

Consolidated Financial Statements

USINA ITAJOBÍ Açúcar e Energia

Brasil S.A.

March 31, 2021

with Independent Auditor's Report

Independent auditor's report on consolidated financial statements

To the Shareholders and Officers of
**USINA ITAJOBÍ Açúcar e Energia
Brasil S.A.**
Opinion

We have audited the consolidated financial statements of USINA ITAJOBÍ Açúcar e Energia Brasil S.A. (the "Company"), which comprise the consolidated statement of financial position as at March 31, 2021, and the consolidated statement of operations, of comprehensive income (loss), of changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of USINA ITAJOBÍ Açúcar e Energia Brasil S.A. as at March 31,

2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities, under those standards, are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report. We are independent of the Company and its subsidiaries and comply with the relevant ethical principles set forth in the Code of Professional Ethics for Accountants, the professional standards issued by the Brazil's National Association of State Boards of Accountancy (CFC) and we have fulfilled our other ethical responsibilities under these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

Individual financial statements

The Company prepared a complete set of individual financial statements for the year ended March 31, 2021, in accordance with accounting practices adopted in Brazil and in accordance with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB), presented separately, for which a separate unmodified auditor's report was issued dated June 25, 2021.



Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

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

Auditor's responsibilities for the audit of consolidated financial statements

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

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

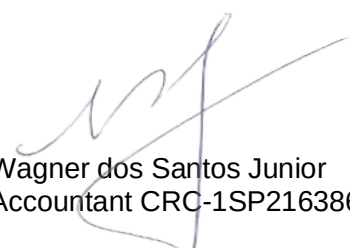
- Identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and its subsidiaries' internal control.

- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluded on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and its subsidiaries' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Goiânia, June 25, 2021

ERNST & YOUNG
Auditores Independentes S.S.
CRC-2SP015199/O-6



Wagner dos Santos Junior
Accountant CRC-1SP216386/O-T



CONSOLIDATED FINANCIAL STATEMENTS

TEREOS AÇÚCAR E ENERGIA BRASIL S.A.

For the year ended 31 March 2021

This is a convenience translation from the original consolidated financial statements of USINA ITAJOBÍ Açúcar e Energia Brasil S.A. for the year ended 31 March 2021 previously issued in Portuguese

CONSOLIDATED STATEMENT OF OPERATIONS OF TEREOS AÇÚCAR E ENERGIA BRASIL S.A.

(MILLIONS OF R\$)	Notes	For the year ended	
		31 March 2021	31 March 2020 restated
Revenue	4	4,433	3,219
Cost of sales	5	(3,163)	(2,484)
Distribution expenses	5	(350)	(254)
General and administrative expenses	5	(298)	(299)
Other operating income (expense)	5	(30)	93
Operating income (expense)		593	276
Financial expenses	6	(468)	(486)
Financial income	6	155	219
Net financial income (expense)		(313)	(267)
Share of profit of associates and joint ventures	10	9	2
Net income (loss) before taxes		289	10
Income taxes	7	(103)	(31)
NET INCOME (LOSS) FROM CONTINUING OPERATIONS		185	(21)
Net income (loss) from discontinued operations	3.2	(226)	(101)
NET INCOME (LOSS)		(41)	(121)
<i>Attributable to owners of the parent</i>		<i>(8)</i>	<i>(115)</i>
<i>Attributable to non-controlling interests</i>		<i>(33)</i>	<i>(6)</i>
Earnings (loss) per share (R\$)	17	(0.06)	(0.20)
Earnings (loss) per share for continuing operations (R\$)		0.29	(0.03)
Earnings (loss) per share for discontinued operations (R\$)		(0.35)	(0.17)

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (LOSS) OF TEREOS AÇÚCAR E ENERGIA BRASIL S.A.

(MILLIONS OF R\$)	For the year ended	
	31 March 2021	31 March 2020 restated
NET INCOME (LOSS)	(41)	(121)
<i>Attributable to owners of the parent</i>	(8)	(115)
<i>Attributable to non-controlling interests</i>	(33)	(6)
Items that may subsequently be reclassified to profit or loss		
Cash-flow hedge reserve	(224)	(175)
<i>of which income tax effect</i>	115	90
Foreign currency translation reserve	260	(96)
Other comprehensive income (loss), net of taxes	36	(271)
TOTAL COMPREHENSIVE INCOME (LOSS)	(4)	(392)
<i>Attributable to owners of the parent</i>	(11)	(359)
<i>of which continuing operations</i>	(12)	94
<i>of which discontinued operations</i>	1	(454)
<i>Attributable to non-controlling interests</i>	6	(33)
<i>of which continuing operations</i>	33	(3)
<i>of which discontinued operations</i>	(26)	(30)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF TEREOS AÇÚCAR E ENERGIA BRASIL S.A.

(MILLIONS OF R\$)	Notes	31 March 2021	31 March 2020
ASSETS			
Cash and cash equivalents	18	1,731	1,561
Trade receivables	18	312	361
Inventories	8	253	475
Biological assets	9	524	474
Current financial assets with related parties	22	246	206
Other current financial assets	18	698	418
Current income tax receivables	7	81	52
Other current assets		4	5
Total current assets		3,848	3,552
Deferred tax assets	7	342	57
Non-consolidated investments	18	2	4
Non-current financial assets with related parties	22	2	2
Other non-current financial assets	18	227	337
Investments in associates and joint ventures	10	60	51
Property, plant and equipment	11	3,571	3,629
Goodwill	12	1,046	1,035
Other intangible assets	13	163	159
Total non-current assets		5,414	5,274
TOTAL ASSETS		9,261	8,826

(MILLIONS OF R\$)	Notes	31 March 2021	31 March 2020
LIABILITIES AND EQUITY			
Short-term borrowings	18	1,421	1,765
Trade payables	18	588	488
Other current financial liabilities	18	514	473
Current income tax payables	7	82	30
Other current liabilities		52	1
Total current liabilities		2,658	2,757
Long-term borrowings	18	4,338	3,835
Deferred tax liabilities	7	0	(0)
Long-term provisions	16	48	49
Non-current financial liabilities with related parties	22	0	77
Other non-current financial liabilities	18	120	117
Total non-current liabilities		4,506	4,078
Total liabilities		7,164	6,834
Issued capital	17	2,840	2,840
Reserves (accumulated loss)		(110)	(113)
Accumulated other comprehensive income (loss)		(671)	(657)
Equity attributable to owners of the parent		2,059	2,070
Non-controlling interests		38	(78)
Total equity		2,097	1,992
TOTAL EQUITY AND LIABILITIES		9,261	8,826

