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Parent company and consolidated interim accounting information at December 31, 2023 and report on review

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Report on review of parent company and consolidated interim accounting information

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

Introduction

We have reviewed the accompanying interim balance sheet of São Martinho S.A. ("Company") as at December 31, 2023 and the related statements of income and comprehensive income for the quarter and nine-month period then ended, and the statements of changes in equity and cash flows for the nine-month period then ended, as well as the accompanying consolidated interim balance sheet of São Martinho S.A. and its subsidiaries ("Consolidated") as at December 31, 2023 and the related consolidated statements of income and comprehensive income for the quarter and nine-month period then ended, and the consolidated statements of changes in equity and cash flows for the nine-month period then ended, and notes, comprising material accounting policies and other explanatory information.

Management is responsible for the preparation and fair presentation of these parent company and consolidated interim accounting information in accordance with the accounting standard CPC 21 - "Interim Financial Reporting", of the Brazilian Accounting Pronouncements Committee (CPC), and International Accounting Standard (IAS) 34 - "Interim Financial Reporting", of the International Accounting Standards Board (IASB). Our responsibility is to express a conclusion on these 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

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 referred to above do not present fairly, in all material respects, the financial position of São Martinho S.A. and of São Martinho S.A. and its subsidiaries as at December 31, 2023, and the parent company financial performance for the quarter and nine-month period then ended and its cash flows for the nine-month period then ended, as well as the consolidated financial performance for the quarter and nine-month period then ended and the consolidated cash flows for the nine-month period then ended, in accordance with CPC 21 and IAS 34.

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São Martinho S.A.

Other matters

Statements of value added

The interim accounting information referred to above include the parent company and consolidated statements of value added for the nine-month period ended December 31, 2023. These statements are the responsibility of the Company's management and are presented as supplementary information. These statements have been subjected to review procedures performed together with the review of the interim accounting information for the purpose 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 established in this accounting standard, and that they are consistent with the parent company and consolidated interim accounting information taken as a whole.

Ribeirão Preto, February 8, 2024

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

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

Contents

Balance sheet

All amounts in thousands of reais

(A free translation of the original in Portuguese)

		Parent company		Consolidated	
ASSETS	Note	December 31, 2023	March 31, 2023	December 31, 2023	March 31, 2023
CURRENT ASSETS					
Cash and cash equivalents	4	124,201	272,342	124,295	273,408
Financial investments	4	1,364,978	2,643,193	1,493,508	2,804,873
Trade receivables	5	405,698	259,493	450,519	274,904
Derivative financial instruments	23	318,183	163,242	318,183	163,242
Inventories and advances to suppliers	6	2,441,600	687,944	2,400,954	694,118
Biological assets	7	1,101,112	1,160,568	1,101,112	1,160,568
Taxes recoverable	8	307,066	213,970	307,108	214,253
Income tax and social contribution	20	60,306	93,631	60,349	93,880
Dividends receivable	9	28,000	-	-	-
Related parties	9	15,200	-	-	-
Other assets		21,515	6,530	28,230	8,229
TOTAL CURRENT ASSETS		6,187,859	5,500,913	6,284,258	5,687,475
NON-CURRENT ASSETS					
Long-term receivables					
Financial investments	4	69,492	38,497	69,492	38,497
Inventories and advances to suppliers	6	138,828	224,678	138,828	224,678
Derivative financial instruments	23	243,951	225,568	243,951	225,568
Taxes recoverable	8	224,122	228,308	224,183	230,676
Income tax and social contribution	20	8,983	8,983	8,983	8,983
Judicial deposits	22	1,450,025	1,088,972	1,450,043	1,088,976
Trade receivables	5	-	-	32,970	40,692
Other assets	9, 16 and 17	295,965	234,287	295,965	234,425
Total long-term receivables		2,431,366	2,049,293	2,464,415	2,092,495
Investments	10	1,676,074	1,720,098	54,428	47,798
Property, plant and equipment	11	5,534,477	5,774,273	7,369,015	7,606,567
Intangible assets	12	441,712	439,135	453,375	464,125
Right-of-use assets	13	2,867,384	2,925,325	2,867,384	2,925,325
TOTAL NON-CURRENT ASSETS		12,951,013	12,908,124	13,208,617	13,136,310
TOTAL ASSETS		19,138,872	18,409,037	19,492,875	18,823,785

		Parent company		Consolidated	
LIABILITIES AND EQUITY	Note	December 31, 2023	March 31, 2023	December 31, 2023	March 31, 2023
CURRENT LIABILITIES					
Borrowings	14	707,495	1,028,224	709,029	1,028,509
Leases payable	13	83,971	115,855	83,971	115,855
Agricultural partnership payable	13	774,270	569,854	774,270	569,854
Derivative financial instruments	23	247,608	328,695	247,608	328,695
Trade payables	15	277,608	294,679	202,447	281,311
Payables to Copersucar	16	11,770	13,539	11,770	13,539
Salaries and social charges		200,638	193,597	202,109	195,162
Taxes payable		28,307	19,916	30,882	21,094
Income tax and social contribution	20	-	-	9,932	8,490
Dividend payable	18	35	5,963	32	5,963
Advances from customers		89,580	5,066	100,449	5,173
Acquisition of ownership interests	9 and 17	11,589	11,571	11,589	11,571
Other liabilities		25,816	18,558	29,778	30,565
TOTAL CURRENT LIABILITIES		2,458,687	2,605,517	2,413,866	2,615,781
NON-CURRENT LIABILITIES					
Borrowings	14	5,650,799	5,556,109	5,690,567	5,595,374
Leases payable	13	603,816	586,228	603,816	586,228
Agricultural partnership payable	13	1,671,642	1,769,834	1,671,642	1,769,834
Derivative financial instruments	23	24,427	7,250	24,427	7,250
Payables to Copersucar	16	156,321	162,986	156,321	162,986
Deferred income tax and social contribution	20	544,503	632,750	902,672	997,134
Provision for contingencies	22	121,380	110,706	122,267	111,541
Taxes with suspended payment	16(b)	1,427,009	1,063,378	1,427,009	1,063,378
Other liabilities		728	1,916	728	1,916
TOTAL NON-CURRENT LIABILITIES		10,200,625	9,891,157	10,599,449	10,295,641
EQUITY	18				
Share capital		3,941,717	3,161,384	3,941,717	3,161,384
Treasury shares		(139,997)	(139,997)	(139,997)	(139,997)
Carrying value adjustments		1,196,635	1,062,480	1,196,635	1,062,480
Revenue reserves		1,142,971	1,828,496	1,142,971	1,828,496
Retained earnings		338,234	-	338,234	-
TOTAL EQUITY		6,479,560	5,912,363	6,479,560	5,912,363
TOTAL LIABILITIES AND EQUITY		19,138,872	18,409,037	19,492,875	18,823,785

The accompanying notes are an integral part of this interim accounting information

Statement of income

All amounts in thousands of reais

(A free translation of the original in Portuguese)

	Note	Parent company			
		December 31, 2023		December 31, 2022	
		Quarter	NIne-month period	Quarter	NIne-month period
Revenue	27	1,553,071	4,341,071	1,497,252	4,682,158
Cost of goods sold	28	(1,282,031)	(3,195,186)	(1,093,761)	(3,288,828)
Gross profit		271,040	1,145,885	403,491	1,393,330
Operating income (expenses)					
Selling expenses	28	(54,320)	(140,148)	(57,833)	(149,811)
General and administrative expenses	28	(50,198)	(220,365)	(68,630)	(176,417)
Equity in the results of investees	10	65,068	170,489	51,396	162,766
Other revenue, net	29	2,800	516,760	475,193	518,446
		(36,650)	326,736	400,126	354,984
Operating profit		234,390	1,472,621	803,617	1,748,314
Finance income (costs)	30				
Finance income		37,041	186,260	61,990	201,838
Finance costs		(219,283)	(729,390)	(226,079)	(666,144)
Monetary and foreign exchange variations, net		13,779	(71,116)	(16,697)	(184,381)
Derivatives		23,435	16,101	(96,646)	(116,197)
		(145,028)	(598,145)	(277,432)	(764,884)
Profit before income tax and social contribution		89,362	874,476	526,185	983,430
Income tax and social contribution	20(c)				
Current		4,229	(186,850)	(163,769)	(241,058)
Deferred		117,044	161,371	67,276	121,495
Profit for the period		210,635	848,997	429,692	863,867
Basic and diluted earnings per share - R$	31	0.6081	2.4511	1.2405	2.4940

The accompanying notes are an integral part of this interim accounting information

Statement of income

All amounts in thousands of reais

(A free translation of the original in Portuguese)

	Note	Consolidated			
		December 31, 2023		December 31, 2022	
		Quarter	NIne-month period	Quarter	NIne-month period
Revenue	27	1,592,401	4,469,977	1,534,094	4,813,348
Cost of goods sold	28	(1,252,450)	(3,137,047)	(1,067,981)	(3,232,622)
Gross profit		339,951	1,332,930	466,113	1,580,726
Operating income (expenses)					
Selling expenses	28	(57,006)	(149,430)	(60,774)	(158,339)
General and administrative expenses	28	(53,858)	(234,476)	(71,732)	(188,254)
Equity in the results of investees	10	2,241	6,151	1,266	3,893
Other revenue, net	29	2,328	516,815	468,544	520,296
		(106,295)	139,060	337,304	177,596
Operating profit		233,656	1,471,990	803,417	1,758,322
Finance income (costs)	30				
Finance income		42,989	204,140	66,512	222,457
Finance costs		(220,025)	(732,044)	(226,554)	(667,649)
Monetary and foreign exchange variations, net		13,779	(71,116)	(16,697)	(184,381)
Derivatives		23,435	16,101	(96,646)	(116,197)
		(139,822)	(582,919)	(273,385)	(745,770)
Profit before income tax and social contribution		93,834	889,071	530,032	1,012,552
Income tax and social contribution	20(c)				
Current		(731)	(203,075)	(167,506)	(271,172)
Deferred		117,532	163,001	67,166	122,487
Profit for the period		210,635	848,997	429,692	863,867
Basic and diluted earnings per share - R$	31	0.6081	2.4511	1.2405	2.4940

The accompanying notes are an integral part of this interim accounting information

Statement of comprehensive income

All amounts in thousands of reais

(A free translation of the original in Portuguese)

Parent company and Consolidated	December 31, 2023 Quarter	December 31, 2023 Nine-month period	December 31, 2022 Quarter	December 31, 2022 Nine-month period
Profit for the period	210,635	848,997	429,692	863,867
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	63,433	23,450	(15,808)	340
Foreign exchange derivatives - Options / NDF	101,330	139,686	76,983	(29,199)
Foreign exchange gain (loss) on borrowings (Trade Finance)	16,744	101,899	39,074	78,974
	181,507	265,035	100,249	50,115
Recognition in operating income				
Commodity derivatives - Futures, options and forward contracts	7,758	60,143	(962)	11,356
Foreign exchange derivatives - Options / NDF	(48,777)	(130,193)	(30,109)	(86,562)
Foreign exchange gain (loss) on borrowings (Trade Finance)	13,383	19,956	-	5,321
	(27,636)	(50,094)	(31,071)	(69,885)
Write-off due to ineffectiveness				
Commodity derivatives - Futures, options and forward contracts	-	129	-	-
Foreign exchange derivatives - Options / NDF	-	-	2,038	8,891
	-	129	2,038	8,891
Total changes in the period				
Commodity derivatives - Futures, options and forward contracts	71,191	83,722	(16,770)	11,696
Foreign exchange derivatives - Options / NDF	52,553	9,493	48,912	(106,870)
Foreign exchange gain (loss) on borrowings (Trade Finance)	30,127	121,855	39,074	84,295
Deferred taxes on the items above	(52,316)	(73,124)	(24,213)	3,699
	101,555	141,946	47,003	(7,180)
Total comprehensive income for the period	312,190	990,943	476,695	856,687

The accompanying notes are an integral part of this interim accounting information

Statements of changes in equity

All amounts in thousands of reais

(A free translation of the original in Portuguese)

				Carrying value adjustments				Revenue reserves						
				Deemed cost										
	Note	Share capital	Treasury shares	Parent	Investees	Hedge accounting	Others	Legal reserve	Capital budget reserve	Unrealized profit reserve	Tax incentive reserve	Additional dividends	Retained earnings	Total
At March 31, 2022		**2,681,571**	**(139,997)**	**106,799**	**1,183,641**	**(190,610)**	**644**	**262,776**	**1,030,260**	**21,989**	**229,887**	**131,465**	**-**	**5,318,425**
Capital increase with reserves	18(a)	479,813	-	-	-	-	-	-	(397,880)	-	(81,933)	-	-	-
Realization of surplus on revaluation of deemed cost	18 (c. i)	-	-	(8,592)	358	-	-	-	-	-	-	-	8,234	-
Gain (loss) on derivate transactions - hedge accounting	18 (c. ii)	-	-	-	-	(7,180)	-	-	-	-	-	-	-	(7,180)
Transfer to tax incentive reserve	18(d)	-	-	-	-	-	-	-	-	-	145,178	-	(145,178)	-
Interest on capital paid	18(e)	-	-	-	-	-	-	-	-	-	-	-	(255,000)	(255,000)
Payment of prior year's additional dividends	18(e)	-	-	-	-	-	-	-	-	-	-	(131,465)	-	(131,465)
Carrying value adjustments of investees		-	-	-	-	-	78	-	-	-	-	-	-	78
Profit for the period		-	-	-	-	-	-	-	-	-	-	-	863,867	863,867
At December 31, 2022		**3,161,384**	**(139,997)**	**98,207**	**1,183,999**	**(197,790)**	**722**	**262,776**	**632,380**	**21,989**	**293,132**	**-**	**471,923**	**5,788,725**
At March 31, 2023		**3,161,384**	**(139,997)**	**97,889**	**1,183,966**	**(220,113)**	**738**	**313,563**	**911,987**	**16,057**	**317,821**	**269,068**	**-**	**5,912,363**
Capital increase with reserves	18(a)	780,333	-	-	-	-	-	-	(632,380)	-	(147,953)	-	-	-
Realization of surplus on revaluation of deemed cost	18 (c. i)	-	-	(8,125)	12	-	-	-	-	-	-	-	8,113	-
Gain (loss) on derivate transactions - hedge accounting	18 (c. ii)	-	-	-	-	141,946	-	-	-	-	-	-	-	141,946
Transfer to tax incentive reserve	18(d)	-	-	-	-	-	-	-	-	-	363,876	-	(363,876)	-
Interest on capital paid	18(e)	-	-	-	-	-	-	-	-	-	-	-	(155,000)	(155,000)
Payment of prior year's additional dividends	18(e)	-	-	-	-	-	-	-	-	-	-	(269,068)	-	(269,068)
Carrying value adjustments of investees		-	-	-	-	-	322	-	-	-	-	-	-	322
Profit for the period		-	-	-	-	-	-	-	-	-	-	-	848,997	848,997
At December 31, 2023		**3,941,717**	**(139,997)**	**89,764**	**1,183,978**	**(78,167)**	**1,060**	**313,563**	**279,607**	**16,057**	**533,744**	**-**	**338,234**	**6,479,560**

The accompanying notes are an integral part of this interim accounting information.

