,731
	56,005	126,731	56,005	126,731
	792,943	729,616	799,066	736,210

(i) At March 31, 2025, the Company had 11,000 registered decarbonization credits (Cbios) carried at fair value (23,000 Cbios at March 31, 2024).

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

Of the balance of advances recorded at March 31, 2025 under inventories, R\$ 625 in the Parent and Consolidated accounts refers to related parties (R\$ 1,286 in the Parent and Consolidated at March 31, 2024) (Note 9).

Notes to the financial statements at March 31, 2025

All amounts in thousands of reais unless otherwise stated

7. Biological assets

Biological assets are agricultural products under cultivation (standing sugarcane) from bearer plants, which will be used as raw material in the production of sugar and ethanol at the time of harvest. After each harvest, crop treatments are carried out to improve growth and development of the sugarcane plantation (fixed asset), ensuring production gains and extending its useful life. Expenditures incurred for crop treatments are therefore classified under investing activities in the statement of cash flows.

Biological assets are carried at fair value less costs to sell. The measurement at fair value of biological assets is classified as Level 3 - Assets and liabilities for which there is little, if any, market activity, or whose prices or valuation techniques are supported by inputs from a thin, non-existent, 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)* the 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)* cost of capital (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 and Consolidated	2025	2024
Estimated total harvested area (ha)	254,689	246,604
Amount of TRS per hectare	11.96	12.15
Projected average price of TRS (in R\$)	1.20	1.12

In these financial statements, a discount rate of 10.0% p.a. was used to calculate the fair value of biological assets (9.6% p.a. on March 31, 2024).

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

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

Notes to the financial statements at March 31, 2025

All amounts in thousands of reais unless otherwise stated

Parent and Consolidated	2025	2024
Historical cost	1,563,058	1,351,751
Fair value	(198,550)	(191,183)
Biological assets - opening balance:	1,364,508	1,160,568
Increases arising from crop treatments	959,234	868,238
Transfer from property, plant and equipment	392,784	527,313
Changes in fair value (i)	(61,467)	(7,367)
Decreases due to harvest	(1,249,330)	(1,184,244)
Biological assets - closing balance:	1,405,729	1,364,508
Comprised of:		
Historical cost	1,665,746	1,563,058
Fair value	(260,017)	(198,550)
Biological assets - closing balance:	1,405,729	1,364,508

- (i) Changes in the fair value of biological assets on March 31, 2025, reflects the impact of the fire outbreaks that occurred during the crop season.

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

Fair value sensitivity analysis

For purposes of the sensitivity analysis, the Company assessed the impact on the fair value of its biological assets at March 31, 2025, 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\$ 126,485. Regarding the production volume, the same 5% variation (up or down) would result in an increase or decrease of R\$ 115.009.

8. Taxes recoverable

Balances of taxes recoverable:

Notes to the financial statements at March 31, 2025

All amounts in thousands of reais unless otherwise stated

	Parent		Consolidated	
	2025	2024	2025	2024
Current				
PIS / COFINS (i)	241,122	120,204	241,259	120,204
ICMS	179,194	118,880	179,407	118,933
Tax Refund Program for Exporters (Reintegra)	528	1,533	528	1,533
Others	2,628	3,173	2,628	3,173
	423,472	243,790	423,822	243,843
Non-current				
PIS / COFINS (i)	311,112	107,858	311,112	107,858
ICMS	382,206	363,278	387,719	363,824
Tax on Financial Transactions (IOF) on derivatives	10,822	10,285	10,822	10,285
INSS	418	8,033	418	8,033
	704,558	489,454	710,071	490,000
	1,128,030	733,244	1,133,893	733,843

(i) Changes in the balance of PIS/COFINS recoverable relate mainly to the recognition of the following credits: a) R\$ 253,955 corresponding to credits recorded pursuant to the Normative Instruction (IN) 2.121/2022 of the Brazilian Federal Revenue Service (RFB), which clarifies and regulates the application of the presumed PIS/COFINS credit on sugar cane, as provided for in Article 8 of Law 10.925/2004. Of the amount recorded, R\$ 199,446 is classified as Other income (Note 27) and R\$ 54,509 as Inventories and Costs; b) R\$ 189,232 in credits related to the exclusion of ICMS from the PIS/COFINS tax base on ethanol, of which R\$ 117,400 is recorded under Other income (Note 27) and R\$ 71,832 under Finance income. These credits will be substantially used in the Company's operations.

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

9. Related parties

a) Parent and Consolidated balances:

Notes to the financial statements at March 31, 2025

All amounts in thousands of reais unless otherwise stated

	Parent		Consolidated	
	2025	2024	2025	2024
Current assets				
Accounts receivable (i)				
Bio BV	483	229	-	-
Bio SM	1,006	360	-	-
Bio SC	19	27	-	-
Bioenergia SM	303	-	-	-
SM Terras Imobiliárias	871	77	-	-
SM Terras Agrícolas	9	7	-	-
CTC - Centro de Tecnologia Canavieira S.A.	19	-	19	-
Others	251	318	197	240
	2,961	1,018	216	240
Inventories and advances to suppliers				
CTC - Centro de Tecnologia Canavieira S.A.	167	295	167	295
Others	458	991	458	991
	625	1,286	625	1,286
Dividends receivable				
SM Terras Imobiliárias	11,329	-	-	-
SM Inova	2,256	-	-	-
SM Logística	7	-	-	-
	13,592	-	-	-
Advance for future capital increase				
Biometano SC (ii)	-	105,200	-	-
	-	105,200	-	-
Current liabilities				
Trade payables				
SM Terras Agrícolas	6,990	18,647	-	-
Bio SC	374	245	-	-
CTC - Centro de Tecnologia Canavieira S.A.	47	106	47	106
Others	140	73	138	73
	7,551	19,071	185	179
Current and non-current liabilities				
Leases and agricultural partnerships payable from stockholders and related parties	492,056	543,794	492,056	543,794

(i) These relate mainly to the apportionment of expenses with administrative services and sale of steam.

(ii) The amount relates to the capital contribution for the construction of the Biomethane plant, which was fully paid on July 25, 2024.

Notes to the financial statements at March 31, 2025

All amounts in thousands of reais unless otherwise stated

b) Significant transactions in the year:

	Parent		Consolidated	
	2025	2024	2025	2024
Sales revenue				
Bio BV	12,983	8,489	-	-
Bio SM	8,492	7,723	-	-
Bio SC	3,272	4,740	-	-
Bioenergia SM	12,584	-	-	-
	37,331	20,952	-	-
Lease revenue (purchase of products and services) / reimbursed expenses				
SM Terras Agrícolas	(75,261)	(95,528)	-	-
CTC - Centro de Tecnologia Canavieira S.A.	(21,917)	(21,909)	(20,857)	(21,919)
SM Terras Imobiliárias	(34,932)	(34,123)	-	-
Bio SC	(500)	(825)	-	-
Bio BV	348	446	-	-
Bioenergia SM	143	-	-	-
Bio SM	116	127	-	-
	(132,003)	(151,812)	(20,857)	(21,919)
Stockholders and related parties				
Purchase of sugarcane/land lease/reimbursed expenses				
Agro Pecuária Boa Vista S/A	(59,518)	(59,964)	(59,518)	(59,964)
Others	(23,442)	(22,310)	(24,212)	(22,597)
	(82,960)	(82,274)	(83,730)	(82,561)
Finance result				
Finance income (costs)				
Luiz Ometto Participações S.A.	-	946	-	(149)
Others (i)	(53,349)	(50,117)	(53,349)	(50,117)
	(53,349)	(49,171)	(53,349)	(50,266)

(i) Adjustment of partnership and lease agreements to present value, net of taxes.

Sales revenues refer to the sale of steam, while purchases of goods and services include the acquisition of sugarcane, electricity, steam processing services, and royalties. Expenses reimbursed by subsidiaries or related parties correspond to allocated administrative service costs. Contracts with related parties follow the Related Party Transaction Policy, with a revision approved by the Board of Directors on June 17, 2024. The transactions are formalized through contracts with clauses and conditions that reflect market prices and practices, which must be reciprocal, generating value for both contracting parties.

The contracts with related parties mostly refer to partnership and lease agreements, sale and acquisition of equity interests, cost-sharing agreements, and, occasionally, contracts for rent, purchase and sale of seedlings, and purchase and sale of energy. The Company's Reference Form, item 11.2, provides details of the contracts, such as: object, guarantees, nature, transaction date, amount involved, balance, duration, and interest rate.

Partnership and lease contracts for sugarcane are entered into based on the average market conditions and prices of the respective region, with an average term of 5 years, with up to 2 optional renewals, and a penalty of 20% for contractual breach, without interest. Cost-sharing agreements follow the determinations of the Federal Revenue Service as per SC-COSIT No. 23/2013 and SC-COSIT No. 149/2021

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All amounts in thousands of reais unless otherwise stated

and are entered into for an indefinite term. The costs and expenses are formalized and validated between the parties, with monthly allocation and reimbursement, and observe the proportion of quantity/time for performing the activities.

Regarding other contracts: a) rent: the amounts are in line with the average price per square meter for commercial property rents in the region; b) energy: follow the rules of the Electric Energy Trading Chamber (CCEE) regulations, according to the average price adopted by the market in the spot modality; c) purchase and sale of seedlings and licensing: the amounts paid follow market conditions, ensured by the Cultivar Protection Law (Law No. 9,456/1997), Decree No. 2,366/1997, the Industrial Property Law (Law No. 279/1996), Decree No. 1,355/1994, and the Seeds and Seedlings Law (Law No. 10,711/2003).

c) Management compensation:

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

	Parenty		Consolidated	
	2025	2024	2025	2024
Fixed compensation	27,735	26,514	28.369	28.002
Bonuses, benefits and other variable compensation	25,543	12,805	28.163	13.743
Virtual share-base payments	138	4,608	138	4.608
Social security and social contribution taxes	10,355	7,686	10.533	8.118
Total compensation and related charges	63,771	51,613	67.203	54.471

d) Long-term incentive plans:

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

On December 16, 2024, the Board of Directors approved the granting of 1,821,251 virtual options, through the 16th Stock Option Plan, and on March 31, 2025, a new Long-Term Virtual Stock Option Incentive Plan was approved, to be granted during the next fiscal year. The Plans' regulations are filed at the Company's head office. The Plans' regulations are filed at the Company's head office.

The carrying amount of the liability relating to the new fair value calculation of the Virtual Stock Option Plan is R\$ 4,645 (R\$ 22,364 on March 31, 2024). The fair value of the Virtual Stock Option Incentive Plan refers to the difference between the exercise price and the market value of the Company's shares (SMTO3) on the balance sheet date. Regarding the fair value of the Virtual Share Plan, it is calculated based on the market price of the Company's shares (SMTO3) and the total number of virtual shares granted.