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(MILLIONS OF R\$)	TOTAL EQUITY attributable to the parent	TOTAL EQUITY attributable to NCI	TOTAL EQUITY
At 1 April 2019	2,222	(33)	2,189
Net income (loss)	(115)	(6)	(121)
Other comprehensive income (loss)	(245)	(26)	(271)
Comprehensive income (loss)	(360)	(32)	(392)
Capital increase	200	0	200
Other	8	(13)	(5)
At 31 March 2020	2,070	(78)	1,992
Net income (loss)	(8)	(33)	(41)
Other comprehensive income (loss)	(4)	39	36
Comprehensive income (loss)	(11)	6	(4)
Other	(0)	0	(0)
Change in scope	0	110	110
At 31 March 2021	2,059	38	2,097

(MILLIONS OF R\$)	Issued capital	Reserves (accumulated loss)	Cash-flow hedge	Foreign currency translation	Accumulated OCI	TOTAL EQUITY
At 1 April 2019	2,640	(6)	(261)	(151)	(412)	2,222
Net income (loss)	0	(115)	0	0	0	(115)
Other comprehensive income (loss)	0	0	(170)	(75)	(245)	(245)
Comprehensive income (loss)	0	(115)	(170)	(75)	(245)	(360)
Capital increase	200	0	0	0	0	200
Other changes in Equity	0	8	0	0	0	8
At 31 March 2020	2,840	(113)	(431)	(226)	(657)	2,070
Net income (loss)	0	(8)	0	0	0	(8)
Other comprehensive income (loss)	0	0	(229)	226	(4)	(4)
Comprehensive income (loss)	0	(8)	(229)	226	(4)	(11)
Other changes in Equity	0	11	(11)	0	(11)	(0)
At 31 March 2021	2,840	(110)	(671)	0	(671)	2,059
At 1 April 2019	0	(27)	7	(13)	(6)	(33)
Net income (loss)	0	(6)	0	0	0	(6)
Other comprehensive income (loss)	0	0	(5)	(21)	(26)	(26)
Comprehensive income (loss)	0	(6)	(5)	(21)	(26)	(32)
Other changes in Equity	0	(13)	0	0	0	(13)
At 31 March 2020	0	(46)	2	(34)	(32)	(78)
Net income (loss)	0	(33)	0	0	0	(33)
Other comprehensive income (loss)	0	0	5	34	39	39
Comprehensive income (loss)	0	(33)	5	34	39	6
Other changes in Equity	0	15	(15)	0	(15)	0
Change in scope	0	110	0	0	0	110
At 31 March 2021	0	46	(8)	(0)	(8)	38

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

CONSOLIDATED STATEMENT OF CASH FLOWS OF TEREOS AÇÚCAR E ENERGIA BRASIL S.A.

(MILLIONS OF R\$)	Notes	31 March 2021	31 March 2020 restated
Net income (loss)		(41)	(122)
Share of profit of associates and joint ventures	10	(9)	(2)
Amortisation	5	752	761
Fair value adjustments on biological assets	9	(39)	(191)
Other fair value adjustments through the statement of operations		9	(3)
Gain (loss) on disposals of assets		(0)	(63)
Income tax expense (income)	7	103	31
Net financial expense		252	229
Impact of the changes in working capital:		116	400
<i>of which decrease (increase) in trade and other receivables</i>		(365)	319
<i>of which (decrease) increase in trade and other payables</i>		351	54
<i>of which decrease (increase) in inventories</i>		130	26
Change in other accounts with no cash impact		7	9
Cash provided by (used in) operating activities from continuing operations		1,149	1,048
Income taxes paid		(63)	6
Net cash provided by (used in) operating activities from continuing operations		1,086	1,053
Net cash provided by (used in) operating activities from discontinued operations		133	50
Net cash provided by (used in) operating activities		1,220	1,104
Acquisition of property, plant and equipment and intangible assets		(685)	(792)
Acquisition of financial assets		(13)	3
Change in loans and advances granted		1	(5)
Financing interest received		32	88
Proceeds from the disposal of property, plant and equipment and intangible assets		5	70
Proceeds from the disposal of financial assets		1	1
Net cash provided by (used in) investing activities from continuing operations		(658)	(636)
Net cash provided by (used in) investing activities from discontinued operations		(45)	(39)
Net cash provided by (used in) investing activities		(704)	(674)
Capital increase		0	200
<i>of which USINA ITAJOBÍ Internacional</i>		0	200
Borrowings issues	18	891	926
Borrowings repayments	18	(1,087)	(862)
Financing interest paid		(214)	(265)
Change in financial assets with related parties		(40)	(206)
Change in financial liabilities with related parties		0	(0)
Dividends paid to owners of the parent		0	(0)
Dividends paid to non-controlling interests		0	(0)
Net cash provided by (used in) financing activities from continuing operations		(449)	(208)
Net cash provided by (used in) financing activities from discontinued operations		10	(45)
Net cash provided by (used in) financing activities		(439)	(252)
Impact of exchange rate on cash and cash equivalents in foreign currency		93	34
Net change in cash and cash equivalents, net of bank overdrafts		170	211
Cash and cash equivalents, net of bank overdrafts at opening	18	1,561	1,349
Cash and cash equivalents, net of bank overdrafts at closing	18	1,731	1,561
Net change in cash and cash equivalents, net of bank overdrafts		170	211

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

Table of Contents

1. Corporate information, basis of presentation, accounting standards and use of estimates and judgments	8
2. Significant accounting principles.....	12
3. Main acquisitions, disposals, changes in scope of consolidation and other highlights of the period	24
4. Revenue.....	26
5. Expenses by nature	26
6. Net financial expenses.....	27
7. Income tax	28
8. Inventories	31
9. Biological assets	31
10. Investments in associates and joint ventures	32
11. Property, plant and equipment.....	33
12. Goodwill	34
13. Other intangible assets	35
14. Leases	36
15. Impairment tests	37
16. Provisions	39
17. Equity	40
18. Financial assets and liabilities	41
19. Fair value	48
20. Risk management.....	50
21. Unrecognised contractual commitments	55
22. Related parties.....	55
23. Subsequent events	56
24. Scope of consolidation.....	57

1. Corporate information, basis of presentation, accounting standards and use of estimates and judgments

1.1 Corporate information

USINA ITAJOBÍ Açúcar e Energia Brasil S.A. (the “Company”) is a Brazilian company, primarily engaged in the cultivation of sugarcane and production and sale of sugar, ethanol, energy and other sugarcane by-products, agricultural undertakings, import and export of assets, products, power generation and raw materials and holding equity interests in other companies.

Sugarcane planted from August to November requires a ripening period of 12 months before harvesting, and the ripening period for sugarcane planted from January to May is 18 months. The harvest period normally extends from April to November. Production is sold throughout the year and is not subject to seasonal variations but only to usual market variations in supply and demand.