Statement of cash flows
Nine months ended December 31, 2023 and 2022
All amounts in thousands of reais

(A free translation of the original in Portuguese)

	Note	Parent company December 31, 2023	Parent company December 31, 2022	Consolidated December 31, 2023	Consolidated December 31, 2022
Cash flows from operating activities					
Profit for the period		848,997	863,867	848,997	863,867
Adjustments					
Depreciation and amortization	28	615,201	714,149	618,881	718,414
Biological assets harvested	28	755,793	752,106	755,793	752,106
Changes in the fair value of biological assets, agricultural produce, and CBIOs	28	(94,367)	62,938	(94,367)	62,938
Provision for losses on realization of inventories	28	20,460	-	20,460	-
Amortization of electric power supply contracts		-	-	8,800	5,642
Equity in the results of investees	10	(170,489)	(162,766)	(6,151)	(3,893)
Gains (losses) on investments and PP&E written off	11	(3,296)	101	(3,296)	101
Interest, monetary and foreign exchange variations, net		244,509	356,580	233,191	339,184
Derivative financial instruments		(66,725)	46,331	(66,725)	46,331
Setup of provision for contingencies, net	22.1	27,208	25,491	27,311	25,547
Income tax and social contribution	20 b	25,479	119,563	40,074	148,685
Taxes with suspended payment		363,631	318,701	363,631	318,701
Adjustment to present value and other adjustments		241,806	210,885	245,720	212,780
		2,808,207	3,307,946	2,992,319	3,490,403
Changes in assets and liabilities					
Trade receivables		(157,189)	(179,504)	(186,368)	(185,141)
Inventories		(906,659)	(650,123)	(859,378)	(623,676)
Taxes recoverable		(35,148)	(217,422)	(32,310)	(218,814)
Derivative financial instruments		(57,338)	(24,956)	(57,338)	(24,956)
Other assets		(337,730)	(324,322)	(342,150)	(324,173)
Trade payables		25,670	307	(36,124)	(50,293)
Salaries and social charges		7,040	(15,480)	6,947	(15,205)
Taxes payable		(197,088)	(235,342)	(199,600)	(239,123)
Payables to Copersucar		(11,612)	(13,476)	(11,612)	(13,476)
Provision for contingencies - settlement	22.1	(33,515)	(19,089)	(33,618)	(19,089)
Other liabilities		92,001	127,708	93,919	114,158
Cash from operations		1,196,639	1,756,247	1,334,687	1,890,615
Payment of interest on borrowings	14	(370,836)	(216,682)	(371,536)	(216,902)
Deferred income tax and social contribution		(3,556)	(32,734)	(14,247)	(57,544)
Net cash provided by operating activities		822,247	1,506,831	948,904	1,616,169
Cash flows from investing activities					
Financial investments		882	(339)	882	(339)
Additions to property, plant and equipment and intangible assets	11 and 12	(408,480)	(733,404)	(414,900)	(753,621)
Additions to biological assets (planting and crop treatments)		(1,044,276)	(1,017,990)	(1,044,276)	(1,017,990)
Financial investments		1,404,538	500,927	1,454,791	629,667
Proceeds from sale of property, plant and equipment	11	7,237	3,614	7,237	3,614
Advance for future capital increase		(15,200)	-	-	-
Dividends received		187,817	237,600	1,156	1,723
Net cash provided by (used in) financing activities		132,518	(1,009,592)	4,890	(1,136,946)
Cash flows from financing activities					
Capital increase		-	-	1	-
Payments of lease agreements and partnerships	13	(433,635)	(450,992)	(433,635)	(450,992)
Proceeds from borrowings – third parties	14	482,999	659,200	482,999	677,200
Repayment of borrowings - third parties	14	(744,817)	(191,635)	(744,817)	(191,635)
Other receipts		710	-	710	-
Payment of dividends and interest on capital		(408,163)	(375,840)	(408,165)	(375,840)
Net cash used in financing activities		(1,102,906)	(359,267)	(1,102,907)	(341,267)
Net increase (decrease) in cash and cash equivalents		(148,141)	137,972	(149,113)	137,956
Cash and cash equivalents at the beginning of the period	4	272,342	114,874	273,408	114,903
Cash and cash equivalents at the end of the period	4	124,201	252,846	124,295	252,859
Additional information					
Balance of financial investments (current assets)	4	1,364,978	2,354,745	1,493,508	2,438,187
Total available funds	4	1,489,179	2,607,591	1,617,803	2,691,046

The accompanying notes are an integral part of this interim accounting information.

Statement of value added
Nine months ended December 31, 2023 and 2022
All amounts in thousands of reais

(A free translation of the original in Portuguese)

	Parent company		Consolidated	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Revenue				
Gross sales of goods and products	4,530,517	4,812,060	4,668,678	4,955,498
Revenue from construction of own assets	1,077,010	1,093,408	1,077,034	1,093,625
Other income	11,124	6,493	10,659	6,387
	5,618,651	5,911,961	5,756,371	6,055,510
Inputs acquired from third parties				
Cost of products and goods sold	(1,425,023)	(1,258,725)	(1,334,798)	(1,172,308)
Material, electricity, third-party services, and other operating expenses	(1,137,800)	(1,307,566)	(1,183,528)	(1,347,258)
Impairment of assets	(20,460)	-	(20,460)	-
	(2,583,283)	(2,566,291)	(2,538,786)	(2,519,566)
Gross value added	3,035,368	3,345,670	3,217,585	3,535,944
Depreciation and amortization	(615,201)	(714,149)	(618,881)	(718,414)
Biological assets harvested	(755,793)	(752,106)	(755,793)	(752,106)
Net value added generated by the entity	1,664,374	1,879,415	1,842,911	2,065,424
Value added received in transfer				
Equity in the results of investees	170,489	162,766	6,151	3,893
Finance income	516,873	443,923	534,779	464,762
Others	570,024	566,242	570,547	568,197
Total value added to be distributed	2,921,760	3,052,346	2,954,388	3,102,276
Distribution of value added				
Personnel and payroll charges				
Direct compensation	525,957	494,500	527,190	495,521
Benefits	197,066	184,616	198,219	185,617
Government Severance Indemnity Fund for Employees (FGTS)	48,323	45,827	48,409	45,919
Management compensation	31,392	(7,278)	32,508	(6,208)
Taxes, charges and contributions				
Federal	121,324	225,491	147,229	269,648
State	28,373	30,811	28,566	31,145
Municipal	1,378	1,658	1,582	1,962
Financing entities				
Interest	704,219	651,326	706,732	653,067
Rentals	7,368	4,503	7,400	4,524
Foreign exchange variations	254,518	389,261	254,522	389,310
Others	152,845	167,764	153,034	167,904
Payment of dividends and interest on capital	155,000	255,000	155,000	255,000
Retained earnings in the period	693,997	608,867	693,997	608,867
Value added distributed	2,921,760	3,052,346	2,954,388	3,102,276

The accompanying notes are an integral part of this interim accounting information.

1. Operations

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

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

In March 2023, the corn ethanol plant started operations at Boa Vista Mill, with a capacity to process 495,000 metric tons of corn, 200,000 cubic meters of ethanol per harvest, in addition to the production of DDGS and corn oil.

São Martinho is a subsidiary of the holding company LJN Participações S.A. ("LJN"), which owns 53.74% interest in the Company`s voting capital.

The issue of this interim accounting information was authorized by the Board of Directors on February 8, 2024.

Armed conflict between Russia and Ukraine

The conflict between Russia and Ukraine has affected the global economy, including the sugar-energy sector, threatening supply chain disruptions and affecting the price of inputs, mainly fertilizers, oil, and other commodities.

The Company is monitoring these events and adopts measures to optimize its resources, protect revenues, and ensure the availability of inputs for its production processes.

Climate risk management

In common with others in the agribusiness sector and rural producers, São Martinho is subject to climate risks, including from prolonged droughts, frost and fire. These risks are constantly monitored, and mitigating measures are taken to minimize their impact.

2. Summary of material accounting policies

2.1 Statement of compliance and basis of preparation

The interim accounting information herein included 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). The parent company and consolidated interim accounting information complies with both IFRS and accounting practices adopted in Brazil (BRGAAP).

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

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

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

2.2 Basis of consolidation and investments in subsidiaries

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

The consolidated balances in this interim accounting information reflect the equity interest in the following wholly-owned companies:

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

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

2.3 Functional and presentation currency

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

2.4 Foreign currency translation

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

2.5 Financial instruments

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

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

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

a) Financial assets

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

b) Financial liabilities

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

c) Derivative financial instruments

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

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

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

2.6 Business combinations and goodwill

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

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

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

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

Acquisition costs incurred accounted for as expenses

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

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

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

3. Significant accounting estimates and judgments

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

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

a) Impairment losses

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

b) Fair value of biological assets

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

c) Income tax, social contribution and other taxes

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

d) Fair value of derivatives and other financial instruments

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

e) Provision for contingencies

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

f) Incremental borrowing rate on leases and agricultural partnerships

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

All amounts in thousands of reais unless otherwise stated

4. Cash and cash equivalents and financial investments

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

	Parent company			Consolidated		
	Annual yield	December 31, 2023	March 31, 2023	Annual yield	December 31, 2023	March 31, 2023
Cash and banks in Brazil		4,301	1,520		4,395	2,586
Cash and banks abroad						
(US Dollar)	4.2%	119,900	21,454	4.2%	119,900	21,454
Financial investments						
. Investments in foreign currency (i)	4.4%	-	249,368	4.4%	-	249,368
Total cash and cash equivalents		**124,201**	**272,342**		**124,295**	**273,408**
Financial investments						
. Investment fund	101.9% of CDI	1,089,756	2,404,356	101.1% of CDI	1,217,643	2,566,036
. Bank Deposit Certificate (CDB)	103.2% of CDI	275,222	238,837	103.2% of CDI	275,865	238,837
. Other (ii)	94.1% of CDI	69,492	38,497	94.1% of CDI	69,492	38,497
Total financial investments		**1,434,470**	**2,681,690**		**1,563,000**	**2,843,370**
Total cash and cash equivalents and financial investments		**1,558,671**	**2,954,032**		**1,687,295**	**3,116,778**
In non-current assets		**69,492**	**38,497**		**69,492**	**38,497**
Total available funds		**1,489,179**	**2,915,535**		**1,617,803**	**3,078,281**

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

5. Trade receivables

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

The balance of trade receivables is as follows:

	Parent company		Consolidated	
	December 31, 2023	March 31, 2023	December 31, 2023	March 31, 2023
Domestic market customers	183,627	92,808	262,135	149,628
Foreign market customers	222,097	166,711	222,097	166,711
(-) Expected credit losses	(26)	(26)	(743)	(743)
	405,698	259,493	483,489	315,596
Current assets	(405,698)	(259,493)	(450,519)	(274,904)
Non-current assets	**-**	**-**	**32,970**	**40,692**

All amounts in thousands of reais unless otherwise stated

Aging list of trade receivables:

	Parent company		Consolidated	
	December 31, 2023	March 31, 2023	December 31, 2023	March 31, 2023
Falling due:	403,084	259,458	478,240	315,177
Overdue and not provided for:				
Up to 30 days	643	1	3,168	92
Over 30 days	1,971	34	2,081	327
	405,698	**259,493**	**483,489**	**315,596**

Of the amount receivable, R$ 4,161 and R$ 192 in the Parent company and Consolidated, respectively (R$ 1,987 and R$ 397, respectively, at March 31, 2023), refer to related parties (Note 9).

6. Inventories and advances to suppliers

	Parent company		Consolidated	
	December 31, 2023	March 31, 2023	December 31, 2023	March 31, 2023
Current				
Finished products and work-in-process	1,857,804	98,396	1,810,823	98,396
Raw material – Corn (i)	228,657	251,944	228,657	251,944
Raw - material – Soybeans	-	1,558	-	1,558
Advances - purchases of sugarcane	21,197	45,235	21,197	45,235
Advances - purchases of inputs and finished products	68,125	76,593	68,125	76,593
RenovaBio - CBIOs (ii)	14,774	4,209	14,774	4,209
Land subdivisions	-	-	6,335	6,174
Inputs, maintenance materials and other	271,503	210,009	271,503	210,009
Provision for losses on inventory realization	(20,460)	-	(20,460)	-
	2,441,600	**687,944**	**2,400,954**	**694,118**
Non-current				
Advances - purchases of sugarcane	138,828	224,678	138,828	224,678
	138,828	**224,678**	**138,828**	**224,678**
	2,580,428	**912,622**	**2,539,782**	**918,796**

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

(i) Relates to the raw material acquired for the production at the corn ethanol plant, which started in March 2023 (Note 1).

(ii) On December 31, 2023, the Company had 144,000 registered decarbonization credits (Cbios) carried at fair value (60,000 Cbios on March 31, 2023).

