

# Quarterly information (ITR)

at September 30, 2020 and independent  
auditor's report on review of quarterly  
information





(A free translation of the original in Portuguese)

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

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

### **Introduction**

We have reviewed the accompanying parent company and consolidated interim accounting information of São Martinho S.A. ("Company"), included in the Quarterly Information Form (ITR) for the quarter ended September 30, 2020, comprising the balance sheet as at that date and the statements of income and comprehensive income for the quarter and six-month period then ended, and the statements of changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory information.

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

### **Scope of review**

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

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

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



São Martinho S.A.

**Other matters**

**Statements of value added**

The Quarterly Information referred to above include the parent company and consolidated statements of value added for the six-month period September 30, 2020. These statements are the responsibility of the Company's management, and are presented as supplementary information for IAS 34 purposes. These statements have been subjected to review procedures performed together with the review of the quarterly information for the purpose of concluding whether they are reconciled with the interim accounting information and accounting records, as applicable, and if their form and content are in accordance with the criteria defined in the accounting standard CPC 09 - "Statement of Value Added". Based on our review, nothing has come to our attention that causes us to believe that these statements of value added have not been properly prepared, in all material respects, in accordance with the criteria defined in this accounting standard, and in a consistent manner in relation to the parent company and consolidated interim accounting information taken as a whole.

Ribeirão Preto, November 9, 2020



PricewaterhouseCoopers

Auditores Independentes

CRC 2SP000160/O-5



Maurício Cardoso de Moraes

Contador CRC 1PRO35795/O-1 "T" SP

## Contents

Balance sheet.....	2
Statement of income .....	3
Statement of comprehensive income .....	4
Statement of changes in equity .....	5
Statement of cash flows .....	6
Statement of value added .....	7
1. Operations.....	9
2. Summary of significant accounting policies.....	10
3. Significant accounting estimates and judgments .....	14
4. Cash and cash equivalents and financial investments .....	15
5. Trade receivables .....	16
6. Inventories and advances to suppliers .....	17
7. Biological assets .....	17
8. Taxes recoverable .....	19
9. Related parties.....	20
10. Investments.....	22
11. Property, plant and equipment.....	23
12. Intangible assets .....	26
13. Right-of-use assets, and lease and agricultural partnerships payable.....	27
14. Borrowings .....	31
15. Trade payables.....	33
16. Obligations and Rights with Copersucar.....	33
17. Acquisition and disposal of ownership interest – payables and receivables .....	35
18. Equity.....	36
19. Profit sharing .....	38
20. Income tax and social contribution.....	39
21. Commitments.....	42
22. Provision for contingencies.....	43
23. Risk management and derivative financial instruments .....	45
24. Classification and fair value of financial instruments.....	53
25. Fair value .....	54
26. Segment information (consolidated).....	55
27. Revenue.....	57
28. Other income (expenses), net .....	59
29. Costs and expenses by nature .....	59
30. Finance income (costs) .....	60
31. Earnings per share .....	61
32. Insurance coverage.....	61

## Balance sheet

### At September 30, and March 31, 2020

All amounts in thousands of reais

ASSETS	Note	Parent company		Consolidated		LIABILITIES AND EQUITY	Note	Parent company		Consolidated	
		September 30, 2020	March 31, 2020	September 30, 2020	March 31, 2020			September 30, 2020	March 31, 2020	September 30, 2020	March 31, 2020
<b>CURRENT ASSETS</b>						<b>CURRENT LIABILITIES</b>					
Cash and cash equivalents	4	120,013	91,998	121,326	92,066	Borrowings	14	719,692	591,024	719,692	591,024
Financial investments	4	1,629,375	1,775,640	1,716,713	1,831,504	Leases payable	13	50,002	40,168	50,002	40,168
Trade receivables	5	228,927	125,531	306,388	165,829	Agricultural partnership payable	13	236,621	203,835	236,621	203,835
Derivative financial instruments	23	79,631	224,635	79,631	224,635	Derivative financial instruments	23	298,593	406,473	298,593	406,473
Inventories and advances to suppliers	6	1,353,097	357,890	1,331,741	366,177	Trade payables	15	341,383	176,848	321,616	174,524
Biological assets	7	606,500	713,547	606,500	713,547	Payables to Copersucar	16	10,892	10,892	10,892	10,892
Taxes recoverable	8	25,239	12,303	25,447	12,303	Salaries and social charges		171,975	149,263	172,629	150,249
Income tax and social contribution	20	39,320	71,257	39,321	71,257	Taxes recoverable		27,952	32,477	32,025	34,730
Dividends receivable		-	-	249	-	Income tax and social contribution payable	20	-	-	8,909	4,985
Other receivables		15,337	8,581	15,669	8,832	Dividends payable	18	8	54,694	8	54,694
<b>TOTAL CURRENT ASSETS</b>		<b>4,097,439</b>	<b>3,381,382</b>	<b>4,242,985</b>	<b>3,486,150</b>	Advances from customers		14,060	34,662	14,103	34,710
<b>NON-CURRENT ASSETS</b>						<b>NON-CURRENT LIABILITIES</b>					
Financial investments	4	29,616	35,011	33,085	38,494	Acquisition of ownership interests	9 and 17	11,642	11,664	11,642	11,664
Inventories and advances to suppliers	6	84,229	49,916	84,229	49,916	Other payables		9,836	10,310	11,926	18,527
Related parties	9	-	255	-	-	<b>TOTAL CURRENT LIABILITIES</b>		<b>1,892,656</b>	<b>1,722,310</b>	<b>1,888,658</b>	<b>1,736,475</b>
Derivative financial instruments	23	49,560	28,977	49,560	28,977	<b>NON-CURRENT LIABILITIES</b>					
Trade receivables	5	-	-	24,045	27,192	Borrowings	14	4,004,537	4,223,418	4,004,537	4,223,418
Receivables from Copersucar		10,017	10,017	10,017	10,017	Leases payable	13	351,099	377,954	351,099	377,954
Taxes recoverable	8	63,964	80,051	64,949	81,046	Agricultural partnership payable	13	950,215	1,053,956	950,215	1,053,956
Judicial deposits	22	269,640	270,872	269,820	271,060	Derivative financial instruments	23	88,307	79,022	88,307	79,022
Other receivables		104,149	57,159	104,149	57,159	Payables to Copersucar	16	174,992	179,189	174,992	179,189
		611,175	532,258	639,854	563,861	Taxes payable		1,341	7,283	1,341	7,283
Investments	10	1,500,636	1,462,223	36,535	33,868	Deferred income tax and social contribution	20	152,184	214,220	679,720	746,226
Property, plant and equipment	11	3,672,684	4,058,484	5,443,845	5,844,505	Provision for contingencies	22	98,999	99,793	99,509	100,283
Intangible assets	12	410,479	413,075	453,242	465,689	Acquisition of ownership interests	9 and 17	15,270	15,270	15,270	15,270
Right-of-use assets	13	1,540,869	1,719,453	1,540,869	1,719,453	Taxes with suspended payment	16 (b)	444,083	242,188	444,083	242,188
		7,124,668	7,653,235	7,474,491	8,063,515	Other payables		4,489	5,596	4,489	5,586
<b>TOTAL NON-CURRENT ASSETS</b>		<b>7,735,843</b>	<b>8,185,493</b>	<b>8,114,345</b>	<b>8,627,376</b>	<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>6,285,516</b>	<b>6,497,889</b>	<b>6,813,562</b>	<b>7,030,375</b>
<b>TOTAL ASSETS</b>		<b>11,833,282</b>	<b>11,566,875</b>	<b>12,357,330</b>	<b>12,113,526</b>	<b>EQUITY</b>					
						Share capital	18	2,071,819	1,696,652	2,071,819	1,696,652
						Capital reserve		-	9,418	-	9,418
						Treasury shares		(139,997)	(131,361)	(139,997)	(131,361)
						Carrying value adjustments		480,748	607,022	480,748	607,022
						Revenue reserves		814,343	1,164,945	814,343	1,164,945
						Retained earnings		428,197	-	428,197	-
						<b>TOTAL EQUITY</b>		<b>3,655,110</b>	<b>3,346,676</b>	<b>3,655,110</b>	<b>3,346,676</b>
						<b>TOTAL LIABILITIES AND EQUITY</b>		<b>11,833,282</b>	<b>11,566,875</b>	<b>12,357,330</b>	<b>12,113,526</b>

The accompanying notes are an integral part of this quarterly information

## Statement of income

Periods ended September 30, 2020 and 2019

All amounts in thousands of reais unless otherwise stated

	Note	Parent company			
		September 30, 2020		September 30, 2019	
		Quarter	Six-month period	Quarter	Six-month period
Revenue	27	886,653	1,880,465	717,265	1,441,776
Cost of sales	29	(601,767)	(1,313,705)	(540,302)	(1,101,145)
Gross profit		284,886	566,760	176,963	340,631
Operating income (expenses)					
Selling expenses	29	(41,510)	(86,230)	(36,775)	(61,671)
General and administrative expenses	29	(55,467)	(110,967)	(47,672)	(98,717)
Equity in the results of investees	10	53,689	92,030	47,296	83,111
Other revenue, net	28	382,041	383,901	442	10,221
		338,753	278,734	(36,709)	(67,056)
Operating profit		623,639	845,494	140,254	273,575
Finance income (costs)	30				
Finance income		10,462	28,264	27,571	72,258
Finance costs		(155,378)	(253,890)	(108,685)	(204,000)
Indexation and foreign exchange variations, net		(6,904)	(8,237)	10,820	(5,197)
Derivatives		(1,885)	5,030	(11,190)	(11,348)
		(153,705)	(228,833)	(81,484)	(148,287)
Profit before income tax and social contribution		469,934	616,661	58,770	125,288
Income tax and social contribution	20 (a)				
Current		(157,425)	(170,518)	(33)	27,958
Deferred		19,385	1,457	3,245	199
Profit for the period		331,894	447,600	61,982	153,445
Basic and diluted earnings per share - R\$	31	0.9573	1.2916	0.1845	0.4603

The accompanying notes are an integral part of this quarterly information



## Statement of income

Periods ended September 30, 2020 and 2019

All amounts in thousands of reais unless otherwise stated

	Note	Consolidated			
		September 30, 2020		September 30, 2019	
		Quarter	Six-month period	Quarter	Six-month period
Revenue	27	919,728	1,940,748	766,665	1,518,394
Cost of sales	29	(588,631)	(1,289,860)	(538,010)	(1,091,041)
Gross profit		331,097	650,888	228,655	427,353
Operating income (expenses)					
Selling expenses	29	(42,019)	(87,312)	(37,234)	(62,706)
General and administrative expenses	29	(60,352)	(116,681)	(51,265)	(103,196)
Equity in the results of investees	10	1,975	2,916	800	1,208
Other revenue, net	28	393,089	395,534	444	11,142
		292,693	194,457	(87,255)	(153,552)
Operating profit		623,790	845,345	141,400	273,801
Finance income (costs)	30				
Finance income		13,747	33,843	29,542	76,905
Finance costs		(155,403)	(253,934)	(109,322)	(204,026)
Indexation and foreign exchange variations, net		(6,904)	(8,237)	10,820	(5,197)
Derivatives		(1,885)	5,030	(11,190)	(11,348)
		(150,445)	(223,298)	(80,150)	(143,666)
Profit before income tax and social contribution		473,345	622,047	61,250	130,135
Income tax and social contribution	20 (a)				
Current		(161,421)	(176,982)	(3,117)	22,096
Deferred		19,970	2,535	3,849	1,214
Profit for the period		331,894	447,600	61,982	153,445
Basic and diluted earnings per share - R\$	31	0.9573	1.2916	0.1845	0.4603

The accompanying notes are an integral part of this quarterly information



**Statement of comprehensive income**  
**Periods ended September 30, 2020 and 2019**  
**All amounts in thousands of reais**

Parent company and consolidated	September 30, 2020		September 30, 2019	
	Quarter	Six-month period	Quarter	Six-month period
Profit for the period	331,894	447,600	61,982	153,445
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	(42,617)	(81,768)	39,305	48,827
Foreign exchange derivatives - Options / NDF	(51,832)	(115,768)	(56,483)	(42,120)
Foreign exchange effects on borrowing agreements (Trade Finance)	(60,467)	(154,290)	(122,516)	(92,841)
	(154,916)	(351,826)	(139,694)	(86,134)
Recognition in operating income				
Commodity derivatives - Futures, options and forward contracts	22,786	28,148	(10,630)	(11,405)
Foreign exchange derivatives - Options / NDF	57,322	142,385	13,403	14,788
Foreign exchange effects on borrowing agreements (Trade Finance)	542	1,144	185	627
	80,650	171,677	2,958	4,010
Write-off due to ineffectiveness				
Commodity derivatives - Futures, options and forward contracts	1,809	1,976	(177)	(149)
	1,809	1,976	(177)	(149)
Total changes in the period				
Commodity derivatives - Futures, options and forward contracts	(18,022)	(51,644)	28,498	37,273
Foreign exchange derivatives - Options / NDF	5,490	26,617	(43,080)	(27,332)
Foreign exchange effects on borrowing agreements (Trade Finance)	(59,925)	(153,146)	(122,331)	(92,214)
Deferred taxes on the items above	24,635	60,579	46,549	27,973
	(47,822)	(117,594)	(90,364)	(54,300)
Total comprehensive income for the year	284,072	330,006	(28,382)	99,145