Notes to the financial statements at March 31, 2025

All amounts in thousands of reais unless otherwise stated

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

Plan	10th Plan	11th Plan	12th Plan	13th Plan	14th Plan	15th Plan	16th Plan	Total
Plan issue date	12/10/2018	12/09/2019	12/14/2020	12/13/2021	12/12/2022	12/11/2023	12/16/2024	
Deadline for exercise	2025	2026	2027	2028	2029	2030	2031	
Number of virtual options granted	1,133,513	1,072,712	754,980	563,175	1,463,211	1,393,489	1,821,251	8,202,331
Number of virtual options exercised/cancelled	(828,137)	(448,830)	(82,211)	(24,896)	(56,325)	-	-	(1,440,399)
Number of virtual options to be exercised	305,376	623,882	672,769	538,279	1,406,886	1,393,489	1,821,251	6,761,932
Exercise price (R\$)	19.07	19.38	24.22	37.17	27.44	33.70	25.38	

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

10. Investments

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

				Parent			
Company	Ownership interest %	Equity		Investment book value		Equity in the results of investees	
		2025	2024	2025	2024	2025	2024
Classified as Investment							
SM Terras Agrícolas	100.00%	808,017	855,747	808,017	855,747	70,004	90,695
SM Terras Imobiliárias	100.00%	666,366	672,337	666,366	672,337	46,243	29,329
Bio SC	100.00%	55,911	55,937	58,040	58,172	63,244	47,632
SM Inova	100.00%	55,110	49,455	55,110	49,455	9,499	8,345
Bio SM	100.00%	36,141	36,142	36,141	36,142	19,339	20,337
Bio BV	100.00%	31,369	35,435	31,369	35,435	48,031	38,511
Bioenergia SM	100.00%	21,043	29,218	21,043	29,218	(8,175)	(1,971)
SM Logística	100.00%	10	1,141	10	1,141	15	91
Biometano SC	100.00%	169,728	1,100	169,729	1,100	3,429	1,100
Bioenergia Iracema	100.00%	1	-	1	-	-	-
Bioenergia SM II	100.00%	1	-	1	-	-	-
Total classified as Investment		1.843.697	1.736.512	1.845.827	1.738.747	251.629	234.069

				Consolidated			
Company	Ownership interest %	Equity		Investment book value		Equity in the results of investees	
		2025	2024	2025	2024	2025	2024
Classified as Investment							
CTC - Centro de Tecnologia Canavieira S.A. (i)	5.41%	1,125,891	980,599	60,960	53,094	9,443	8,315
Others		-	-	1,613	1,598	13	3
Total classified as Investment		1,125,891	980,599	62,573	54,692	9,456	8,318

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

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

Changes in investments during the year were as follows:

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	Parent		Consolidated	
	2025	2024	2025	2024
At the beginning of the year	1,738,747	1,720,098	54,692	47,798
Equity in the results of investees	251,629	234,069	9,456	8,318
Payment of capital	165,202	1	-	139
Capital decrease	(1,140)	-	-	-
Dividends paid	(308,973)	(215,816)	(1,939)	(1,975)
Other effects of investments	362	395	364	412
At the end of the year	1,845,827	1,738,747	62,573	54,692

Summarized information on investments

		Assets		Liabilities			
		March 31, 2025		March 31, 2025			March 31, 2025
Company	Ownership interest %	Current	Non-current	Current	Non-current	Equity	Profit (loss) for the year
SM Terras Agrícolas	100.00%	41,737	1,130,741	15,319	349,142	808,017	70,004
SM Terras Imobiliárias	100.00%	21,221	663,383	15,853	2,385	666,366	46,243
Bio SC	100.00%	35,104	24,662	907	2,948	55,911	63,244
SM Inova	100.00%	2,167	60,960	2,257	5,760	55,110	9,499
Bio SM	100.00%	21,626	16,703	2,188	-	36,141	19,339
Bio BV	100.00%	27,273	11,549	7,144	309	31,369	48,031
Bioenergia SM	100.00%	17,698	56,719	10,083	43,291	21,043	(8,175)
SM Logística	100.00%	16	-	6	-	10	15
Bioenergia Iracema	100.00%	1	-	-	-	1	-
Bioenergia SM II	100.00%	1	-	-	-	1	-
Biometano SC	100.00%	42,949	132,885	6,102	4	169,728	3,429
Total		209,793	2,097,602	59,859	403,839	1,843,697	251,629

		Assets		Liabilities			
		March 31, 2024		March 31, 2024			March 31, 2024
Company	Ownership interest %	Current	Non-current	Current	Non-current	Equity	Profit (loss) for the year
SM Terras Agrícolas	100.00%	81,874	1,130,741	7,628	349,240	855,747	90,695
SM Terras Imobiliárias	100.00%	19,592	658,149	4,488	916	672,337	29,329
Bio SC	100.00%	42,022	26,216	9,161	3,140	55,937	47,632
SM Inova	100.00%	2,123	53,094	2	5,760	49,455	8,345
Bio SM	100.00%	19,468	17,503	829	-	36,142	20,337
Bio BV	100.00%	29,904	12,410	6,556	323	35,435	38,511
Bioenergia SM	100.00%	18,117	54,257	3,676	39,480	29,218	(1,971)
SM Logística	100.00%	1,185	-	44	-	1,141	91
Biometano SC	100.00%	83,679	25,342	2,717	105,204	1,100	1,100
Total		297,964	1,977,712	35,101	504,063	1,736,512	234,069

11. Property, plant and equipment

The assets' net book values and useful lives, as well as the depreciation methods, are reviewed at each year-end, and adjusted prospectively, where applicable. For the year ending March 31, 2025, there were no changes in the useful life of the assets. Depreciation is calculated using the straight-line method; for production

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equipment, the accelerated depreciation method is applied, taking into consideration the crushing season.

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

Sugarcane plantations correspond to the bearer plants for growing sugarcane. Sugarcane is classified as a permanent crop and its economically productive cycle lasts, on average, eight years 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.

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Parent	Land	Buildings and facilities	Manufacturing equipment and facilities	Vehicles	Agricultural machinery and implements	Sugarcane plantations	Construction in progress	Other PP&E	Total
At March 31, 2023	96,046	549,447	1,869,358	361,580	421,743	1,835,266	605,699	35,134	5,774,273
Acquisitions	-	4,189	14,820	10,366	96,600	631,989	353,177	1,763	1,112,904
Expenditures with intercrop maintenance (i)	-	-	276,247	95,862	129,218	-	-	-	501,327
Transfer of PP&E/biological assets	-	-	-	-	-	(527,313)	-	-	(527,313)
Cost of sale	-	-	(796)	(2,284)	(1,792)	-	-	(8)	(4,880)
Transfer between groups	-	40,771	372,386	12,635	33,692	7,642	(469,402)	2,276	-
Depreciation	-	(17,493)	(369,858)	(117,297)	(161,002)	-	-	(8,917)	(674,567)
At March 31, 2024	96,046	576,914	2,162,157	360,862	518,459	1,947,584	489,474	30,248	6,181,744
Total cost	96,046	735,906	3,262,120	634,704	984,047	1,947,584	489,474	197,733	8,347,614
Accumulated depreciation	-	(158,992)	(1,099,963)	(273,842)	(465,588)	-	-	(167,485)	(2,165,870)
Net book value	96,046	576,914	2,162,157	360,862	518,459	1,947,584	489,474	30,248	6,181,744
At March 31, 2024	96,046	576,914	2,162,157	360,862	518,459	1,947,584	489,474	30,248	6,181,744
Acquisitions	-	4,567	23,944	45,787	229,051	602,037	323,843	3,761	1,232,990
Expenditures with intercrop maintenance (i)	-	-	185,289	113,129	154,070	-	-	-	452,488
Transfer of PP&E/biological assets	-	-	-	-	-	(392,784)	-	-	(392,784)
Cost of sale	-	-	(468)	(5,837)	(3,106)	(8,037)	-	(670)	(18,118)
Transfer between groups	-	73,581	321,534	16,892	(29,536)	21,285	(415,554)	11,798	-
Depreciation	-	(18,907)	(415,490)	(116,367)	(153,811)	-	-	(8,062)	(712,637)
At March 31, 2025	96,046	636,155	2,276,966	414,466	715,127	2,170,085	397,763	37,075	6,743,683
Total cost	96,046	814,054	3,536,132	721,433	1,236,662	2,170,085	397,763	212,101	9,184,276
Accumulated depreciation	-	(177,899)	(1,259,166)	(306,967)	(521,535)	-	-	(175,026)	(2,440,593)
Net book value	96,046	636,155	2,276,966	414,466	715,127	2,170,085	397,763	37,075	6,743,683
Residual value:									
Historical cost	24,760	584,083	2,142,472	402,769	708,698	2,170,085	397,763	37,075	6,467,705
Surplus on revaluation	71,286	52,072	134,494	11,697	6,429	-	-	-	275,978
Annual average depreciation rates/ Transfer of biological assets	-	2%	4%	7%	9%	14%	-	14%	

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Consolidated	Land	Buildings and facilities	Manufacturing equipment and facilities	Vehicles	Agricultural machinery and implements	Sugarcane plantations	Construction in progress	Improvements and other PPE	Total
At March 31, 2023	1,816,755	550,378	1,931,129	361,579	421,743	1,835,265	654,580	35,138	7,606,567
Acquisitions	4,500	4,189	15,184	10,366	96,600	631,989	383,417	1,763	1,148,008
Expenditures with intercrop maintenance (i)	-	-	276,710	95,862	129,218	-	-	-	501,790
Transfer of biological assets	-	-	-	-	-	(527,313)	-	-	(527,313)
Cost of sale	(462)	-	(796)	(2,284)	(1,792)	-	-	(8)	(5,342)
Transfer between groups	-	41,889	425,525	12,635	33,692	7,642	(523,659)	2,276	-
Depreciation	-	(17,538)	(373,806)	(117,297)	(161,002)	-	-	(8,919)	(678,562)
At March 31, 2024	1,820,793	578,918	2,273,946	360,861	518,459	1,947,583	514,338	30,250	8,045,148
Total cost	1,820,793	740,086	3,417,738	634,704	984,047	1,947,583	514,338	197,748	10,257,037
Accumulated depreciation	-	(161,168)	(1,143,792)	(273,843)	(465,588)	-	-	(167,498)	(2,211,889)
Net book value	1,820,793	578,918	2,273,946	360,861	518,459	1,947,583	514,338	30,250	8,045,148
At March 31, 2024	1,820,793	578,918	2,273,946	360,861	518,459	1,947,583	514,338	30,250	8,045,148
Acquisitions	-	4,567	24,285	45,787	229,051	602,037	430,290	3,761	1,339,778
Expenditures with intercrop maintenance (i)	-	-	186,068	113,129	154,070	-	-	-	453,267
Transfer of biological assets	-	-	-	-	-	(392,784)	-	-	(392,784)
Cost of sale	(698)	-	(469)	(5,837)	(3,106)	(8,036)	-	(670)	(18,816)
Transfer between groups	-	81,419	316,926	16,892	(29,536)	21,285	(419,177)	12,191	-
Depreciation	-	(19,113)	(421,135)	(116,367)	(153,811)	-	-	(8,118)	(718,544)
At March 31, 2025	1,820,095	645,791	2,379,621	414,465	715,127	2,170,085	525,451	37,414	8,708,049
Total cost	1,820,095	826,070	3,686,914	721,433	1,236,663	2,170,085	525,451	212,510	11,199,221
Accumulated depreciation	-	(180,279)	(1,307,293)	(306,968)	(521,536)	-	-	(175,096)	(2,491,172)
Net book value	1,820,095	645,791	2,379,621	414,465	715,127	2,170,085	525,451	37,414	8,708,049
Residual value:									
Historical cost	171,543	592,958	2,232,874	402,768	708,698	2,170,085	525,451	37,414	6,841,791
Surplus on revaluation	1,648,552	52,833	146,747	11,697	6,429	-	-	-	1,866,258
Annual average depreciation rates/ Transfer of biological assets	-	2%	4%	8%	9%	14%	-	12%	

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The amount allocated to "Construction in Progress" mainly refers to the construction of the plant for biogas production, which currently amounts to R\$ 127,372 and is expected to be completed by August 2025. Additionally, this group includes projects related to the irrigation plan, the increase in sugar production, and the flexibility in anhydrous production, with an estimated completion date of March 2026.