All amounts in thousands of reais unless otherwise stated

7. Biological assets

Biological assets are agricultural products under cultivation (standing sugarcane) from bearer plants, which will be used as raw material in the production of sugar and ethanol at the time of harvest. 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, as there is little market activity, or prices or valuation techniques to support inputs in a thin, nonexistent, or illiquid market (non- observable inputs).

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

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

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

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

Parent Company and Consolidated	December 31, 2023	March 31, 2023
Estimated total harvested area (ha)	240,054	244,695
Amount of TRS per hectare	10.96	11.45
Projected average price of TRS (in R$)	1.25	1.11

In this interim accounting information, the discount rate of 10.7% p.a. was used to calculate the fair value of biological assets. (12.1% p.a. on March 31, 2023).

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

All amounts in thousands of reais unless otherwise stated

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

Parent Company and Consolidated	December 31, 2023	December 31, 2022
Historical cost	1,351,751	1,263,787
Fair value	(191,183)	(44,506)
Biological assets - opening balance:	**1,160,568**	**1,219,281**
Increases arising from crop treatments	650,179	693,841
Transfer from property, plant and equipment	375,709	204,743
Changes in fair value	94,735	(43,236)
Decreases resulting from harvest	(1,180,079)	(984,970)
Biological assets - closing balance:	**1,101,112**	**1,089,659**
Comprised of:		
Historical cost	1,197,560	1,177,401
Fair value	(96,448)	(87,742)
Biological assets - closing balance:	**1,101,112**	**1,089,659**

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

Fair value sensitivity analysis

For purposes of the sensitivity analysis, the Company assessed the impact on the fair value of its biological assets at December 31, 2023, 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$ 92,563. Regarding the production volume, the same 5% variation (up or down) would result in an increase or decrease of R$ 90.955.

All amounts in thousands of reais unless otherwise stated

8. Taxes recoverable

Balances:

	Parent company		Consolidated	
	December 31, 2023	March 31, 2023	December 31, 2023	March 31, 2023
Current				
PIS/COFINS	161,217	139,922	161,236	139,963
ICMS (i)	142,329	69,950	142,352	69,969
Tax Refund Program for Exporters (*Reintegra*)	1,116	2,782	1,116	2,782
Others	2,404	1,316	2,404	1,539
	307,066	**213,970**	**307,108**	**214,253**
Non-current				
PIS/COFINS	131,742	116,394	131,742	116,394
ICMS	74,296	94,783	74,357	97,151
Tax on Financial Transactions (IOF) on derivatives	10,156	9,701	10,156	9,701
INSS	7,928	7,430	7,928	7,430
	224,122	**228,308**	**224,183**	**230,676**
	531,188	**442,278**	**531,291**	**444,929**

(i) The change in the balance of ICMS recoverable resulted mainly from credits on the purchase of diesel oil in the period from May to December 2023, amounting to R$ 54,019, and recorded in accordance with Private Letter Ruling 28.814/23 of Secretary of Finance of the State of São Paulo.

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

All amounts in thousands of reais unless otherwise stated

9. Related parties

a) Parent company and Consolidated balances:

	Parent company		Consolidated	
	December 31, 2023	March 31, 2023	December 31, 2023	March 31, 2023
Current assets				
Trade receivables (i)				
Bio BV	1,913	1,188	-	-
Bio SM	888	303	-	-
Bio SC	1,096	16	-	-
SM Terras Imobiliárias	44	27	-	-
SM Terras Agrícolas	6	12	-	-
Others	214	441	192	397
	4,161	**1,987**	**192**	**397**
Dividends receivable				
SM Terras Agrícolas	28,000	-	-	-
	28,000	**-**	**-**	**-**
Advance for future capital increase				
Biometano SC	15,200	-	-	-
	15,200	**-**	**-**	**-**
Non-current assets				
Other assets				
Luiz Ometto Participações S.A. (Note 17)	19,590	19,590	19,590	19,590
	19,590	**19,590**	**19,590**	**19,590**
Current liabilities				
Trade payables				
SM Terras Agrícolas	77,406	16,316	-	-
SM Terras Imobiliárias	-	1,782	-	-
Bio SC	659	140	-	-
CTC - Centro de Tecnologia Canavieira S.A.	596	210	-	210
Others	13	15	13	15
	78,674	**18,463**	**13**	**225**
Acquisition of ownership interest				
Luiz Ometto Participações S.A. (Note 17)	11,589	11,571	11,589	11,571
	11,589	**11,571**	**11,589**	**11,571**
Current and non-current liabilities				
Leases and agricultural partnerships payable from stockholders and related parties	610,609	612,986	610,609	508,779

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

All amounts in thousands of reais unless otherwise stated

b) Significant Parent company and Consolidated transactions in the period:

	Parent company		Consolidated	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Sales revenue				
Bio BV	8,286	6,591	-	-
Bio SM	7,373	5,607	-	-
Bio SC	4,740	4,850	-	-
	20,399	**17,048**	**-**	**-**
Reimbursed expenses / Lease revenue (purchase of products and services)				
SM Terras Agrícolas	(64,718)	(55,171)	-	-
CTC - Centro de Tecnologia Canavieira S.A.	(21,903)	(16,896)	(20,875)	(16,172)
SM Terras Imobiliárias	(51,321)	(14,456)	-	-
Bio SC	(849)	(743)	-	-
Bio BV	363	59	-	-
Bio SM	113	52	-	-
	(138,315)	**(87,155)**	**(20,875)**	**(16,172)**
Stockholders and related parties				
Sugarcane purchases / land leases / agricultural partnership and land lease/ reimbursed expenses				
Agro Pecuária Boa Vista S/A	(44,633)	(30,586)	(44,633)	(30,586)
Others	(23,850)	(12,437)	(24,069)	(12,637)
	(68,483)	**(43,023)**	**(68,702)**	**(43,223)**

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

c) Management compensation:

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

	Parent company		Consolidated	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Fixed and variable compensation, and benefits	29,435	28,296	31,253	29,363
Social security contributions	5,785	2,265	6,109	2,265
Total compensation and charges	**35,220**	**30,561**	**37,362**	**31,628**

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

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

All amounts in thousands of reais unless otherwise stated

The carrying amount of the liability relating to the new fair value calculation of the Virtual Option Plan is R$ 16,652 (R$ 12,556 on March 31, 2023).

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

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

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

10. Investments

The Parent company and Consolidated balance of investments in other companies is as follows:

							Parent company
	Ownership interest %	Equity		Book value of investment		Equity in the results of investees	
Company		December 31, 2023	March 31, 2023	December 31, 2023	March 31, 2023	December 31, 2023	December 31, 2022
Classified as Investments							
SM Terras Agrícolas	100.00%	854,543	839,802	817,961	839,802	52,909	45,247
SM Terras Imobiliárias	100.00%	660,831	686,649	651,878	686,996	8,870	12,330
Bio SC	100.00%	55,566	47,593	57,801	58,726	47,260	28,072
SM Inova	100.00%	47,215	42,361	47,215	42,361	6,179	3,888
Bio SM	100.00%	37,011	27,805	37,011	27,805	20,226	28,300
Bio BV	100.00%	33,186	32,123	33,186	32,123	36,263	44,476
Bioenergia SM	100.00%	29,913	31,189	29,913	31,189	(1,276)	394
SM Logística	100.00%	1,121	1,097	1,121	1,096	70	59
Biometano SC	100.00%	(12)	-	(12)	-	(12)	-
Total classified as Investments		**1,719,374**	**1,708,619**	**1,676,074**	**1,720,098**	**170,489**	**162,766**

							Consolidated
	Ownership interest %	Equity		Book value of investment		Equity in the results of investees	
Company		December 31, 2023	March 31, 2023	December 31, 2023	March 31, 2023	December 31, 2023	December 31, 2022
Classified as Investments							
CTC - Centro de Tecnologia Canavieira S.A. *(i)*	5.41%	975,716	862,600	52,829	46,705	6,148	3,810
Others		-	-	1,599	1,093	3	83
Total classified as Investments		**975,716**	**862,600**	**54,428**	**47,798**	**6,151**	**3,893**

All amounts in thousands of reais unless otherwise stated

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

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

Changes in investments during the period were as follows:

	Parent company		Consolidated	
Changes in investments	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Balance at the beginning of the period	**1,720,098**	**1,751,559**	**47,798**	**45,565**
Equity in the results of investees	170,489	162,766	6,151	3,893
Payment of capital	1	-	139	-
Dividends paid	(214,837)	(237,600)	-	(1,723)
Other effects of investments	323	80	340	80
Balance at the end of the period	**1,676,074**	**1,676,805**	**54,428**	**47,815**

11. Property, plant and equipment

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

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

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

All amounts in thousands of reais unless otherwise stated

Parent company	Land	Buildings and facilities	Manufacturing equipment and facilities	Vehicles	Agricultural machinery and implements	Sugarcane plantations	Construction in progress	Other PP&E	Total
At March 31, 2022	**96,046**	**418,728**	**1,365,682**	**335,253**	**451,619**	**1,521,169**	**724,727**	**43,411**	**4,956,635**
Acquisitions	-	41	4,994	36,620	25,519	327,612	473,897	4,149	872,832
Intercrop maintenance *(i)*			87,494	28,489	39,406	-	-	-	155,389
Transfer of PP&E/biological assets	-	-	-	-	-	(204,743)	-	-	(204,743)
Cost of sale	-	-	(13)	(389)	(3,148)	(30)	-	(135)	(3,715)
Transfer between groups	-	61,973	76,974	402	(7,538)	7,569	(140,298)	918	-
Depreciation	-	(12,465)	(330,618)	(103,806)	(149,083)	-	-	(9,270)	(605,242)
At December 31, 2022	**96,046**	**468,277**	**1,204,513**	**296,569**	**356,775**	**1,651,577**	**1,058,326**	**39,073**	**5,171,156**
Total cost	96,046	607,608	2,384,033	600,380	887,448	1,651,576	1,058,326	196,920	7,482,337
Accumulated depreciation	-	(139,330)	(1,179,523)	(303,809)	(530,673)	-	-	(157,846)	(2,311,181)
Net book value	**96,046**	**468,278**	**1,204,510**	**296,571**	**356,775**	**1,651,576**	**1,058,326**	**39,074**	**5,171,156**
At March 31, 2023	**96,046**	**549,447**	**1,869,358**	**361,580**	**421,743**	**1,835,266**	**605,699**	**35,134**	**5,774,273**
Acquisitions	-	3,101	10,204	3,385	60,025	397,385	217,077	1,348	692,525
Intercrop maintenance *(i)*	-	-	33,492	22,457	29,138	-	-	-	85,087
Transfer of PP&E/biological assets	-	-	-	-	-	(375,709)	-	-	(375,709)
Cost of sale	-	-	(746)	(1,960)	(1,227)	-	-	(8)	(3,941)
Transfer between groups	-	22,519	60,311	9,627	19,418	8,799	(122,894)	2,220	-
Depreciation	-	(14,618)	(352,544)	(110,899)	(152,096)	-	-	(7,601)	(637,758)
At December 31, 2023	**96,046**	**560,449**	**1,620,075**	**284,190**	**377,001**	**1,865,741**	**699,882**	**31,093**	**5,534,477**
Total cost	96,046	716,566	2,910,180	620,288	934,528	1,865,741	699,882	197,261	8,040,492
Accumulated depreciation	-	(156,117)	(1,290,105)	(336,098)	(557,527)	-	-	(166,168)	(2,506,015)
Net book value	**96,046**	**560,449**	**1,620,075**	**284,190**	**377,001**	**1,865,741**	**699,882**	**31,093**	**5,534,477**
Residual value:									
Historical cost	24,759	505,051	1,474,047	271,019	366,562	1,865,741	699,882	31,093	5,238,154
Surplus on revaluation	71,287	55,398	146,028	13,171	10,439	-	-	-	296,323
Annual average depreciation rates/ Transfer of biological assets	-	2%	4%	8%	9%	14%	-	12%	

Notes to the interim accounting information

December 31, 2023

All amounts in thousands of reais unless otherwise stated

Consolidated	Land	Buildings and facilities	Manufacturing equipment and facilities	Vehicles	Agricultural machinery and implements	Sugarcane plantations	Construction in progress	Improvements and other PPE	Total
At March 31, 2022	**1,816,933**	**419,701**	**1,430,604**	**335,253**	**451,621**	**1,521,167**	**752,518**	**43,414**	**6,771,211**
Acquisitions	-	41	4,993	36,620	25,519	327,612	493,925	4,150	892,860
Intercrop maintenance *(i)*	-	-	87,959	28,489	39,406	-	-	-	155,854
Transfer of biological assets	-	-	-	-	-	(204,743)	-	-	(204,743)
Cost of sale	(178)	-	(13)	(389)	(3,148)	(30)	-	(136)	(3,894)
Transfer between groups	-	61,973	76,974	402	(7,538)	7,569	(140,298)	918	-
Depreciation	-	(12,512)	(335,058)	(103,806)	(149,084)	-	-	(9,270)	(609,730)
At December 31, 2022	**1,816,755**	**469,203**	**1,265,459**	**296,569**	**356,776**	**1,651,575**	**1,106,145**	**39,076**	**7,001,558**
Total cost	1,816,755	610,662	2,486,509	600,379	887,449	1,651,575	1,106,145	196,933	9,356,407
Accumulated depreciation	-	(141,459)	(1,221,050)	(303,810)	(530,673)	-	-	(157,857)	(2,354,849)
Net book value	**1,816,755**	**469,203**	**1,265,459**	**296,569**	**356,776**	**1,651,575**	**1,106,145**	**39,076**	**7,001,558**
At March 31, 2023	**1,816,755**	**550,378**	**1,931,129**	**361,579**	**421,743**	**1,835,265**	**654,580**	**35,138**	**7,606,567**
Acquisitions	2,250	3,101	10,255	3,385	60,025	397,386	221,136	1,348	698,886
Intercrop maintenance *(i)*	-	-	33,571	22,457	29,138	-	-	-	85,166
Transfer of biological assets	-	-	-	-	-	(375,709)	-	-	(375,709)
Cost of sale	(462)	-	(746)	(1,960)	(1,227)	-	-	(8)	(4,403)
Transfer between groups	-	22,519	60,311	9,627	19,418	8,799	(122,894)	2,220	-
Depreciation	-	(14,664)	(356,230)	(110,899)	(152,096)	-	-	(7,603)	(641,492)
At December 31, 2023	**1,818,543**	**561,334**	**1,678,290**	**284,189**	**377,001**	**1,865,741**	**752,822**	**31,095**	**7,369,015**
Total cost	1,818,543	719,626	3,011,859	620,288	934,529	1,865,741	752,822	197,274	9,920,682
Accumulated depreciation	-	(158,292)	(1,333,569)	(336,099)	(557,528)	-	-	(166,179)	(2,551,667)
Net book value	**1,818,543**	**561,334**	**1,678,290**	**284,189**	**377,001**	**1,865,741**	**752,822**	**31,095**	**7,369,015**
Residual value:									
Historical cost	169,315	505,139	1,519,483	271,018	366,562	1,865,741	752,822	31,095	5,481,175
Surplus on revaluation	1,649,228	56,195	158,807	13,171	10,439	-	-	-	1,887,840
Annual average depreciation rates/ Transfer of biological assets	-	2%	4%	8%	9%	14%	-	12%	

(i) For better presentation of the balances, off-season maintenance costs are distributed across the PP&E categories (also adjusted in 2022, for comparison purposes).