The accompanying notes are an integral part of this quarterly information





## Statements of changes in equity

All amounts in thousands of reais

	Note	Share capital	Revaluation budget	Treasury shares	Carrying value adjustments			Revenue reserve					Retained earnings	Total
					Deemed cost		Hedge accounting	Legal	Capital reserve	Unrealized revenue	Incentive reserve	Supplementary dividends		
					Parent	Investees								
At March 31, 2019	18	1,696,652	9,418	(234,100)	172,822	989,265	(145,732)	110,427	357,124	40,463	365,748	28,923	-	3,391,010
Realization of surplus on revaluation of deemed cost	18 c (i)	-	-	-	(8,379)	6,350	-	-	-	-	-	-	2,029	-
Gain (loss) on derivative transactions - hedge accounting	18 c (ii)	-	-	-	-	-	(54,300)	-	-	-	-	-	-	(54,300)
Share buyback	18 b	-	-	(34,466)	-	-	-	-	-	-	-	-	-	(34,466)
Payment of prior year's supplemental dividends	18 g	-	-	-	-	-	-	-	-	-	-	(28,923)	-	(28,923)
Cancellation of treasury shares	18 b	-	-	177,232	-	-	-	-	(177,232)	-	-	-	-	-
Transfer to tax incentive reserve	18 d (iv)	-	-	-	-	-	-	-	-	-	45,084	-	(45,084)	-
Profit for the period	18 b	-	-	-	-	-	-	-	-	-	-	-	153,445	153,445
At September 30, 2019	18	1,696,652	9,418	(91,334)	164,443	995,615	(200,032)	110,427	179,892	40,463	410,832	-	110,390	3,426,766
At March 31, 2020	18	1,696,652	9,418	(131,361)	126,500	1,031,673	(551,151)	142,377	487,851	34,131	487,650	12,936	-	3,346,676
Capital increase with reserves	18 a	375,167	(9,418)	-	-	-	-	-	-	-	(365,749)	-	-	-
Realization of surplus on revaluation of deemed cost	18 c (i)	-	-	-	(8,521)	(159)	-	-	-	-	-	-	8,680	-
Share buyback	18 b	-	-	(8,636)	-	-	-	-	-	-	-	-	-	(8,636)
Gain (loss) on derivative transactions - hedge accounting	18 c (ii)	-	-	-	-	-	(117,594)	-	-	-	-	-	-	(117,594)
Payment of prior year's supplemental dividends	18 f	-	-	-	-	-	-	-	-	-	-	(12,936)	-	(12,936)
Transfer to tax incentive reserve	18 d	-	-	-	-	-	-	-	-	-	28,083	-	(28,083)	-
Profit for the period	-	-	-	-	-	-	-	-	-	-	-	-	447,600	447,600
At September 30, 2020	18	2,071,819	-	(139,997)	117,979	1,031,514	(668,745)	142,377	487,851	34,131	149,984	-	428,197	3,655,110

The accompanying notes are an integral part of this quarterly information

**Statement of cash flows**  
**Periods ended September 30, 2020 and 2019**  
**All amounts in thousands of reais**

	Note	Parent company		Consolidated	
		September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Cash flows from operating activities					
Profit for the period		447,600	153,445	447,600	153,445
Adjustments					
Depreciation and amortization	29	326,339	289,124	328,973	291,350
Biological assets harvested	29	338,161	250,602	338,161	250,602
Change in the fair value of biological assets	29	(17,700)	422	(17,700)	422
Amortization of electricity contracts		-	-	6,503	6,010
Equity in the results of investees	10	(92,030)	(83,111)	(2,916)	(1,208)
Gains (losses) on investments and PP&E written off	11	37	2,294	6,871	(14,770)
Interest, indexation and exchange variations, net		93,294	93,568	91,144	90,457
Derivative financial instruments		166,972	15,358	166,972	15,358
Provision for contingencies, net	22.1	6,719	4,904	6,733	4,921
Income tax and social contribution	20 b	169,061	(28,157)	174,447	(23,310)
Taxes with suspended payment		201,895	-	201,895	-
Adjustment to present value and other adjustments		82,510	37,913	81,105	36,916
		1,722,858	736,362	1,829,788	810,193
Changes in assets and liabilities					
Trade receivables		(100,210)	(64,601)	(141,884)	(71,914)
Inventories		(462,529)	(549,712)	(432,218)	(523,197)
Taxes recoverable		37,259	(17,927)	37,073	(17,928)
Derivative financial instruments		(165,029)	13,027	(165,029)	13,027
Other receivables		(51,818)	(69,900)	(51,892)	(69,237)
Trade payables		162,575	148,925	152,499	140,889
Salaries and social charges		22,712	29,419	22,380	29,243
Taxes payable		(166,759)	5,527	(165,016)	7,166
Payables to Copersucar		(5,042)	(7,381)	(5,042)	(7,381)
Provision for contingencies - settlement	22.1	(7,071)	(10,110)	(7,084)	(10,128)
Other payables		(22,251)	1,100	(28,385)	(4,610)
Cash from operations		964,695	214,729	1,045,190	296,123
Payment of interest on borrowings	14	(163,777)	(97,447)	(163,777)	(97,447)
Income tax and social contribution paid		(14,809)	-	(17,272)	(2,554)
Net cash provided by (used in) operating activities		786,109	117,282	864,141	196,122
Cash flows from investing activities					
Investment of funds	31	(358)	(1,193)	(358)	(1,193)
Purchases of property, plant and equipment and intangible assets		(54,024)	(101,149)	(54,131)	(105,348)
Additions to biological assets (planting and crop treatments)	10 e 11	(422,365)	(391,489)	(422,365)	(391,489)
Financial investments		167,884	617,381	137,344	582,303
Proceeds from sale of property, plant and equipment	11	681	2,126	8,403	4,337
Advance for future capital increase		-	(5)	-	-
Dividends received		53,862	41,309	-	294
Net cash provided by (used in) investing activities		(254,320)	166,980	(331,107)	88,904
Cash flows from financing activities					
Payments of lease agreements and partnerships	13	(238,791)	(191,016)	(238,791)	(191,015)
Proceeds from borrowings – third parties	14	212,479	416,431	212,479	416,431
Repayment of borrowings - third parties	14	(401,204)	(514,966)	(401,204)	(514,966)
Acquisition of treasury shares	17 b	(8,636)	(34,466)	(8,636)	(34,466)
Payment of dividends		(67,622)	(109,999)	(67,622)	(109,999)
Net cash provided by (used in) financing activities		(503,774)	(434,016)	(503,774)	(434,015)
Increase in cash and cash equivalents		28,015	(149,754)	29,260	(148,989)
Cash and cash equivalents at the beginning of the period	4	91,998	197,170	92,066	197,607
Cash and cash equivalents at the end of the period	4	120,013	47,416	121,326	48,618
<u>Additional information</u>					
Balance of financial investments (current assets)	4	1,629,375	1,219,435	1,716,713	1,304,427
Total available funds	4	1,749,388	1,266,851	1,838,039	1,353,045

The accompanying notes are an integral part of this quarterly information



**Statement of value added**  
**Periods ended September 30, 2020 and 2019**  
**All amounts in thousands of reais**

	Parent company		Consolidated	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Revenue				
Gross sales of goods and products	1,997,115	1,570,332	2,061,946	1,704,896
Revenue from construction of own assets	402,863	389,388	402,863	389,388
Other income	2,301	1,355	13,943	2,253
	<u>2,402,279</u>	<u>1,961,075</u>	<u>2,478,752</u>	<u>2,096,537</u>
Inputs acquired from third parties				
Cost of sales	(509,373)	(438,775)	(470,459)	(441,194)
Material, electricity, third-party services, and other operating expenses	(487,205)	(412,861)	(503,020)	(431,017)
	<u>(996,578)</u>	<u>(851,636)</u>	<u>(973,479)</u>	<u>(872,211)</u>
Gross value added	1,405,701	1,109,439	1,505,273	1,224,326
Depreciation and amortization	(326,339)	(289,124)	(328,973)	(291,350)
Biological assets harvested	(338,161)	(250,602)	(338,161)	(250,602)
Net value added generated by the entity	741,201	569,713	838,139	682,374
Value added received in transfer				
Equity in the results of investees	92,030	83,111	2,916	1,208
Finance income	386,468	170,894	392,062	175,546
Others	430,014	9,600	430,008	9,624
Total value added to be distributed	<u>1,649,713</u>	<u>833,318</u>	<u>1,663,125</u>	<u>868,752</u>
Distribution of value added				
Personnel and payroll charges				
Direct compensation	240,144	221,121	240,286	221,246
Benefits	90,569	79,118	91,025	79,476
Government Severance Indemnity Fund for Employees (FGTS)	22,597	20,963	22,608	20,973
Management compensation	17,257	10,707	17,853	11,285
Taxes, charges and contributions				
Federal	200,885	10,293	212,869	22,073
State	13,765	17,981	13,917	18,331
Municipal	622	831	648	936
Financing entities				
Interest	179,453	195,050	179,453	195,050
Rentals	1,632	1,574	1,632	23,675
Foreign exchange variations	288,336	89,685	288,336	89,685
Others	146,853	32,550	146,898	32,577
Retained profits for the period	447,600	153,445	447,600	153,445
Value added distributed	<u>1,649,713</u>	<u>833,318</u>	<u>1,663,125</u>	<u>868,752</u>

The accompanying notes are an integral part of this quarterly information

#### 1. Operations

São Martinho S.A. (the “Company” or “Parent Company”) is a listed corporation headquartered in the municipality of Pradópolis, State of São Paulo, with its shares traded on the listing segment of B3 S.A. - Brazil, Stock Exchange, OTC (“B3”). The Company and its subsidiaries (together, “São Martinho”) are primarily engaged in the cultivation of sugarcane, and production and sale of sugar, ethanol and other sugarcane byproducts; cogeneration of electricity; development of real estate ventures; agricultural production; import and export of goods, products and raw materials, and investment in other companies.

Approximately 70% of the sugarcane used in the production of the goods derives from plantations on land owned either by the Company, its stockholders, related companies, or agricultural partnerships. The remaining 30% of sugarcane is supplied by third parties. Businesses in the sugar-ethanol sector are subject to seasonal trends based on the sugarcane growth cycle in the Center-South region of Brazil, which typically begins in April and ends in December, resulting in fluctuations in the Company’s inventories. Raw material supply may be impacted by adverse climate conditions. Sugarcane crop takes up to 18 months to mature, and harvest takes place, in general, from April to December, which is also the period when sugar and ethanol are produced, and electricity is cogenerated.

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

The issue of this quarterly information was authorized by the Board of Directors on November 9, 2020.

#### **RenovaBio - Decarbonization Credits (CBIOS)**

At September 30, 2020, the Company had issued 631 thousand CBIOS. Once issued and registered, these decarbonization credits may be traded, usually with fuel distributors with acquisition targets set by RenovaBio programs. At September 30, 2020, the fair value of the Company’s CBIOS was not significant.

The RenovaBio program - The rationale behind the New Brazilian Biofuel Policy (RenovaBio), as enacted by Law 13,576/2017, is to set annual decarbonization targets for the fuel sector, with a view to increasing production and growing the share of biofuels in the Brazilian transport energy matrix.

## Notes to the quarterly information

### At September 30, 2020

All amounts in thousands of reais unless otherwise stated

Fuel distributors are required to meet individual emission reduction targets through the purchase of Decarbonization Credits (CBIOs), a publicly traded financial asset derived from the certification of the biofuel production process based on environmental efficiency attained.

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

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

On the date the issue of this quarterly information was authorized by the Board of Directors, an assessment conducted by the Company's management concluded that there were no material uncertainties which might cast doubt on the Company's ability to continue as a going concern, and no situation was identified that could affect the quarterly information at September 30, 2020.

## 2. Summary of significant accounting policies

### 2.1 Statement of compliance and basis of preparation

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

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

## Notes to the quarterly information

### At September 30, 2020

All amounts in thousands of reais unless otherwise stated

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

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

## 2.2 Basis of consolidation and investments in subsidiaries

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

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

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

- (i) São Martinho Terras Imobiliárias ("SM Terras Imobiliárias") includes its subsidiaries engaged in real estate development which are Special-Purpose Entities (SPEs).

## 2.3 Functional and presentation currency

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

## 2.4 Foreign currency translation

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

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

## 2.5 Financial instruments

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

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

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

### a) Financial assets

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

### b) Financial liabilities

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

### c) Derivative financial instruments

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

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

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

## 2.6 Business combinations and goodwill

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

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

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

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

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

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



If the business combination is carried out in 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 evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

#### a) Impairment losses

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

#### b) Fair value of biological assets

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

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

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

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

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques, which include the discounted cash flow

## Notes to the quarterly information

### At September 30, 2020

All amounts in thousands of reais unless otherwise stated

model. Whenever possible, these techniques are based on market conditions existing at the balance sheet date. Where this is not feasible, a certain level of judgment is required to determine the fair value with respect to data such as liquidity, credit risk, and volatility.

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

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

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

The Company has ICMS tax incentives granted by the State of Goiás (Note 18(d)). On August 7, and December 15, 2017, Complementary Law 160/2017 and ICMS Agreement 190/2017, respectively, introduced new regulations for tax benefits, conflicting with item "g", subsection XII, paragraph 2 of Art. 155 of the Federal Constitution.

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

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

#### **g) Incremental borrowing rate on leases and agricultural partnership**

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

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

Cash and cash equivalents comprise cash on hand, bank deposits, and highly liquid short-term investments with original maturities of three months or less, which are

## Notes to the quarterly information At September 30, 2020

All amounts in thousands of reais unless otherwise stated

readily convertible into known amounts of cash, and are subject to immaterial risk of change in value.