Currently, the Company and its subsidiaries (the “Group”) operate seven plants. The existing plants and their locations are as follows:

- Cruz Alta unit - Olímpia - SP.
- Severínia unit - Severínia - SP.
- São José unit - Colina - SP.
- Andrade unit - Pitangueiras - SP.
- Tanabi unit - Tanabi - SP.
- Mandu unit - Guaíra - SP.
- Vertente unit - Guaraci - SP.

The consolidated financial statements for the year ended 31 March 2021 were prepared by the Company and were authorised for issue by the Board of Executive Officers of the Company on June 25, 2021.

The Company is a subsidiary of USINA ITAJOBÍ Internacional S.A., a Brazilian entity headquartered in São Paulo, Brazil and USINA ITAJOBÍ Participations S.A.S., a French entity headquartered in Origny- Sainte-Benoîte, France.

Registered office: Rodovia Assis Chateaubriand, km 155 - Olímpia - São Paulo - Brazil.

1.2 Basis of presentation

The Group’s consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (IASB) and in accordance with accounting practices adopted in Brazil (“BRGAAP”), at 31 March 2021.

The BRGAAP include those established in the Brazilian Corporate Law as well as the Pronouncements, Instructions and Interpretations issued by the Brazilian Accounting Pronouncements Committee (“CPC”).

For the preparation of the consolidated financial statements the Company has adopted all the accounting pronouncements and interpretations issued by CPC.

The consolidated financial statements include the following direct and indirect subsidiaries:

- USINA ITAJOBÍ Açúcar e Energia Cruz Alta S.A. ("Cruz Alta") - direct subsidiary with 100% interest;
- Usina Vertente Ltda. ("Vertente") - indirect subsidiary through Cruz Alta with 50% interest;
- Terminal Portuário de Paranaguá S.A. ("Teapar") - indirect participation through Cruz Alta with 35% interest;
- São José Agricultura Ltda. ("São José Agricultura") - direct participation with 32% interest;
- Centro de Tecnologia Canavieira S.A. ("CTC") – is an associate company through USINA ITAJOBÍ Açúcar e Energia Brasil, and Vertente with 4.42% interest;
- USINA ITAJOBÍ Commodities do Brasil S.A. – direct subsidiary with 81% interest.

For the reported periods the compulsory standards and interpretations published by IASB are also similar to the accounting standards and interpretations endorsed by the European Union. Consequently, Group accounts are also compliant with the accounting standards and interpretations endorsed by the European Union.

The consolidated financial statements have been prepared on a historical cost basis, except for biological assets, derivatives and non-consolidated investments which are measured at fair value.

The accounting methods set out below have been applied consistently to all periods presented in the consolidated financial statements, and uniformly across Group entities.

The consolidated financial statements are presented in millions of Reais and all values are rounded to the nearest million except when otherwise indicated. In certain circumstances, this may lead to non-material differences between the sum of the figures and the sub-totals that appear in the tables.

The Group presents assets and liabilities in statement of financial position based on a current/non-current classification.

An asset is current when it is:

- expected to be realised or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when it is:

- expected to be settled in normal operating cycle;
- held primarily for the purpose of trading;
- due to be settled within twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The Group's financial year runs from April 1st to March 31st.

In addition, the Group considered the guidelines issued by OCPC 07 Technical Guidance, issued by CPC in November 2014, in the preparation of its financial statements. Accordingly, the relevant information in the financial statements is being disclosed and corresponds to that used by management in its management.

1.3 Standards and interpretations compulsory at 1 April 2020

The following standards and interpretations and revised standards became effective at 1 April 2020 and have no material impact on the Group annual consolidated financial statements:

Standard or Interpretation	Standard / Amendment / Interpretation Name	Effective date*
Amendment to IAS 1 (CPC 26 (R1))	Definition of Material	1/1/2020
Amendment to IAS 8 (CPC 23)	Definition of Material	1/1/2020
Amendment to IFRS 3 (CPC 15 (R1))	Definition of A Business	1/1/2020

* effective for the financial year beginning on or after this effective date

As part of the reform of indices for interest rates, such as the IBOR interbank rates, the IASB published a phase 2 amendment to IFRS 9 (CPC 48) (Financial instruments) and IFRS 7 (CPC 40 (R1)) (Financial instruments: disclosures), adopted by the European Union on January 13, 2021, and prospective application from January 1, 2020.

The reform of the benchmark interest rates which will lead to the replacement of the EONIA and IBOR rates as of January 1, 2022 affects or will affect certain financial instruments and hedging operations of the Group. The main indices used by the Group and affected by the reform are the Euribor and the Libor USD.

The aims of these amendments, that the Group chooses to apply in advance from April 1, 2020 as authorised by the standard for phase 2, is to specify what constitutes a change to the contractual rate and introduce targeted adjustments to allow hedge accounting to be maintained.

The identification of the concerned contracts and their analysis is in progress, and discussions with certain counterparties are underway in order to integrate these changes in indices. The hedges concerned are primarily exposed to 1-month Euribor, 3-month Euribor, as well as 3-month and 6-month USD Libor.

1.4 Standards and interpretations mandatorily applicable after 31 March 2021 with no early application elected by the Group

The following standards and interpretations that are mandatorily applicable after 31 March 2021 could have an impact on the Group's consolidated financial statements:

Standard or Interpretation	Standard / Amendment / Interpretation Name	Effective date*
Amendment to IFRS 9 (CPC 48), IAS 39 (CPC 38), IFRS 7 (CPC 40 (R1)) and IFRS 16 (CPC 06 (R2))	Interest rate Benchmark Reform	1/1/2021
Amendment to IAS 1 (CPC 26 (R1))	Presentation of financial statements	1/1/2022
Amendment to IFRS 3 (CPC 15 (R1))	Business combinations	1/1/2022
Amendment to IAS 16 (CPC 27)	Property, Plant and Equipment	1/1/2022
Amendment to IAS 37 (CPC 25)	Provisions, Contingent liabilities and Contingent Assets	1/1/2022
Amendment to IFRS 9 (CPC 48)	Financial Instruments	1/1/2022
Amendment to IAS 8 (CPC 23)	Accounting policies, changes in accounting estimates and errors	1/1/2023

* effective for the financial year beginning on or after this effective date

1.5 Use of estimates and judgments

In preparing the Group's consolidated financial statements, Management makes estimates and judgments, insofar as many items included in the financial statements cannot be measured with precision. Management revises these estimates and judgments if the underlying circumstances evolve or in light of new information or experience. Consequently, the estimates and judgments used to prepare the consolidated financial statements for the year ended 31 March 2021 may change in subsequent periods.