Some property, plant and equipment items were pledged as collateral for certain borrowings obtained by São Martinho. The carrying amount of these assets pledged as collateral in the consolidated accounts totals R\$ 748,374, of which R\$ 39,144 corresponds to rural properties that cover an area of 1,505 hectares of land.

Financial charges capitalized by the Company during for the year amounted to R\$ 7,023 at an average rate of 8.3% p.a. (R\$ 8,199, at an average rate of 9.9% p.a. on March 31, 2024).

12. Intangible assets

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

Parent	Goodwill based on future profitability (i)	Rights on sugarcane contracts (ii)	Software	Forest easement right	Other intangible assets	Intangible assets under construction	Total
At March 31, 2023	374,632	17,833	8,852	29	1,291	36,498	439,135
Acquisitions	-	-	13,563	-	-	-	13,563
Transfer between groups	-	-	36,294	-	-	(36,294)	-
Amortization	-	(1,064)	(8,330)	-	-	-	(9,394)
At March 31, 2024	374,632	16,769	50,379	29	1,291	204	443,304
Total cost	374,632	42,443	93,296	29	1,291	204	511,895
Accumulated amortization	-	(25,675)	(42,916)	-	-	-	(68,591)
Net book value	374,632	16,768	50,380	29	1,291	204	443,304
At March 31, 2024	374,632	16,768	50,380	29	1,291	204	443,304
Acquisitions	-	-	14,725	(6)	-	(204)	14,515
Amortization	-	(4,192)	(13,176)	-	-	-	(17,368)
At March 31, 2025	374,632	12,576	51,929	23	1,291	-	440,451
Total cost	374,632	42,443	108,020	23	1,291	-	526,409
Accumulated amortization	-	(29,867)	(56,091)	-	-	-	(85,958)
Net book value	374,632	12,576	51,929	23	1,291	-	440,451
Annual average amortization rates	-	10%	20%	-	-	-	-

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at March 31, 2025

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Consolidated	Goodwill based on future profitability (i)	Rights on sugarcane contracts (ii)	Rights on electric power supply contracts	Software	Forest easement right	Other intangible assets	Intangible assets under construction	Total
At March 31, 2023	374,632	17,833	13,334	8,852	11,636	1,291	36,547	464,125
Acquisitions	-	-	-	13,563	-	-	7	13,570
Transfer between groups	-	-	-	36,294	-	-	(36,294)	-
Amortization	-	(1,064)	(13,334)	(8,330)	-	-	-	(22,728)
At March 31, 2024	374,632	16,769	-	50,379	11,636	1,291	260	454,967
Total cost	374,632	42,443	103,401	93,296	11,636	1,291	260	626,959
Accumulated amortization	-	(25,675)	(103,401)	(42,916)	-	-	-	(171,992)
Net book value	374,632	16,768	-	50,380	11,636	1,291	260	454,967
At March 31, 2024	374,632	16,768	-	50,380	11,636	1,291	260	454,967
Acquisitions	-	-	-	14,725	(6)	-	(204)	14,515
Amortization	-	(4,192)	-	(13,176)	-	-	-	(17,368)
At March 31, 2025	374,632	12,576	-	51,929	11,630	1,291	56	452,114
Total cost	374,632	42,443	103,401	108,021	11,630	1,291	56	641,474
Accumulated amortization	-	(29,867)	(103,401)	(56,092)	-	-	-	(189,360)
Net book value	374,632	12,576	-	51,929	11,630	1,291	56	452,114
Annual average amortization rates	-	10%	10%	20%	-	-	-	-

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

Allocation of goodwill	2025	2024
Sugar	181,106	242,960
Ethanol	171,413	122,579
Others	22,113	9,093
	374,632	374,632

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

Impairment of non-financial assets

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

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

On March 31, 2025, 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 sector in which the CGU operates.

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The key assumptions and estimates involved include the estimated selling prices of sugar and ethanol, agricultural and industrial productivity, production costs, and other macroeconomic data. The cash flows were projected over a five-year period.

Main assumptions used by the Company (data from March 31, 2025):

Cash-generating Units	Nominal perpetuity growth rate	Nominal discount rate
São Martinho	5.00%	10.28%

The annual test did not identify any losses for the year ended March 31, 2025.

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

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

Definitions used:

Lease

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

The Company as the Lessee

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

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

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

a) Right-of-use assets

	Parent and Consolidated			
	Vehicles	Agricultural partnership	Agricultural lease	Total
At March 31, 2023	21,094	2,233,580	670,651	2,925,325
Additions	7,664	492,986	2,121	502,771
Reductions	(1,409)	(11,209)	-	(12,618)
Remeasurement	-	(107,781)	17,010	(90,771)
Depreciation	(18,660)	(419,683)	(96,767)	(535,110)
At March 31, 2024	8,689	2,187,893	593,015	2,789,597
Additions	60,325	377,147	40,583	478,055
Reductions	(285)	-	-	(285)
Remeasurement	-	57,420	(3,639)	53,781
Depreciation	(15,360)	(454,752)	(98,401)	(568,513)
At March 31, 2025	53,369	2,167,708	531,558	2,752,635
Useful lives (years)	1 to 2	2 to 29	2 to 20	

b) Leases and agricultural partnerships payable

	Parent and Consolidated			
	Vehicles	Leases payable	Agricultural partnership	Total
At March 31, 2023	20,107	681,976	2,339,688	3,041,771
Offset of advances	-	-	(137,683)	(137,683)
Additions	7,663	2,121	492,987	502,771
Reductions	(1,603)	-	(22,386)	(23,989)
Payments made	(20,618)	(134,709)	(520,734)	(676,061)
Financial charges	2,135	62,821	193,766	258,722
Remeasurement	-	17,010	(107,781)	(90,771)
At March 31, 2024	7,684	629,219	2,237,857	2,874,760
Offset of advances	-	-	(170,097)	(170,097)
Additions	60,325	40,583	377,147	478,055
Reductions	(993)	-	-	(993)
Payments made	(24,822)	(137,165)	(517,194)	(679,181)
Financial charges	3,658	71,466	199,004	274,128
Remeasurement	-	(3,640)	57,421	53,781
At March 31, 2025	45,852	600,463	2,184,138	2,830,453
Total in current liabilities	19,530	93,955	577,005	690,490
Total in non-current liabilities	26,322	506,508	1,607,133	2,139,963
At March 31, 2025	45,852	600,463	2,184,138	2,830,453

The balance of long-term lease agreements and agricultural partnerships payable is shown below:

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Maturity	Parent and Consolidated
From 4/1/2026 to 3/31/2027	681,314
From 4/1/2027 to 3/31/2028	510,873
From 4/1/2028 to 3/31/2029	420,960
From 4/1/2029 to 3/31/2030	342,306
From 4/1/2030 to 3/31/2031	303,322
From 4/1/2031 to 3/31/2032	249,357
From 4/1/2032 to 3/31/2033	213,915
From 4/1/2033 onwards	708,388
(-) Adjustment to present value	(1,290,472)
	2,139,963

The table below shows the potential rights to PIS/COFINS credits built-in in lease payments:

Parent and Consolidated	Agricultural lease	Adjustment to present value
Lease payment	881,534	284,364
Potentially recoverable PIS/COFINS credits (9.25%)	(61,022)	(18,843)
	820,512	265,521

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

Parent and Consolidated	
Contract terms	Incremental rate
2 years	9.29%
3 years	8.92%
4 years	9.77%
5 years	10.50%
6 years	10.72%
7 years	10.29%
8 years	11.04%
9 years	9.32%
10 years	10.69%
11 years	10.99%
From 12 to 30 years	10.61%

14. Trade payables

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	Parenty		Consolidated	
	2025	2024	2025	2024
Sugar cane (i)	137,663	46,296	130,675	25,187
Corn	3	-	3	-
Materials, services and others	267,464	375,916	274,315	383,403
	405,130	422,212	404,993	408,590

(i) Trade payables relate to the supply of sugarcane, as well as to any price adjustment calculated using the TRS (Total Recoverable Sugar) index disclosed by CONSECANA.

Of the total amount of trade payables, R\$ 7,551 in the Parent, and R\$ 185 in the Consolidated (R\$ 19,071 and R\$ 179 in the Parent and Consolidated, respectively, at March 31, 2024) refer to related parties (Note 9).

15. Obligations and rights with Copersucar

As part of the withdrawal process from Copersucar, the Company entered into an agreement for obligations and rights that are still in force. The main obligations and rights are detailed below:

a) Obligations:

Copersucar provided funds, through bills of exchange, to its members, including the Company during the period of its association, for the purpose of financing their operations. These funds were obtained by the Cooperative from temporary cash surpluses arising from preliminary injunctions in lawsuits claiming suspension of the enforceability of taxes. These cash surpluses relate to provisions for contingencies recorded by the Cooperative as non-current liabilities. However, in the event of unfavorable outcomes in the lawsuits, the Company may be required to reimburse the amount within 120 days.

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

Parent and Consolidated	2025	2024
REFIS - Copersucar - Restated by reference to SELIC rate	-	8,303
Exchange Bill (LC) - Restated by reference to SELIC rate	82,218	79,670
Exchange Bill (LC) - Transfer of funds with no charges	52,356	52,356
Expenses with tax proceedings	2,402	39,416
Others	2,300	2,300
	139,276	182,045
Current liabilities	-	(8,336)
Non-current liabilities	139,276	173,709

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

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

b) Rights:

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

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

In June 2017, the 1st court-ordered debt security of R\$ 5.6 billion was issued (of which R\$ 730.5 million is due to the Company), and in June 2018, the 2nd court-ordered debt security of R\$ 10.6 billion (of which R\$ 1.4 billion is due to the Company) was issued. In March 2024, the last installment of the 2nd court-ordered debt security was settled and the 3rd court-ordered debt security was issued and settled (R\$286.3 million due to the Company), relating to the amount of R\$2.2 billion that was under dispute.