	Parent company			Consolidated		
	Annual yield	September 30, 2020	March 31, 2020	Annual yield	September 30, 2020	March 31, 2020
Cash and banks (in Brazil)		1.501	180		2.813	248
Cash and banks (abroad) (US Dollar)	0.30% p.a.	118.512	91.818	0.30% p.a.	118.513	91.818
<b>Total cash and cash equivalents</b>		<b>120.013</b>	<b>91.998</b>		<b>121.326</b>	<b>92.066</b>
Financial investments						
. Investment fund	86,83% of	1.545.510	1.693.054	86,83% of	1.632.849	1.748.918
. Funds - Financial Treasury Bills (LFT)	100% of SELIC	19.545	19.301	100% of SELIC	19.545	19.301
. Bank Deposit Certificate (CDB)	100,85% of CDI	83.865	82.586	100,86% of CDI	83.864	82.586
. Other (i)	98,06% of CDI	10.071	15.710	99,23% of CDI	13.540	19.193
<b>Total financial investments</b>		<b>1.658.991</b>	<b>1.810.651</b>		<b>1.749.798</b>	<b>1.869.998</b>
<b>Total Cash and cash equivalents and financial investments</b>		<b>1.779.004</b>	<b>1.902.649</b>		<b>1.871.124</b>	<b>1.962.064</b>
<b>In non-current assets</b>		<b>29.616</b>	<b>35.011</b>		<b>33.085</b>	<b>38.494</b>
<b>Total available funds</b>		<b>1.749.388</b>	<b>1.867.638</b>		<b>1.838.039</b>	<b>1.923.570</b>

(i) Resources pledged as collateral for borrowings obtained with BNDES and brokers, with redemption restrictions in place through to 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 company		Consolidated	
	September 30, 2020	March 31, 2020	September 30, 2020	March 31, 2020
Domestic customers	114,970	120,101	216,898	188,100
Offshore customers	113,957	5,430	113,957	5,430
Expected impairment loss on trade receivables	-	-	(422)	(509)
	<b>228,927</b>	<b>125,531</b>	<b>330,433</b>	<b>193,021</b>
<b>Current assets</b>	<b>228,927</b>	<b>125,531</b>	<b>306,388</b>	<b>165,829</b>
<b>Non-current assets</b>	<b>-</b>	<b>-</b>	<b>24,045</b>	<b>27,192</b>

## Notes to the quarterly information At September 30, 2020

All amounts in thousands of reais unless otherwise stated

The aging list of trade receivables is presented below:

	Parent company		Consolidated	
	September 30, 2020	March 31, 2020	September 30, 2020	March 31, 2020
Falling due:	228,795	124,557	330,030	191,911
Overdue and not provisioned				
For 30 days	12	69	99	112
Over 31 days	120	905	304	998
	<b>228,927</b>	<b>125,531</b>	<b>330,433</b>	<b>193,021</b>

Includes amounts due from related parties of R\$ 2,138 and R\$ 193 in the Parent company and Consolidated, respectively (R\$ 1,612 and R\$ 626, respectively, at March 31, 2020) (Note 9).

## 6. Inventories and advances to suppliers

	Parent company		Consolidated	
	September 30, 2020	March 31, 2020	September 30, 2020	March 31, 2020
Current				
Finished products and work-in-process	1,158,497	139,599	1,129,046	139,599
Advances - purchases of sugarcane	51,748	61,238	51,748	61,238
Advances - purchases of inputs	50,777	71,254	50,777	71,254
Land subdivisions	-	-	8,095	8,287
Inputs, ancillary materials for maintenance and other	92,075	85,799	92,075	85,799
	<b>1,353,097</b>	<b>357,890</b>	<b>1,331,741</b>	<b>366,177</b>
Non-current				
Advances - purchases of sugarcane	84,229	49,916	84,229	49,916
	<b>84,229</b>	<b>49,916</b>	<b>84,229</b>	<b>49,916</b>
	<b>1,437,326</b>	<b>407,806</b>	<b>1,415,970</b>	<b>416,093</b>

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

## 7. Biological assets

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

The measurement at fair value of biological assets is classified as Level 3 - Assets and liabilities for which there is little, if any, market activity, or whose prices or valuation

## Notes to the quarterly information

### At September 30, 2020

All amounts in thousands of reais unless otherwise stated

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:

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

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

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

Parent company and Consolidated	September 30, 2020	March 31, 2020
Estimated total harvest area (ha)	239,040	239,774
Expected yield (metric ton/ha)	79.44	91.35
TRS per metric ton of sugar (kg)	133.46	133.30
Projected average price of TRS (R\$)	0.6869	0.6038

At September 30, 2020, the discount rate used to calculate the fair value of biological assets was 6.76% p.a. (7.22% p.a. at March 31, 2020).

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

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

## Notes to the quarterly information

### At September 30, 2020

All amounts in thousands of reais unless otherwise stated

	Parent company		Consolidated	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Historical cost	829,617	742,524	829,617	742,524
Fair value	(116,069)	(85,467)	(116,069)	(85,467)
<b>Biological assets - opening balance:</b>	<b>713,548</b>	<b>657,057</b>	<b>713,548</b>	<b>657,057</b>
Changes:				
Crop treatments	265,896	241,872	265,896	241,872
Transfer from property, plant and equipment	206,680	186,719	206,680	186,719
Changes in fair value	41,308	21,534	41,308	21,534
Harvest	(620,932)	(492,732)	(620,932)	(492,732)
<b>Biological assets - closing balance:</b>	<b>606,500</b>	<b>614,450</b>	<b>606,500</b>	<b>614,450</b>
Comprised of:				
Historical cost	681,260	678,336	681,260	678,336
Fair value	(74,760)	(63,886)	(74,760)	(63,886)
<b>Biological assets - closing balance:</b>	<b>606,500</b>	<b>614,450</b>	<b>606,500</b>	<b>614,450</b>

The cultivation of sugarcane is subject to the risk of damage caused by climate changes, pests and diseases, forest fires, and other forces of nature, modifying future expected harvest results.

### Fair value sensitivity analysis

For the purpose of the sensitivity analysis, the Company assessed the impact on the fair value of its biological assets at September 30, 2020, considering an increase/decrease in the following variables: (i) price of the sugarcane metric ton; and (ii) sugarcane production volume. The other variables were held constant. Accordingly, a 5% increase or decrease in the price of sugarcane metric ton would result in an increase or decrease of R\$ 34,317. As to production volume, the same 5% variation (up or down) would result in an increase or decrease of R\$ 33.768.

## 8. Taxes recoverable

Breakdown of taxes recoverable:

## Notes to the quarterly information

### At September 30, 2020

All amounts in thousands of reais unless otherwise stated

	Parent company		Consolidated	
	September 30, 2020	March 31, 2020	September 30, 2020	March 31, 2020
Current				
PIS / COFINS	12,073	4,031	12,073	4,031
ICMS	12,195	7,407	12,195	7,407
Others	971	865	1,179	865
	<b>25,239</b>	<b>12,303</b>	<b>25,447</b>	<b>12,303</b>
Non-current				
PIS / COFINS	35,854	44,832	35,878	44,864
Reintegra	618	4,870	618	4,870
IOF on derivatives	8,715	8,653	8,715	8,653
ICMS	12,146	15,117	13,107	16,080
INSS	6,631	6,579	6,631	6,579
	<b>63,964</b>	<b>80,051</b>	<b>64,949</b>	<b>81,046</b>
	<b>89,203</b>	<b>92,354</b>	<b>90,396</b>	<b>93,349</b>

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

## 9. Related parties

### a) Parent company and consolidated balances:

	Parent company		Consolidated	
	September 30, 2020	March 31, 2020	September 30, 2020	March 31, 2020
Current assets				
Trade receivables (i)				
São Martinho Terras Imobiliárias S.A.	67	22	-	-
Bioenergética Santa Cruz S.A.	1,065	9	-	-
Bioenergética São Martinho S.A.	860	1,014	-	-
São Martinho Terras Agrícolas S.A.	25	14	-	-
CTC - Centro de Tecnologia Canavieira S.A.	18	447	96	528
Others	103	106	97	98
	<b>2,138</b>	<b>1,612</b>	<b>193</b>	<b>626</b>
Non-current assets				
Advance for future capital increase				
São Martinho Inova S.A.	-	5	-	-
Bioenergia São Martinho Ltda.	-	250	-	-
	-	<b>255</b>	-	-
Current liabilities				
Trade payables				
São Martinho Terras Imobiliárias S.A.	492	168	-	-
Bioenergética Santa Cruz S.A.	192	258	-	-
São Martinho Terras Agrícolas S.A.	22,666	5,423	-	-
CTC - Centro de Tecnologia Canavieira S.A.	15,343	346	15,343	346
Others	9	9	9	9
	<b>38,702</b>	<b>6,204</b>	<b>15,352</b>	<b>355</b>
Leases and agricultural partnerships payable from shareholders and related parties	277,248	291,281	277,248	291,281
Current and non-current liabilities (Acquisition of ownership interest)				
Luiz Ometto Participações S.A. (Note 17)	26,912	26,934	26,912	26,934

## Notes to the quarterly information

### At September 30, 2020

All amounts in thousands of reais unless otherwise stated

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

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

	Parent company		Consolidated	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Sales revenue				
Bioenergética Santa Cruz S.A.	6,485	4,405	-	-
Bioenergética São Martinho S.A.	3,693	3,892	-	-
	<b>10,178</b>	<b>8,297</b>	-	-
Reimbursed expenses/ Lease revenue (purchase of products and services)				
São Martinho Terras Imobiliárias S.A.	(1,822)	(1,934)	-	-
São Martinho Terras Agrícolas S.A.	(56,045)	(44,447)	-	-
Bioenergética Santa Cruz S.A.	(1,074)	(1,780)	-	-
Bioenergética São Martinho S.A.	24	163	-	-
CTC - Centro de Tecnologia Canavieira S.A.	(23,642)	(17,179)	(23,201)	(16,787)
Agro Pecuária Boa Vista S/A	75	78	75	78
	<b>(82,484)</b>	<b>(65,099)</b>	<b>(23,126)</b>	<b>(16,709)</b>
Shareholders and related parties				
Sugarcane purchases / agricultural partnership and land lease				
Agro Pecuária Boa Vista S/A	(17,172)	(15,537)	(17,172)	(15,537)
Others	(14,099)	(12,430)	(14,099)	(12,430)
	<b>(31,271)</b>	<b>(27,967)</b>	<b>(31,271)</b>	<b>(27,967)</b>

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

#### c) Management compensation

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

	Parent company		Consolidated	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Fixed and variable compensation, and Social security contributions	14,451	13,870	15,452	14,840
	2,866	3,889	3,045	4,156
<b>Total compensation and charges</b>	<b>17,317</b>	<b>17,759</b>	<b>18,497</b>	<b>18,996</b>

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



## Notes to the quarterly information

### At September 30, 2020

All amounts in thousands of reais unless otherwise stated

On December 9, 2019, the Board of Directors approved the granting of 1,072,712 new options, in the amount of R\$ 7,015, through the 11th Stock Option Plan, the regulation for which is the same as that of the Company's other plans.

Accordingly, in this quarterly information, the carrying amount of the new fair value liability of the Virtual Option Plan is R\$ 7,997 (R\$ 82 at March 31, 2020).

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

Plan	6th Plan	7th Plan	8th Plan	9th Plan	10th Plan	10th Plan	Total
Plan issue date	12/15/2014	12/14/2015	12/12/2016	05/02/2018	12/10/2018	12/09/2019	
Last exercise date (i)	2021	2022	2023	2024	2025	2026	
Number of virtual options granted	835,725	696,465	727,273	882,074	1,133,513	1,072,712	5,347,762
Number of virtual options exercised	(807,951)	(655,515)	(410,383)	(108,066)	-	-	(1,981,915)
<b>Number of virtual options to be exercised</b>	<b>27,774</b>	<b>40,950</b>	<b>316,890</b>	<b>774,008</b>	<b>1,133,513</b>	<b>1,072,712</b>	<b>3,365,847</b>
Exercise price (R\$)	12.04	15.87	17.70	17.76	19.07	19.38	

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

## 10. Investments

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

Company	Ownership interest %	Investee's adjusted equity		Investment book value		Equity in the results of investees	
		September 30, 2020	March 31, 2020	September 30, 2020	March 31, 2020	September 30, 2020	September 30, 2019
<b>Parent company</b>							
<b>Classified as Investments</b>							
SM Terras Imobiliárias	100.00%	159,884	159,086	159,884	159,086	7,199	15,722
Bio SM	100.00%	46,205	37,381	46,205	37,381	14,623	18,587
SM Inova	100.00%	29,820	26,870	29,820	26,870	2,943	1,202
SM Terras Agrícolas	100.00%	1,154,325	1,144,494	1,154,325	1,144,494	32,988	16,980
SM Logística	100.00%	2,634	2,703	2,634	2,703	(69)	(65)
Bio SC	100.00%	107,555	61,941	107,555	91,688	34,373	30,685
Bioenergética BV	100.00%	1	1	1	1	-	-
Bioenergia SM	100.00%	212	-	212	-	(27)	-
<b>Total classified as investments</b>		<b>1,500,636</b>	<b>1,432,476</b>	<b>1,500,636</b>	<b>1,462,223</b>	<b>92,030</b>	<b>83,111</b>
<b>Consolidated</b>							
<b>Classified as Investments</b>							
CTC - Centro de Tecnologia Canavieira S.A. (j)	5.41%	651,919	601,912	35,298	32,590	2,957	1,208
Others		-	-	1,237	1,278	(41)	-
<b>Total classified as Investments</b>		<b>651,919</b>	<b>601,912</b>	<b>36,535</b>	<b>33,868</b>	<b>2,916</b>	<b>1,208</b>

## Notes to the quarterly information

### At September 30, 2020

All amounts in thousands of reais unless otherwise stated

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

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

## 11. Property, plant and equipment

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

Maintenance costs that extend the useful lives of property, plant and equipment items are capitalized. Replacement items for assets that suffer wear and tear during the current crop season are recorded as assets, and are depreciated over the subsequent crop season. Maintenance costs that do not affect the useful lives of the assets are expensed as incurred. Replaced items are written-off.

Sugarcane plantations include bearer plants for the sole purpose of cultivating sugarcane. Sugarcane is classified as a permanent crop and its economically productive cycle lasts, on average, eight years after the first harvest. The finance costs for borrowings used to finance the construction of property, plant and equipment are capitalized during the construction period through to preparing the asset for its intended use.