1.5.1 Judgments

Group Management uses estimates or judgment to define the appropriate accounting policies to apply to certain transactions when the current IFRS standards and interpretations do not specifically deal with the related accounting issues:

- As the IFRS and BR GAAP do not provide any specific guidance for business combinations of entities under common control, the Group has applied the “pooling of interests” method when required.

1.5.2 Estimates

Management makes significant estimates in determining the assumptions used for accounting in the following areas:

Note	Estimate	Nature of disclosure
Note 7	Income taxes	Assumptions used for the recognition of deferred tax assets arising from the carry forward of unused tax losses.
Note 9	Biological assets	Key assumptions used to determine the fair value of standing cane (estimated yield, quantity of sugar per tonne of cane, sugar price...).
Note 11	Property, plant and equipment	Assumptions used to measure property, plant & equipment acquired in business combinations. Assumptions used to determine the useful life of the assets.
Note 12	Goodwill	Assumptions used to determine the fair value of the assets and liabilities acquired, the fair value of the consideration received and therefore the goodwill.
Note 15	Impairment tests	Level of grouping of CGUs for goodwill impairment test. Key assumptions used to determine recoverable amounts: value in use (discount rate, perpetual growth rate, expected cash flows), market value (revenue and EBITDA multiples for comparable companies or transactions, cash flows)
Note 16	Provisions	Provisions for claims and litigation: assumptions underlying risk assessment and measurement.
Note 18	Financial instruments	Assumptions used to determine the fair value of the different categories of financial instruments and the calculation of expected credit losses.

2. Significant accounting principles

2.1 Consolidation

Subsidiaries are fully consolidated from the date of acquisition, being the effective date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Entities are fully consolidated if the Group has all the following:

- power over the investee; and
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect the amount of the investor's returns.

Control is deemed to exist when the Group has power:

- over more than one half of the voting rights of the other entity by virtue of an agreement;
- to govern the financial and operating policies of the other entity under a statute or agreement;
- to appoint or remove the majority of the Members of the Board of Directors or equivalent governing body of the other entity; or
- to cast the majority of votes at meetings of the Board of Directors or equivalent governing body of the other entity.

The consolidated financial statements are prepared based on the financial statements of the consolidated subsidiaries, which are prepared for the same reporting period as the parent company. Adjustments are made when necessary to bring the accounting policies in line with those of the group. All material intra-group balances, income and expenses, unrealised gains and losses and dividends resulting from intra-group transactions are eliminated in full.

A change in the ownership interest of a subsidiary without a change of control is accounted for as an equity transaction.

Losses are attributed to the non-controlling interest even if that results in a deficit balance.

If the Group loses control of a subsidiary, it:

- derecognises the assets (including goodwill) and liabilities of the subsidiary;
- derecognises the carrying amount of any non-controlling interest;
- reclassifies the foreign currency translation reserve, recorded in equity, to statement of operations;
- reclassifies the parent's share of components previously recognised in other comprehensive income to income statement;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any gain or loss in the statement of operations

2.2 Joint ventures and associates

A joint venture is a type of joint arrangement whereby the parties that have joint control of the entity have rights to its net assets. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the entity but is not control or joint control of those policies. Significant influence is presumed to exist when the percentage of voting rights exercisable by the Group exceeds 20% but does not lead to control or joint control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

When assessing an investor's power over an investee, potential voting rights are taken into account if they are substantive, i.e., if they confer upon the investor the practical ability to direct the relevant activities of the investee on a timely basis.

The Group's investments in its associates and joint ventures are accounted for using the equity method.

Under the equity method, the investment in the associate is initially carried at its acquisition cost determined at the acquisition date. After acquisition, the carrying amount of the investment in the statement of financial position is adjusted for the changes in Group's share of net assets, including comprehensive income for the period.

Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is never amortised.

The statement of operations reflects the Group's share of the results of operations of the associate or joint venture. Any change in other comprehensive income of those investees is presented in the consolidated statement of comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, where applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture. The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of operations below operating profit and represents profit or loss after tax of the associate or joint venture.

When it is possible, the financial statements of the associate and joint ventures are prepared for the same reporting period as the parent company. Where necessary, adjustments are made to bring the accounting policies into line with those of the Group.

If the Group's share in the losses of an associate or a joint venture is greater than or equal to its investment in the associate, including any unsecured receivables, the Group does not recognise any additional losses, unless it has an obligation to do so or has made already payments in the name of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on the Group's investment in its associates. At each reporting date, the Group determines whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying amount and recognises the amount in the statement of operations.

When an investment ceases to be an associate or a joint venture, the Group measures and recognises any remaining investment at its fair value. Any difference between the carrying amount of the associate on loss of significant influence and the fair value of the residual investment and proceeds from disposal is recognised in the statement of operations.

Entities over which the Group does not exercise significant influence are measured at fair value and classified as non-consolidated investments at fair value.

A list of joint ventures and associates at 31 March 2021 and 31 March 2020 is presented in note 10.

2.3 Translation of the financial statements expressed in foreign currencies

Group entities outside Brazil use their domestic currency as their functional currency and translate their financial statements to the Group's presentation currency (Brazilian Real – R\$) based on:

- the average annual exchange rate for income and expenses on the statement of operations;
- the exchange rate at March 31st for assets and liabilities on the statement of financial position.

The resulting translation differences are recognised in “Foreign currency translation” in shareholders’ equity, and are also presented in “Other comprehensive income” in the statement of comprehensive income. The share attributable to non-controlling interests is presented in “Non-controlling interests” within shareholders’ equity.

These amounts are fully reclassified to income when the related investment is: (i) fully disposed of or liquidated, or (ii) partially disposed of (the Group ceases to exercise control, joint control or significant influence). In case of a partial disposal without any significant economic consequences as described above, a partial reclassification of the “Foreign currency translation reserve” is recognised on a prorata basis.

The average and year-end exchange rates used in translating the financial statements for the presentation currency are the following:

Foreign currency / Brazilian Real rate			Average rate for the year ended		End of year rate	
			31 March 2021	31 March 2020	31 March 2021	31 March 2020
USA	Dollar	USD	0.1857	0.2432	0.1752	0.1913
Mozambique	Mozambican Metical	MZN	13.3531	15.3147	11.8611	12.8537

2.4 Transactions in foreign currencies

On initial recognition, transactions denominated in foreign currencies are translated into the subsidiary’s functional currency at the exchange rate prevailing at the transaction date.

At year-end, financial assets and liabilities are translated at the year-end exchange rate, or at the hedged rate, if applicable. Foreign exchange differences resulting from these translations are recorded in the statement of operations under the heading “Financial income and expenses”.