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

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

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Upon transferring the funds, Copersucar withheld a portion to cover legal costs related to the dispute about the levy of PIS and COFINS on the compensation received, while undertaking to transfer the corresponding amounts in the event of a favorable outcome. At March 31, 2024, and 2025, the balance receivable from Copersucar, of R\$ 367,826, was recognized under "Rights with Copersucar". The Company, in line with the measures taken by Copersucar, also filed a lawsuit, claiming the suspension of the levy of IRPJ/CSLL/PIS/COFINS, supported by a judicial deposit provided for under "Taxes with suspended payment".

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

Of the amount of R\$ 369,560 recorded under Rights with Copersucar, R\$ 367,826 refers to PIS and COFINS withheld on transfers from the IAA (Instituto de Açúcar e do Alcool) as mentioned above, and R\$ 1,734, to other amounts receivable.

16. Borrowings

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

Type	Annual charges		Parent		Consolidated	
	Rate	Index	2025	2024	2025	2024
In local currency						
BNDES credit facility	2,1%	+TJLP	76.937	90.619	76.937	90.619
BNDES II credit facilities	4,2%	+IPCA	1.347.807	1.261.389	1.393.676	1.302.977
BNDES III credit facilities(ii)	5,6%	Fixed rate	134.816	183.246	134.816	183.246
BNDES IV credit facilities	2,7%	+ Referential Rate (TR)	253.012	-	253.012	-
FINEP	-	-	-	3.377	-	3.377
FINEP II	2,7%	+ Referential Rate (TR)	140.975	140.894	140.975	140.894
Agro Export	101,0%	CDI	97.954	104.370	97.954	104.370
ABC (Inovacred)	5,6%	+ Referential Rate (TR)	28.636	-	28.636	-
Rural credit	-	-	-	185.723	-	185.723
Rural credit II	8,5%	Fixed rate	9.503	-	9.503	-
Rural credit III	100,0%	CDI	5.377	-	5.377	-
Agribusiness Receivable Certificate (CRA)	99,0%	CDI	1.953.079	922.970	1.953.079	922.970
Agribusiness Receivable Certificate (CRA II iii)	-	-	-	293.778	-	293.778
Debentures (iii)	6,0%	+IPCA	2.447.440	2.317.491	2.447.440	2.317.491
International Finance Corporation (IFC)	1,4%	+CDI	277.816	309.628	277.816	309.628
Other securitized credits	-	-	-	28	-	28
Total in local currency			6.773.352	5.813.513	6.819.221	5.855.101
In foreign currency						
Export prepayment (PPE)	1,6%	6M Sofr	58.755	301.379	58.755	301.379
International Finance Corporation (IFC) (v)	1,3%	6M Sofr	1.211.485	380.338	1.211.485	380.338
Total in foreign currency			1.270.240	681.717	1.270.240	681.717
TOTAL (i)			8.043.592	6.495.230	8.089.461	6.536.818
Total in current liabilities			903.719	1.094.298	906.297	1.096.406
Total in non-current liabilities			7.139.873	5.400.932	7.183.164	5.440.412
			8.043.592	6.495.230	8.089.461	6.536.818

- (i) In these financial statements, total costs of liabilities in local and foreign currency were calculated based on the terms of the portfolios, and on Interbank Deposit (DI) and Secured Overnight Financing Rate (SOFR) yield curves.

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- (ii) 79.4% of the BNDES credit facilities at fixed rate is linked to 53.5% of the DI rate, through a swap contract.
- (iii) 25.5% debentures are linked to the DI rate +1.1% p.a., 22.9% to the DI rate + 1.4% p.a., and the remaining 51.6%, to 108.2% of the DI rate, through a swap contract.
- (iv) 21.6% of the borrowing with *International Finance Corporation* (IFC) is linked to the DI rate +1.15% p.a. through a swap contract.

Long-term swaps are highly susceptible to fluctuations in future inflation curves, notably the Extended Consumer Price Index (IPCA), which can significantly affect their fair value over time. Nevertheless, it is essential to note that, at the end of the contracts, the effective cost will be firmly tied to the CDI rate plus a fixed percentage, which provides a clear and stable financial outlook.

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

Changes in debt	Parent		Consolidated	
	2025	2024	2025	2024
At the beginning of the year	6,495,230	6,584,333	6,536,818	6,623,883
Proceeds from borrowings	2,472,597	573,721	2,476,779	573,721
Repayment of principal	(1,108,739)	(812,990)	(1,110,720)	(812,990)
Payment of interest	(544,934)	(455,230)	(546,400)	(456,637)
Provision for interest/indexation accruals	709,135	623,514	712,681	626,959
Foreign exchange effects	20,303	(18,118)	20,303	(18,118)
At the end of the year	8,043,592	6,495,230	8,089,461	6,536,818

Long-term borrowings mature as follows:

	Parent	Consolidated
From 4/1/2026 to 3/31/2027	566,587	568,774
From 4/1/2027 to 3/31/2028	713,045	715,300
From 4/1/2028 to 3/31/2029	949,868	952,195
From 4/1/2029 to 3/31/2030	1,306,788	1,309,189
From 4/1/2030 to 3/31/2031	616,605	619,083
From 4/1/2031 to 3/31/2032	1,114,307	1,116,864
From 4/1/2032 to 3/31/2033	310,367	313,007
From 4/1/2033 to 3/31/2034	278,692	281,417
From 4/1/2034 to 3/31/2035	434,921	437,734
From 4/1/2035 onwards	848,693	869,601
	7,139,873	7,183,164

In these financial statements, R\$ 748,374 of São Martinho's debt is backed by assets, being approximately 95% by equipment, vehicles, buildings and facilities, and approximately 5% by land. In addition, the Company has a contract secured by receivables from the sale of electric power.

On the reporting date, the carrying amounts of borrowings approximate their fair value. The fair values are based on discounted cash flows using a borrowing rate of

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12.5% p.a. (10.0% p.a. at March 31, 2024)) and are classified within Level 2 of the fair value hierarchy.

Covenants

The Company has contracts amounting to R\$ 6,533,590 that contain restrictive non-financial and financial covenants, such as cross-default and negative pledge clauses, and are tied to the compliance with certain financial ratios, such as the ratio of Net Debt (total cash, cash equivalents, and financial investments minus borrowings) to Adjusted EBITDA (starting from accounting EBITDA and adjusted upward or downward, with the primary adjustment relating to the depreciation of agricultural contracts as defined by IFRS 16). These covenants are required and assessed annually and are in compliance as of the current financial statements. The Company expects to remain in compliance with the covenants for the 12 months following the reporting date.

17. Equity

a) Share capital

At March 31, 2025, share capital amounted to R\$ 4,445,1927 (R\$ 3,941,717 at March 31, 2024), represented by 332,435,391 (346,375,066 at March 31, 2024) registered common shares without par value.

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

At the Extraordinary General Meeting held on July 26, 2024, the stockholders approved a capital increase of R\$ 503,475, without the issue of new shares, through the capitalization of the Tax incentive reserve.

b) Treasury shares

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

The Board of Directors' meeting held on September 30, 2024 approved the cancellation of 13,939,675 treasury shares, and the opening of the 8th Share Buyback Program limited to 10,000,000 shares.

Changes in the year were as follows:

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	2024	Acquisition of shares	Payment of bonus with treasury shares	Cancellation of shares	2025
Quantity	544,400	17,532,000	(279,125)	(13,939,675)	3,857,600
Average price (in R\$)	29.99	28.31	(28.19)	(29.73)	23.41
Total amount	16,325	496,309	(7,869)	(414,442)	90,323

c) Carrying value adjustments

Deemed cost

These adjustments arose from 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 made through depreciation, write-off, or sale of the related assets. The realized amounts are transferred to "Retained earnings"

Hedge accounting fair value

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

d) Revenue reserves

Legal reserve

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

Capital budget reserve

This reserve is for future funding of investments in projects to increase the production capacity and improve processes, and for working capital purposes.

Unrealized profit reserve

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

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

Tax incentive reserve

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

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

The amount of this tax incentive for the year was recorded in the statement of profit or loss under "Deductions from gross revenue" reducing the "ICMS payable" account. Since this amount may not be allocated as dividends, a tax incentive reserve was set up at the amount determined for the grant up to December 31, 2023, with a corresponding entry to "Retained earnings".

The amount of R\$ 333,607 was transferred from Retained earnings to Tax incentive reserve, impacting the parent and consolidated results in the financial statements at March 31, 2024. Of this amount, R\$ 77,942 related to ICMS Produzir and R\$ 255,665 to other ICMS tax incentives pursuant to the Superior Court of Justice resolution on Repetitive Theme 1182 (Note 21.4) (up to December 31, 2023). Following the change in legislation, law No. 14,789/23 established the taxation of tax incentives, and consequently, the allocation to the profit reserve is no longer required.

e) Dividends and interest on capital

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

The Board of Directors' meeting held on June 17, 2024 approved the prepayment of stockholders' compensation, in the gross amount of R\$ 150,000, paid as interest on capital; afterwards, on December 9, 2024, the Board of Directors' meeting approved the prepayment of stockholders' compensation, in the gross amount of R\$ 150,000, also paid as interest on capital. The interest on capital paid was deducted from the dividends computed for the current year.

At the Annual General Meeting held on July 26, 2024, the stockholders approved the payment of additional dividends of R\$ 134,047, as proposed by management for the year ended March 31, 2024. This amount, increased by R\$ 16,056 from the realization of unrealized profit reserve, totaled R\$ 150,103, which was paid to the stockholders on August 13, 2024.

In accordance with the Compensation Policy (Dividends), the stockholders are entitled to a dividend and/or interest on capital of at least 40% of the annual cash

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profit, as shown in the table below and in the financial letter released 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.

The minimum distribution of 40% of the cash profit may not take place, upon recommendation of the Board of Directors, in the following hypotheses:

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

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

Cash profit calculation	2025	2024
EBT	502,774	1,786,621
IR/CS - book value	53,957	(310,342)
Profit for the year	556,731	1,476,279
Non-cash effect of IFRS on EBT	228,761	133,541
IR/CS - book value	(53,957)	310,342
IR/CS paid	(22,083)	(17,889)
Judicial deposit (IR/CS IAA)	-	(203,406)
Adjustment of biological assets	62,654	10,314
Cash profit	772,106	1,709,181
Dividend policy (i)	300,000	267,215
Unrealized profit reserve	-	16,057
Total profit to be distributed	300,000	283,272

- (i) On March 31, 2024, the Board of Directors approved the payment of minimum mandatory dividends of 25%.

The table below shows the proposed allocation of profit for the year.