All amounts in thousands of reais unless otherwise stated

The corn ethanol plant started operations during the year ended March 31, 2023 (Note 1), and consequently the balance of "Construction in Progress" was transferred to the respective class of assets.

The amount recorded under "Construction in progress" refers primarily to the construction of the cogeneration UTE power plant phase II, expected to be completed at the end of the crop season.

Under the terms of certain borrowing agreements entered into by São Martinho, property, plant and equipment items amounting to R$ 809,617 in the Consolidated were pledged as collateral. Of this amount, R$ 39,144 relates to rural properties (1,505 hectares of land).

Financial charges capitalized by the Company during the period amounted to R$ 5,665 (R$ 9,031 at December 31, 2022).

12. Intangible assets

Contractual relationships have finite lives, being amortized in proportion to the volume of sugarcane harvested during the term of the agreement with the partner or supplier.

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

	Parent company		Consolidated	
	December 31, 2023	March 31, 2023	December 31, 2023	March 31, 2023
Goodwill based on future profitability (i)	374,632	374,632	374,632	374,632
Software	88,514	43,438	88,514	43,438
Accumulated amortization	(39,726)	(34,586)	(39,726)	(34,586)
Software under development - SAP S/4HANA	-	36,452	-	36,452
Rights on sugarcane contracts (ii)	42,443	42,443	42,443	42,443
Amortization of rights on sugarcane contracts (ii)	(25,674)	(24,610)	(25,674)	(24,610)
Cost of rights on electricity contracts (iii)	-	-	103,401	103,401
Amortization of rights on electricity contracts (iii)	-	-	(103,401)	(90,068)
Other assets	1,523	1,366	13,186	13,023
	441,712	**439,135**	**453,375**	**464,125**

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

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

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

All amounts in thousands of reais unless otherwise stated

Impairment of non-financial assets

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

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

On March 31, 2023, the Company tested its non-current assets for impairment. The assessment was based on calculations of the value in use of each CGU, using pre-tax cash flow projections supported by financial budgets approved by management. The growth rate does not exceed the long-term average growth rate of the sector in which the CGU operates.

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

Main assumptions used by the Company (data from March 31, 2023):

Cash-generating Units	Nominal perpetuity growth rate	Nominal discount rate
São Martinho production unit	5.00%	12.33%
Santa Cruz production unit	5.00%	12.33%

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

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

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

All amounts in thousands of reais unless otherwise stated

The Company as the Lessee

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

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

The Company as the Lessor

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

a) Changes in right-of-use assets

	Parent Company and Consolidated			
Right-of-use assets	Vehicles	Agricultural partnership	Agricultural lease	Total
At March 31, 2022	**4,439**	**2,452,464**	**627,409**	**3,084,312**
New contracts	11,734	85,534	137,676	234,944
Updated contracts	-	107,279	-	107,279
Write-offs	(32)	(66,076)	(3,899)	(70,007)
Depreciation	(5,459)	(325,990)	(74,700)	(406,149)
At December 31, 2022	**10,682**	**2,253,211**	**686,486**	**2,950,379**
At March 31, 2023	**21,094**	**2,233,580**	**670,651**	**2,925,325**
New contracts	6,926	329,786	2,030	338,742
Write-offs	(884)	-	-	(884)
Depreciation	(13,186)	(310,048)	(72,565)	(395,799)
At December 31, 2023	**13,950**	**2,253,318**	**600,116**	**2,867,384**
Useful lives (years)	1 to 2	2 to 29	2 to 20	

All amounts in thousands of reais unless otherwise stated

b) Changes in lease and agricultural partnership liabilities

	Parent Company and Consolidated		
	Leases payable	Agricultural partnerships	Total
At March 31, 2022	**621,532**	**2,385,319**	**3,006,851**
Offset of advances	-	8,614	8,614
Additions arising from new agreements	149,410	85,534	234,944
Updated contracts	-	107,279	107,279
Write-offs	(16,429)	(73,085)	(89,514)
Payments made	(113,452)	(337,540)	(450,992)
Financial charges	54,024	178,014	232,038
At December 31, 2022	**695,085**	**2,354,135**	**3,049,220**
At March 31, 2023	**702,083**	**2,339,688**	**3,041,771**
Offset of advances	-	(61,501)	(61,501)
New contracts	8,956	329,786	338,742
Write-offs	(1,079)	-	(1,079)
Payments made	(114,722)	(318,913)	(433,635)
Financial charges	92,549	156,852	249,401
At December 31, 2023	**687,787**	**2,445,912**	**3,133,699**
Total in current liabilities	83,971	774,270	858,241
Total in non-current liabilities	603,816	1,671,642	2,275,458
At December 31, 2023	**687,787**	**2,445,912**	**3,133,699**

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

Maturity	Parent Company and Consolidated
From 1/1/2025 to 12/31/2025	588,992
From 1/1/2026 to 12/31/2026	547,837
From 1/1/2027 to 12/31/2027	451,820
From 1/1/2028 to 12/31/2028	370,925
From 1/1/2029 to 12/31/2029	283,885
From 1/1/2030 to 12/31/2030	257,057
From 1/1/2031 to 12/31/2031	212,053
From 1/1/2032 onwards	808,200
(-) Adjustment to present value	(1,245,311)
	2,275,458

All amounts in thousands of reais unless otherwise stated

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

Parent Company and Consolidated	Agricultural lease	Adjustment to present value
Lease payment	820,403	274,831
Potentially recoverable PIS/COFINS (9.25%)	(57,163)	(18,724)
December 31, 2023	**763,240**	**256,107**

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, adjusted based on its economic circumstances:

Parent Company and Consolidated	
Contract terms	**Incremental rate**
2 years	8.69%
3 years	9.25%
4 years	8.91%
5 years	9.84%
6 years	10.30%
7 years	10.23%
8 years	9.54%
9 years	10.88%
10 years	8.76%
11 years	9.56%
From 12 to 30 years	10.41%

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

Additionally, in compliance with CVM Circular Letter 02/2019, comparative information on lease and agricultural partnership liabilities, right-of-use assets, deferred taxes, depreciation expense and finance costs for the year ended December 31, 2023 and future periods is presented below, using a discounted cash flow that considers using a discounted cash flow that considers future inflation projected in the payment flows, and discounted at the nominal rates presented above:

All amounts in thousands of reais unless otherwise stated

Parent Company and Consolidated	From 1/1/2025 to 12/31/2025	From 1/1/2026 to 12/31/2026	From 1/1/2027 to 12/31/2027	From 1/1/2028 to 12/31/2028	From 1/1/2029 to 12/31/2029	From 1/1/2030 to 12/31/2034	From 1/1/2035 to 12/31/2039	From 1/1/2040 onwards
Right-of-use assets								
IFRS 16	2,317,497	1,878,521	1,469,268	1,153,333	903,840	241,058	56,968	-
CVM Official Letter	3,473,481	2,853,527	2,279,549	1,810,755	1,434,225	396,604	94,831	-
	49.88%	51.90%	55.15%	57.00%	58.68%	64.53%	66.46%	N/A
Lease liability and agricultural partnership								
IFRS 16	2,196,027	1,778,823	1,394,779	1,091,451	852,471	224,747	49,591	-
CVM Official Letter	3,396,945	2,803,078	2,249,191	1,794,539	1,425,549	489,724	133,723	-
	54.69%	57.58%	61.26%	64.42%	67.23%	117.90%	169.65%	N/A
Amortization expense								
IFRS 16	(535,935)	(438,976)	(409,254)	(315,934)	(249,493)	(662,782)	(184,091)	(56,968)
CVM Official Letter	(781,253)	(619,954)	(573,978)	(468,795)	(376,530)	(1,037,620)	(301,774)	(94,831)
	45.77%	41.23%	40.25%	48.38%	50.92%	56.56%	63.93%	66.46%
Interest expenses								
IFRS 16	(168,403)	(166,035)	(161,950)	(148,758)	(134,159)	(473,482)	(174,205)	(80,068)
CVM Official Letter	(300,359)	(207,806)	(204,165)	(190,239)	(174,518)	(722,866)	(245,298)	(125,893)
	78.36%	25.16%	26.07%	27.88%	30.08%	52.67%	40.81%	57.23%

	IFRS 16/CPC 06	CVM Official Letter
Amortization expense	(2,853,433)	(4,254,735)
Interest expenses	(1,507,060)	(2,171,144)
	(4,360,493)	(6,425,879)

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		Consolidated	
	Rate	Index	December 31, 2023	March 31, 2023	December 31, 2023	March 31, 2023
<u>In local currency</u>						
BNDES credit facility	2.1%	+TJLP	94,347	105,197	94,347	105,197
BNDES credit facility	4.3%	+IPCA	1,295,142	815,861	1,336,444	855,411
BNDES credit facilities (ii)	5.0%	Fixed rate	151,110	164,777	151,110	164,777
FINEP	3.4%	Fixed rate	58,527	23,641	58,527	23,641
Agro Export	0.6%	+CDI	101,441	92,286	101,441	92,286
Rural credit (ii)	8.0%	+TR	182,228	339,355	182,228	339,355
Agribusiness Receivable Certificate (CRA)	98.5%	CDI	899,255	929,719	899,255	929,719
Agribusiness Receivable Certificate (CRA)	4.7%	+IPCA	298,792	551,500	298,792	551,500
Debentures (iv)	6.0%	+IPCA	2,277,725	2,197,001	2,277,725	2,197,001
International Finance Corporation (IFC)	1.5%	+CDI	299,017	312,571	299,017	312,571
Other securitized credits	3.0%	+IGP-M/ Fixed rate	26	29	26	29
<u>Total in local currency</u>	**100.7%**	**CDI**	**5,657,610**	**5,531,937**	**5,698,912**	**5,571,487**
In foreign currency						
Export prepayment (PPE) (V)	1.7%	6M Sofr	339,282	590,090	339,282	590,090
International Finance Corporation (IFC) (vii)	1.8%	6M Sofr	361,402	462,306	361,402	462,306
<u>Total in foreign currency</u>	**5.7%**		**700,684**	**1,052,396**	**700,684**	**1,052,396**
TOTAL (i)			**6,358,294**	**6,584,333**	**6,399,596**	**6,623,883**
Total in current liabilities			707,495	1,028,224	709,029	1,028,509
Total in non-current liabilities			5,650,799	5,556,109	5,690,567	5,595,374
			6,358,294	**6,584,333**	**6,399,596**	**6,623,883**

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 on Interbank Deposit (DI) and SOFR yield curves.

(ii) 59.4% of the BNDES credit facilities at fixed rate is linked to 53.5% of the DI rate, through a swap contract.

(iii) 100% of the rural credit amount is linked to 72.95% of the DI rate, through a swap contract.

(iv) 25.2% debentures are linked to the DI rate +1.1% p.a., 22.5% to the DI rate + 1.4% p.a., and the remaining 52.3%, to 108.2% of the DI rate, through a swap contract.

(v) 71.2% of the Export Credit Note (PPE) amount indexed to SOFR is linked to the DI rate + +0.83% p.a., through a swap contract.

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(vi) 60.1% of the borrowing with *International Finance Corporation* (IFC) is linked to the DI rate +1.15% p.a., and 39.9% is linked to a fixed rate of 5.0%, through a swap contract.

Long-term swaps are highly susceptible to any variations in future inflation curves, notably the IPCA, which can significantly affect their fair value over time. At the end of the contracts, the effective cost is linked to the CDI rate plus a fixed percentage, which provides a clear and stable financial outlook.

Changes in borrowings during the period were as follows:

	Parent company		Consolidated	
Changes in debt	**December 31, 2023**	**December 31, 2022**	**December 31, 2023**	**December 31, 2022**
Balance at the beginning of the period	6,584,333	5,868,315	6,623,883	5,888,349
Proceeds from borrowings	482,999	659,200	482,999	677,200
Repayment of principal	(744,817)	(191,635)	(744,817)	(191,635)
Payment of interest	(370,836)	(216,682)	(371,536)	(216,902)
Provision for interest/indexation accruals	447,039	407,943	449,491	409,469
Foreign exchange variation	(40,424)	109,228	(40,424)	109,228
Balance at the end of the period	**6,358,294**	**6,636,369**	**6,399,596**	**6,675,709**

Long-term borrowings mature as follows:

	Parent company	Consolidated
From 1/1/2025 to 12/31/2025	1,017,998	1,019,798
From 1/1/2026 to 12/31/2026	613,540	615,404
From 1/1/2027 to 12/31/2027	292,453	294,384
From 1/1/2028 to 12/31/2028	608,705	610,705
From 1/1/2029 to 12/31/2029	442,790	444,860
From 1/1/2030 to 12/31/2030	429,625	431,769
From 1/1/2031 to 12/31/2031	255,009	257,230
From 1/1/2032 to 12/31/2032	764,737	767,036
From 1/1/2033 to 12/31/2033	109,173	111,555
From 1/1/2034 onwards	1,116,769	1,137,826
	5,650,799	**5,690,567**

All amounts in thousands of reais unless otherwise stated

São Martinho's debt, of R$ 809,617, is collateralized as follows: 94% by liens on equipment, vehicles, properties, and buildings, approximately 5% by land, and less than 1% by receivables from electric power trading and stockholders' sureties.