The Group grants long-term advances to foreign subsidiaries that may be qualified as net investments in a foreign operation in accordance with IAS 21 (CPC 02 (R2)). Any foreign exchange gains and losses arising on the translation of these receivables and payables at the closing exchange rate are recognised in “Other comprehensive income” in accordance with IAS 21 (CPC 02 (R2)).

2.5 Business combinations and goodwill

Business combinations are accounted for using the acquisition method.

Goodwill is initially measured at cost, being the excess of the consideration transferred and the amount of any non-controlling interest in the acquiree and the fair value of the acquirer’s previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed, measured at fair value. If, after reassessment, the Group’s interest in the fair value of the acquiree’s identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer’s previously held equity interest in the acquiree (if any), the excess (also called badwill) is recognised immediately in income as a gain on bargain purchase.

For each business combination, the Group decides to measure the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree’s identifiable net assets.

Acquisition costs incurred are expensed.

When the Group acquires a business, it assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions at the acquisition date. This includes the separation of embedded derivatives from the host contracts held by the acquiree.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

If the business combination is achieved in stages, the carrying amount of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be a financial asset or liability are recognised in accordance with IFRS 9 (CPC 48) either in income or in Other comprehensive income. If the contingent consideration is classified as equity, it is not remeasured until it is ultimately settled within equity.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Goodwill corresponding to consolidated entities is presented on the separate line "Goodwill" in the consolidated statement of financial position. Goodwill for entities accounted for using the equity method is included within "Investments in associates".

2.6 Non-current assets (or disposal groups) held for sale and related liabilities

Non-current assets (or disposal groups) and liabilities held for sale, and for which a sale is highly probable within twelve months, are classified under "Non-current assets (or disposal groups) classified as held for sale" and "Liabilities directly associated with non-current assets classified as held for sale" in the statement of financial position.

When several assets are intended to be sold during a single transaction, the group of assets (disposal group) is considered as a whole, as are the associated liabilities.

A sale is highly probable when Group Management is committed to a plan for the sale of the non-current asset or disposal group and an active programme to seek a buyer has been launched.

When a loss of control of a subsidiary is highly probable, all assets and related liabilities of the subsidiary are classified as held for sale, regardless of whether the entity will retain some interest in the former subsidiary after the sale.

Non-current assets (or disposal groups) classified as held for sale are measured at the lower of their carrying amount or fair value less costs to sell. Property, plant and equipment and intangible assets once classified as held for sale are no longer depreciated or amortised.

2.7 Intangible assets

Intangible assets include:

- patents acquired;
- recognised brands acquired that are distinguishable from other brands, whose value can be tracked over time;
- computer software;
- qualifying development expenses.

Acquired patents and computer software are measured at their acquisition cost and are depreciated over their useful life. Software is amortised using the straight-line method over its expected useful life ranging from 1 to 5 years.

Brands with indefinite useful lives are not amortised and are subject to annual impairment tests.

Amortisation and impairment losses are recognised in operating income.

In accordance with IAS 38 “Intangible Assets” (CPC 04 (R1)), research and development expenses are expensed in the year incurred, with the exception of qualifying development expenses that meet the capitalisation criteria outlined in the standard.

2.8 Property, plant and equipment

Property, plant and equipment are measured at cost (purchase price plus incidental costs needed to place the assets in service) or at production cost plus any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in a manner intended by the management except in the context of a business combination.

When certain components of property, plant and equipment acquired have different useful lives, the components approach is applied and these components are depreciated over their respective useful lives.

Expenses corresponding to the replacement or renovation of components of property, plant and equipment are recorded as a new asset, and the carrying amount of the components replaced is eliminated.

The Group performs regular major maintenance activities in its industrial facilities on an annual basis, with the purpose of inspecting and replacing components of property, plant and equipment. The annual major maintenance costs include labour, materials, external services, general and other overhead expenses incurred during the inter-crop period. The Group uses the built-in overhaul method to account for the annual costs of major maintenance activities.

The estimated cost of the portion of the total cost of an item of property, plant and equipment which must be replaced on an annual basis is recorded as a separate component of the cost of property, plant and equipment and is depreciated over its separate estimated useful life. It is then replaced in connection with the annual major maintenance activities. Regular periodic maintenance costs are expensed as incurred since the parts replaced do not enhance the performance of the asset.

In accordance with IAS 23 (CPC 20 (R1)), interest on loans used to purchase property, plant and equipment of a material individual amount and with a significant construction life are recognised as an increase in the asset's acquisition cost.

Sugarcane plantation costs are part of tangible assets. They are valued at cost and depreciated over their useful life.

Depreciation is calculated on a straight-line basis over the expected useful life of each asset:

Buildings	20-40 years
Fixtures and improvements to buildings	10-20 years
Technical installations, equipment and industrial tools	10-15 years
Bearer plant	5-6 years
Office equipment	5 years
Transportation equipment	5 years

2.9 Impairment of assets

In accordance with IAS 36 "Impairment of Assets" (CPC 01 (R1)), goodwill, property plant and equipment and intangible assets are subject to impairment tests whenever events or changes of circumstances indicate that their carrying amount may not be recoverable. Goodwill and intangible assets that have an indefinite useful life are subject to an impairment test, at least once a year or more frequently if there are indications of impairment. The Group performs annual impairment tests during the last quarter of its financial year.

For the purposes of measuring impairment, assets are combined into cash-generating units (CGUs). These CGUs correspond to the smallest groups of assets generating cash flows clearly independent from those generated by other CGUs.

Goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the business combinations in which the goodwill was recorded.

An impairment test consists of comparing the carrying amount of an asset, a CGU or a group of CGUs to its recoverable value, which is the higher of its fair value less costs to sell and value in use.

Value in use is obtained by adding the discounted pre-tax values of the cash flows expected from use of the asset (or group of assets) and the terminal value.

Cash flows used as the basis for calculating value in use derive from CGU's medium-term business plans. The assumptions used for growth in total revenue and terminal cash flows are considered reasonable and consistent with market data available for each CGU.

Fair value less costs to sell corresponds to the amount that might be obtained from the sale of an asset (or group of assets) in an arm's length transaction, less costs directly related to the sale.

If the recoverable value is lower than the carrying amount of the asset (or group of assets), an impairment loss is recognised in the statement of operations for the difference and allocated first to goodwill. Impairment losses recognised against goodwill may not be reversed in subsequent periods.

2.10 Leases

Leases, as defined by IFRS 16 (CPC 06 (R2)) "Leases", are recognised in the statement of financial position as an asset, which corresponds to the right of use the leased asset during the term of the contract, and as a liability, which relates to the payment obligation.

For simplification purposes, and as permitted by the standard, lease contracts with a term of less than 12 months, as well as contracts for which the replacement value is lower than or equal to USD 5,000, have not been recognised in accordance with the above IFRS 16 (CPC 06 (R2)) rules.