## Notes to the quarterly information

### At September 30, 2020

All amounts in thousands of reais unless otherwise stated

Parent company	Land	Buildings and outbuildings	Manufacturing equipment and facilities	Intercrop maintenance	Vehicles	Agricultural machinery and implements	Sugarcane plantations	Construction in progress	Other PP&E	Total
<b>At March 31, 2019</b>	<b>209,296</b>	<b>401,832</b>	<b>1,179,860</b>	<b>306,422</b>	<b>229,566</b>	<b>287,476</b>	<b>1,190,628</b>	<b>120,764</b>	<b>53,460</b>	<b>3,979,304</b>
Total cost	209,296	490,357	1,775,974	306,422	363,639	565,861	1,190,628	120,764	170,003	5,192,944
Accumulated depreciation	-	(88,525)	(596,114)	-	(134,073)	(278,385)	-	-	(116,543)	(1,213,640)
<b>Net book value</b>	<b>209,296</b>	<b>401,832</b>	<b>1,179,860</b>	<b>306,422</b>	<b>229,566</b>	<b>287,476</b>	<b>1,190,628</b>	<b>120,764</b>	<b>53,460</b>	<b>3,979,304</b>
Acquisitions	5,871	286	7,393	302,757	15,950	59,151	339,388	125,690	6,252	862,738
Capital contribution to subsidiary (i)	(119,064)	-	-	-	-	-	-	-	-	(119,064)
Transfer of biological assets	-	-	-	-	-	-	(188,814)	-	-	(188,814)
Cost of sale	-	-	(35)	-	(2,497)	(3,835)	(47)	-	(372)	(6,786)
Transfer between groups	-	5,607	58,566	-	1,918	(6,848)	9,771	(71,515)	2,501	-
Depreciation	-	(12,438)	(79,024)	(307,868)	(21,186)	(37,689)	-	-	(10,689)	(468,894)
<b>At March 31, 2020</b>	<b>96,103</b>	<b>395,287</b>	<b>1,166,760</b>	<b>301,311</b>	<b>223,751</b>	<b>298,255</b>	<b>1,350,926</b>	<b>174,939</b>	<b>51,152</b>	<b>4,058,484</b>
Total cost	96,103	496,251	1,841,782	301,311	377,559	617,139	1,350,926	174,939	178,131	5,434,141
Accumulated depreciation	-	(100,964)	(675,022)	-	(153,808)	(318,884)	-	-	(126,979)	(1,375,657)
<b>Net book value</b>	<b>96,103</b>	<b>395,287</b>	<b>1,166,760</b>	<b>301,311</b>	<b>223,751</b>	<b>298,255</b>	<b>1,350,926</b>	<b>174,939</b>	<b>51,152</b>	<b>4,058,484</b>
Acquisitions	-	34	5,583	-	2,679	1,781	156,956	38,072	1,280	206,385
Transfer of PP&E/biological assets	-	-	-	-	-	-	(206,680)	-	-	(206,680)
Cost of sale	-	-	(8)	-	(365)	(329)	(16)	-	-	(718)
Transfer between groups	-	27,759	56,536	-	8,952	(14,820)	23,119	(103,206)	1,660	-
Depreciation	-	(8,390)	(73,871)	(263,922)	(17,962)	(13,355)	-	-	(7,287)	(384,787)
<b>At September 30, 2020</b>	<b>96,103</b>	<b>414,690</b>	<b>1,155,000</b>	<b>37,389</b>	<b>217,055</b>	<b>271,532</b>	<b>1,324,305</b>	<b>109,805</b>	<b>46,805</b>	<b>3,672,684</b>
Total cost	96,103	524,044	1,903,879	301,311	388,265	625,766	1,324,305	109,805	181,070	5,454,548
Accumulated depreciation	-	(109,354)	(748,879)	(263,922)	(171,210)	(354,234)	-	-	(134,265)	(1,781,864)
<b>Net book value</b>	<b>96,103</b>	<b>414,690</b>	<b>1,155,000</b>	<b>37,389</b>	<b>217,055</b>	<b>271,532</b>	<b>1,324,305</b>	<b>109,805</b>	<b>46,805</b>	<b>3,672,684</b>
Net book value										
Historical cost	24,816	349,209	958,115	37,389	195,057	235,758	1,324,305	109,805	46,805	3,281,259
Surplus on revaluation	71,287	65,481	196,885	-	21,998	35,774	-	-	-	391,425
Annual average depreciation rates/ Transfer of biological assets	-	3%	5%	100%	7%	9%	14%	-	14%	

## Notes to the quarterly information

### At September 30, 2020

All amounts in thousands of reais unless otherwise stated

Consolidated	Land	Buildings and outbuildings	Manufacturing equipment and facilities	Intercrop maintenance	Vehicles	Agricultural machinery and implements	Sugarcane plantations	Construction in progress	Improvements and other PPE	Total
<b>At March 31, 2019</b>	<b>1,812,339</b>	<b>405,543</b>	<b>1,237,880</b>	<b>307,002</b>	<b>229,564</b>	<b>287,477</b>	<b>1,190,627</b>	<b>120,762</b>	<b>53,466</b>	<b>5,644,660</b>
Total cost	1,812,339	496,594	1,857,960	307,158	363,637	565,861	1,190,627	120,762	170,003	6,884,941
Accumulated depreciation	-	(91,051)	(620,080)	(156)	(134,073)	(278,384)	-	-	(116,537)	(1,240,281)
<b>Net book value</b>	<b>1,812,339</b>	<b>405,543</b>	<b>1,237,880</b>	<b>307,002</b>	<b>229,564</b>	<b>287,477</b>	<b>1,190,627</b>	<b>120,762</b>	<b>53,466</b>	<b>5,644,660</b>
Acquisitions	11,782	286	7,393	303,851	15,950	59,151	339,388	125,690	6,252	869,743
Cost of sale	(334)	-	(35)	-	(2,497)	(3,835)	(47)	-	(373)	(7,121)
Transfer from Inventories to Sales	(1,782)	-	-	-	-	-	-	-	-	(1,782)
Transfer of biological assets	-	-	-	-	-	-	(188,814)	-	-	(188,814)
Transfer between groups	-	5,607	58,566	-	1,918	(6,848)	9,771	(71,515)	2,501	-
Depreciation	-	(12,619)	(81,578)	(308,420)	(21,186)	(37,689)	-	-	(10,689)	(472,181)
<b>At March 31, 2020</b>	<b>1,822,005</b>	<b>398,817</b>	<b>1,222,226</b>	<b>302,433</b>	<b>223,749</b>	<b>298,256</b>	<b>1,350,925</b>	<b>174,937</b>	<b>51,157</b>	<b>5,844,505</b>
Total cost	1,822,005	502,487	1,923,767	303,059	377,558	617,139	1,350,925	174,937	178,135	7,250,012
Accumulated depreciation	-	(103,670)	(701,541)	(626)	(153,809)	(318,883)	-	-	(126,978)	(1,405,507)
<b>Net book value</b>	<b>1,822,005</b>	<b>398,817</b>	<b>1,222,226</b>	<b>302,433</b>	<b>223,749</b>	<b>298,256</b>	<b>1,350,925</b>	<b>174,937</b>	<b>51,157</b>	<b>5,844,505</b>
Acquisitions	-	34	5,583	-	2,679	1,781	156,956	38,072	1,280	206,385
Cost of sale	(11,516)	-	(8)	-	(365)	(327)	(16)	-	-	(12,232)
Transfer from Inventories to Sales	(669)	-	-	-	-	-	-	-	-	(669)
Transfer of biological assets	-	-	-	-	-	-	(206,680)	-	-	(206,680)
Transfer between groups	-	27,759	56,536	-	8,952	(14,820)	23,119	(103,206)	1,660	-
Depreciation	-	(8,495)	(75,752)	(264,612)	(17,962)	(13,356)	-	-	(7,287)	(387,464)
<b>At September 30, 2020</b>	<b>1,809,820</b>	<b>418,115</b>	<b>1,208,585</b>	<b>37,821</b>	<b>217,053</b>	<b>271,534</b>	<b>1,324,304</b>	<b>109,803</b>	<b>46,810</b>	<b>5,443,845</b>
Total cost	1,809,820	530,279	1,985,865	302,432	388,264	625,768	1,324,304	109,803	181,076	7,257,611
Accumulated depreciation	-	(112,164)	(777,280)	(264,611)	(171,211)	(354,234)	-	-	(134,266)	(1,813,766)
<b>Net book value</b>	<b>1,809,820</b>	<b>418,115</b>	<b>1,208,585</b>	<b>37,821</b>	<b>217,053</b>	<b>271,534</b>	<b>1,324,304</b>	<b>109,803</b>	<b>46,810</b>	<b>5,443,845</b>
Net book value										
Historical cost	158,975	351,704	997,892	37,821	195,056	235,760	1,324,304	109,803	46,810	3,458,125
Surplus on revaluation	1,650,845	66,411	210,693	-	21,997	35,774	-	-	-	1,985,720
Annual average depreciation rates/ Transfer of biological assets	-	3%	5%	100%	7%	9%	14%	-	14%	

## Notes to the quarterly information

### At September 30, 2020

All amounts in thousands of reais unless otherwise stated

Construction in progress relates mainly to projects for the implementation of data transmission technology (4G), corn ethanol project consultancy and fire prevention.

For certain borrowing agreements, property, plant and equipment items totaling R\$ 634,303 were pledged as collateral, of which R\$ 59,934 relates to rural properties (483 hectares of land).

Financial charges capitalized by the Group during the period totaled R\$ 586 (R\$ 1,058 at September 30, 2019).

## 12. Intangible assets

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

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

	Parent company		Consolidated	
	September 30, 2020	March 31, 2020	September 30, 2020	March 31, 2020
Goodwill based on future profitability (i)	374,632	374,632	374,633	374,633
Software	38,259	37,492	38,259	37,492
Accumulated amortization	(29,917)	(28,821)	(29,917)	(28,821)
Rights on sugarcane contracts (ii)	42,443	42,443	42,443	42,443
Amortization of rights on sugarcane contracts (ii)	(19,470)	(17,026)	(19,470)	(17,026)
Rights on electricity contracts (iii)	-	-	103,401	103,401
Amortization of rights on electricity contracts (iii)	-	-	(72,166)	(62,315)
Other receivables	4,532	4,355	16,059	15,882
	<b>410,479</b>	<b>413,075</b>	<b>453,242</b>	<b>465,689</b>

(i) Goodwill related to prior year business combinations of companies subsequently merged into the Company;

(ii) Relates to the acquisition of rights on agreements for agricultural partnership and sugarcane supply;

(iii) Relates to the fair value of agreements for electricity supply entered into with Bio SC, effective up to 2025 (business combination).

### Impairment of non-financial assets

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

## Notes to the quarterly information

### At September 30, 2020

All amounts in thousands of reais unless otherwise stated

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

At March 3, 2020, the Company tested its non-current assets for impairment. The assessment was based on calculations of the value in use of each CGU, which use pre-tax cash flow projections, based on financial budgets approved by management. The growth rate is limited to the long-term average growth rate of the industry in which the CGU operates.

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

Main assumptions used by the Company (March 31, 2020):

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

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

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

#### a) Leases

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

Changes in accounting policies are detailed below:

## Notes to the quarterly information

At September 30, 2020

All amounts in thousands of reais unless otherwise stated

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

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

### c) The Company as the Lessee

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

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

### d) The Company as the Lessor

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

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

Right-of-use assets	Parent company and Consolidated			
	Vehicles and buildings	Agricultural partnership	Agricultural lease	Total
<b>First-time adoption on April 1, 2019</b>	<b>23,254</b>	<b>1,452,930</b>	<b>454,926</b>	<b>1,931,110</b>
Adjustments	354	16,133	-	16,487
Amortization	(8,364)	(162,184)	(31,223)	(201,771)
<b>September 30, 2019</b>	<b>15,244</b>	<b>1,306,879</b>	<b>423,703</b>	<b>1,745,826</b>
<b>At March 31, 2020</b>	<b>2,682</b>	<b>1,315,294</b>	<b>401,477</b>	<b>1,719,453</b>
New agreements	28,385	67,844	2,919	99,148
Contract update	1,027	(9,579)	(8,457)	(17,009)
Write-offs	(1,193)	(28,084)	(11,745)	(41,022)
Depreciation	(7,425)	(180,794)	(31,482)	(219,701)
<b>At September 30, 2020</b>	<b>23,476</b>	<b>1,164,681</b>	<b>352,712</b>	<b>1,540,869</b>
Useful lives (in years)	1 to 2	2 to 29	2 to 20	

## Notes to the quarterly information At September 30, 2020

All amounts in thousands of reais unless otherwise stated

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

Leases and agricultural partnerships payable	Parent company and Consolidated			
	Balance of lease agreements	Balance of advance payments	Adjustment to present value	Total
<b>First-time adoption on April 1, 2019</b>	<b>2,357,144</b>	-	<b>(426,034)</b>	<b>1,931,110</b>
Offset of advances	-	(156,413)	-	(156,413)
Contract update	19,910	-	(3,424)	16,486
Payments made	(191,016)	-	-	(191,016)
Financial charges	-	-	47,548	47,548
<b>September 30, 2019</b>	<b>2,186,038</b>	<b>(156,413)</b>	<b>(381,910)</b>	<b>1,647,715</b>
<b>At March 31, 2020</b>	<b>2,663,968</b>	<b>(108,822)</b>	<b>(879,233)</b>	<b>1,675,913</b>
Offset of advances	-	24,876	-	24,876
New agreements	151,604	-	(52,456)	99,148
Contract update	(28,359)	-	11,350	(17,009)
Write-offs	(62,053)	-	15,935	(46,118)
Payments made	(238,791)	-	-	(238,791)
Financial charges	-	-	89,918	89,918
<b>At September 30, 2020</b>	<b>2,486,369</b>	<b>(83,946)</b>	<b>(814,486)</b>	<b>1,587,937</b>
<b>Current liabilities</b>				<b>286,623</b>
Leases payable				50,002
Land partnership payable				236,621
<b>Non-current liabilities</b>				<b>1,301,314</b>
Leases payable				351,099
Land partnership payable				950,215
				<b>1,587,937</b>

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

Maturity	Parent company and Consolidated
From 4/1/2021 to 3/31/2022	291,780
From 4/1/2022 to 3/31/2023	261,533
From 4/1/2023 to 3/31/2024	239,402
From 4/1/2024 to 3/31/2025	219,322
From 4/1/2025 to 3/31/2026	197,694
From 4/1/2026 to 1/31/2027	152,850
From 4/1/2026 to 3/31/2028	122,775
From 4/1/2028 onwards	525,456
(-) Adjustment to present value	(709,498)
	<b>1,301,314</b>

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



## Notes to the quarterly information

### At September 30, 2020

All amounts in thousands of reais unless otherwise stated

Parent company and Consolidated	Agricultural lease	Adjustment to present value
Lease payment	637,361	258,852
Potentially recoverable PIS/COFINS (9.25%)	(42,128)	(16,828)
September 30, 2020	595,233	242,024

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

Parent company and consolidated	
Contract terms	Incremental borrowing rate
2 years	7.80%
3 years	8.43%
4 years	8.67%
5 years	8.63%
6 years	8.86%
7 years	9.10%
8 years	8.83%
9 years	9.17%
10 years	9.22%
11 anos	9.47%
From 12 to 30 years	9.33%

Pursuant to IFRS 16, the Company measures its lease liabilities and right-of-use assets by discounting real cash flows, excluding the nominal effects of future inflation.