At the reporting date, the carrying amounts of borrowings approximate their fair value. The fair values are based on discounted cash flows using a borrowing rate of 10.3% p.a. (12,3% p.a. on March 31, 2023)) and are classified within Level 2 of the fair value hierarchy.

Covenants

The Company has entered into contracts that include financial covenants amounting to R$ 4,721,516, which are measured annually. On December 31, 2023, these covenants were being complied with.

15. Trade payables

	Parent company		Consolidated	
	December 31, 2023	March 31, 2023	December 31, 2023	March 31, 2023
Sugarcane	47,627	37,120	30,274	19,022
Corn	1,664	-	1,664	-
Materials, services, and other	228,317	257,559	170,509	262,289
	277,608	**294,679**	**202,447**	**281,311**

Of the total amount of trade payables, R$ 78,674 in the Parent company, and R$ 13 in the Consolidated (R$ 18,463 and R$ 225, respectively, on March 31, 2023) refer to related parties (Note 9).

16. Obligations and rights with Copersucar

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

a) Obligations:

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

All amounts in thousands of reais unless otherwise stated

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

Parent Company and Consolidated	December 31, 2023	March 31, 2023
REFIS - Copersucar - Restated by reference to SELIC rate	11,718	21,341
Exchange Bill (LC) - Restated by reference to SELIC rate	78,989	76,591
Exchange Bill (LC) - Transfer of funds without imposition of charges	52,356	52,356
Expenses with tax proceedings	22,728	23,937
Others	2,300	2,300
	168,091	176,525
Current liabilities	(11,770)	(13,539)
Non-current liabilities	**156,321**	**162,986**

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

Copersucar has been served tax assessment notices with respect to State Value-Added Tax (ICMS) levied on sales of fuel and industrial ethanol up to December 31, 2008, of which the amount attributed to the Company would be approximately R$ 192 million. Copersucar is confident that its position will prevail and it will successfully defend against any fines; the Company's legal counsel has assessed the causes as involving a possible risk of loss.

b) **Rights:**

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

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

In June 2017, the first court-ordered debt security of R$ 5.6 billion was issued (of which R$ 730.5 million is due to the Company), and in June 2018, a supplementary court-ordered debt security of R$ 10.6 billion (of which R$ 1.4 billion is due to the Company) was issued. The excess of R$ 2.2 billion alleged by the Federal Government (of which R$ 286.3 million is due to the Company) is still under dispute.

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

All amounts in thousands of reais unless otherwise stated

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

Upon transferring the funds, Copersucar withheld a portion to cover legal costs related to the dispute over the levy of PIS and COFINS on the compensation received, while undertaking to transfer the corresponding amounts in the event of a favorable outcome. At December 31, 2023, the balance receivable from Copersucar, of R$ 274,641 (R$ 212,963 on March 31, 2023) was recognized within "Other non-current assets". The Company, in line with the measures taken by Copersucar, also filed a lawsuit, supported by a judicial deposit, claiming the suspension of the enforceability of the IRPJ/CSLL/PIS/COFINS payment. The judicial deposit was provided for within "Taxes with suspended payment"

As established in the Agreement for Purchase and Sale of Shares of Santa Cruz S.A. Açúcar e Álcool ("USC"), the Company transferred R$ 151,351 to Luiz Ometto Participações S.A.

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

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

Parent Company and Consolidated	Acquisitions Usina Santa Cruz	Disposals Agro Pecuária Boa Vista	Net balance
At March 31, 2022	**(62,745)**	**59,076**	**(3,669)**
Interest /indexation accruals	(5,817)	5,477	(340)
Repayment of interest	5,793	(5,454)	339
At December 31, 2022	**(62,769)**	**59,099**	**(3,670)**
At March 31, 2023	**(31,400)**	**39,419**	**8,019**
Interest /indexation accruals	(2,714)	3,578	864
Repayment of interest	2,780	(3,662)	(882)
At December 31, 2023	**(31,334)**	**39,335**	**8,001**
Classified as:			
Acquisition of ownership interests - current liabilities			(11,589)
Other non-current assets			19,590
			8,001

All amounts in thousands of reais unless otherwise stated

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

	(Acquisition) / Disposal
Jan/2024	(11,589)
Jan/2025	19,590
	8,001

18. Equity

a) Share capital

At the reporting date, share capital amounted to R$ 3,941,717 (R$ 3,161,384 on March 31, 2023), represented by 354,011,329 registered common shares without par value.

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

At the Extraordinary General Meeting held on July 28, 2023, the stockholders approved a capital increase of R$ 780,333, through the capitalization of R$ 632,380 from the Capital budget reserve and R$ 147,953 from the Tax incentive reserve.

b) Treasury shares

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

c) Carrying value adjustments

Deemed cost

These arose from the surplus increment on revaluation of the deemed cost of land, buildings and industrial facilities, vehicles and machinery, and agricultural implements. The amounts are recorded net of tax effects and their realization made through depreciation, write-off, or sale of the related assets. The realized amounts are transferred to "Retained earnings".

Hedge accounting fair value

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

d) **Revenue reserves**

Legal reserve

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

Capital budget reserve

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

Unrealized profit reserve

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

Tax incentive reserve

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

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

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

On the reporting date, R$ 363,876 was transferred from Retained earnings to Tax incentive reserve, of which R$ 77,943 refers to the ICMS Produzir and R$ 285,933 to other ICMS incentives pursuant to the Superior Court of Justice resolution of multiple appeals on the same point of law (*Tema Repetitivo* No. 1.182, Note 22.5), (R$ 145,178 on December 31, 2022, of which R$ 88,569 related to ICMS Produzir, and R$ 56,609 related to the credit granted).

e) Dividends and interest on capital

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

The Board of Directors' meeting held on June 20, 2022 approved the prepayment of stockholders' compensation, in the gross amount of R$ 115,000, paid as interest on capital; furthermore, the Board of Directors' meeting held on June 19, 2023, approved the prepayment of stockholders' compensation, in the gross amount of R$ 155,000, paid as interest on capital.

At the Annual General Meeting held on July 28, 2023, the stockholders approved the payment of additional dividends of R$ 269,068, as proposed by management for the year ended March 31, 2023. This amount, increased by R$5,932 from the realization of unrealized profit reserve, totaled R$275,000, which was paid to the stockholders on August 15, 2023.

19. Profit sharing

As part of its policy, the Company manages a profit-sharing program for its employees, linked to a pre-agreed plan of operating and financial targets. Profit sharing in the period ended September 30, 2023 totaled R$ 48,909 in the Parent company and R$ 48,990 in the Consolidated (R$ 57,135 and R$ 57,225 in the Parent company and Consolidated, respectively, at December 31, 2022).

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 this interim accounting information.

All amounts in thousands of reais unless otherwise stated

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

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

a) Balances

	Parent company		Consolidated	
	December 31, 2023	March 31, 2023	December 31, 2023	March 31, 2023
Current assets				
. Income tax and social contribution recoverable	**60,306**	**93,631**	**60,349**	**93,880**
Debts in current liabilities				
. Income tax and social contribution payable	**-**	**-**	**9,932**	**8,490**

b) Changes in deferred income tax and social contribution balances

		Quarter		
Parent company	September 30, 2023	Recognized in the statement of income	Recognized in other comprehensive income	December 31, 2023
Income tax and social contribution losses	106,305	(103,110)	-	3,195
Exclusion of IRPJ/CSLL on tax overpayments *(20.1)*	6,937	-	-	6,937
Derivative financial instruments	(5,007)	(15,187)	(52,316)	(72,510)
Provision for contingencies	130,184	3,817	-	134,001
Foreign exchange gains	6,724	15,526	-	22,250
Other assets	108,793	37,467	-	146,260
Total deferred income and social contribution tax assets	**353,936**	**(61,487)**	**(52,316)**	**240,133**
Surplus on revaluation of PP&E (deemed cost)	(102,911)	1,972	-	(100,939)
Accelerated depreciation incentive	(596,223)	171,859	-	(424,364)
Tax benefit on merged goodwill	(197,959)	-	-	(197,959)
Foreign exchange gains (losses)	(50,628)	2,514	-	(48,114)
Other liabilities	(15,446)	2,186	-	(13,260)
Total deferred income and social contribution tax liabilities	**(963,167)**	**178,531**	**-**	**(784,636)**
Deferred income tax and social contribution	**(609,231)**	**117,044**	**(52,316)**	**(544,503)**

All amounts in thousands of reais unless otherwise stated

Consolidated	September 30, 2023	Quarter Recognized in the statement of income	Recognized in other comprehensive income	Consolidation adjustment - Rights on electric power supply contracts	December 31, 2023
Income tax and social contribution losses	106,305	(103,110)	-	-	3,195
Exclusion of IRPJ/CSLL on tax overpayments *(20.1)*	6,937	-	-	-	6,937
Derivative financial instruments	(5,007)	(15,187)	(52,316)	-	(72,510)
Provision for contingencies and other liabilities	130,184	3,817	-	-	134,001
Foreign exchange gains	6,724	15,526	-	-	22,250
Other assets	108,799	37,462	-	-	146,261
Total deferred income and social contribution tax assets	**353,942**	**(61,492)**	**(52,316)**	**-**	**240,134**
Surplus on revaluation of PP&E (deemed cost)	(455,799)	2,161	-	-	(453,638)
Accelerated depreciation incentive	(596,223)	171,859	-	-	(424,364)
Tax benefit on merged goodwill	(197,959)	-	-	-	(197,959)
Intangible assets	(1,982)	-	-	831	(1,151)
Gain from change in interest held in CTC	(5,068)	-	-	-	(5,068)
Foreign exchange losses	(50,628)	2,514	-	-	(48,114)
Other liabilities	(15,002)	2,490	-	-	(12,512)
Total deferred income and social contribution tax liabilities	**(1,322,661)**	**179,024**	**-**	**831**	**(1,142,806)**
Deferred income tax and social contribution	**(968,719)**	**117,532**	**(52,316)**	**831**	**(902,672)**

Parent company	March 31, 2023	Nine-month period Recognized in the statement of income	Recognized in other comprehensive income	December 31, 2023
Income tax and social contribution losses	3,617	(422)	-	3,195
Exclusion of IRPJ/CSLL on tax overpayments (i)	6,937	-	-	6,937
Derivative financial instruments	111,885	(111,271)	(73,124)	(72,510)
Provision for contingencies	109,416	24,585	-	134,001
Foreign exchange gains	5,250	17,000	-	22,250
Other assets	136,317	9,943	-	146,260
Total deferred income and social contribution tax assets	**373,422**	**(60,165)**	**(73,124)**	**240,133**
Surplus on revaluation of PP&E (deemed cost)	(109,333)	8,394	-	(100,939)
Accelerated depreciation incentive	(616,564)	192,200	-	(424,364)
Tax benefit on merged goodwill	(197,959)	-	-	(197,959)
Foreign exchange gains (losses)	(72,635)	24,521	-	(48,114)
Other liabilities	(9,681)	(3,579)	-	(13,260)
Total deferred income and social contribution tax liabilities	**(1,006,172)**	**221,536**	**-**	**(784,636)**
Deferred income tax and social contribution	**(632,750)**	**161,371**	**(73,124)**	**(544,503)**

All amounts in thousands of reais unless otherwise stated

Consolidated	March 31, 2023	Nine-month period: Recognized in the statement of income	Nine-month period: Recognized in other comprehensive income	Nine-month period: Consolidation adjustment - Rights on electric power supply contracts	December 31, 2023
Income tax and social contribution losses	3,617	(422)	-	-	3,195
Exclusion of IRPJ/CSLL on tax overpayments *(20.1)*	6,937	-	-	-	6,937
Derivative financial instruments	111,884	(111,270)	(73,124)	-	(72,510)
Provision for contingencies and other liabilities	109,416	24,585	-	-	134,001
Foreign exchange gains	5,250	17,000	-	-	22,250
Other assets	136,322	9,939	-	-	146,261
Total deferred income and social contribution tax assets	**373,426**	**(60,168)**	**(73,124)**	**-**	**240,134**
Surplus on revaluation of PP&E (deemed cost)	(462,221)	8,583	-	-	(453,638)
Accelerated depreciation incentive	(616,564)	192,200	-	-	(424,364)
Tax benefit on merged goodwill	(197,959)	-	-	-	(197,959)
Intangible assets	(5,736)	-	-	4,585	(1,151)
Gain from change in interest held in CTC	(5,068)	-	-	-	(5,068)
Foreign exchange gains (losses)	(72,635)	24,521	-	-	(48,114)
Other liabilities	(10,377)	(2,135)	-	-	(12,512)
Total deferred income and social contribution tax liabilities	**(1,370,560)**	**223,169**	**-**	**4,585**	**(1,142,806)**
Deferred income tax and social contribution	**(997,134)**	**163,001**	**(73,124)**	**4,585**	**(902,672)**
	(997,134)	**163,001**	**(73,124)**	**4,585**	**(902,672)**

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

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

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

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

On September 24, 2021, the Supreme Court ("STF") judgment of RE No. 1.063.187, through general repercussion (Topic 962) and by unanimous vote, ruled that income taxes charged on indexation/interest accruals (Selic rate) on amounts received as a refund for tax overpayments are unconstitutional.

Based on this decision, and in accordance with ICPC 22 / IFRIC 23 - Uncertainty over Tax Treatments, the Company recognized in the financial statements for the year ended March 31, 2022, the amount of R$ 15,920 as current and deferred income tax assets for the year, as follows: R$ 8,983 in non-current assets, as income tax and social contribution recoverable related to periods in which the Company recorded taxable profit; and R$ 6,937 in non-current liabilities, as deferred income tax and social contribution, due to the adjustment of tax loss carryforwards related to periods in which the Company recorded tax losses and the use of tax loss carryforwards increased by the Selic rate.