The main lease contracts identified correspond to lands, vehicles machineries and certain properties.

Measurement of the right-of-use asset

At the signing date of a lease contract, the right-of-use is valued at cost and corresponds to the initial amount of the lease liability, adjusted, if necessary, for the amount of any prepaid or accrued lease payments recognised in the statement of financial position.

The right-of-use asset is amortised over the useful life of the underlying assets.

Measurement of the lease liability

When the contract is signed, the lease liability is recognised for an amount equal to the present value of the lease payments over the term of the contract.

The amount of the liability depends to a large degree on the assumptions used for the lease term and, to a lesser extent, on the discount rate. The Group's extensive geographic coverage means it encounters a wide range of different legal conditions when entering into contracts. The lease term generally used to calculate the liability is the term of the initially negotiated lease, taking into account early termination or extension options when these are likely.

The liability related to the lease contract is increased by the amount of the interest expense determined by applying the discount rate to the liability at the beginning of the period and is reduced by the repayments made.

The interest expense for the period as well as the variable payments not taken into account on initial measurement of the liability and incurred during the period in question, are recognised as expenses.

The liability can be remeasured when the term of the lease is revised, when there is a modification linked to the assessment of the reasonably certain (or uncertain) nature of the exercise of an option, or a revision of the rates or indices on which rents are based at the date of the adjustment.

2.11 Biological assets

IAS 41 – Agriculture (CPC 29), covers the accounting treatment of agricultural activities. Agricultural activity is the management of the biological asset's transformation for sale or into agricultural products. These biological assets (sugarcane and manioc) and the related agricultural products (harvested sugarcane and manioc) must be recognised at fair value less estimated expenses at the point of sale. To satisfy this measurement rule, the Group values its standing cane at fair value less cost to sell and classifies it in current biological assets.

Changes in fair value are recognised in the cost of goods sold.

The bearer plants are measured, in accordance with IAS 16 (CPC 27), at historical cost and recognised in the balance sheet in Property, Plant and Equipment.

2.12 Inventories

Physical inventories in the processing activities are valued at the lower of cost and spot prices prevailing at the end of the reporting period. Cost is determined using the weighted average method or the "first in, first out" method, depending on the product. In addition, stock held for trading are measured at fair value less costs to sell.

On initial recognition raw materials and consumables are recognised at purchase price plus other expenses incurred in bringing the inventories to their present location and condition (transportation, commissions, among others).

Manufactured products are valued at production cost, including the cost of materials consumed, depreciation of production inputs, and direct or indirect production expenses excluding finance cost.

An impairment loss is recognised on inventories when:

- the gross value calculated as defined above exceeds the market value or realisable value;
- products have been subject to significant deterioration.

2.13 Financial assets

IFRS 9 (CPC 48) provides a single approach for the classification and measurement of financial assets, based on the characteristics of the financial instrument and the Group's management intention with the following results:

- financial assets with cash flows that are representative of the payment of principal and interest only are measured at amortised cost if they are managed only for the purpose of collecting these flows;
- in other cases, financial assets are measured at fair value through profit and loss, except for equity instruments (investments, ...) not held for trading and with changes in value that, on election affect "other comprehensive income".

The impact of these principles on assets is reflected as follows in the Group's statement of financial position:

Financial assets include the following categories: non-consolidated investments, financial investments, loans and receivables and derivatives.

At the acquisition date, the Group determines the classification of the financial asset in one of these accounting categories.

Non-consolidated investments and financial investments at fair value

This category mainly includes non-consolidated equity investments and debt securities that do not meet the definitions of other categories of financial assets.

The Group has chosen to recognise the change in fair value of its equity investments in other comprehensive income because they meet the definition of equity instrument and are not held for trading except shares held in investment funds with changes in fair value recognised in financial income and expense.

Investments are recorded at fair value at the closing date. Securities that have no quoted market price in an active market and if their fair value cannot be reliably measured are carried at cost less impairment losses generally calculated on the proportion of capital held.

Loans and receivables

Trade and other receivables and loans are recorded at amortised cost, which corresponds to their nominal value. The portion of receivables and loans that are not covered by credit insurance generate the recognition of an impairment loss as soon as the invoice is issued, up to the expected losses at the maturity date. This reflects the probability of default of the counterparties and the expected loss rate, evaluated, as appropriate, on the basis of historical statistics, information provided by the credit reporting agencies, or ratings given by the rating agencies.

When the maturity of receivables and loans is greater than one year, a present value calculation is performed. The effects of this calculation are recorded in financial income and expense according to the effective interest rate method.

Loans and receivables are subject to impairment tests. An impairment loss is recognised in the statement of operations if the carrying value amount exceeds the recoverable value and there is objective evidence that the asset or group of assets is impaired.

The group factors some of its receivables. In accordance with IFRS 9 (CPC 48), the Group derecognises receivables only when the contractual right to receive cash flows have been transferred, as well as substantially all the risks and rewards of ownership.

Dilution risk is excluded from the analysis of the transfer of risk to the extent that it is defined and circumscribed, especially where it is correctly distinguished from late-payment risk.

Receivables sold with recourse in the event of non-payment are not derecognised. Costs to sell receivables are expensed in operating items.

Derivative financial assets

Accounting rules and policies for derivative instruments are presented in note 2.17.

2.14 Cash and cash equivalents

Cash and cash equivalents include cash in bank current accounts, term deposits convertible in the very short term (less than three months) for which there is no material risk of loss of value in the event of a change in interest rates, and investment securities that are by nature highly liquid and subject to a negligible risk of change in value.

2.15 Provisions

Provisions are recognised when there is an obligation (legal, contractual or constructive) to a third party provided that it may be estimated reliably and is likely to result in an outflow of resources, with no at-least-equivalent consideration expected in return.

If the amount or maturity cannot be estimated reliably or where it is not probable that a present obligation exists, then it is a contingent liability.

Where the effect of the time value of money is material, the provision is discounted to present value. The discount rate used to determine the present value reflects the time value of money and the specific risks related to the liability being measured. The effect of discounting is recognised in financial expenses.

A restructuring provision is recognised when a detailed formal plan has been announced or when implementation of a restructuring plan has already begun.

2.16 Financial liabilities

This category includes:

- financial liabilities at amortised cost;
- financial liabilities designated at fair value upon initial recognition;
- financial liabilities classified as held for trading, including derivative liabilities (but excluding hedging derivatives);
- commitments to purchase non-controlling interests.

Measurement and recognition of financial liabilities at amortised cost

With the exception of financial liabilities at fair value and derivatives comprising liabilities measured and recognised at fair value, borrowings and other financial liabilities are measured and recognised initially at fair value and then at amortised cost, calculated using the effective interest rate.