To conform to CVM Circular Letter 02/2019, comparative information on lease and agricultural partnership liabilities, right-of-use assets, deferred taxes, depreciation expense and finance costs for the six-month period ended September 30, 2020 and future periods is presented below, discounting nominal cash flows and discounted at the nominal rates:

## Notes to the quarterly information

### At September 30, 2020

All amounts in thousands of reais unless otherwise stated

Parent company and Consolidated	From 10/1/2010 to 9/30/2021	From 10/1/2021 to 9/30/2022	From 10/1/2022 to 9/30/2023	From 10/1/2023 to 9/30/2024	From 10/1/2024 to 9/30/2025	From 10/1/2025 to 9/30/2030	From 10/1/2030 to 9/30/2035	From 10/1/2035 to 9/30/2040
Right-of-use assets								
IFRS 16	1,299,978	1,097,453	911,245	744,507	595,371	179,614	23,192	-
CVM Official Letter	1,664,984	1,411,914	1,180,090	970,671	781,326	240,713	32,938	-
	28.08%	28.65%	29.50%	30.38%	31.23%	34.02%	42.02%	N/A
Liabilities of leases and agricultural partnerships								
IFRS 16	1,276,074	1,077,303	894,838	730,959	583,856	211,957	34,073	-
CVM Official Letter	1,598,931	1,359,936	1,138,449	937,523	755,665	285,731	50,300	-
	25.30%	26.24%	27.22%	28.26%	29.43%	34.81%	47.63%	N/A
Depreciation expenses								
IFRS 16	(217,415)	(202,524)	(186,209)	(166,738)	(149,136)	(415,757)	(156,421)	(23,192)
CVM Official Letter	(273,597)	(253,070)	(231,824)	(209,419)	(189,346)	(540,613)	(207,775)	(32,938)
	25.84%	24.96%	24.50%	25.60%	26.96%	30.03%	32.83%	42.02%
Interest expense								
IFRS 16	(45,513)	(81,085)	(79,414)	(76,661)	(73,382)	(298,579)	(109,118)	(13,446)
CVM Official Letter	(102,424)	(102,838)	(101,191)	(98,290)	(94,748)	(404,799)	(158,059)	(21,330)
	125.04%	26.83%	27.42%	28.21%	29.12%	35.58%	44.85%	58.63%

  

	IFRS 16/CPC 06	CVM Official Letter
Depreciation expenses	(1,517,393)	(1,938,581)
Interest expense	(777,199)	(1,083,678)
	(2,294,592)	(3,022,259)

## 14. Borrowings

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

Type	Annual charges		Parent company and consolidated	
	Rate	Index	September 30, 2020	March 31, 2020
<b>In local currency</b>				
Export Credit Note (NCE)	105.50%	CDI	30,073	131,780
BNDES credit facility	2.22%	+ TJLP	155,976	162,873
BNDES credit facility	3.23%	-	140,594	160,039
Rural credit	0.00%	-	-	278,497
FINEP	4.00%	-	74,293	84,433
Agribusiness Receivable Certificate (CRA)	98.06%	CDI	1,439,327	1,474,171
Agribusiness Receivable Certificate (CRA) (a) (iii)	4.88%	+ IPCA	450,866	448,743
Other securitized credits	3.00%	+IGP-M/PRE	40	8,389
Leases	5.98%	Fixed rate	266	-
<b>Total in local currency</b>	<b>109.24%</b>	<b>CDI</b>	<b>2,291,435</b>	<b>2,748,925</b>
<b>In foreign currency</b>				
Export prepayment	4.15% gn exchange var		-	1,050,150
Export prepayment	1.54% 6M Libor		1,763,328	394,865
International Finance Corporation (IFC)	1.70% 6M Libor		512,287	474,334
Export Credit Note (NCE) (iii)	2.27% gn exchange var		142,743	130,057
FINEM	2.73% Currency Basket		14,436	16,111
<b>Total in foreign currency</b>	<b>2.91%</b>		<b>2,432,794</b>	<b>2,065,517</b>
<b>TOTAL (i)</b>			<b>4,724,229</b>	<b>4,814,442</b>
Current			719,692	591,024
Non-current			4,004,537	4,223,418

## Notes to the quarterly information

### At September 30, 2020

All amounts in thousands of reais unless otherwise stated

- (i) Total costs of liabilities in local and foreign currency were calculated based on the terms of the portfolios, and Interbank Deposit (DI) and LIBOR interest yield curves.
- (ii) 51% of the Agribusiness Receivable Certificates (CRAs) is linked to 121.87% + is indexed to 121.87% DI a SWAP contract.
- (ii) 100% of the Export Credit Note (NCE) amount is linked to the DI rate +1.40% p.a., through a swap contract.

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

Changes in debt	Parent company and	
	September 30, 2020	September 30, 2019
Opening balance	4,814,442	4,452,600
Proceeds from borrowings	212,479	416,431
Repayment of principal amount	(401,204)	(514,966)
Repayment of interest	(163,777)	(97,447)
Interest/ indexation accruals	90,632	132,338
Foreign exchange gains/losses	171,657	103,719
Closing balance	<b>4,724,229</b>	<b>4,492,675</b>

Long-term borrowings mature as follows:

Parent company and Consolidated	Maturity
From 10/1/2021 to 9/30/2022	710,939
From 10/1/2022 to 9/30/2023	1,114,854
From 10/1/2023 to 9/30/2024	473,056
From 10/1/2024 to 9/30/2025	1,100,919
From 10/1/2025 to 9/30/2026	534,914
From 10/1/2026 to 9/30/2027	21,350
From 10/1/2027 to 9/30/2028	20,506
From 10/1/2028 onwards	27,999
	<b>4,004,537</b>

At September 30, 2020, R\$ 634,303 of São Martinho's debt is collateralized as follows: 99% by equipment, properties, and buildings, approximately 1% by land, and less than 1% by receivables from electricity trading and stockholders' sureties.

At the balance sheet dates, the carrying amounts of borrowings approximate their fair value. The fair values are based on cash flows discounted using the borrowing rate of 3.9% (4.7% at March 31, 2020), and are classified within Level 2 of the fair value hierarchy.

## Notes to the quarterly information

### At September 30, 2020

All amounts in thousands of reais unless otherwise stated

#### Covenants

The Company has entered into contracts that include financial covenants amounting to R\$ 2,294,806, which are measured for compliance annually. At September 30, 2020, the Company was in compliance with these covenants.

#### 15. Trade payables

	Parent company		Consolidated	
	September 30, 2020	March 31, 2020	September 30, 2020	March 31, 2020
Sugarcane	172,146	74,749	148,989	69,158
Materials, services, and other	169,237	102,099	172,627	105,366
	<b>341,383</b>	<b>176,848</b>	<b>321,616</b>	<b>174,524</b>

Includes trade payables to related parties of R\$ 38,702 in the parent company, and R\$ 15,352 in the consolidated (R\$ 6,204 and R\$ 355, respectively, at March 31, 2020) (Note 9).

#### 16. Obligations and Rights with Copersucar

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

##### a) Obligations:

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

## Notes to the quarterly information

### At September 30, 2020

All amounts in thousands of reais unless otherwise stated

Parent company and Consolidated	September 30, 2020	March 31, 2020
REFIS - Copersucar - Bearing SELIC rate interest	48,940	53,456
Foreign Exchange Bill (LC) - Bearing SELIC rate interest	71,396	71,077
Foreign Exchange Bill (LC) - Transfer of funds/ no charges	52,356	52,356
Tax proceedings expenses	10,892	10,892
Others	2,300	2,300
<b>Total</b>	<b>185,884</b>	<b>190,081</b>
<b>Current liabilities</b>	<b>10,892</b>	<b>10,892</b>
<b>Non-current</b>	<b>174,992</b>	<b>179,189</b>

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

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

#### **b) Rights:**

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

Among these cases is a claim by Copersucar against the Federal Government for financial damages arising from the price controls imposed over sugar and ethanol sales in the 1980s.

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

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

## Notes to the quarterly information

### At September 30, 2020

All amounts in thousands of reais unless otherwise stated

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

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

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

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

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

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

Parent company and Consolidated	Acquisitions	Disposals	Net balance
	Santa Cruz	Agro Pecuária Boa Vista	
At March 31, 2020	(125,043)	98,109	(26,934)
Interest accruals	(1,561)	1,225	(336)
Repayment of interest	1,662	(1,304)	358
<b>At September 30, 2020</b>	<b>(124,942)</b>	<b>98,030</b>	<b>(26,912)</b>
		Current liabilities	(11,642)
		Non-current liabilities	(15,270)
			<b>(26,912)</b>

## Notes to the quarterly information

### At September 30, 2020

All amounts in thousands of reais unless otherwise stated

The balances accrue interest based on the CDI, paid annually, as per the schedule presented below:

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

## 18. Equity

### a) Share capital

The share capital at September 30, 2020 amounted to R\$ 2,071,819 (R\$ 1,696,652 at March 31, 2020), represented by 354,011,329 registered common shares with no par value.

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

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

### b) Treasury shares

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

The Board of Directors' meeting held on June 24, 2019 approved the cancellation of 10 million treasury shares. Changes in the year were as follows:

## Notes to the quarterly information

### At September 30, 2020

All amounts in thousands of reais unless otherwise stated

	March 31, 2020	Acquisition of shares	September 30, 2020
Number	7,267,063	369,200	7,636,263
Average price	18.08	23.39	18.33
<b>Total amount</b>	<b>131,361</b>	<b>8,636</b>	<b>139,997</b>

#### c) Carrying value adjustments

##### (i) Deemed cost

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

##### (ii) Hedge accounting fair value

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

#### d) Revenue reserves

##### Legal reserve

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

##### Capital budget reserve

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

##### Unrealized profit reserve

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

##### Tax incentive reserve

The Company benefits from "Goiás Industrial Development Program - Produzir", a tax incentive program introduced by the State of Goiás and effective until 2033. It takes the form of deferral of ICMS payment, which provides for a partial reduction.



## Notes to the quarterly information

### At September 30, 2020

All amounts in thousands of reais unless otherwise stated

The use of this benefit is conditional upon compliance with all the obligations set forth in the program, which are under the Company's control.

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

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

The benefit recorded in the current statement of income was R\$ 28,083 in the Parent and Consolidated, (R\$ 45,084 at September 30, 2019).

#### **e) Capital reserve**

This reserve comprises the effects of marking-to-market the Company's shares issued at the time of exchanging shares with non-controlling interests.

#### **f) Dividends**

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

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

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

## **19. Profit sharing**

As part of its policy, the Company manages a profit-sharing program for its employees, linked to a prior plan with operating and financial targets. At September 30, 2020, profit-sharing totaled R\$ 28,573 in the Parent company and R\$ 28,607 in the Consolidated (R\$ 28,135 and R\$ 28,164 in the Parent company and Consolidated, respectively, at September 30, 2019).

## Notes to the quarterly information

### At September 30, 2020

All amounts in thousands of reais unless otherwise stated

## 20. Income tax and social contribution

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

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

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

### a) Changes in deferred income tax and social contribution

Parent company	June 30, 2020	Quarter		September 30, 2020
		Recognized in the statement of income	Recognized in other comprehensive income	
Income tax and social contribution losses	22,500	(1,005)	-	21,495
Derivative financial instruments	337,103	894	24,635	362,632
Provision for contingencies	59,553	20,945	-	80,498
Foreign exchange variation	22,489	817	-	23,306
Other receivables	62,705	(2,350)	-	60,355
<b>Total income and social contribution tax assets</b>	<b>504,350</b>	<b>19,301</b>	<b>24,635</b>	<b>548,286</b>
Surplus on revaluation of PP&E (deemed cost)	(138,869)	5,595	-	(133,274)
Accelerated depreciation incentive	(345,574)	(2,468)	-	(348,042)
Tax benefit on merged goodwill	(184,796)	(4,387)	-	(189,183)
Other payables	(31,315)	1,344	-	(29,971)
<b>Total income and social contribution tax liabilities</b>	<b>(700,554)</b>	<b>84</b>	<b>-</b>	<b>(700,470)</b>
<b>Deferred income tax and social contribution</b>	<b>(196,204)</b>	<b>19,385</b>	<b>24,635</b>	<b>(152,184)</b>

## Notes to the quarterly information

At September 30, 2020

All amounts in thousands of reais unless otherwise stated

Consolidated	June 30, 2020	Quarter			September 30, 2020
		Recognized in the statement of income	Recognized in other comprehensive income	Consolidation adjustment - Rights on electricity contracts	
Income tax and social contribution losses	22,499	(1,005)	-	-	21,494
Derivative financial instruments	337,104	894	24,635	-	362,633
Provision for contingencies	47,315	16,336	-	-	63,651
Provision for other obligations	12,727	4,610	-	-	17,337
Foreign exchange gains/losses	22,489	817	-	-	23,306
Other receivables	62,457	(1,838)	-	-	60,619
<b>Total income and social contribution tax assets</b>	<b>504,591</b>	<b>19,814</b>	<b>24,635</b>	<b>-</b>	<b>549,040</b>
Surplus on revaluation of PP&E (deemed cost)	(649,693)	5,668	-	-	(644,025)
Accelerated depreciation incentive	(345,574)	(2,468)	-	-	(348,042)
Tax benefit on downstream merged goodwill	(184,796)	(4,387)	-	-	(189,183)
Intangible assets	(13,635)	-	-	1,703	(11,932)
Gain from change in interest held in CTC	(5,068)	-	-	-	(5,068)
Other payables	(31,315)	1,343	-	-	(29,971)
<b>Total income and social contribution tax liabilities</b>	<b>(1,230,081)</b>	<b>156</b>	<b>-</b>	<b>1,703</b>	<b>(1,228,221)</b>
<b>Deferred income tax and social contribution</b>	<b>(725,490)</b>	<b>19,970</b>	<b>24,635</b>	<b>1,703</b>	<b>(679,181)</b>
<b>Other deferred taxes</b>	<b>(539)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(539)</b>