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	2025	2024
Profit (loss) for the year	556,731	1,476,279
Transfer to legal reserve - 5%	(27,837)	(73,814)
Transfer to tax incentive reserve	-	(333,607)
Minimum mandatory dividend calculation basis	528,894	1,068,858
Minimum mandatory dividend - 25%	132,224	267,215
Interest on capital paid	300,000	155,000
IRRF on interest on capital	(42,689)	(21,832)
Minimum mandatory dividends payable	-	134,047
Prepaid dividends (i)	125,087	-
Recognition of unrealized revenue reserve, outstanding	-	16,057
Total	257,311	283,272
Dividends per share	0.7831	0.8191
Quantity of shares, net of treasury shares - March 31	328,578	345,831

- (i) The balance of Interest on capital approved during the year exceeded the minimum mandatory dividends. The amount of R\$ 125,087, presented as prepaid dividends, relates to the surplus of Interest on capital approved in relation to the mandatory minimum dividend.

18. Profit sharing

As part of its policy, the Company manages a profit-sharing program for its employees, linked to a pre-agreed plan of operating and financial targets. The amounts of profit sharing for the year totaled R\$ 93,005 in the Parent company, and R\$ 93,395 in the Consolidated (R\$ 80,240 and R\$ 80,645 in the Parent company and Consolidated, respectively, on March 31, 2024).

19. Income tax and social contribution

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

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

The Company has adopted IFRIC 23/ICPC 22 - Uncertainty over Income Tax Treatments, which addresses the accounting for income taxes in cases where the tax treatments involve uncertainty that affects the application of IAS 12 (CPC 32). The entity must determine whether to consider each uncertain tax treatment

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separately or in combination 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 effects from the adoption of this interpretation.

a) Balances

	Parent		Consolidated	
	2025	2024	2025	2024
Current assets				
. Income tax and social contribution recoverable	75,301	73,313	75,900	73,355
Debts in current liabilities				
. Income tax and social contribution payable		-	5,834	9,470

b) Changes in deferred income tax and social contribution balances

Parent	2024	Recognized in the statement of profit or loss	Recognized in other comprehensive income	2025
Income tax and social contribution losses	3,446	26,430	-	29,876
Exclusion of IRPJ/CSLL on tax overpayments (i)	6,937	-	-	6,937
Derivative financial instruments	(43,826)	90,507	(35,193)	11,488
Provision for contingencies and other liabilities	166,313	(1,580)	-	164,733
Foreign exchange gains	27,617	(4,777)	-	22,840
Biological assets and agricultural produce	72,848	21,007	-	93,855
Leases	89,824	74,736	-	164,560
Other receivables	30,385	(10,618)	-	19,767
Total deferred income and social contribution tax assets	353,544	195,705	(35,193)	514,056
Surplus on revaluation of PP&E (deemed cost)	(100,417)	6,391	-	(94,026)
Accelerated depreciation incentive	(464,238)	(86,390)	-	(550,628)
Tax benefit on merged goodwill	(197,959)	-	-	(197,959)
Foreign exchange losses	(48,114)	11,527	-	(36,587)
Other liabilities	(4,551)	(64,006)	-	(68,557)
Total deferred income and social contribution tax liabilities	(815,279)	(132,478)	-	(947,757)
Deferred income tax and social contribution	(461,735)	63,227	(35,193)	(433,701)

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

Consolidated	2024	Recognized in the statement of profit or loss	Recognized in other comprehensive income	Consolidation adjustment - Rights on electric power contracts	2025
Income tax and social contribution losses	3,446	26,430	-	-	29,876
Exclusion of IRPJ/CSLL on tax overpayments (i)	6,937	-	-	-	6,937
Derivative financial instruments	(43,826)	90,507	(35,193)	-	11,488
Provision for contingencies and other liabilities	166,313	(1,580)	-	-	164,733
Foreign exchange gains	27,617	(4,777)	-	-	22,840
Biological assets and agricultural produce	72,848	21,007	-	-	93,855
Leases	89,824	74,736	-	-	164,560
Other receivables	30,385	(10,520)	-	-	19,865
Total deferred income and social contribution tax assets	353,544	195,803	(35,193)	-	514,154
Surplus on revaluation of PP&E (deemed cost)	(453,118)	6,597	-	-	(446,521)
Accelerated depreciation incentive	(464,238)	(86,390)	-	-	(550,628)
Tax benefit on merged goodwill	(197,959)	-	-	-	(197,959)
Intangible assets	(1,151)	-	-	56	(1,095)
Gain from change in interest held in CTC	(5,068)	-	-	-	(5,068)
Foreign exchange losses	(48,114)	11,527	-	-	(36,587)
Other liabilities	(5,249)	(64,008)	-	-	(69,257)
Total deferred income and social contribution tax liabilities	(1,174,897)	(132,274)	-	56	(1,307,115)
Deferred income tax and social contribution	(821,353)	63,529	(35,193)	56	(792,961)

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

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

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

Deferred income tax and social contribution liabilities are realized mainly through the depreciation and disposal of the underlying property, plant and equipment items.

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

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

On September 24, 2021, the Supreme Court ("STF") judgment on RE No. 1.063.187, with general repercussion (Topic 962), unanimously ruled as unconstitutional the levy of income taxes on indexation/interest accruals (Selic rate) received by taxpayers as refunds for tax overpayments.

Based on this decision, and in accordance with ICPC 22 / IFRIC 23 - Uncertainty over Tax Treatments, the Company recognized R\$ 15,920 as current and deferred income tax assets for the year, as follows: R\$ 8,983 as income tax (IRPJ) and social contribution (CSLL) recoverable for the periods when the Company recorded actual profit, presented in non-current assets; The remaining R\$ 6,937 relates to the

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recomposition of tax losses for the periods in which the Company recorded tax loss carryforwards and to the use of excess tax losses resulting from the taxation at the Selic rate, offset against non-current liabilities under Deferred income tax and social contribution.

c) Reconciliation of the income tax and social contribution expense

	Parent		Consolidated	
	2025	2024	2025	2024
Profit before taxes	479.786	1.767.060	502.774	1.786.621
Income tax and social contribution at nominal rates (34%)	(163.127)	(600.800)	(170.943)	(607.451)
Adjustments for calculation of the effective tax rate:				
. Equity in the results of investees	85.554	79.583	3.215	2.828
. Permanent (additions) exclusions, net	(3.897)	(2.377)	(3.965)	(2.377)
. Cbios	26.471	31.786	26.471	31.786
. Interest on capital	102.000	52.700	102.000	52.700
. State subsidy (Produzir/granted)	-	113.421	-	113.421
. Tax credit arising from subsidy (Law 14.789/2023)	19.305	-	19.305	-
. Tax incentives	468	-	484	-
. Adjustment to the calculation relating to subsidiary taxed based on deemed profit	-	-	67.184	63.833
. Recognition of income tax and social contribution credits from prior years	(4.168)	19.989	(4.168)	19.989
. "Lei do Bem"	14.317	14.917	14.317	14.917
. Others	22	-	57	12
Income tax and social contribution expenses	76.945	(290.781)	53.957	(310.342)
Income tax and social contribution at the effective rate	-16,0%	16,5%	-10,7%	17,4%
Current income tax and social contribution	13.718	(494.679)	(9.572)	(514.421)
Deferred income tax and social contribution	63.227	203.898	63.529	204.079

20. Commitments

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

Riparian forests and Legal Reserve areas

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

São Martinho's commitment to adopt the best environmental practices and sustainable actions is confirmed through full compliance with the Forest Code and other environmental legislation regarding Permanent Preservation (PPA) and Legal

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Reserve (LR) Areas. The Company has registered all its properties with the Rural Environmental Register (CAR) and adhered to the Environmental Regularization Program (PRA), which awaits legal regulation to be implemented

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

Sales commitments

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

	Up to 1 year	From 2 to 3 years	More than 3 years
Ethanol (m³)	184,647	96,000	480,000
Sugar (metric tons)	1,391,304	1,290,599	2,000,000
Electric power (Mwh)	768,791	827,244	4,851,726
Biomethane (m³)	3,629,599	39,692,722	99,960,122

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

Purchases of inputs and corn

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

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

21. Provision for contingencies

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

21.1 Probable losses

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

	Parent			
	Tax claims	Civil and environmental claims	Labor claims	Total
At March 31, 2023	16,247	7,681	86,778	110,706
Additions	1,100	935	46,238	48,273
Reversals	(1,177)	(246)	(12,194)	(13,617)
Utilization	(488)	(1,960)	(38,033)	(40,481)
Interest/indexation accruals	6,148	126	12,096	18,370
At March 31, 2024	21,830	6,536	94,885	123,251
Additions	4,222	2,158	51,206	57,586
Reversals	(3,529)	(314)	(13,894)	(17,737)
Utilization	(1,487)	(1,418)	(45,332)	(48,237)
Interest/indexation accruals	(9,464)	1,171	12,078	3,785
At March 31, 2025	11,572	8,133	98,943	118,648

	Consolidated			
	Tax claims	Civil and environmental claims	Labor claims	Total
At March 31, 2023	16,247	8,516	86,778	111,541
Additions	1,100	1,040	46,238	48,378
Reversals	(1,177)	(249)	(12,194)	(13,620)
Utilization	(489)	(2,062)	(38,033)	(40,584)
Interest/indexation accruals	6,148	207	12,096	18,451
At March 31, 2024	21,829	7,452	94,885	124,166
Additions	5,330	2,158	51,206	58,694
Reversals	(5,442)	(315)	(13,894)	(19,651)
Utilization	(1,494)	(1,418)	(45,332)	(48,244)
Interest/indexation accruals	(7,277)	1,267	12,078	6,068
At March 31, 2025	12,946	9,144	98,943	121,033

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

Tax lawsuits:

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

Civil and environmental lawsuits:

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

Labor lawsuits:

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

21.2 Judicial deposits

	Parent			Consolidated		
	IAA (i)	Others	Total	IAA (i)	Others	Total
At March 31, 2023	1,051,683	37,289	1,088,972	1,051,683	37,293	1,088,976
Additions	266,640	5,222	271,862	266,640	5,227	271,867
Utilization	-	(8,760)	(8,760)	-	(8,758)	(8,758)
Interest/indexation accruals	137,262	1,860	139,122	137,262	1,866	139,128
At March 31, 2024	1,455,585	35,611	1,491,196	1,455,585	35,628	1,491,213
Additions	401,013	7,021	408,034	401,013	7,041	408,054
Utilization	-	(7,451)	(7,451)	-	(7,451)	(7,451)
Interest/indexation accruals	155,090	2,139	157,229	155,090	2,139	157,229
At March 31, 2025	2,011,688	37,320	2,049,008	2,011,688	37,357	2,049,045

(i) Note 15 (b))