In accordance with the Group accounting policy, USINA ITAJOBÍ Açúcar e Energia Brasil S.A. is considering in its cash flows statement its financial interest paid as cash flows from financing activities.

Measurement and recognition of hybrid financial instruments

Hybrid instruments are separated into liability and equity components based on the terms of the contract. On issuance of the hybrid instruments, the fair value of the liability component is determined using a market rate for an equivalent non-hybrid instrument. This amount is classified as a financial liability at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in shareholders' equity, net of transaction costs. The carrying amount of the conversion option is not remeasured in subsequent years. Transaction costs are apportioned between the liability and equity components of the hybrid instruments based on the allocation of proceeds to the liability and equity components when the instruments were initially recognised.

Measurement and recognition of financial liabilities designated at fair value upon initial recognition

When a financial liability is eligible to be recognised at fair value in its entirety – as in the case of a liability with an embedded derivative – the Group recognises the liability at fair value and changes in fair value are recognised in financial income and expenses.

Commitments to purchase non-controlling interests

Pursuant to IAS 32 (CPC 39), put options granted unconditionally to third parties holding non-controlling interests in fully consolidated subsidiaries must be considered as a financial liability.

The Group recognises put options granted to third parties holding non-controlling interests under financial liabilities at the fair value of the option, with an offsetting entry to reduce non-controlling interests.

Any difference between the fair value of the liability and the relevant non-controlling interests is recognised in equity attributable to owners of the parent.

The liability is estimated in line with the prices or formulae defined in the relevant agreements. When the formulae are based on an income multiple after deducting debt, the amount of the liability relative to the option is estimated according to the income and net debt forecasts for the option exercise period.

Subsequent changes in the fair value of these liabilities, including the effects of discounting, are recognised in equity. The related share in reserves and income is also reflected in the Group/Non-controlling interests split in the financial statements.

2.17 Derivatives

The Group uses derivative instruments to manage and reduce its exposure to risks of changes in interest rates, exchange rates, commodity prices and energy prices.

Derivative instruments are measured at fair value in the statement of financial position, whether or not they qualify for hedge accounting under IFRS 9 (CPC 48), under the financial assets and liabilities caption.

The fair values of derivatives are estimated using commonly used valuation models taking into account data from active markets.

Whenever possible, derivative instruments are recognised in accordance with the rules on hedge accounting.

Hedge accounting is applicable if:

- The hedging relationship is clearly defined and documented on the date it is set up;
- The effectiveness of the hedging relationship is demonstrated from its inception and then by regular verification of the correlation between the change in the market value of the hedging instrument and that of the hedged item.

The types of hedge accounting relationships currently implemented by the Group meet the requirements of IFRS 9 (CPC 48) and are aligned with the Group's risk management strategy and objectives.

The Group uses cash flow hedges as well as fair value hedges.

In these hedging relationships, the effectiveness of the derivative is assessed using the hypothetical derivatives method: the derivative designated in each hedging relationship must make it possible to offset variations in the cash flows of the hedged item.

The main sources of ineffectiveness are:

- The effect of the Group's and its counterparties' credit risk on the fair value of the hedging instruments which is not reflected in the change in the fair value of the hedged items (exchange rate, interest rates and commodities). In accordance with IFRS 13 (CPC 46), the measurement of credit risk on derivative instruments is measured on a regular basis. The lack of materiality has never given rise to the recognition of an adjustment in this respect;
- Changes to the timing and amount of expected cash flows from hedged transactions for foreign currency risk. Changes in fair value from one period to the next are recognized differently depending on the type of hedge accounting applied.

Cash flow hedges (CFH) are used to hedge the exposure to changes in the cash flow of a recognised asset or liability or of a highly probable forecast transaction that affects reported net income. For cash flow hedges, the effective part of the change in fair value of the hedging instrument is recorded directly in other comprehensive income, the change in fair value of the underlying is not recorded in the statement of consolidated financial position. The change in value of the ineffective portion is recognised in profit or loss. Amounts recognized in other comprehensive income are included in profit or loss over the same period as the hedged item itself.

The time value of the options documented as cash flow hedges is treated as the cost of hedging: changes in fair value of time value are recognised in "other comprehensive income" and then recycled in operating or financial income at the same time as the hedged item.

Fair value hedges (FVH) are used to hedge the exposure to changes in the fair value of all or part of a recognised asset or liability that affects reported net income. Changes in the fair value of the hedging instrument are recorded in profit or loss for the period. Symmetrically, the change in value of the hedged item attributable to the hedged risk is recorded in the statement of operations for the period (and adjusts the value of the hedged item). These two revaluations offset each other in the same line of the statement of operations, excluding the "ineffective portion" of the hedge.

Commodity hedging instruments falling within the scope of IFRS 9 (CPC 48) are derivative instruments and are measured at their fair value. The net impact of closed transactions is recognised in operating income.

Derivative instruments that do not meet the definition of hedging instruments are qualified as "held for trading". Changes in the fair value of held for trading derivatives are recognised in the statement of operations. Derivative instruments held for trading are not held for speculative purposes.

The changes in fair value of derivatives classified as "held for trading" as well as the ineffective portion of derivatives qualified as cash flow hedges are recognised in profit and loss, the results of closed derivatives qualified as "held for trading" or as hedging are classified as:

- Financial expenses and income when the underlying risk is classified as financial income and expenses (interest rate and financial exchange rate);
- In operating expenses and income, when the underlying risk is classified as operating expenses and income (Commodities - i.e. raw materials, finished products, energy and operational change).

The commodities purchase / sales contracts are generally treated outside the scope of IFRS 9 (CPC 48) (“own-use” treatment), with the exception of certain specific transactions involving ethanol, sugar, grains, electricity, coal and gas. For these specific transactions, hedge accounting is systematically preferred.

Qualification as “own-use” is determined when the following conditions are met:

- The volumes purchased or sold under these contracts correspond to the operating needs of the subsidiary;
- The contracts do not give rise to a net settlement within the meaning of IFRS 9 (CPC 48) and, in particular, a physical delivery takes place systematically;

The contracts are not comparable to sales of options within the meaning of IFRS 9 (CPC 48).

2.18 Reserves

The nature and purpose of each reserve are the following:

Cash flow hedge (CFH) reserve

The cash flow hedge reserve contains the effective portion of the cash flow hedge relationships incurred at the reporting date net of tax. Further information on the accounting methods applicable to the use of this reserve are disclosed in Note 2.17.

Foreign currency translation (FCT) reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries. Further information on the accounting methods applicable to the use of this reserve are disclosed in Note 2.3.