Parent company	March 31, 2020	Year-to-date		September 30, 2020
		Recognized in the statement of income	Recognized in other comprehensive income	
Income tax and social contribution losses	38,137	(16,642)	-	21,495
Derivative financial instruments	305,040	(2,986)	60,579	362,633
Provision for contingencies	53,629	26,870	-	80,499
Foreign exchange variation	25,344	(2,038)	-	23,306
Other receivables	67,585	(7,231)	-	60,354
<b>Total income and social contribution tax assets</b>	<b>489,735</b>	<b>(2,027)</b>	<b>60,579</b>	<b>548,287</b>
Surplus on revaluation of PP&E (deemed cost)	(142,805)	9,532	-	(133,273)
Accelerated depreciation incentive	(346,415)	(1,627)	-	(348,042)
Tax benefit on merged goodwill	(180,409)	(8,775)	-	(189,184)
Other payables	(34,326)	4,354	-	(29,972)
<b>Total income and social contribution tax liabilities</b>	<b>(703,955)</b>	<b>3,484</b>	<b>-</b>	<b>(700,471)</b>
<b>Deferred income tax and social contribution</b>	<b>(214,220)</b>	<b>1,457</b>	<b>60,579</b>	<b>(152,184)</b>

Consolidated	March 31, 2020	Year-to-date			September 30, 2020
		Recognized in the statement of income	Recognized in other comprehensive income	Consolidation adjustment - Rights on electricity contracts	
Income tax and social contribution losses	38,136	(16,642)	-	-	21,494
Derivative financial instruments	305,041	(2,987)	60,579	-	362,633
Provision for contingencies	47,944	15,707	-	-	63,651
Provision for other obligations	6,174	11,163	-	-	17,337
Foreign exchange gains/losses	25,344	(2,038)	-	-	23,306
Other receivables	66,942	(6,323)	-	-	60,619
<b>Total income and social contribution tax assets</b>	<b>489,581</b>	<b>(1,120)</b>	<b>60,579</b>	<b>-</b>	<b>549,040</b>
Surplus on revaluation of PP&E (deemed cost)	(653,728)	9,703	-	-	(644,025)
Accelerated depreciation incentive	(346,415)	(1,627)	-	-	(348,042)
Tax benefit on downstream merged goodwill	(180,409)	(8,774)	-	-	(189,183)
Adjustment to present value	1	(1)	-	-	-
Intangible assets	(15,323)	-	-	3,391	(11,932)
Gain from change in interest held in CTC	(5,068)	-	-	-	(5,068)
Other payables	(34,326)	4,354	-	-	(29,971)
<b>Total income and social contribution tax liabilities</b>	<b>(1,235,268)</b>	<b>3,655</b>	<b>-</b>	<b>3,391</b>	<b>(1,228,221)</b>
<b>Deferred income tax and social contribution</b>	<b>(745,687)</b>	<b>2,535</b>	<b>60,579</b>	<b>3,391</b>	<b>(679,181)</b>
<b>Other deferred taxes</b>	<b>(539)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(539)</b>

## Notes to the quarterly information

### At September 30, 2020

All amounts in thousands of reais unless otherwise stated

Deferred tax assets and liabilities are presented net in the balance sheet, by legal entity, when there is a legally enforceable right and the intention to offset them against current taxes, and when they relate to the same tax jurisdiction.

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

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

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

Parent company	September 30, 2020		September 30, 2019	
	Quarter	Year-to-date	Quarter	Year-to-date
Profit before taxes	469,934	616,661	58,770	125,288
<b>Income tax and social contribution at nominal rates - 34%</b>	<b>(159,778)</b>	<b>(209,665)</b>	<b>(19,982)</b>	<b>(42,598)</b>
Reconciliation to effective tax rate:				
. Equity in the results of investees	18,254	31,290	16,081	28,258
. Permanent tax differences	(302)	(762)	(527)	(856)
. State subsidy	3,555	9,549	7,605	15,328
. Others and tax incentives	231	527	35	28,025
<b>Income tax and social contribution expense</b>	<b>(138,040)</b>	<b>(169,061)</b>	<b>3,212</b>	<b>28,157</b>
Income tax and social contribution at the effective rate	29.4%	27.4%	-5.5%	-22.5%
Current income tax and social contribution	(157,425)	(170,518)	(33)	27,958
Deferred income tax and social contribution	19,385	1,457	3,245	199

Consolidated	September 30, 2020		September 30, 2019	
	Quarter	Year-to-date	Quarter	Year-to-date
Profit before taxes	473,345	622,047	61,250	130,135
<b>Income tax and social contribution at nominal rates - 34%</b>	<b>(160,937)</b>	<b>(211,496)</b>	<b>(20,825)</b>	<b>(44,246)</b>
Reconciliation to effective tax rate:				
. Equity in the results of investees	672	992	272	411
. Permanent tax differences	(302)	(762)	(527)	(857)
. State subsidy	3,555	9,549	7,605	15,328
. Adjustment to the calculation relating to subsidiary taxed based on deemed	15,332	15,610	14,177	24,653
. Recognition of income tax and social contribution credits from prior years (	122	11,534	35	28,026
. Tax incentives	102	108	-	-
. Others	5	18	(5)	(5)
<b>Income tax and social contribution expense</b>	<b>(141,451)</b>	<b>(174,447)</b>	<b>732</b>	<b>23,310</b>
Income tax and social contribution at the effective rate	29.9%	28.0%	-1.2%	-17.9%
Current income tax and social contribution	(161,421)	(176,982)	(3,117)	22,096
Deferred income tax and social contribution	19,970	2,535	3,849	1,214

**21. Commitments**

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

**Riparian forests and Legal Reserve areas**

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

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

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

**Sale commitment**

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

	<b>Up to 1 year</b>	<b>From 2 to 3 years</b>	<b>More than 3 years</b>
Ethanol (m <sup>3</sup> )	749,393	195,596	720,000
Sugar (metric tons)	1,430,184	1,044,372	-
Electricity (Mwh)	567,920	1,135,840	7,258,900

**Purchases of inputs**

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

## Notes to the quarterly information

### At September 30, 2020

All amounts in thousands of reais unless otherwise stated

## 22. Provision for contingencies

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

### 22.1 Probable losses

Based on its legal counsel's assessment of probable losses, São Martinho has recorded the following provisions for contingencies involving probable losses (includes accruals for interest and indexation charges):

	Parent company				
	Tax	Civil and environmental	Labor	TOTAL	Judicial deposits
At March 31, 2020	14,958	27,583	57,252	99,793	270,872
Additions	9	58	12,485	12,552	2,524
Reversals	(505)	(2,191)	(3,137)	(5,833)	-
Utilization	(9)	(498)	(6,564)	(7,071)	(4,199)
Accruals	(229)	(3,588)	3,375	(442)	443
<b>At September 30, 2020</b>	<b>14,224</b>	<b>21,364</b>	<b>63,411</b>	<b>98,999</b>	<b>269,640</b>

	Consolidated				
	Tax	Civil and environmental	Labor	TOTAL	Judicial deposits
At March 31, 2020	14,958	28,073	57,252	100,283	271,060
Additions	21	59	12,485	12,565	2,524
Reversals	(505)	(2,191)	(3,136)	(5,832)	-
Utilization	(21)	(499)	(6,564)	(7,084)	(4,207)
Accruals	(229)	(3,568)	3,374	(423)	443
<b>At September 30, 2020</b>	<b>14,224</b>	<b>21,874</b>	<b>63,411</b>	<b>99,509</b>	<b>269,820</b>

Judicial deposits, including accruals for interest and indexation credits, are presented in non-current assets. Additions recorded in the period are shown in Note 16 (b).

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

#### Tax lawsuits:

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

## Notes to the quarterly information

At September 30, 2020

All amounts in thousands of reais unless otherwise stated

### Civil and environmental lawsuits:

Relate to: (i) compensation amounts, in general; (ii) environmental administrative penalties for the event of a fire in a sugarcane crop area, the legality of which is being challenged by the Company, with the respective amounts deposited in court; (iii) success fees payable to the lawyers hired to defend the Company in tax lawsuits.

### Labor lawsuits:

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

## 22.2 Possible losses

São Martinho is a party to various litigious cases involving tax, environmental and civil matters that were assessed under advice of legal counsel as involving possible risk of losses. The nature and the amounts these are as follows:

Nature		Parent company				Consolidated			
		September 30, 2020		March 31, 2020		September 30, 2020		March 31, 2020	
		Number of proceedings	Amount	Number of proceedings	Amount	Number of proceedings	Amount	Number of proceedings	Amount
Environmental		98	7,990	91	6,120	98	7,990	91	6,120
Civil									
Indemnities		53	23,507	51	28,353	53	23,507	53	28,787
Review of contracts		11	1,388	11	2,472	11	1,388	12	2,493
Other lawsuits		15	15,489	13	15,187	17	15,520	16	15,260
Labor		45	3,831	36	3,246	46	3,831	36	3,246
Tax									
Social security contribution	(i)	16	230,872	16	227,621	16	230,872	16	227,621
Computation of IRPJ/CSLL	(ii)	5	262,358	5	292,703	5	262,358	5	292,703
Offset of federal taxes	(iii)	90	149,534	76	110,047	92	153,519	77	114,032
ICMS	(iv)	14	55,927	13	36,399	14	55,927	13	36,399
Federal taxes	(v)	1	242,188	1	242,188	1	242,188	1	242,188
Other lawsuits	(vi)	24	482,230	21	473,442	29	495,705	26	486,861
<b>TOTAL</b>		<b>372</b>	<b>1,475,314</b>	<b>334</b>	<b>1,437,778</b>	<b>382</b>	<b>1,492,805</b>	<b>346</b>	<b>1,455,710</b>

### Tax lawsuits:

- (i) The lawsuits relate to the levy of the Social Security Contribution (INSS) on export revenue, under the allegation that the exports carried out through the intermediation of a cooperative are not covered by exemptions provided for in Article 149, paragraph 2, of the Federal Constitution.
- (ii) The lawsuits relate to the exclusion from the income tax and social contribution calculation basis, expenses related to securitized financing, as well as expenses arising from the benefit of accelerated tax-incentive depreciation, as provided for in Article 325 of the Income Tax Regulations (RIR)/2018.
- (iii) The lawsuits relate to offset claims for IRPJ, CSLL, PIS, COFINS, and other federal taxes as a result of overpayments and/or tax losses, and tax credits proportional to the export revenue, which have been rejected by the Brazilian Federal Revenue Service (RFB), and are currently pending judgment.

## Notes to the quarterly information

### At September 30, 2020

All amounts in thousands of reais unless otherwise stated

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

#### Other proceedings:

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

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

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

### 23. Risk management and derivative financial instruments

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

Derivative financial instruments are contracted exclusively for the purpose of pricing and hedging the Company's exports of sugar, ethanol and other products against foreign exchange risk, price fluctuation, and interest rate variations. São Martinho does not enter into financial instruments for speculative purposes.



## Notes to the quarterly information

### At September 30, 2020

All amounts in thousands of reais unless otherwise stated

#### 23.1 Market risk

##### a) Foreign exchange risk

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

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

#### Assets and liabilities exposed to exchange variation

The table below summarizes the assets and liabilities denominated in foreign currency (U.S. dollars), recorded in the balance sheet at September 30, 2020:

Consolidated	September 30, 2020	Equivalent to thousands of US\$
Current and non-current assets		
Cash and cash equivalents (banks - demand deposits)	118,513	21,013
Trade receivables	113,957	20,205
Derivative financial instruments	129,191	22,906
Total assets	361,661	64,124
Current and non-current liabilities:		
Borrowings	2,432,794	431,293
Derivative financial instruments	386,900	68,591
Total liabilities	2,819,694	499,884
Subtotal assets (liabilities)	(2,458,033)	(435,760)
(-) Borrowings in foreign currency	2,432,794	431,293
<b>Net liability exposure</b>	<b>(25,239)</b>	<b>(4,467)</b>

The net exposure is calculated without including borrowings in foreign currency, since these will be settled with resources from future export revenue and are, therefore, protected by the Company's hedging policy.

These assets and liabilities were adjusted and recorded in this quarterly information at the exchange rate in effect on September 30, 2020: R\$ 5.6401 per US\$ 1.00 for assets and R\$ 5.6407 per US\$ 1.00 for liabilities.

## Notes to the quarterly information

At September 30, 2020

All amounts in thousands of reais unless otherwise stated

### b) Commodity price volatility risk

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

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

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

### d) Market risk sensitivity analysis

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

Consolidated	Risk factor	Impacts on P/L		
		Probable scenario 5%	Possible scenario 25%	Possible scenario 50%
Cash and cash equivalents	Decrease in exchange rate - R\$/US\$	(6,134)	(30,672)	(61,344)
Trade receivables	Decrease in exchange rate - R\$/US\$	(5,605)	(28,023)	(56,046)
Borrowings	Increase in exchange rate - R\$/US\$	(3,358)	(16,789)	(33,578)
Derivative financial instruments				
Currency forward contracts	Increase in exchange rate - R\$/US\$	(1,302)	(6,509)	(13,018)
Swap contracts	Decrease in exchange rate - R\$/US\$ and increase in the yield curve	(1,059)	(2,655)	(5,334)
<b>Net exposure</b>		<b>(17,458)</b>	<b>(84,648)</b>	<b>(169,320)</b>

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

### e) Financial instruments

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

In order to apply hedge accounting, prospective and retrospective tests were carried out to verify the effectiveness. These tests showed that the hedge-designated instruments qualify as highly effective hedges against the effects of price fluctuations on the value of future sales.

## Notes to the quarterly information

### At September 30, 2020

All amounts in thousands of reais unless otherwise stated

In the case of sugar hedges, the derivatives were designated as cash flow hedges against variations in future sales of sugar. These transactions are carried out on the New York - Intercontinental Exchange (ICE Futures US), and with top-tier financial institutions through over-the-counter contracts or directly with the Company's customers.