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

21.3 Possible risk of losses

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

Nature		Parent				Consolidated			
		2025		2024		2025		2024	
		Number of proceedings	Amount	Number of proceedings	Amount	Number of proceedings	Amount	Number of proceedings	Amount
Environmental		88	9,694	95	9,671	88	9,694	95	9,671
Civil		47	26,231	68	26,671	119	37,539	145	36,690
Labor claims		61	24,402	78	16,379	61	24,402	79	16,400
Tax claims									
Social security contribution	(i)	5	64,239	8	102,455	7	64,367	8	102,455
Computation of IRPJ/CSLL	(ii)	3	101,426	4	213,447	4	101,591	4	213,447
Offset of federal taxes	(iii)	60	198,851	74	192,523	66	204,442	81	207,197
ICMS	(iv)	17	112,233	18	103,534	17	112,233	18	103,534
Federal taxes	(v)	1	2,011,688	1	1,455,585	1	2,011,688	1	1,455,585
Other lawsuits	(vi)	4	17,604	9	16,582	6	17,872	12	16,029
Total		286	2,566,368	355	2,136,847	369	2,583,828	443	2,161,008

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

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All amounts in thousands of reais unless otherwise stated

- (ii) Refer to the exclusion of expenses related to incentivized accelerated depreciation from the income tax and social contribution tax base, as provided for in Article 325 of the Income Tax Regulations (RIR)/2018).
- (iii) Relate to requests to offset and refund IRPJ, CSLL, PIS, COFINS, and other federal taxes for overpayments and/or tax losses, and tax credits proportional to the export revenue, which have been rejected by the Brazilian Federal Revenue Service (RFB).
- (iv) ICMS: a) challenge of credits based on the Control of ICMS Credit on Permanent Assets (CIAP); b.) allegedly undue ICMS credits granted under the "PRODUZIR" Program; c) ICMS-ST levied on interstate sales of ethanol; d) ICMS improperly levied on sales of yeast intended for animal feed, which are exempt from this tax.
- (v) The lawsuit relates to the levy of IRPJ/CSLL/PIS/COFINS on court-ordered debt payment received pursuant to the Sugar Pricing Lawsuit filed against the Sugar and Alcohol Institute IAA (Instituto de Açúcar e do Alcool) (Note 15).
- (vi) Other tax disputes: a) fee payable to the National Department of Mineral Research (DNPM); b.) levy of Property Transfer Tax (ITBI) on a merger transaction; c) Municipal Real Estate Tax (IPTU) collection claims; d.) Supplementary collection of Rural Property Tax (ITR); f) improper deduction of goodwill (joint and several liability).

Other proceedings:

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

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

Labor claims are mainly related to notices of infraction served up by the Ministry of Labor, public civil actions and/or annulment actions to cancel these notices.

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

The ICMS tax benefits received by the Company under the State of Goiás Produzir Program continue to be recognized and accounted for as an investment grant under Revenue reserves, in accordance with the requirements set forth in Supplementary Law 160/2017, and Law 12.973/2014 up to December 31, 2023.

Regarding the other based on the decision of the Superior Court of Justice (STJ) (Topic 1.182) and on the legal advisors' opinion, on December 31, 2023, the Company excluded the other tax benefits (ICMS deferral, reduction of tax base and tax rate, among others) from the IRPJ and CSLL calculations.

Accordingly, in view of the trial court rulings and the STJ decision on the topic, the Company excluded the amount of R\$ 255,665 (recorded as Tax incentive reserve) from the calculation of income tax and social contribution on these benefits for the period ended December 31, 2023, which resulted in a tax reduction of R\$ 86,926. For periods prior to 2023, the exclusions from the income tax and social contribution calculations and the corresponding accounting records will only be made after a final decision on the matter has been rendered.

With respect to the exclusion of tax incentives from the calculation of income tax and social contribution, pursuant to STJ decision (Topic 1.182), management believes that a successful outcome in the dispute is possible, based on the assessment of its legal counsel and considering the current case law.

22 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.

22.1 Market risks

a) Foreign exchange risk

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

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

Assets and liabilities exposed to exchange variation

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

Notes to the financial statements at March 31, 2025

All amounts in thousands of reais unless otherwise stated

Consolidated	2025	Equivalent to thousands of US\$
Current and non-current assets		
Cash and cash equivalents (banks - demand deposits)	897,663	156,344
Trade receivables	209,481	36,485
Derivative financial instruments	258,849	45,083
(+) Total assets	1,365,993	237,912
Current and non-current liabilities:		
Borrowings	1,270,240	221,211
Derivative financial instruments	259,005	45,106
(-) Total liabilities	1,529,245	266,317
Subtotal assets (liabilities)	(163,252)	(28,405)
Borrowings in foreign currency	1,270,240	221,211
Net asset exposure	1,106,988	192,806

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

These assets and liabilities were adjusted and recorded at the exchange rate in effect at the reporting date: R\$ 5.7416 per US\$ 1.00 for assets, and R\$ 5.7422 per US\$ 1.00 for liabilities.

b) Commodity price volatility risk

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

c) Cash flow and fair value interest rate risk

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

d) Market risk sensitivity analysis

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

Notes to the financial statements at March 31, 2025

All amounts in thousands of reais unless otherwise stated

Consolidated	Risk factor	Impacts on P/L	
		Notional (US\$ thousand)	Probable scenarios 5%
Cash and cash equivalents	Decrease in exchange rate - R\$/US\$	55,124	(15,827)
Trade receivables	Decrease in exchange rate - R\$/US\$	12,043	(3,458)
Borrowings	Increase in exchange rate - R\$/US\$	232	(67)
Derivative financial instruments			
Currency forward contracts	Increase in exchange rate - R\$/US\$	1,772	(89)
Futures price (sugar and ethanol)	Increase in commodity futures prices	909	(45)
Swap contracts	Decrease in exchange rate - R\$/US\$ and increase in the yield curve	552,000	(6,782)
Net exposure		622,080	(26,268)

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

e) Financial instruments

São Martinho elected to use hedge accounting to record the following derivative financial instruments: a) derivatives of sugar, ethanol and foreign currency - US dollar; and b) foreign currency debts - US dollar - that cover sales of the 2023/24 to 2025/26 crop seasons and were classified as cash flow hedges of highly probable expected transactions (future sales).

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

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

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

The balances of assets and liabilities related to transactions involving derivative financial instruments and their respective maturities are presented below, based on the measurement methods described in Note 23.2:

Notes to the financial statements

at March 31, 2025

All amounts in thousands of reais unless otherwise stated

Parent and Consolidated	2025			
	Contracted amount/volume	Average price/rate	Notional value - R\$	Fair value - R\$
In current assets - Gain				
Margin deposit				22,511
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Sale commitment	82,198	19.41 U\$/lb	201,976	6,195
. Purchase commitment	35,155	17.62 U\$/lb	78,416	5,360
Commodity futures contracts - Soybean				
. Sale commitment	9,000	1,067.09 US\$/metric tons	9,604	301
Commodity forward contracts - Sugar #11				
. Sale commitment	2,591	18.72 U\$/lb	6,140	23
Currency forward contracts (NDF) - US\$ - OTC				
. Sale commitment	192,612	6.03 US\$/R\$	1,161,816	17,995
. Purchase commitment	1,632	5.55 US\$/R\$	9,050	653
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Bidding position in call options	144,787	20.75 U\$/lb	380,329	1,761
. Bidding position in put options	193,659	18.83 U\$/lb	461,636	26,683
Total derivative financial instruments in current assets				81,482
In non-current assets - Gain				
Interest rate swap contracts - OTC				177,367
Total derivative financial instruments in non-current assets				177,367

Parent and Consolidated	2025			
	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	135,338	18.24 U\$/lb	312,505	9,875
. Purchase commitment	5,791	19.19 U\$/lb	14,068	254
Commodity futures contracts - Urea				
. Purchase commitment	2,250	375.00 US\$/metric tons	844	14
Commodity forward contracts - Sugar #11				
. Sale commitment	12,955	18.37 U\$/lb	30,127	686
Currency forward contracts (NDF) - US\$ - OTC				
. Sale commitment	124,614	5.74 US\$/R\$	714,848	23,219
. Purchase commitment	3,730	5.99 US\$/R\$	22,339	386
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Short position in call options	338,446	21.32 U\$/lb	913,458	18,205
Interest rate swap contracts - OTC				154,367
Total derivative financial instruments in current liabilities				207,006
In non-current liabilities - Loss				
Interest rate swap contracts - OTC				51,999
Total derivative financial instruments in non-current liabilities				51,999

Notes to the financial statements at March 31, 2025

All amounts in thousands of reais unless otherwise stated

Parent and Consolidated	2024			
	Contracted amount/volume	Average price/rate	Notional value - R\$	Fair value - R\$
<u>In current assets - Gain</u>				
Margin deposit				30,292
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Sale commitment	62,589	23.56 U\$/lb	162,423	8,913
. Purchase commitment	57,712	22.09 U\$/lb	140,422	5,906
Commodity futures contracts - Corn				
. Purchase commitment	87,750	60.40 R\$/sc	5,300	91
Commodity futures contracts - Ethanol				
. Sale commitment	150	2,210.00 R\$/m³	332	1
Commodity forward contracts - Sugar #11				
. Sale commitment	9,703	22.93 U\$/lb	24,507	585
Currency forward contracts (NDF) - US\$ - OTC				
. Sale commitment	117,764	5.16 US\$/R\$	607,662	10,062
. Purchase commitment	10,092	5.03 US\$/R\$	50,763	474
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Bidding position in call options	67,872	24.78 U\$/lb	185,253	2,396
. Bidding position in put options	216,723	23.21 U\$/lb	554,056	39,173
Interest rate swap contracts - OTC				5,315
Total derivative financial instruments in current assets				103,208
<u>In non-current assets - Gain</u>				
Currency forward contracts (NDF) - US\$ - OTC				
. Purchase commitment	590	5.18 US\$/R\$	3,056	21
Interest rate swap contracts - OTC				207,877
Total derivative financial instruments in non-current assets				207,898

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

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

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

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All amounts in thousands of reais unless otherwise stated

Financial instruments designated for hedge accounting at March 31, 2025:

Parent and Consolidated	Assets	Liabilities	Total in other comprehensive income
Financial instruments:			
Commodity derivatives - Futures, options and forward contracts	20,525	11,038	9,487
Foreign exchange derivatives - Options / NDF	15,846	22,575	(6,729)
Foreign exchange differences on borrowings (Trade Finance)	536	136,575	(136,039)
	36,907	170,188	(133,281)
Deferred taxes on the items above	(12,548)	(57,864)	45,316
	24,359	112,324	(87,965)

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 and Consolidated	25/26 crop	Total
Derivative financial instruments:		
Commodity derivatives - Futures, options and forward contracts	9,487	9,487
Foreign exchange derivatives - Options / NDF	(6,729)	(6,729)
Foreign exchange differences on borrowings (Trade Finance)	(136,039)	(136,039)
	(133,281)	(133,281)
Deferred taxes on the items above	45,316	45,316
	(87,965)	(87,965)

22.2 Credit risk

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

With respect to customer credit risk, São Martinho annually assesses the credit risk associated with each customer, taking into consideration their payment behavior, size, industry, and financial analysis. Additionally, whenever a new customer is added, an individual credit limit is assigned based on the identified risk.

22.3 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.