All amounts in thousands of reais unless otherwise stated

c) Reconciliation of the income tax and social contribution expense

Parent company	December 31, 2023 Quarter	December 31, 2023 Year-to-date	December 31, 2022 Quarter	December 31, 2022 Year-to-date
Profit before taxation	89,362	874,476	526,185	983,430
Income tax and social contribution at nominal rates (34%)	**(30,383)**	**(297,322)**	**(178,903)**	**(334,366)**
Adjustments for calculation of the effective tax rate:				
. Equity in the results of investees	22,123	57,966	17,475	55,340
. Permanent (additions) exclusions, net	(729)	(1,892)	(992)	(2,466)
. Cbios	12,050	15,813	3,610	21,137
. Interest on capital	-	52,700	47,600	86,700
. State subsidy (Note 22.5) / Credit granted (Note27)	109,749	123,712	14,184	49,361
. Tax incentives	-	-	527	2,144
. Recognition of income tax and social contribution credits from prior years	5,063	20,144	-	2,569
. *"Lei do Bem"*	3,400	3,400	-	-
. Others	-	-	6	18
Income tax and social contribution expenses	**121,273**	**(25,479)**	**(96,493)**	**(119,563)**
Income tax and social contribution at the effective rate	-135.7%	2.9%	18.3%	12.2%
Current income tax and social contribution	4,229	(186,850)	(163,769)	(241,058)
Deferred income tax and social contribution	117,044	161,371	67,276	121,495

Consolidated	December 31, 2023 Quarter	December 31, 2023 Year-to-date	December 31, 2022 Quarter	December 31, 2022 Year-to-date
Profit before taxes	93,834	889,071	530,032	1,012,552
Income tax and social contribution at nominal rates (34%)	**(31,904)**	**(302,284)**	**(180,211)**	**(344,268)**
Adjustments for calculation of the effective tax rate:				
. Equity in the results of investees	762	2,091	430	1,324
. Permanent (additions) exclusions, net	(730)	(1,893)	(1,137)	(2,628)
. Cbios	12,050	15,813	3,610	21,137
. Interest on capital	-	52,700	47,600	86,700
. State subsidy (Note 22.5) / Credit granted (Note27)	109,749	123,712	14,184	49,361
. Tax incentives	-	-	956	2,578
. Adjustment to the calculation relating to subsidiary taxed based on deemed p	18,407	46,236	14,211	34,484
. Recognition of income tax and social contribution credits from prior years	5,066	20,145	-	2,569
. *"Lei do Bem"*	3,400	3,400	-	-
. Others	1	6	17	58
Income tax and social contribution expenses	**116,801**	**(40,074)**	**(100,340)**	**(148,685)**
Income tax and social contribution at the effective rate	-124.5%	4.5%	18.9%	14.7%
Current income tax and social contribution	(731)	(203,075)	(167,506)	(271,172)
Deferred income tax and social contribution	117,532	163,001	67,166	122,487

21. Commitments

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

Riparian forests and Legal Reserve areas

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

All amounts in thousands of reais unless otherwise stated

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

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

Sales commitments

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

	Up to one year	From 2 to 3 years	More than 3 years
Ethanol (m³)	48,000	96,000	528,000
Sugar (metric tons)	1,390,580	1,321,236	2,500,000
Electric power (Mwh)	646,318	826,736	5,228,910
Biometano (m³)	-	21,279,817	115,306,483

Purchases of inputs and corn

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

22 Provision for contingencies

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

22.1 Probable losses

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

All amounts in thousands of reais unless otherwise stated

	Parent company			
	Tax claims	Civil and environmental claims	abor claims	Total
At March 31, 2022	**14,779**	**3,983**	**67,589**	**86,351**
Additions	483	2,465	29,371	32,319
Reversals	(18)	(426)	(6,384)	(6,828)
Utilization	(22)	(498)	(18,569)	(19,089)
Interest/indexation accruals	600	1,921	7,276	9,797
At December 31, 2022	**15,822**	**7,445**	**79,283**	**102,550**
At March 31, 2023	**16,247**	**7,681**	**86,778**	**110,706**
Additions	1,100	911	36,060	38,071
Reversals	(359)	(246)	(10,258)	(10,863)
Utilization	(488)	(1,928)	(31,099)	(33,515)
Interest/indexation accruals	7,965	(90)	9,106	16,981
At December 31, 2023	**24,465**	**6,328**	**90,587**	**121,380**

	Consolidated			
	Tax claims	Civil and environmental claims	abor claims	Total
At March 31, 2022	**14,779**	**4,638**	**67,589**	**87,006**
Additions	483	2,522	29,371	32,376
Reversals	(18)	(427)	(6,384)	(6,829)
Utilization	(22)	(498)	(18,569)	(19,089)
Interest/indexation accruals	600	2,016	7,276	9,892
At December 31, 2022	**15,822**	**8,251**	**79,283**	**103,356**
At March 31, 2023	**16,247**	**8,516**	**86,778**	**111,541**
Additions	1,100	1,014	36,060	38,174
Reversals	(359)	(246)	(10,258)	(10,863)
Utilization	(488)	(2,031)	(31,099)	(33,618)
Interest/indexation accruals	7,966	(39)	9,106	17,033
At December 31, 2023	**24,466**	**7,214**	**90,587**	**122,267**

The nature of the main lawsuits are summarized below (Parent company and Consolidated):

Tax lawsuits:

Relate to success fees payable to lawyers defending the Company's interests in the related lawsuits.

Civil and environmental lawsuits:

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

All amounts in thousands of reais unless otherwise stated

Labor lawsuits:

Relate to: (i) overtime; (ii) indemnity for elimination of breaks between shifts; (iii) hazardous work and health hazard premiums; (iv) refund of payroll deductions, such as union dues; (v) sundry indemnities, and (vi) other labor charges.

22.2 Judicial deposits

	Parent company			Consolidated		
	IAA (i)	Others	Total	IAA (i)	Others	Total
At March 31, 2022	**715,277**	**33,843**	**749,120**	**715,277**	**34,084**	**749,361**
Additions	250,737	4,748	255,485	250,737	6,167	256,904
Utilization	-	(5,553)	(5,553)	-	(7,209)	(7,209)
Interest/indexation accruals	67,031	2,262	69,293	67,381	1,921	69,302
At December 31, 2022	**1,033,045**	**35,300**	**1,068,345**	**1,033,395**	**34,963**	**1,068,358**
At March 31, 2023	**1,051,683**	**37,289**	**1,088,972**	**1,051,683**	**37,293**	**1,088,976**
Additions	266,640	4,328	270,968	266,640	4,333	270,973
Utilization	-	(7,703)	(7,703)	-	(7,701)	(7,701)
Interest/indexation accruals	96,070	1,718	97,788	96,070	1,725	97,795
At December 31, 2023	**1,414,393**	**35,632**	**1,450,025**	**1,414,393**	**35,650**	**1,450,043**

(i) Note 16 (b))

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

22.3 Possible risk of losses

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

		Parent company				Consolidated			
		December 31, 2023		March 31, 2023		December 31, 2023		March 31, 2023	
Nature		Number of proceedings	Amount involved	Number of proceedings	Amount	Number of proceedings	Amount involved	Number of proceedings	Amount
Environmental		97	9,498	94	8,353	97	9,497	94	8,353
Civil		68	25,731	63	21,293	142	34,956	125	28,871
Labor claims		86	15,965	80	14,898	87	15,986	81	14,917
Tax claims									
Social security contribution	(i)	11	130,053	11	119,819	11	130,053	11	119,819
Computation of IRPJ/CSLL	(ii)	5	290,283	5	264,420	5	290,283	5	264,420
Offset of federal taxes	(iii)	74	189,925	108	213,225	80	195,360	114	213,812
ICMS	(iv)	18	97,110	17	87,441	18	97,110	17	87,441
Federal taxes	(v)	1	1,414,393	1	1,051,683	1	1,414,393	1	1,051,683
Other lawsuits	(vi)	10	16,162	30	553,171	12	33,197	35	566,743
Total		**370**	**2,189,120**	**409**	**2,334,303**	**453**	**2,220,835**	**483**	**2,356,059**

Tax lawsuits:

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

(ii) The lawsuits relate to deductibility from the income tax and social contribution tax base, of expenses related to securitized financing, as well as those arising from incentivized accelerated depreciation, as provided for in Article 325 of the Income Tax Regulations (RIR)/2018.

(iii) The lawsuits relate to requests to offset and refund IRPJ, CSLL, PIS, COFINS, and other federal taxes for overpayments and/or tax losses, and tax credits proportional to the export revenue, which have been rejected by the Brazilian Federal Revenue Service (RFB).

(iv) a) challenge of ICMS credits based on the Control of ICMS Credit on Permanent Assets (CIAP); b) allegedly undue ICMS credits granted under the "PRODUZIR" Program; c) ICMS-ST levied on interstate sales of ethanol; d) ICMS improperly levied on sales of yeast intended for animal feed, which are exempt from this tax.

(v) The lawsuit relates to the levy of IRPJ/CSLL/PIS/COFINS on court-ordered debt payment received pursuant to the Sugar Pricing Lawsuit filed against the Sugar and Alcohol Institute (IAA) (Note 16).

(vi) Other tax disputes: a) contribution to the Social Service for Industry (SESI) and National Service for Industrial Training (SENAI); b) fee payable to the National Department of Mineral Research (DNPM); c) levy of Property Transfer Tax (ITBI) on merger transaction; d) Municipal Real Estate Tax (IPTU) collection claims; e) Supplementary collection of Rural Property Tax (ITR); f) improper deduction of goodwill (joint and several liability).

Other proceedings:

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

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

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

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

The Company does not benefit nor has it benefited from favorable final decisions on tax matters that have subsequently lost their effects following a Federal

Supreme Court's decision to the contrary, handed down through constitutional measures or with general repercussion. That is, the Company will not be affected by the STF decision in RE 955227 ("Topic 885") and RE 949297 ("Topic 881").

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

The ICMS tax benefits received by the Company under the State of Goiás Produzir Program continue to be recognized and accounted for as an investment grant in accordance with the requirements set forth in Supplementary Law 160/2017, Law 12.973/2014 and STJ decision (Topic 1.182).

With regard to other tax benefits, in 2023, the Company's disputes at the trial court level obtained favorable rulings for the exclusion of ICMS deferral, reduction of the tax base, and reduction of the tax rate, among others, in the income tax (IRPJ) and social contribution (CSLL) calculations.

Accordingly, in view of the court rulings and the STJ decision ("Topic 1.182"), the Company excluded the amount of R$ 285,933 (recorded as Tax incentive reserve, Note 18) from the calculation of income tax and social contribution on these benefits for the period ended December 31, 2023, which resulted in a tax reduction of R$ 97,217 (Note 20). For periods prior to 2023, the exclusions from the income tax (IRPJ) and social contribution (CSLL) calculations and the corresponding accounting records will only be made after a final decision on the matter has been rendered.

With respect to the exclusion of tax incentives from the calculation of income tax and social contribution, based on STJ decision (Topic 1.182), management, supported by the opinion of its legal counsel and considering the current case law, believes that the likelihood of a successful outcome in the dispute are greater than the possibility of loss. In addition, in compliance with Article 30 of Law 12.973/2014, the Company recorded the aforementioned reserve.

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.

All amounts in thousands of reais unless otherwise stated

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

23.1 Market risks

a) Foreign exchange risk

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

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

Assets and liabilities exposed to exchange variation

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

Consolidated	December 31, 2023	Equivalent to thousands of US$
Current and non-current assets		
Cash and cash equivalents (banks - demand deposits and financial investments)	119,900	24,769
Trade receivables	222,097	45,881
Derivative financial instruments	562,134	116,127
(+) Total assets	**904,131**	**186,777**
Current and non-current liabilities:		
Borrowings	700,684	144,731
Derivative financial instruments	272,035	56,190
(-) Total liabilities	**972,719**	**200,921**
Subtotal assets (liabilities)	(68,588)	(14,144)
Borrowings in foreign currency	700,684	144,731
Net asset exposure	**632,096**	**130,587**

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

All amounts in thousands of reais unless otherwise stated

These assets and liabilities were adjusted and recorded at the exchange rate in effect at the reporting date: R$ 4.8407 per US$ 1.00 for assets, and R$ 4.8413 per US$ 1.00 for liabilities.

b) Commodity price volatility risk

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

c) Cash flow and fair value interest rate risk

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

d) Market risk sensitivity analysis

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

		Impacts on P/L		
Consolidated	Risk factor	Probable scenarios 5%	Possible scenarios 25%	Possible scenarios 50%
Cash and cash equivalents	Decrease in exchange rate - R$/US$	(6,158)	(30,788)	(61,575)
Trade receivables	Decrease in exchange rate - R$/US$	(11,551)	(57,754)	(115,507)
Borrowings	Increase in exchange rate - R$/US$	(121)	(607)	(1,213)
Derivative financial instruments				
Currency forward contracts	Increase in exchange rate - R$/US$	(114)	(571)	(1,142)
Futures price (sugar and ethanol)	Increase in commodity futures prices	(118)	(589)	(1,177)
Swap contracts	Decrease in exchange rate (R$/US$) and increase in the yield curve	(7,505)	(18,941)	(38,482)
Net exposure		**(25,567)**	**(109,250)**	**(219,096)**

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

e) Financial instruments

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

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

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

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

All amounts in thousands of reais unless otherwise stated

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

	December 31, 2023			
Parent Company and Consolidated	**Contracted amount/volume**	**Average price/rate**	**Notional value - R$**	***Fair value* - R$**
In current assets - Gain				
Margin deposit				62,323
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Sale commitment	125,228	23.81	318,241	43,806
. Purchase commitment	32,869	19.08	66,936	5,184
Commodity forward contracts - Sugar #11				
. Sale commitment	24,233	22.05	57,031	4,028
Currency forward contracts (NDF) - US Dollar - OTC				
. Sale commitment	394,227	5.13	2,022,385	70,102
. Purchase commitment	3,877	5.00	19,371	1
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Bidding position in call options	82,706	24.75	218,478	3,903
. Bidding position in put options	331,384	22.51	796,165	107,282
Flex option contracts - US dollar - OTC				
. Bidding position in put options	22,000	5.68	124,960	16,701
Interest rate swap contracts - OTC				4,853
Total derivative financial instruments in current assets				**318,183**
In non-current assets - Gain				
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Sale commitment	4,064	21.23	9,209	224
Currency forward contracts (NDF) - US Dollar - OTC				
. Sale commitment	3,729	5.15	19,204	262
Interest rate swap contracts - OTC				243,465
Total derivative financial instruments in non-current assets				**243,951**