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

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

Parent company and Consolidated	September 30, 2020			
	Contracted amount/volume	Average price/rate	Notional value - R\$	Fair value - R\$
<u>In current assets - Gain</u>				
Margin deposit				29,466
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Sale commitment	74,273	13.82	127,646	3,489
. Purchase commitment	103,383	11.71	150,547	19,155
Commodity futures contracts - Ethanol				
. Sale commitment	19,950	1,947	38,833	92
. Purchase commitment	600	1,530	918	9
Commodity forward contracts - Sugar #11				
. Sale commitment	13,971	13.14	22,829	202
Currency forward contracts (NDF) - US dollar - OTC				
. Purchase commitment	6,235	5.06	31,549	3,633
. Sale commitment	13,650	5.66	77,259	316
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Bidding position in put options	151,086	13.72	257,778	18,843
Interest rate swap contracts - OTC				4,426
<b>Total derivative financial instruments in current assets</b>				<b>79,631</b>
<u>In non-current assets - Gain</u>				
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Sale commitment	4,115	13.05	6,678	39
Currency forward contracts (NDF) - US dollar - OTC				
. Sale commitment	3,186	5.82	18,543	45
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Bidding position in put options	58,575	12.13	88,357	5,693
Interest rate swap contracts - OTC				43,783
<b>Total derivative financial instruments in non-current assets</b>				<b>49,560</b>

## Notes to the quarterly information At September 30, 2020

All amounts in thousands of reais unless otherwise stated

Parent company and Consolidated	September 30, 2020			
	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	280,124	12.07	420,460	34,509
. Purchase commitment	129,699	14.05	226,610	13,283
Commodity forward contracts - Sugar #11				
. Sale commitment	6,655	13	10,775	123
Currency forward contracts (NDF) - US dollar - OTC				
. Sale commitment	281,237	4.86	1,366,812	220,838
Flex option contracts - US dollar - OTC				
. Short position in call options	151,086	15.13	284,269	6,190
Interest rate swap contracts - OTC				23,650
<b>Total derivative financial instruments in current liabilities</b>				<b>298,593</b>
<u>In non-current liabilities - Loss</u>				
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Sale commitment	15,139	12.55	23,627	799
Currency forward contracts (NDF) - US dollar - OTC				
. Sale commitment	45,172	5.55	250,750	9,616
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Short position in call options	58,575	13.32	97,025	7,590
Interest rate swap contracts - OTC				70,302
<b>Total derivative financial instruments in non-current liabilities</b>				<b>88,307</b>

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

## Notes to the quarterly information

### At September 30, 2020

All amounts in thousands of reais unless otherwise stated

Parent company and Consolidated	March 31, 2020			
	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				
. Purchase commitment	434,767	13.99	697,112	161,629
Currency forward contracts (NDF) - US dollar - OTC				
. Sale commitment	283,168	4.43	1,254,434	226,984
Flex option contracts - US dollar - OTC				
. Short position in call options	134,576	15.34	236,604	3,567
Interest rate swap contracts - OTC				14,293
<b>Total derivative financial instruments in current liabilities</b>				<b><u>406,473</u></b>
<u>In non-current liabilities - Loss</u>				
Currency forward contracts (NDF) - US dollar - OTC				
. Sale commitment	7,697	4.53	34,871	5,891
Interest rate swap contracts - OTC				73,131
<b>Total derivative financial instruments in non-current liabilities</b>				<b><u>79,022</u></b>

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

At September 30, 2020, financial instruments designated for hedge accounting are broken down as follows:

Parent company and Consolidated	Assets	Liabilities	Total in other comprehensive income
Financial instruments:			
Commodity derivatives - Futures, options and forward contracts	36,258	74,580	(38,322)
Foreign exchange derivatives - Options / NDF	45	201,148	(201,103)
Foreign exchange effects on borrowing agreements (Trade Finance)	-	773,828	(773,828)
	<u>36,303</u>	<u>1,049,556</u>	<u>(1,013,253)</u>
Deferred taxes on the items above	(12,343)	(356,851)	344,508
	<b><u>23,960</u></b>	<b><u>692,705</u></b>	<b><u>(668,745)</u></b>

#### f) Estimated realization

The impacts recorded in the Company's equity at September 30, 2020, and the estimated realization in profit or loss are shown below:

## Notes to the quarterly information

### At September 30, 2020

All amounts in thousands of reais unless otherwise stated

Parent company and Consolidated	20/21 crop year	21/22 crop year	22/23 and 23/24 crop years	24/25 to 25/26 crop years	TOTAL
Derivative financial instruments:					
Commodity derivatives - Futures, options and forward contracts	(21,800)	(16,522)	-	-	(38,322)
Foreign exchange derivatives - Options / NDF	(169,917)	(31,186)	-	-	(201,103)
Foreign exchange effects on borrowing agreements (Trade Finance)	(1,313)	(157,234)	(316,815)	(298,466)	(773,828)
	(193,030)	(204,942)	(316,815)	(298,466)	(1,013,253)
Deferred taxes on the items above	65,630	69,680	107,717	101,481	344,508
	<b>(127,400)</b>	<b>(135,262)</b>	<b>(209,098)</b>	<b>(196,985)</b>	<b>(668,745)</b>

### 23.2 Credit risk

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

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

### 23.3 Liquidity risk

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

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

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

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

## Notes to the quarterly information

### At September 30, 2020

All amounts in thousands of reais unless otherwise stated

Parent company	Up to 1 year	From 2 to 3 years	More than 3 years	Total
At September 30, 2020				
Borrowings	127,248	2,035,797	3,207,138	5,370,183
Leases payable	57,318	110,483	475,067	642,868
Agricultural partnership payable	267,740	475,026	1,080,998	1,823,764
Derivative financial instruments	298,593	88,307	-	386,900
Trade payables	341,383	-	-	341,383
Acquisition of ownership interest	12,030	24,006	(9,851)	26,185
Other payables	9,836	-	4,489	14,325
	<b>1,114,148</b>	<b>2,733,619</b>	<b>4,757,841</b>	<b>8,605,608</b>
At March 31, 2020				
Borrowings	695,444	2,125,151	2,949,233	5,769,828
Leases payable	66,110	119,929	517,511	703,550
Agricultural partnership payable	281,961	507,585	1,173,327	1,962,873
Derivative financial instruments	406,473	79,022	-	485,495
Trade payables	176,848	-	-	176,848
Acquisition of ownership interest	12,687	12,283	1,872	26,842
Other payables	10,310	-	5,596	15,906
	<b>1,649,833</b>	<b>2,843,970</b>	<b>4,647,539</b>	<b>9,141,342</b>
Consolidated	Up to 1 year	From 2 to 3 years	More than 3 years	Total
At September 30, 2020				
Borrowings	127,248	2,035,797	3,207,138	5,370,183
Leases payable	57,318	110,483	475,067	642,868
Agricultural partnership payable	267,740	475,026	1,080,998	1,823,764
Derivative financial instruments	298,593	88,307	-	386,900
Trade payables	321,616	-	-	321,616
Acquisition of ownership interest	12,030	24,006	(9,851)	26,185
Other payables	11,926	-	4,489	16,415
	<b>1,096,471</b>	<b>2,733,619</b>	<b>4,757,841</b>	<b>8,587,931</b>
At March 31, 2020				
Borrowings	695,444	2,125,151	2,949,233	5,769,828
Leases payable	66,110	119,929	517,511	703,550
Agricultural partnership payable	281,961	507,585	1,173,327	1,962,873
Derivative financial instruments	406,473	79,022	-	485,495
Trade payables	174,524	-	-	174,524
Acquisition of ownership interest	12,687	12,283	1,872	26,842
Other payables	18,527	-	5,586	24,113
	<b>1,655,726</b>	<b>2,843,970</b>	<b>4,647,529</b>	<b>9,147,225</b>

## 23.4 Capital management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for stockholders and benefits

## Notes to the quarterly information

### At September 30, 2020

All amounts in thousands of reais unless otherwise stated

for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

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

## 24. Classification and fair value of financial instruments

### 24.1 Classification

Financial assets and liabilities are classified as follows:

		Parent company	
	Classification	September 30, 2020	March 31, 2020
<b>Financial assets</b>			
Cash and cash equivalents	Amortized cost	120,013	91,998
Financial investments	Fair value through profit or loss	1,658,991	1,810,651
Trade receivables	Amortized cost	228,927	125,531
	Fair value through other comprehensive income	80,982	222,899
Derivative financial instruments	Fair value through profit or loss	48,209	30,713
Judicial deposits	Amortized cost	269,640	270,872
Related parties	Amortized cost	-	255
Other assets, except prepayments	Amortized cost	111,145	60,826
		<b>2,517,907</b>	<b>2,613,745</b>
<b>Financial liabilities</b>			
Borrowings	Fair value through profit or loss	306	8,389
Borrowings	Amortized cost	4,723,923	4,806,053
	Fair value through other comprehensive income	292,948	398,071
Derivative financial instruments	Fair value through profit or loss	93,952	87,424
Leases and agricultural partnerships payable	Amortized cost	1,587,937	1,675,913
Trade payables	Amortized cost	341,383	176,848
Acquisition of ownership interests	Amortized cost	26,912	26,934
Other payables	Amortized cost	14,325	15,906
		<b>7,081,686</b>	<b>7,195,538</b>
		Consolidated	
	Classification	September 30, 2020	March 31, 2020
<b>Financial assets</b>			
Cash and cash equivalents	Amortized cost	121,326	92,066
Financial investments	Fair value through profit or loss	1,749,798	1,869,998
Trade receivables	Amortized cost	330,433	193,021
	Fair value through other comprehensive income	80,982	222,899
Derivative financial instruments	Fair value through profit or loss	48,209	30,713
Judicial deposits	Amortized cost	269,820	271,060
Other assets, except prepayments	Amortized cost	111,297	60,879
		<b>2,711,865</b>	<b>2,740,636</b>
<b>Financial liabilities</b>			
Borrowings	Fair value through profit or loss	306	8,389
Borrowings	Amortized cost	4,723,923	4,806,053
	Fair value through other comprehensive income	292,948	398,071
Derivative financial instruments	Fair value through profit or loss	93,952	87,424
Trade payables	Amortized cost	321,616	174,524
Leases and agricultural partnerships payable	Amortized cost	1,587,937	1,675,913
Acquisition of ownership interests	Amortized cost	26,912	26,934
Other payables	Amortized cost	16,415	24,113
		<b>7,064,009</b>	<b>7,201,421</b>



## Notes to the quarterly information

### At September 30, 2020

All amounts in thousands of reais unless otherwise stated

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

## 25. Fair value

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

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

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

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

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

Parent company	September 30, 2020			March 31, 2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Financial investments	-	1,658,991	-	-	1,810,651	-
Derivative financial instruments	47,513	81,678	-	173,008	80,604	-
Biological assets	-	-	606,500	-	-	713,547
	<b>47,513</b>	<b>1,740,669</b>	<b>606,500</b>	<b>173,008</b>	<b>1,891,255</b>	<b>713,547</b>
Liabilities						
Derivative financial instruments	56,304	330,596	-	161,629	323,866	-
Borrowings	-	306	-	-	8,389	-
	<b>56,304</b>	<b>330,902</b>	<b>-</b>	<b>161,629</b>	<b>332,255</b>	<b>-</b>

Consolidated	September 30, 2020			March 31, 2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Financial investments	-	1,749,798	-	-	1,869,998	-
Derivative financial instruments	47,513	81,678	-	173,008	80,604	-
Biological assets	-	-	606,500	-	-	713,547
	<b>47,513</b>	<b>1,831,476</b>	<b>606,500</b>	<b>173,008</b>	<b>1,950,602</b>	<b>713,547</b>
Liabilities						
Derivative financial instruments	56,304	330,596	-	161,629	323,866	-
Borrowings	-	306	-	-	8,389	-
	<b>56,304</b>	<b>330,902</b>	<b>-</b>	<b>161,629</b>	<b>332,255</b>	<b>-</b>

## Notes to the quarterly information

At September 30, 2020

All amounts in thousands of reais unless otherwise stated

### **Futures and Options - ICE**

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

### **Currency options**

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

### **Forward contracts**

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

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

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

## **26. Segment information (consolidated)**

Management has determined the Company's operating segments based on the reports used for strategic decisions and reviewed by the 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) Electricity;
- (iv) Real estate developments;
- (v) Yeast; and
- (vi) Other less relevant products and by-products.