Notes to the financial statements at March 31, 2025

All amounts in thousands of reais unless otherwise stated

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

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

The table below presents the financial liabilities by maturity groupings, which correspond to the remaining period from the reporting date to the contractual maturity date, based on undiscounted future cash flows:

Parenty	Less than a year	Between one and three years	Over three years	Total
As of March 31, 2025				
Loans and financing	1,238,232	2,429,396	7,631,666	11,299,294
Leases to be paid	161,019	240,394	536,971	938,384
Agricultural partnership payable	846,978	951,793	1,701,277	3,500,048
Derivative financial instruments	207,006	51,999	-	259,005
Trade payables	405,130	-	-	405,130
Other liabilities	9,432	26,368	-	35,800
	2,867,797	3,699,950	9,869,914	16,437,661
As of March 31, 2024				
Loans and financing	1,377,190	2,066,780	5,687,546	9,131,516
Leases to be paid	153,658	255,747	540,305	949,710
Agricultural partnership payable	789,954	922,807	1,773,674	3,486,435
Derivative financial instruments	158,129	13,596	-	171,725
Trade payables	422,212	-	-	422,212
Other liabilities	27,311	-	-	27,311
	2,928,454	3,258,930	8,001,525	14,188,909

Notes to the financial statements at March 31, 2025

All amounts in thousands of reais unless otherwise stated

Consolidated	year	one and	years	Total
As of March 31, 2025				
Loans and financing	1,242,040	2,436,968	7,680,045	11,359,053
Leases to be paid	161,019	240,394	536,971	938,384
Agricultural partnership payable	846,978	951,793	1,701,277	3,500,048
Derivative financial instruments	207,006	51,999	-	259,005
Trade payables	404,994	-	-	404,994
Other liabilities	24,344	26,368	-	50,712
	2,886,381	3,707,522	9,918,293	16,512,196
As of March 31, 2024				
Loans and financing	1,380,441	2,073,255	5,732,961	9,186,657
Leases to be paid	153,658	255,747	540,305	949,710
Agricultural partnership payable	789,954	922,807	1,773,674	3,486,435
Derivative financial instruments	158,129	13,596	-	171,725
Trade payables	408,590	-	-	408,590
Other liabilities	41,407	-	-	41,407
	2,932,179	3,265,405	8,046,940	14,244,524

Notes to the financial statements at March 31, 2025

All amounts in thousands of reais unless otherwise stated

22.4 Capital management

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

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

23 Classification and fair value of financial instruments

23.1 Classification

Financial assets and liabilities are classified as follows:

		Parenty	
	Classification	2025	2024
Financial assets			
Cash and cash equivalents	Amortized cost	898,517	204,467
Financial investments	Fair value through profit or loss	2,084,208	2,743,929
Trade receivables	Amortized cost	457,645	651,856
Derivative financial instruments	Fair value through OCI	81,482	97,914
Derivative financial instruments	Fair value through profit or loss	177,367	213,192
Court deposits	Amortized cost	2,049,008	1,491,196
Other assets, except prepayments	Amortized cost	373,701	374,524
		6,121,928	5,777,078
Financial liabilities			
Loans and financing	Fair value through profit or loss	-	28
Loans and financing	Amortized cost	8,043,592	6,495,202
Derivative financial instruments	Fair value through OCI	52,639	59,734
Derivative financial instruments	Fair value through profit or loss	206,366	111,991
Agricultural leases and partnerships payable	Amortized cost	2,830,453	2,874,760
Trade payables	Amortized cost	405,130	422,212
Other liabilities	Amortized cost	35,800	27,311
		11,573,980	9,991,238

Notes to the financial statements at March 31, 2025

All amounts in thousands of reais unless otherwise stated

		Consolidated	
	Classification	2025	2024
Financial assets			
Cash and cash equivalents	Amortized cost	898,588	204,560
Financial investments	Fair value through profit or loss	2,264,639	3,017,449
Trade receivables	Amortized cost	514,754	698,384
Derivative financial instruments	Fair value through OCI	81,482	97,914
Derivative financial instruments	Fair value through profit or loss	177,367	213,192
Court deposits	Amortized cost	2,049,045	1,491,213
Other assets, except prepayments	Amortized cost	375,766	376,669
		6,361,641	6,099,381
Financial liabilities			
Loans and financing	Fair value through profit or loss	-	28
Loans and financing	Amortized cost	8,089,461	6,536,790
Derivative financial instruments	Fair value through OCI	52,639	59,734
Derivative financial instruments	Fair value through profit or loss	206,366	111,991
Trade payables	Amortized cost	404,994	408,590
Agricultural leases and partnerships payable	Amortized cost	2,830,453	2,874,760
Other liabilities	Amortized cost	50,712	41,407
		11,634,625	10,033,300

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

23.2 Fair value

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

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

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

Level 3 - Assets and liabilities for which there is little, if any, market activity, or whose prices or valuation techniques are supported by inputs from a thin, nonexistent, or illiquid market (non-observable inputs).

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

Notes to the financial statements at March 31, 2025

All amounts in thousands of reais unless otherwise stated

Parent	2025			2024		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Financial investments	-	2,084,208	-	-	2,743,929	-
Derivative financial instruments	62,510	196,339	-	56,389	254,717	-
Biological assets (i)	-	-	1,405,729	-	-	1,364,508
	62,510	2,280,547	1,405,729	56,389	2,998,646	1,364,508
Liabilities						
Derivative financial instruments	28,349	230,656	-	47,055	124,670	-
	28,349	230,656	-	47,055	124,670	-

Consolidated	2025			2024		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Financial investments	-	2,264,639	-	-	3,017,449	-
Derivative financial instruments	62,510	196,339	-	56,389	254,717	-
Biological assets (i)	-	-	1,405,729	-	-	1,364,508
	62,510	2,460,978	1,405,729	56,389	3,272,166	1,364,508
Liabilities						
Derivative financial instruments	28,349	230,656	-	47,055	124,670	-
	28,349	230,656	-	47,055	124,670	-

(i) The reconciliation of the fair value at level 3 is found in Note 7.

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, SOFR, exchange coupon interest curves published by B3, PTAX 800 published by the Brazilian Central Bank, and sugar futures prices disclosed by ICE Exchange.

Other financial assets and liabilities

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

Notes to the financial statements at March 31, 2025

All amounts in thousands of reais unless otherwise stated

24 Segment information (Consolidated)

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

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

- (i) Sugar;
- (ii) Ethanol;
- (iii) Corn ethanol;
- (iv) Electric power;
- (v) Real estate businesses;
- (vi) Yeast; and
- (vii) Other products and by-products.

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

Consolidated result by segment

	2025							
Consolidated	Sugar	Ethanol	Corn ethanol	Electric power	Real estate businesses	Yeast	Other products	Not by segment
Gross revenue								Total
Domestic market	365,089	2,645,287	562,248	244,543	25,062	52,778	375,088	-
Foreign market	3,139,163	395,308	-	-	-	-	3,768	-
Gain/loss on derivatives	(242,151)	(4,422)	-	-	-	(1,100)	-	-
(-) Taxes, contributions, and deductions on sales	(26,005)	(334,393)	18,420	(11,198)	(6,155)	(2,826)	(36,470)	-
Net revenue	3,236,096	2,701,780	580,668	233,345	18,907	48,852	342,386	-
Cost of goods sold	(2,056,601)	(2,439,556)	(437,932)	(90,197)	(1,376)	(26,393)	(262,023)	-
Change in the market value of biological assets, agricultural produce, and CBIOS	(2,912)	(59,742)	-	-	-	-	-	-
Gross profit	1,176,583	202,482	142,736	143,148	17,531	22,459	80,363	-
Gross margin	36.4%	7.5%	24.6%	61.3%	92.7%	46.0%	23.5%	-
Selling expenses	(170,019)	(64,565)	(10,392)	(17,693)	-	(10)	115	-
Other operating income, net	-	-	-	-	-	-	-	(5,335)
Operating profit	1,006,564	137,917	132,344	125,455	17,531	22,449	80,478	(5,335)
Operating margin	31.1%	5.1%	22.8%	53.8%	92.7%	46.0%	23.5%	-
Other income and expenses not by segment	-	-	-	-	-	-	-	(960,672)
Profit (loss) for the year	-	-	-	-	-	-	-	556,731
Depreciation and amortization - intangible assets and right-of-use assets	(1,125,396)	(1,153,559)	(24,570)	(11,943)	-	(9,387)	(57,780)	(19,547)

	2024							
Consolidated	Sugar	Ethanol	Corn ethanol	Electric power	Real estate businesses	Yeast	Other products	Not by segment
Gross revenue								Total
Domestic market	333,783	2,163,298	404,165	202,153	16,667	58,043	307,668	-
Foreign market	3,229,331	455,098	-	-	-	8,322	1,569	-
Gain/loss on derivatives	63,570	8,272	-	-	-	-	-	-
Amortization of electric power supply contract	-	-	-	-	-	-	-	(8,800)
(-) Taxes, contributions, and deductions on sales	(25,845)	(246,377)	(12,101)	(10,503)	(8,949)	(5,948)	(41,678)	-
Net revenue	3,600,839	2,380,291	392,064	191,650	7,718	60,417	267,559	(8,800)
Cost of goods sold	(1,976,530)	(2,450,240)	(432,357)	(51,381)	(35)	(23,116)	(272,318)	-
Changes in the market value of biological assets, and agricultural produce	68,563	(78,553)	-	-	-	-	(324)	-
Gross profit	1,692,872	(148,502)	(40,293)	140,269	7,683	37,301	(5,083)	(8,800)
Gross margin	47.0%	-6.2%	-10.3%	73.2%	99.5%	61.7%	-1.9%	-
Selling expenses	(171,915)	(64,974)	(2,964)	(14,909)	-	-	(693)	-
Other operating income, net	-	-	-	-	-	-	-	1,111,493
Operating profit	1,520,957	(213,476)	(43,257)	125,360	7,683	37,301	(5,776)	1,102,693
Operating margin	42.2%	-9.0%	-11.0%	65.4%	99.5%	61.7%	-2.2%	-
Other income and expenses not by segment	-	-	-	-	-	-	-	(1,055,206)
Profit (loss) for the year	-	-	-	-	-	-	-	1,476,279
Depreciation and amortization - intangible assets and right-of-use assets	(1,106,461)	(1,159,772)	(13,118)	(11,468)	-	(7,997)	(31,320)	(18,308)

On March 31, 2025, net revenue from Cbios (decarbonization credits), amounting to R\$ 66,772, (R\$ 75,505 at March 31, 2024). is recorded under "Ethanol".

Notes to the financial statements at March 31, 2025

All amounts in thousands of reais unless otherwise stated

Consolidated net operating revenues are geographically distributed as follows:

Consolidated	2025	2024
Domestic market	3,862,250	3,101,360
Foreign market		
Middle East and Asia	1,741,594	1,778,872
Europe	1,459,203	1,514,442
North America	68,257	404,714
Specifically intended for export	30,730	92,350
Net revenue	7,162,034	6,891,738

At the reporting date, two customers of the Company represented more than 10% of its net revenue, and 42% of revenue (37% on March 31, 2024).