	December 31, 2023			
Parent Company and Consolidated	**Contracted amount/volume**	**Average price/rate**	**Notional value - R$**	**Fair value - R$**
In current liabilities - Loss				
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Sale commitment	60,048	18.25	116,965	14,927
. Purchase commitment	228,916	24.13	589,562	88,135
Currency forward contracts (NDF) - US Dollar - OTC				
. Sale commitment	129,483	4.85	627,993	3,378
. Purchase commitment	12,836	5.09	65,335	1,479
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Short position in call options	389,502	25.78	1,071,737	16,296
Flex option contracts - US dollar - OTC				
. Short position in call options	22,000	6.06	133,320	2
Interest rate swap contracts - OTC				123,391
Total derivative financial instruments in current liabilities				**247,608**
In non-current liabilities - Loss				
Interest rate swap contracts - OTC				24,427
Total derivative financial instruments in non-current liabilities				**24,427**

All amounts in thousands of reais unless otherwise stated

Parent Company and Consolidated	Contracted amount/ volume	Average price/rate	Notional value - R$	*Fair value - R$*
				March 31, 2023
In current assets - Gain				
Margin deposit				22,265
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Sale commitment	102	21.80	249	1
. Purchase commitment	151,086	19.74	334,044	36,220
Currency forward contracts (NDF) - US Dollar - OTC				
. Sale commitment	307,472	5.44	1,672,648	74,404
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Bidding position in call options	40,032	20.50	91,916	8,116
. Bidding position in put options	88,041	18.26	180,060	4,062
Flex option contracts - US dollar - OTC				
. Bidding position in put options	22,000	5.68	124,960	11,142
Interest rate swap contracts - OTC				7,032
Total derivative financial instruments in current assets				**163,242**
In non-current assets - Gain				
Interest rate swap contracts - OTC				225,568
Total derivative financial instruments in non-current assets				**225,568**

Parent Company and Consolidated	Contracted amount/ volume	Average price/rate	Notional value - R$	Fair value - R$
				March 31, 2023
In current liabilities - Loss				
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Sale commitment	143,517	18.58	298,663	53,636
Commodity forward contracts - Sugar #11				
. Sale commitment	28,500	19.42	61,991	7,364
Currency forward contracts (NDF) - US Dollar - OTC				
. Purchase commitment	15,000	5.25	78,750	2,213
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Short position in call options	128,073	20.63	295,930	27,420
Flex option contracts - US dollar - OTC				
. Bidding position in call options	22,000	6.06	133,320	3,403
Interest rate swap contracts - OTC				234,659
Total derivative financial instruments in current liabilities				**328,695**
In non-current liabilities - Loss				
Interest rate swap contracts - OTC				7,250
Total derivative financial instruments in non-current liabilities				**7,250**

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

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

All amounts in thousands of reais unless otherwise stated

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

Parent Company and Consolidated	Assets	Liabilities	Total in other comprehensive income
Financial instruments:			
Commodity derivatives - Futures, options and forward contracts	145,493	105,105	40,388
Foreign exchange derivatives - Options / NDF	89,426	1,247	88,179
Foreign exchange differences on borrowings (Trade Finance)	18,393	265,395	(247,002)
	253,312	371,747	(118,435)
Deferred taxes on the items above	(86,126)	(126,394)	40,268
	167,186	**245,353**	**(78,167)**

f) Estimated realization

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

Parent company and Consolidated	23/24 crop season	24/25 crop season	25/26 crop season	Total
Derivative financial instruments:				
Commodity derivatives - Futures, options and forward contracts	(2,131)	42,519	-	40,388
Foreign exchange derivatives - Options / NDF	59,118	29,061	-	88,179
Foreign exchange differences on borrowings (Trade Finance)	(13,961)	(120,218)	(112,823)	(247,002)
	43,026	(48,638)	(112,823)	(118,435)
Deferred taxes on the items above	(14,629)	16,537	38,360	40,268
	28,397	**(32,101)**	**(74,463)**	**(78,167)**

23.2 Credit risk

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

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

23.3 Liquidity risk

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

All amounts in thousands of reais unless otherwise stated

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

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

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

Parent company	Up to 1 year	From 2 to 3 years	More than 3 years	Total
At December 31, 2023				
Borrowings	156,150	2,448,777	6,112,714	8,717,641
Leases payable	119,512	239,384	605,976	964,872
Agricultural partnership payable	1,001,092	897,445	1,777,964	3,676,501
Derivative financial instruments	247,608	24,427	-	272,035
Trade payables	277,608	-	-	277,608
Acquisition of ownership interest	11,553	-	-	11,553
Other liabilities	25,816	728	-	26,544
	1,839,339	**3,610,761**	**8,496,654**	**13,946,754**
At March 31, 2023				
Borrowings	1,266,140	2,381,684	5,384,080	9,031,904
Leases payable	164,570	263,694	635,176	1,063,440
Agricultural partnership payable	787,098	886,562	1,868,307	3,541,967
Derivative financial instruments	328,695	7,250	-	335,945
Trade payables	294,679	-	-	294,679
Acquisition of ownership interest	10,354	-	-	10,354
Other liabilities	18,558	1,916	-	20,474
	2,870,094	**3,541,106**	**7,887,563**	**14,298,763**

Consolidated	Up to 1 year	From 2 to 3 years	More than 3 years	Total
At December 31, 2023				
Borrowings	156,856	2,455,172	6,160,609	8,772,637
Leases payable	119,512	239,384	605,976	964,872
Agricultural partnership payable	1,001,092	897,445	1,777,964	3,676,501
Derivative financial instruments	247,608	24,427	-	272,035
Trade payables	202,447	-	-	202,447
Acquisition of ownership interest	11,553	-	-	11,553
Other liabilities	29,778	728	-	30,506
	1,768,846	**3,617,156**	**8,544,549**	**13,930,551**
At March 31, 2023				
Borrowings	1,267,504	2,387,882	5,430,403	9,085,789
Leases payable	164,570	263,694	635,176	1,063,440
Agricultural partnership payable	787,098	886,562	1,868,307	3,541,967
Derivative financial instruments	328,695	7,250	-	335,945
Trade payables	281,311	-	-	281,311
Acquisition of ownership interest	10,354	-	-	10,354
Other liabilities	30,565	1,916	-	32,481
	2,870,097	**3,547,304**	**7,933,886**	**14,351,287**

All amounts in thousands of reais unless otherwise stated

23.4 Capital management

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

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

24 Classification and fair value of financial instruments

24.1 Classification

Financial assets and liabilities are classified as follows:

		Parent company	
	Classification	December 31, 2023	March 31, 2023
Financial assets			
Cash and cash equivalents	Amortized cost	124,201	272,342
Financial investments	Fair value through profit or loss	1,434,470	2,681,690
Trade receivables	Amortized cost	405,698	259,493
Derivative financial instruments	Fair value through other comprehensive income	313,816	156,210
Derivative financial instruments	Fair value through profit or loss	248,318	232,600
Judicial deposits	Amortized cost	1,450,025	1,088,972
Other assets, except prepayments	Amortized cost	297,938	236,233
		4,274,466	**4,927,540**
Financial liabilities			
Borrowings	Fair value through profit or loss	26	29
Borrowings	Amortized cost	6,358,268	6,584,304
Derivative financial instruments	Fair value through other comprehensive income	124,217	94,036
Derivative financial instruments	Fair value through profit or loss	147,818	241,909
Leases and agricultural partnerships payable	Amortized cost	3,133,699	3,041,771
Trade payables	Amortized cost	277,608	294,679
Acquisition of ownership interests	Amortized cost	11,589	11,571
Other liabilities	Amortized cost	26,544	20,474
		10,079,769	**10,288,773**

All amounts in thousands of reais unless otherwise stated

	Classification	Consolidated December 31, 2023	March 31, 2023
Financial assets			
Cash and cash equivalents	Amortized cost	124,295	273,408
Financial investments	Fair value through profit or loss	1,563,000	2,843,370
Trade receivables	Amortized cost	483,489	315,596
Derivative financial instruments	Fair value through other comprehensive income	313,816	156,210
Derivative financial instruments	Fair value through profit or loss	248,318	232,600
Judicial deposits	Amortized cost	1,450,043	1,088,976
Other assets, except prepayments	Amortized cost	304,348	237,690
		4,487,309	**5,147,850**
Financial liabilities			
Borrowings	Fair value through profit or loss	26	29
Borrowings	Amortized cost	6,399,570	6,623,854
Derivative financial instruments	Fair value through other comprehensive income	124,217	94,036
Derivative financial instruments	Fair value through profit or loss	147,818	241,909
Trade payables	Amortized cost	202,447	281,311
Leases and agricultural partnerships payable	Amortized cost	3,133,699	3,041,771
Acquisition of ownership interests	Amortized cost	11,589	11,571
Other liabilities	Amortized cost	30,506	32,481
		10,049,872	**10,326,962**

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

25 Fair value

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

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

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

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

All amounts in thousands of reais unless otherwise stated

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

	December 31, 2023			March 31, 2023		
Parent company	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Financial investments	-	1,434,470	-	-	2,681,690	-
Derivative financial instruments	160,399	401,735	-	48,399	340,411	-
Biological assets	-	-	1,101,112	-	-	1,160,568
	160,399	**1,836,205**	**1,101,112**	**48,399**	**3,022,101**	**1,160,568**
Liabilities						
Derivative financial instruments	119,358	152,677	-	81,056	254,889	-
Borrowings	-	26	-	-	29	-
	119,358	**152,703**	**-**	**81,056**	**254,918**	**-**

	December 31, 2023			March 31, 2023		
Consolidated	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Financial investments	-	1,563,000	-	-	2,843,370	-
Derivative financial instruments	160,399	401,735	-	48,399	340,411	-
Biological assets	-	-	1,101,112	-	-	1,160,568
	160,399	**1,964,735**	**1,101,112**	**48,399**	**3,183,781**	**1,160,568**
Liabilities						
Derivative financial instruments	119,358	152,677	-	81,056	254,889	-
Borrowings	-	26	-	-	29	-
	119,358	**152,703**	**-**	**81,056**	**254,918**	**-**

Futures and Options - ICE

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

Currency options

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

Forward contracts

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

All amounts in thousands of reais unless otherwise stated

Other financial assets and liabilities

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

26 Segment information (Consolidated)

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

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

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

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

Consolidated result by segment

										December 31, 2023
Consolidated	Sugar	Ethanol	Corm ethanol	Electric power	Real estate businesses	Yeast	DDGs	Other products	Not by segment	Total
Gross revenue										
Domestic market	237,830	1,228,397	224,167	195,207	13,666	53,743	99,066	203,636	-	2,255,712
Foreign market	2,150,776	220,489	-	-	-	8,322	-	-	-	2,379,587
Gain/loss on derivatives	43,511	6,583	-	-	-	-	-	-	-	50,094
Amortization of electricity supply contract	-	-	-	-	-	-	-	-	(8,800)	(8,800)
(-) Taxes, contributions, and deductions on sales	(16,157)	(116,675)	(2,055)	(10,187)	(7,741)	(5,807)	(14,158)	(33,836)	-	(206,616)
Net revenue	**2,415,960**	**1,338,794**	**222,112**	**185,020**	**5,925**	**56,258**	**84,908**	**169,800**	**(8,800)**	**4,469,977**
Cost of goods sold	(1,360,365)	(1,347,094)	(228,123)	(49,258)	12	(20,537)	(116,117)	(109,932)	-	(3,231,414)
Change in the market value of biological assets,										-
agricultural produce, and CBIOs	116,830	(32,665)	-	-	-	-	-	10,202	-	94,367
Gross profit	**1,172,425**	**(40,965)**	**(6,011)**	**135,762**	**5,937**	**35,721**	**(31,209)**	**70,070**	**(8,800)**	**1,332,930**
Gross margin	48.5%	-3.1%	-2.7%	73.4%	100.2%	63.5%	-36.8%	41.3%	-	29.8%
Selling expenses	(111,660)	(24,746)	(1,559)	(10,904)	-	-	-	(561)	-	(149,430)
Other operating income, net	-	-	-	-	-	-	-	-	288,490	288,490
Operating profit	**1,060,765**	**(65,711)**	**(7,570)**	**124,858**	**5,937**	**35,721**	**(31,209)**	**69,509**	**279,690**	**1,471,990**
Operating margin	43.9%	-4.9%	-3.4%	67.5%	100.2%	63.5%	-36.8%	40.9%	-	32.9%
Other income and expenses not by segment	-	-	-	-	-	-	-	-	(622,993)	(622,993)
Profit for the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**848,997**