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

## Notes to the quarterly information

### At September 30, 2020

All amounts in thousands of reais unless otherwise stated

### Consolidated results by segment

								September 30, 2020
Consolidated	Sugar	Ethanol	Electricity	Real estate ventures	Yeast	Other products	Not by segment	Total
Gross revenue								
Domestic market	75,380	658,110	146,929	6,372	34,601	26,937	-	948,329
Foreign market	1,089,518	203,299	-	-	-	-	-	1,292,817
Gain/loss on derivatives	(172,000)	323	-	-	-	-	-	(171,677)
Amortization of electricity supply contract	-	-	-	-	-	-	(6,502)	(6,502)
(-) Taxes, contributions, and deductions on sales	(4,954)	(95,374)	(11,432)	(605)	(4,778)	(5,076)	-	(122,219)
<b>Net revenue</b>	<b>987,944</b>	<b>766,358</b>	<b>135,497</b>	<b>5,767</b>	<b>29,823</b>	<b>21,861</b>	<b>(6,502)</b>	<b>1,940,748</b>
Cost of sales	(686,350)	(569,017)	(29,530)	(861)	(9,144)	(12,658)	-	(1,307,560)
Change in the market value of biological assets	-	-	-	-	-	-	17,700	17,700
<b>Gross profit</b>	<b>301,594</b>	<b>197,341</b>	<b>105,967</b>	<b>4,906</b>	<b>20,679</b>	<b>9,203</b>	<b>11,198</b>	<b>650,888</b>
Gross margin	30.53%	25.75%	78.21%	85.07%	69.34%	42.10%	-	33.54%
Selling expenses	(66,429)	(14,432)	(6,133)	-	-	(318)	-	(87,312)
Other operating income, net	-	-	-	-	-	-	281,769	281,769
<b>Operating profit</b>	<b>235,165</b>	<b>182,909</b>	<b>99,834</b>	<b>4,906</b>	<b>20,679</b>	<b>8,885</b>	<b>292,967</b>	<b>845,345</b>
Operating margin	23.80%	23.87%	73.68%	85.07%	69.34%	40.64%	-	43.56%
Other income and expenses not by segment	-	-	-	-	-	-	(397,745)	(397,745)
<b>Profit for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>447,600</b>

								September 30, 2019
Consolidated	Sugar	Ethanol	Electricity	Real estate ventures	Yeast	Other products	Not by segment	Total
Gross revenue								
Domestic market	61,639	724,477	157,217	18,649	19,083	33,503	-	1,014,568
Foreign market	411,283	237,581	-	-	-	-	-	648,864
Gain/loss on derivatives	3,974	(7,984)	-	-	-	-	-	(4,010)
Amortization of electricity supply contract	-	-	-	-	-	-	(6,010)	(6,010)
(-) Taxes, contributions, and deductions on sales	(3,698)	(109,319)	(12,555)	(1,378)	(2,361)	(5,707)	-	(135,018)
<b>Net revenue</b>	<b>473,198</b>	<b>844,755</b>	<b>144,662</b>	<b>17,271</b>	<b>16,722</b>	<b>27,796</b>	<b>(6,010)</b>	<b>1,518,394</b>
Cost of sales	(376,509)	(650,130)	(31,871)	(1,437)	(6,179)	(24,493)	-	(1,090,619)
Change in the market value of biological assets	-	-	-	-	-	-	(422)	(422)
<b>Gross profit</b>	<b>96,689</b>	<b>194,625</b>	<b>112,791</b>	<b>15,834</b>	<b>10,543</b>	<b>3,303</b>	<b>(6,432)</b>	<b>427,353</b>
Gross margin	20.43%	23.04%	77.97%	91.68%	63.05%	11.88%	-	28.15%
Selling expenses	(33,814)	(23,502)	(5,390)	-	-	-	-	(62,706)
Other operating expenses, net	-	-	-	-	-	-	(90,846)	(90,846)
<b>Operating profit</b>	<b>62,875</b>	<b>171,123</b>	<b>107,401</b>	<b>15,834</b>	<b>10,543</b>	<b>3,303</b>	<b>(97,278)</b>	<b>273,801</b>
Operating margin	13.29%	20.26%	74.24%	91.68%	63.05%	11.88%	-	18.03%
Other income and expenses not by segment	-	-	-	-	-	-	(120,356)	(120,356)
<b>Profit for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>153,445</b>

### Consolidated operating assets by segment

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

								September 30, 2020
	Sugar	Ethanol	Electricity	Real estate ventures	Yeast	Not by segment	Total	
Trade receivables	83,408	84,939	91,883	46,663	6,588	16,952	330,433	
Inventories and advances to suppliers	579,540	819,695	-	8,095	2,259	6,381	1,415,970	
Biological assets	266,842	339,658	-	-	-	-	606,500	
Property, plant and equipment	2,648,398	2,630,252	122,362	-	39,662	3,171	5,443,845	
Intangible assets	248,439	173,569	31,234	-	-	-	453,242	
Right-of-use assets	760,373	780,496	-	-	-	-	1,540,869	
<b>Total assets allocated</b>	<b>4,587,000</b>	<b>4,828,609</b>	<b>245,479</b>	<b>54,758</b>	<b>48,509</b>	<b>26,504</b>	<b>9,790,859</b>	
Other unallocated assets	-	-	-	-	-	2,566,471	2,566,471	
<b>Total</b>	<b>4,587,000</b>	<b>4,828,609</b>	<b>245,479</b>	<b>54,758</b>	<b>48,509</b>	<b>2,592,975</b>	<b>12,357,330</b>	

## Notes to the quarterly information

### At September 30, 2020

All amounts in thousands of reais unless otherwise stated

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

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

## 27. Revenue

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

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

For the real estate development segment, the Company adopts the provisions of the Technical Interpretation 02 (OCPC 04), in accordance with CVM guidance, recognizing revenue over time (Percentage of Completion (PoC)). The year-to-date amount recognized in this quarterly information totaled R\$ 2,145 (R\$ 466 at September 30, 2019).

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

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

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

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

## Notes to the quarterly information

### At September 30, 2020

All amounts in thousands of reais unless otherwise stated

At the balance sheet date, the Company had clients representing more than 10% of its net revenue. The Company's three largest customers of sugar sales account for about 56% of net revenue; for ethanol, the three largest customers account for 13%.

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

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

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

Sales revenue is broken down as follows:

	Parent company			
	September 30, 2020		September 30, 2019	
	Quarter	Six-month period	Quarter	Six-month period
Gross sales revenue				
Domestic market	430,854	876,785	409,716	926,291
Foreign market	593,620	1,292,817	367,893	648,864
Gain/loss on derivatives	(80,650)	(171,677)	(2,958)	(4,010)
	<u>943,824</u>	<u>1,997,925</u>	<u>774,651</u>	<u>1,571,145</u>
Taxes, contributions, and deductions on sales	(57,171)	(117,460)	(57,386)	(129,369)
	<u><b>886,653</b></u>	<u><b>1,880,465</b></u>	<u><b>717,265</b></u>	<u><b>1,441,776</b></u>

	Consolidated			
	September 30, 2020		September 30, 2019	
	Quarter	Six-month period	Quarter	Six-month period
Gross sales revenue				
Domestic market	469,865	948,329	465,737	1,014,568
Foreign market	593,620	1,292,817	367,893	648,864
Gain/loss on derivatives	(80,650)	(171,677)	(2,958)	(4,010)
	<u>982,835</u>	<u>2,069,469</u>	<u>830,672</u>	<u>1,659,422</u>
Amortization of electricity supply contract (i)	(3,267)	(6,502)	(3,247)	(6,010)
	<u>979,568</u>	<u>2,062,967</u>	<u>827,425</u>	<u>1,653,412</u>
Taxes, contributions, and deductions on sales	(59,840)	(122,219)	(60,760)	(135,018)
	<u><b>919,728</b></u>	<u><b>1,940,748</b></u>	<u><b>766,665</b></u>	<u><b>1,518,394</b></u>

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

## Notes to the quarterly information At September 30, 2020

All amounts in thousands of reais unless otherwise stated

### 28. Other income (expenses), net

Of the total recorded within other income (expenses), R\$ 383,040 relates to the indemnity received from Copersucar and transferred to the Company (Note 16.b).

### 29. Costs and expenses by nature

The reconciliation of expenses by nature is as follows:

Parent company	September 30, 2020		September 30, 2019	
	Quarter	Year-to-date	Quarter	Year-to-date
Raw materials and consumables	188,289	402,917	179,503	334,336
Personnel expenses	97,364	216,068	83,407	187,397
Depreciation and amortization (including biological assets harvested)	303,718	664,500	250,440	539,726
Third-party services	50,297	103,969	43,365	73,050
Maintenance parts and services	27,313	66,058	21,755	48,890
Litigation	3,714	6,294	(212)	3,905
Changes in the fair value of biological assets	(6,661)	(17,700)	9,696	422
Material for resale	4,631	7,359	7,605	12,683
Other expenses	30,079	61,437	29,190	61,124
	<b>698,744</b>	<b>1,510,902</b>	<b>624,749</b>	<b>1,261,533</b>
<u>Classified as:</u>				
Cost of goods sold	601,767	1,313,705	540,302	1,101,145
Selling expenses	41,510	86,230	36,775	61,671
General and administrative expenses	55,467	110,967	47,672	98,717
	<b>698,744</b>	<b>1,510,902</b>	<b>624,749</b>	<b>1,261,533</b>

Consolidated	September 30, 2020		September 30, 2019	
	Quarter	Year-to-date	Quarter	Year-to-date
Raw materials and consumables	172,255	374,388	159,391	314,230
Personnel expenses	98,232	217,780	84,211	188,915
Depreciation and amortization (including biological assets harvested)	305,013	667,134	263,297	541,952
Third-party services	49,885	103,178	42,637	71,621
Maintenance parts and services	27,386	66,396	21,926	49,100
Litigation	3,715	6,307	(212)	3,922
Changes in the fair value of biological assets	(6,661)	(17,700)	9,696	422
Material for resale	5,816	8,544	11,657	20,020
Cost of land sold	794	861	1,399	1,437
Other expenses	34,567	66,965	32,507	65,324
	<b>691,002</b>	<b>1,493,853</b>	<b>626,509</b>	<b>1,256,943</b>
<u>Classified as:</u>				
Cost of sales	588,631	1,289,860	538,010	1,091,041
Selling expenses	42,019	87,312	37,234	62,706
General and administrative expenses	60,352	116,681	51,265	103,196
	<b>691,002</b>	<b>1,493,853</b>	<b>626,509</b>	<b>1,256,943</b>

## Notes to the quarterly information At September 30, 2020

All amounts in thousands of reais unless otherwise stated

### 30. Finance income (costs)

Parent company	September 30, 2020		September 30, 2019	
	Quarter	Year-to-date	Quarter	Year-to-date
Finance income				
Interest received and earned	5,905	19,734	26,325	69,019
PIS/COFINS on finance income	(513)	(1,238)	(1,338)	(2,993)
Other income	5,070	9,768	2,584	6,232
	<b>10,462</b>	<b>28,264</b>	<b>27,571</b>	<b>72,258</b>
Finance costs				
(-) Adjustment to present value (i)	(39,293)	(82,511)	(34,587)	(48,172)
Interest on borrowings	(41,695)	(88,200)	(64,527)	(134,298)
Interest paid	(69,927)	(75,049)	(6,839)	(13,464)
Bank guarantee commission	(375)	(458)	(287)	(406)
Payables to Copersucar	(2,114)	(4,230)	(1,549)	(3,361)
Other expenses	(1,974)	(3,442)	(896)	(4,299)
	<b>(155,378)</b>	<b>(253,890)</b>	<b>(108,685)</b>	<b>(204,000)</b>
Foreign exchange and indexation, net				
Available funds	3,536	8,923	3,762	(580)
Trade receivables and payables	(2,038)	229	7,027	1,221
Borrowings	(8,402)	(17,389)	31	(5,838)
	<b>(6,904)</b>	<b>(8,237)</b>	<b>10,820</b>	<b>(5,197)</b>
Derivatives - not designated for hedge accounting				
Gain (loss) on sugar transactions	(5,787)	(4,951)	(1,040)	(1,242)
Gain (loss) on ethanol transactions	141	549	177	208
Gain (loss) on foreign exchange transactions	(2,344)	(7,185)	(6,965)	(968)
Gain/loss on swaps	3,860	11,773	(5,480)	(10,702)
Cost of stock exchange transactions	(334)	(679)	(200)	(501)
Foreign exchange gains/losses net	2,579	5,523	2,318	1,857
	<b>(1,885)</b>	<b>5,030</b>	<b>(11,190)</b>	<b>(11,348)</b>
<b>Finance income (costs)</b>	<b>(153,705)</b>	<b>(228,833)</b>	<b>(81,484)</b>	<b>(148,287)</b>

## Notes to the quarterly information At September 30, 2020

All amounts in thousands of reais unless otherwise stated

Consolidated	September 30, 2020		September 30, 2019	
	Quarter	Year-to-date	Quarter	Year-to-date
Finance income				
Interest received and earned	7,112	22,173	28,142	72,647
PIS/COFINS on finance income	(564)	(1,318)	(1,341)	(3,015)
Other income	7,199	12,988	2,741	7,273
	<b>13,747</b>	<b>33,843</b>	<b>29,542</b>	<b>76,905</b>
Finance costs				
(-) Adjustment to present value (i)	(39,293)	(82,511)	(35,213)	(48,172)
Interest on borrowings	(41,695)	(88,200)	(64,527)	(134,298)
Interest paid	(69,928)	(74,994)	(6,839)	(13,464)
Bank guarantee commission	(375)	(458)	(287)	(406)
Payables to Copersucar	(2,114)	(4,230)	(1,549)	(3,361)
Other expenses	(1,998)	(3,541)	(907)	(4,325)
	<b>(155,403)</b>	<b>(253,934)</b>	<b>(109,322)</b>	<b>(204,026)</b>
Foreign exchange and indexation, net				
Available funds	3,536	8,923	3,762	(580)
Trade receivables and payables	(2,038)	229	7,027	1,221
Borrowings	(8,402)	(17,389)	31	(5,838)
	<b>(6,904)</b>	<b>(8,237)</b>	<b>10,820</b>	<b>(5,197)</b>
Derivatives - not designated for hedge accounting				
Gain (loss) on sugar transactions	(5,787)	(4,951)	(1,040)	(1,242)
Gain (loss) on ethanol transactions	141	549	177	208
Gain (loss) on foreign exchange transactions	(2,344)	(7,185)	(6,965)	(968)
Gain/loss on swaps	3,860	11,773	(5,480)	(10,702)
Cost of stock exchange transactions	(334)	(679)	(200)	(501)
Foreign exchange gains/losses net	2,579	5,523	2,318	1,857
	<b>(1,885)</b>	<b>5,030</b>	<b>(11,190)</b>	<b>(11,348)</b>
<b>Finance income (costs)</b>	<b>(150,445)</b>	<b>(223,298)</b>	<b>(80,150)</b>	<b>(143,666)</b>

(i) Mainly represented by leases and agricultural partnerships payable

### 31. Earnings per share

	September 30, 2020		September 30, 2019	
	Quarter	Year-to-date	Quarter	Year-to-date
Profit for the period attributed to shareholders of the Company	331.894	447.600	61.982	153.445
Weighted average number of common shares in the period - in thousands	346.696	346.548	335.996	333.338
<b>Basic and diluted earnings per share - R\$</b>	<b>0,9573</b>	<b>1,2916</b>	<b>0,1845</b>	<b>0,4603</b>

### 32. Insurance coverage

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



## Notes to the quarterly information

### At September 30, 2020

All amounts in thousands of reais unless otherwise stated

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

Parent company and Consolidated Risks covered	Maximum coverage (i)
Loss of profits	3,691,545
Civil liability	3,242,530
Other coverage	3,104,931
Fire, lightning strike and explosion of any nature	2,020,000
Electrical damage	1,932,393
Theft or robbery	235,307
Natural phenomena, impacts of air or ground vehicles, etc.	192,000

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

Coverage related to vehicles, mainly civil liability, is also included, except for material damages to the vehicle, which use as reference, on average, 100% of the Economic Research Institute (FIPE) table.

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