Consolidated operating assets by segment

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

	2025							
	Sugar	Ethanol	Ethanol Corn	Electrical energy	Real estate business	Yeast	Non- segmented	Total
Trade receivables	181,419	103,630	50,364	9,243	51,719	3	118,376	514,754
Inventories and advances to suppliers	257,112	387,643	128,443	-	6,123	799	18,946	799,066
Biological assets	850,643	555,086	-	-	-	-	-	1,405,729
Property, Plant and Equipment	3,536,662	3,717,955	515,930	167,495	597,469	33,644	138,894	8,708,049
Intangible assets	277,717	173,378	1,019	-	-	-	-	452,114
Right-of-use	1,373,777	1,378,858	-	-	-	-	-	2,752,635
Total allocated assets	6,477,330	6,316,550	695,756	176,738	655,311	34,446	276,216	14,632,347
Other non-allocable assets	-	-	-	-	-	-	7,137,036	7,137,036
Total	6,477,330	6,316,550	695,756	176,738	655,311	34,446	7,413,252	21,769,383

	2024							
	Sugar	Ethanol	Ethanol Corn	Electrical energy	Real estate business	Yeast	Non- segmented	Total
Trade receivables	293,687	221,395	73,402	6,607	41,839	1,825	59,629	698,384
Inventories and advances to suppliers	374,632	190,199	151,649	-	6,594	460	12,676	736,210
Biological assets	890,278	474,230	-	-	-	-	-	1,364,508
Property, Plant and Equipment	3,740,024	3,559,977	527,821	147,148	-	33,547	36,631	8,045,148
Intangible assets	281,656	172,195	1,116	-	-	-	-	454,967
Right-of-use	1,166,783	1,622,814	-	-	-	-	-	2,789,597
Total allocated assets	6,747,060	6,240,810	753,988	153,755	48,433	35,832	108,936	14,088,814
Other non-allocable assets	-	-	-	-	-	-	6,282,635	6,282,635
Total	6,747,060	6,240,810	753,988	153,755	48,433	35,832	6,391,571	20,371,449

(i) Mainly represented by the balance of financial investments and judicial deposits.

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

25 Revenue

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

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

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

a) Sale of goods and rendering of services

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

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

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

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

Composition of sales revenue:

Notes to the financial statements at March 31, 2025

All amounts in thousands of reais unless otherwise stated

	Parent		Consolidated	
	2025	2024	2025	2024
Gross sales revenue				
Domestic market	4,062,041	3,323,006	4,270,095	3,485,777
Foreign market	3,538,239	3,694,320	3,538,239	3,694,320
Gain/loss on derivatives	(247,673)	71,842	(247,673)	71,842
	<u>7,352,607</u>	<u>7,089,168</u>	<u>7,560,661</u>	<u>7,251,939</u>
Amortization of electric power supply contract (i)	-	-	-	(8,800)
	<u>7,352,607</u>	<u>7,089,168</u>	<u>7,560,661</u>	<u>7,243,139</u>
Taxes, contributions, and deductions on sales	(381,508)	(333,141)	(398,627)	(351,401)
	<u>6,971,099</u>	<u>6,756,027</u>	<u>7,162,034</u>	<u>6,891,738</u>

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

26 Costs and expenses by nature

Reconciliation of expenses by nature:

	Parent		Consolidated	
	2025	2024	2025	2024
Depreciation and amortization (including biological assets harvested)	(2,396,111)	(2,344,500)	(2,402,182)	(2,348,444)
Raw materials and consumables	(1,864,891)	(1,964,544)	(1,754,487)	(1,834,765)
Personnel expenses	(630,215)	(597,644)	(638,107)	(604,634)
Material for resale (mainly ethanol in 2023)	(55,506)	(41,971)	(84,492)	(46,090)
Maintenance parts and services	(275,736)	(254,667)	(276,049)	(255,018)
Changes in the fair value of biological assets, agricultural produce, and CBIC	(62,654)	(10,314)	(62,654)	(10,314)
Reversal (recognition) of provision for losses on realization of inventories	2,814	(2,814)	2,814	(2,814)
Freight on sales	(218,343)	(223,823)	(218,343)	(223,804)
Third-party services	(139,042)	(143,094)	(142,182)	(147,575)
Litigation	(37,789)	(30,379)	(38,161)	(30,479)
Cost of land sales	-	-	(1,376)	45
Inputs	(192,140)	-	(190,287)	-
Other expenses	(151,694)	(289,781)	(173,856)	(311,120)
	<u>(6,021,307)</u>	<u>(5,903,531)</u>	<u>(5,979,362)</u>	<u>(5,815,012)</u>
Classified as:				
Cost of goods sold	(5,450,989)	(5,334,452)	(5,376,732)	(5,216,291)
Selling expenses	(248,006)	(243,005)	(262,564)	(255,455)
General and administrative expenses	(322,312)	(326,074)	(340,066)	(343,266)
	<u>(6,021,307)</u>	<u>(5,903,531)</u>	<u>(5,979,362)</u>	<u>(5,815,012)</u>

27 Other income, net

The composition of other net revenues is as follows:

Notes to the financial statements at March 31, 2025

All amounts in thousands of reais unless otherwise stated

	Company		Consolidated	
	2025	2024	2025	2024
Gain (loss) on write-offs of property, plant and equipment, net	6.969	4.449	6.959	3.987
Revenue from the sale of residues and scrap metal	9.405	10.052	9.405	10.052
Recognition of tax credits, net (i)	330.139	189.108	330.139	189.108
PIS/COFINS on other revenues (expenses)	(19.379)	(5.687)	(19.379)	(5.687)
Payment of losses	2.518	448	2.518	448
Write-off of land care costs	(8.037)	-	(8.037)	-
Indemnity from IAA (ii)	-	1.244.243	-	1.244.243
Other operating revenues (expenses) net	(247)	3.733	3.670	4.290
	321.368	1.446.346	325.275	1.446.441

- (i) With respect to the recognition of tax credit amounts, R\$ 199,446 related to deemed credits of PIS/COFINS on sugarcane, and R\$ 117,400 related to credits arising from the exclusion of ICMS from the tax base of PIS/COFINS on ethanol (Note 8).
- (ii) At March 31, 2024, the total consolidated balance of other income comprised mainly: R\$1,244,243 corresponding to the indemnity received by Copersucar and transferred to the Company (Note 15(b)); and R\$188,547 referring to prior periods' ICMS credits on inputs that are now recognized as essential to production, in accordance with prevailing case law.

28 Finance income (costs)

Notes to the financial statements at March 31, 2025

All amounts in thousands of reais unless otherwise stated

	Parent		Consolidated	
	2025	2024	2025	2024
Finance income				
Interest received and earned	337,456	304,862	368,587	333,529
Other income	24,445	19,910	27,133	16,163
PIS/COFINS on finance income	(16,626)	(16,049)	(16,988)	(16,001)
	345,275	308,723	378,732	333,691
Finance costs				
Interest on borrowings	(726,157)	(633,951)	(729,704)	(637,396)
Adjustment to present value (i)	(265,677)	(248,345)	(265,677)	(248,345)
Interest paid	(32,328)	(22,832)	(31,984)	(22,813)
Bank guarantee commission	(10,107)	(10,174)	(10,123)	(10,186)
Payables to Copersucar	(9,391)	(6,156)	(9,391)	(6,156)
Other expenses	(1,946)	(13,744)	(3,810)	(14,287)
	(1,045,606)	(935,202)	(1,050,689)	(939,183)
Exchange and monetary variation, net				
Trade receivables and payables	9,809	914	9,808	914
Available funds	(41,545)	(4,810)	(41,544)	(4,810)
Borrowings	(94,731)	(89,998)	(94,731)	(89,998)
	(126,467)	(93,894)	(126,467)	(93,894)
Derivatives - not designated for hedge accounting				
Gain/loss on swap transactions	(224,006)	(54,398)	(224,006)	(54,398)
Gain (loss) on ethanol transactions	(2,151)	(57)	(2,151)	(57)
Foreign exchange gain (loss), net	12,603	(157)	12,603	(157)
Gain (loss) on sugar transactions	20,985	(3,003)	20,985	(3,003)
Gain (loss) on foreign exchange transactions	(23,924)	12,372	(23,924)	12,372
Gain (loss) on corn transactions	3	-	3	-
Cost of stock exchange transactions	285	(235)	285	(235)
	(216,205)	(45,478)	(216,205)	(45,478)
	(1,043,003)	(765,851)	(1,014,629)	(744,864)

(i) Mainly leases and agricultural partnerships payable.

29 Earnings per share

	Parent		Consolidated	
	2025	2024	2025	2024
Profit for the year attributed to owners of the parent	556,731	1,476,279	556,731	1,476,279
Common shares at the beginning of the for the year - in thousands	345,831	346,375	345,831	346,375
Weighted average number of treasury shares - in thousands	(12,401)	(7)	(12,401)	(7)
Weighted average number of common shares outstanding - in thousands (i)	333,430	346,368	333,430	346,368
Basic and diluted earnings per share - R\$	1.6697	4.2622	1.6697	4.2622

(i) In 2025, the weighted average price of shares was affected by the share buyback program (Note 17b).

Notes to the financial statements at March 31, 2025

All amounts in thousands of reais unless otherwise stated

30 Insurance coverage

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

Parent and Consolidated Item	Insured risks	Maximum coverage (i)
Loss of Profit and Operational Risks (ii)	Income lost due to business interruption caused by an insured event. Any material damage to buildings, facilities, inventories, agricultural and industrial machinery and equipment.	2,655,059
Civil Liability	Damages caused to third parties as a result of professional errors or omissions (E&O insurance).	2,170,800
Environmental Responsibility	Environmental accidents that may lead to breaches of environmental laws.	30,000

- (i) Corresponds to the maximum coverage amount for the various assets and locations ensured.
- (ii) Insurance coverage against material damage (operating risks) to vehicles are excluded. as the reference used is 100% of the Economic Research Institute (FIPE) table.

31 Events after the reporting period

As disclosed in the Material Fact Notice released on May 19, 2025, the Company informed its shareholders and the market in general that the Board of Directors held on this date ("Board Meeting") approved the 7th issuance of simple, non-convertible, unsecured debentures, in a single series, for private placement ("Issuance" and "Debentures," respectively).

The Debentures will serve as collateral for the 104th. issuance of Agribusiness Receivables Certificates (CRA) of Vert Companhia Securitizadora, pursuant to the provisions of Law 11.076/2004 and CVM regulations, particularly CVM Resolution 60/2021.

Up to 1,250,000 (one million, two hundred and fifty thousand) Debentures will be issued, with a par value of R\$ 1 (one thousand reais). Accordingly, the Issuance total initial value will be up to R\$ 1,250,000 (one billion, two hundred and fifty million reais), which may be reduced up to the minimum amount of R\$ 1,000,000 (one billion reais).

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