All amounts in thousands of reais unless otherwise stated

Consolidated	Sugar	Ethanol	Electric power	Real estate businesses	Yeast	Other products	Not by segment	Total
								December 31, 2022
Gross revenue								
Domestic market	157,796	1,827,206	206,988	4,773	48,219	205,069	-	2,450,051
Foreign market	1,438,602	993,888	-	-	10,614	-	-	2,443,104
Gain/loss on derivatives	68,935	(488)	-	-	1,438	-	-	69,885
Amortization of electricity supply contract	-	-	-	-	-	-	(5,643)	(5,643)
(-) Taxes, contributions, and deductions on sales	(10,977)	(74,197)	(14,242)	(3,425)	(5,996)	(35,212)	-	(144,049)
Net revenue	**1,654,356**	**2,746,409**	**192,746**	**1,348**	**54,275**	**169,857**	**(5,643)**	**4,813,348**
Cost of goods sold	(1,185,162)	(1,831,713)	(46,719)	352	(21,621)	(84,821)	-	(3,169,684)
Changes in the market value of biological assets, and agricultural produce	16,255	(60,209)	-	-	-	(18,984)	-	(62,938)
Gross profit	**485,449**	**854,487**	**146,027**	**1,700**	**32,654**	**66,052**	**(5,643)**	**1,580,726**
Gross margin	29.3%	31.1%	75.8%	126.1%	60.2%	38.9%	-	32.8%
Selling expenses	(83,312)	(63,937)	(11,086)	-	-	(4)	-	(158,339)
Other operating expenses, net	-	-	-	-	-	-	335,935	335,935
Operating profit	**402,137**	**790,550**	**134,941**	**1,700**	**32,654**	**66,048**	**330,292**	**1,758,322**
Operating margin	24.3%	28.8%	70.0%	126.1%	60.2%	38.9%	-	36.5%
Other income and expenses not by segment	-	-	-	-	-	-	(894,455)	(894,455)
Profit for the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**863,867**

At December 31, 2023, net revenue from Cbios (decarbonization credits), amounting to R$ 35,214, (R$ 53,320 at December 31, 2022) was recognized under "Other products"

Consolidated operating assets by segment

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

	Sugar	Ethanol	Corm ethanol	Electric power	Real estate businesses	Yeast	DDGs	Not by segment	Total
									December 31, 2023
Trade receivables	246,452	61,639	18,412	35,835	45,162	5,831	5,583	64,575	483,489
Inventories and advances to suppliers	1,037,972	1,174,967	288,303	-	6,335	3,258	7,181	21,766	2,539,782
Biological assets	718,424	382,688	-	-	-	-	-	-	1,101,112
Property, plant and equipment	3,443,412	3,205,064	531,630	142,920	-	33,549	11,823	617	7,369,015
Intangible assets	281,031	171,232	1,112	-	-	-	-	-	453,375
Right-of-use assets	1,538,883	1,328,501	-	-	-	-	-	-	2,867,384
Total assets allocated	**7,266,174**	**6,324,091**	**839,457**	**178,755**	**51,497**	**42,638**	**24,587**	**86,958**	**14,814,157**
Other unallocated assets	-	-	-	-	-	-	-	4,678,718	4,678,718
Total	**7,266,174**	**6,324,091**	**839,457**	**178,755**	**51,497**	**42,638**	**24,587**	**4,765,676**	**19,492,875**

	Sugar	Ethanol	Corm ethanol	Electric power	Real estate businesses	Yeast	DDGs	Not by segment	Total
									March 31, 2023
Trade receivables	135,185	67,393	-	10,688	52,021	-	-	50,309	315,596
Inventories and advances to suppliers	364,995	260,099	262,301	-	6,173	53	4,597	20,578	918,796
Biological assets	717,735	442,833	-	-	-	-	-	-	1,160,568
Property, plant and equipment	3,346,635	3,522,861	543,309	154,631	-	39,131		-	7,606,567
Intangible assets	277,816	171,481	1,494	13,334	-	-	-	-	464,125
Right-of-use assets	1,481,610	1,443,715		-	-	-	-	-	2,925,325
Total assets allocated	**6,323,976**	**5,908,382**	**807,104**	**178,653**	**58,194**	**39,184**	**4,597**	**70,887**	**13,390,977**
Other unallocated assets	-	-	-	-	-	-	-	5,432,808	5,432,808
Total	**6,323,976**	**5,908,382**	**807,104**	**178,653**	**58,194**	**39,184**	**4,597**	**5,503,695**	**18,823,785**

As 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 it expects to receive in exchange for the control of goods and services.

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

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

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

a) Sale of goods and rendering of services

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

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

At the reporting date, the Company's main customer represented approximately 24% of its net revenue.

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

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

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

All amounts in thousands of reais unless otherwise stated

Sales revenues were as follows:

Parent company	December 31, 2023 Quarter	December 31, 2023 Nine-month period	December 31, 2022 Quarter	December 31, 2022 Nine-month period
Gross sales revenue				
Domestic market	745,526	2,101,633	670,366	2,297,851
Foreign market	855,126	2,379,587	825,133	2,443,104
Gain/loss on derivatives	27,636	50,094	31,071	69,885
	1,628,288	4,531,314	1,526,570	4,810,840
Taxes (ii), contributions, and deductions on sales	(75,217)	(190,243)	(29,318)	(128,682)
	1,553,071	**4,341,071**	**1,497,252**	**4,682,158**

Consolidated	December 31, 2023 Quarter	December 31, 2023 Nine-month period	December 31, 2022 Quarter	December 31, 2022 Nine-month period
Gross sales revenue				
Domestic market	793,538	2,255,712	711,695	2,450,051
Foreign market	855,126	2,379,587	825,133	2,443,104
Gain/loss on derivatives	27,636	50,094	31,071	69,885
	1,676,300	4,685,393	1,567,899	4,963,040
Amortization of electric power supply contract *(i)*	(1,582)	(8,800)	(635)	(5,643)
	1,674,718	4,676,593	1,567,264	4,957,397
Taxes (ii), contributions, and deductions on sales	(82,317)	(206,616)	(33,170)	(144,049)
	1,592,401	**4,469,977**	**1,534,094**	**4,813,348**

(i) Amortization of the electricity supply contracts entered into with BIO SC.
(ii) R$ 56,609 of the amount recorded in 2022 related to the credit granted.

28 Costs and expenses by nature

The reconciliation of expenses by nature is as follows:

All amounts in thousands of reais unless otherwise stated

Parent company	December 31, 2023 Quarter	December 31, 2023 Nine-month period	December 31, 2022 Quarter	December 31, 2022 Nine-month period
Depreciation and amortization (including biological assets harvested)	(540,933)	(1,370,994)	(517,938)	(1,466,255)
Raw materials and consumables	(402,962)	(1,271,226)	(308,777)	(1,086,905)
Personnel expenses	(124,559)	(382,118)	(137,503)	(376,884)
Material for resale (mainly ethanol in 2022)	(9,937)	(34,103)	(58,472)	(170,177)
Maintenance parts and services	(65,549)	(152,346)	(47,292)	(128,767)
Changes in the fair value of biological assets, agricultural produce, and CBIOs	(62,654)	94,367	(44,298)	(62,938)
Provision for losses on realization of inventories	(20,460)	(20,460)	-	-
Freight on sales	(47,808)	(128,340)	(43,058)	(117,500)
Third-party services	(29,478)	(78,439)	(27,797)	(69,786)
Litigation	(5,497)	(23,205)	(6,498)	(24,216)
Other expenses	(76,712)	(188,835)	(28,591)	(111,628)
	(1,386,549)	**(3,555,699)**	**(1,220,224)**	**(3,615,056)**
Classified as:				
Cost of goods sold	(1,282,031)	(3,195,186)	(1,093,761)	(3,288,828)
Selling expenses	(54,320)	(140,148)	(57,833)	(149,811)
General and administrative expenses	(50,198)	(220,365)	(68,630)	(176,417)
	(1,386,549)	**(3,555,699)**	**(1,220,224)**	**(3,615,056)**

Consolidated	December 31, 2023 Quarter	December 31, 2023 Nine-month period	December 31, 2022 Quarter	December 31, 2022 Nine-month period
Depreciation and amortization (including biological assets harvested)	(542,130)	(1,374,674)	(519,050)	(1,470,520)
Raw materials and consumables	(368,584)	(1,202,038)	(281,221)	(1,023,806)
Personnel expenses	(126,306)	(387,643)	(139,087)	(381,833)
Material for resale (mainly ethanol in 2022)	(11,832)	(38,116)	(59,020)	(172,930)
Maintenance parts and services	(65,613)	(152,597)	(47,332)	(128,976)
Changes in the fair value of biological assets, agricultural produce, and CBIOs	(62,654)	94,367	(44,298)	(62,938)
Provision for losses on realization of inventories	(20,460)	(20,460)	-	-
Freight on sales	(47,789)	(128,321)	(43,058)	(117,500)
Third-party services	(31,273)	(81,937)	(28,965)	(71,853)
Litigation	(5,600)	(23,306)	(6,497)	(24,272)
Cost of land sales	15	74	290	352
Other expenses	(81,088)	(206,302)	(32,249)	(124,939)
	(1,363,314)	**(3,520,953)**	**(1,200,487)**	**(3,579,215)**
Classified as:				
Cost of goods sold	(1,252,450)	(3,137,047)	(1,067,981)	(3,232,622)
Selling expenses	(57,006)	(149,430)	(60,774)	(158,339)
General and administrative expenses	(53,858)	(234,476)	(71,732)	(188,254)
	(1,363,314)	**(3,520,953)**	**(1,200,487)**	**(3,579,215)**

29 Other income, net

In this interim accounting information, Other income in the Consolidated includes R$ 502,834 (R$ 475,761 on December 31, 2022) relating to the indemnity received by Copersucar and transferred to the Company (Note16 (b)).

All amounts in thousands of reais unless otherwise stated

30 Finance income (costs)

Parent company	December 31, 2023 Quarter	December 31, 2023 Nine-month period	December 31, 2022 Quarter	December 31, 2022 Nine-month period
Finance income				
Interest received and earned	36,457	177,297	63,078	203,029
Other income	2,019	18,370	1,906	8,592
PIS/COFINS on finance income	(1,435)	(9,407)	(2,994)	(9,783)
	37,041	**186,260**	**61,990**	**201,838**
Finance costs				
Interest on borrowings	(132,648)	(447,866)	(138,406)	(409,010)
Adjustment to present value (i)	(66,523)	(241,806)	(73,383)	(210,123)
Interest paid	(2,937)	(9,285)	(8,962)	(24,730)
Bank guarantee commission	(2,479)	(7,329)	(2,009)	(6,277)
Payables to Copersucar	(1,515)	(4,615)	(1,626)	(5,089)
Other expenses	(13,181)	(18,489)	(1,693)	(10,915)
	(219,283)	**(729,390)**	**(226,079)**	**(666,144)**
Exchange and monetary variation, net				
Trade receivables and payables	7,379	(1,662)	(8,769)	(1,622)
Available funds	(1,961)	(7,977)	(8,326)	5,442
Borrowings	8,361	(61,477)	398	(188,201)
	13,779	**(71,116)**	**(16,697)**	**(184,381)**
Derivatives - not designated for hedge accounting				
Gain/loss on swap transactions	13,791	(4,206)	(92,547)	(125,277)
Gain (loss) on ethanol transactions	(14)	(57)	21	(500)
Foreign exchange gain (loss), net	(2,102)	(2,705)	(325)	2,364
Gain (loss) on sugar transactions	5,983	2,963	(20,578)	(14,631)
Gain (loss) on foreign exchange transactions	5,228	20,142	16,903	22,419
Cost of stock exchange transactions	549	(36)	(120)	(572)
	23,435	**16,101**	**(96,646)**	**(116,197)**
	(145,028)	**(598,145)**	**(277,432)**	**(764,884)**

Consolidated	December 31, 2023 Quarter	December 31, 2023 Nine-month period	December 31, 2022 Quarter	December 31, 2022 Nine-month period
Finance income				
Interest received and earned	42,622	198,539	67,944	223,130
Other revenue	1,798	14,884	1,590	9,321
PIS/COFINS on finance income	(1,431)	(9,283)	(3,022)	(9,994)
	42,989	**204,140**	**66,512**	**222,457**
Finance costs				
Interest on borrowings	(133,277)	(450,319)	(138,872)	(410,536)
Adjustment to present value (i)	(66,523)	(241,806)	(73,383)	(210,123)
Interest paid	(2,927)	(9,270)	(8,925)	(24,520)
Bank guarantee commission	(2,485)	(7,335)	(2,011)	(6,283)
Payables to Copersucar	(1,515)	(4,615)	(1,626)	(5,089)
Other expenses	(13,298)	(18,699)	(1,737)	(11,098)
	(220,025)	**(732,044)**	**(226,554)**	**(667,649)**
Exchange and monetary variation, net				
Trade receivables and payables	7,379	(1,662)	(8,769)	(1,622)
Available funds	(1,961)	(7,977)	(8,326)	5,442
Borrowings	8,361	(61,477)	398	(188,201)
	13,779	**(71,116)**	**(16,697)**	**(184,381)**
Derivatives - not designated for hedge accounting				
Gain/loss on swap transactions	13,791	(4,206)	(92,547)	(125,277)
Gain (loss) on ethanol transactions	(14)	(57)	21	(500)
Foreign exchange gain (loss), net	(2,102)	(2,705)	(325)	2,364
Gain (loss) on sugar transactions	5,983	2,963	(20,578)	(14,631)
Gain (loss) on foreign exchange transactions	5,228	20,142	16,903	22,419
Cost of stock exchange transactions	549	(36)	(120)	(572)
	23,435	**16,101**	**(96,646)**	**(116,197)**
	(139,822)	**(582,919)**	**(273,385)**	**(745,770)**

(i) Mainly leases and agricultural partnerships payable.

31 Earnings per share

	December 31, 2023 Quarter	December 31, 2023 Nine-month period	December 31, 2022 Quarter	December 31, 2022 Nine-month period
Profit for the period attributed to owners of the parent	210,635	848,997	429,692	863,867
Weighted average number of common shares in the year - in thousands	346,375	346,375	346,375	346,375
Basic and diluted earnings per share - R$	**0.6081**	**2.4511**	**1.2405**	**2.4940**

32 Insurance coverage

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

Parent Company and Consolidated Item	Insured risks	Maximum coverage *(i)*
Loss of Profit and Operational Risks (ii)	Loss of income due to material damages to facilities, buildings, industrial machinery and equipment, and electric power generation. Any material damage to buildings, facilities, inventories, agricultural and industrial machinery and equipment.	2,310,626
Civil Liability	Damages caused to third parties as a result of professional errors or omissions (E&O insurance).	2,398,700
Environmental Responsibility	Environmental accidents that may lead to breaches of environmental laws.	30,000

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

(ii) Insurance coverage against material damages (operating risks) to vehicles are excluded, using the Economic Research Institute (FIPE) table.

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