2.19 Income taxes

Income taxes in the consolidated statement of operations include current and deferred income taxes.

Current income taxes

Current income taxes are calculated based on taxable income for the year. Taxable income for the year differs from income reported in the consolidated statement of operations because it excludes income or expenses that are taxable or deductible in other periods, as well as income or expenses that are never taxable or deductible.

Current income tax assets or liabilities are recognised in the statement of financial position using tax rates that have been enacted at year-end.

Deferred taxes

Pursuant to IAS 12 (CPC 32), deferred taxes result from temporary differences between the carrying amounts of assets and liabilities and their tax base.

Deferred income taxes are calculated based on the tax rate expected to apply during the financial year in which the asset will be realised or the liability settled, and are classified into non-current assets and liabilities. The effects of changes in tax rates from one period to the next are recognised in income in the period when the change occurs, except to the extent that it relates to items previously recognised outside the consolidated statement of operations.

Unused tax losses can be carried forward indefinitely and are not subject to inflation adjustment. The expected recovery of all deferred tax assets is supported by the taxable income projections, which have been approved by the Company’s Management.

Projections of future taxable income include several estimates related to the performance of the international economy and more specifically the economies in which the Group operates, interest rate fluctuations, sales volumes, sales prices and tax rates which may differ from actual data and amounts.

Deferred tax assets resulting from temporary differences, tax losses and both tax loss or tax credit carry-forwards are limited to the estimated recoverable tax amount. This is measured at the reporting date based on the income outlook for the relevant entities.

Pursuant to IAS 12 (CPC 32), deferred tax assets and liabilities are not discounted.

Deferred taxes are recognised as expenses or revenue in income unless generated by items charged directly to other comprehensive income, in which case the related deferred taxes are also recognised in other comprehensive income.

2.20 Revenue

The Group's revenue mainly comprises sales of finished products and merchandise. They are recognised in the statement of operations when the control of goods is transferred.

Revenue is stated net of trade discount and customer rebates, as well as net of costs relating to trade support and sales taxes (VAT, ICMS, PIS and COFINS). These amounts are estimated when net revenue is recognised, on the basis of agreements and engagements with the customers concerned.

3. Main acquisitions, disposals, changes in scope of consolidation and other highlights of the period

3.1 Effects of the Covid-19 health crisis

The economic environment as a whole in 2020/2021 has been deeply impacted by the Covid-19 health crisis, which has affected all companies. The Group is taking action to ensure the safety of its employees and continue to meet its customers' needs against this backdrop. It has adjusted its working environments and operations to comply with the recommendations of the various health authorities. In this context, all of our 8 production facilities remained fully operational during the COVID-19 lockdowns.

Some elements of the accounts are based on estimates such as Impairment test, Fair Value of Biological Assets and Fair Value of Financial Instruments through the market index (interest rate and currency) and could already comprises the underlying possible impacts of Covid-19 in the financial markets,. Except for those impacts above, the Company has no other major impact related to COVID-19 recognized into the accounts. The Company's customer credit risk has not changed significantly and the Management has identified no other consequences on its financial statements.

3.2 Sales of Shares in Mozambican subsidiaries

USINA ITAJOBÍ Açúcar e Energia Brasil, USINA ITAJOBÍ EU and Sena Holding Limited entered, at end of March 2021, into an agreement described as follow:

- USINA ITAJOBÍ Açúcar e Energia Brasil ("TAEB") sold to USINA ITAJOBÍ EU its shares held in:
 - USINA ITAJOBÍ Sena Limited ("TSL") and Sena Lines for a total consideration of Euro 1.00.
 - Sena Holding Limited ("SHL") and Companhia De Sena ("CDSS") for a total consideration of Euro 1.00.
 - Société Marromeu Limited ("SML") for a total consideration of Euro 1.00.
- USINA ITAJOBÍ Açúcar e Energia Brasil sold to Sena Holding Limited its borrowing to CDSS of R\$ 1,589 million for a total consideration of Euro 1.00.

These subsidiaries represent a Cash Generating Unit and an independent geographical activity. As a consequence and in accordance with IFRS 5 (CPC 31), the impacts of these operations and the net result of the Mozambican activities have been classified in the line Net income from discontinued operation in the statement of operation. According to this standard, comparative information of the statement of operation has been restated to adopt the same classification.

The net income from discontinued operations amounts at 31 March 2021 to R\$ (226) millions and comprise the net income of the year related to Mozambican subsidiaries for an amount of R\$ (226) millions and the net income generated by the sale of this activity for a net amount of around R\$ (0) million.

The net result relating to sale of assets includes the capital gain and loss over these operations, the recycling to profit or loss of the foreign exchange reserves previously booked into OCI and the related tax impacts.

The impact on the consolidated statement of the operation is presented below:

(MILLIONS OF R\$)	31 March 2021	for the year ended	
		IFRS 5 (CPC 31) impact	31 March 2021 without IFRS 5 (CPC 31)
Revenue	4,433	115	4,548
Cost of sales	(3,163)	(125)	(3,287)
Distribution expenses	(350)	(2)	(352)
General and administrative expenses	(298)	(22)	(319)
Other operating income (expense)	(30)	1,413	1,383
Operating income (expense)	593	1,379	1,972
Financial expenses	(468)	(2,210)	(2,678)
Financial income	155	504	659
Net financial income (expense)	(313)	(1,706)	(2,019)
Share of profit of associates and joint ventures	9		9
Net income (loss) before taxes	289	(327)	(38)
Income taxes	(103)	101	(2)
NET INCOME (LOSS) FROM CONTINUING OPERATIONS	185	(226)	(41)
Net income (loss) from discontinued operations	(226)	226	0
NET INCOME (LOSS)	(41)	0	(41)

As part of IFRS 5 (CPC 31), comparative information for statement of the operation as of March 31, 2020 is disclosed as presented below:

(MILLIONS OF R\$)	31 March 2020 Restated,	for the year ended	
		IFRS 5 (CPC 31) impact	31 March 2020 without IFRS 5 (CPC 31)
Revenue	3,219	92	3,311
Cost of sales	(2,484)	(139)	(2,623)
Distribution expenses	(254)	(1)	(254)
General and administrative expenses	(299)	(23)	(322)
Other operating income (expense)	93	(22)	71
Operating income (expense)	276	(92)	183
Financial expenses	(486)	(130)	(617)
Financial income	219	121	341
Net financial income (expense)	(267)	(9)	(276)
Share of profit of associates and joint ventures	2	0	2
Net income (loss) before taxes	10	(101)	(90)
Income taxes	(31)	0	(31)
NET INCOME (LOSS) FROM CONTINUING OPERATIONS	(21)	(101)	(121)
Net income (loss) from discontinued operations	(101)	101	0
NET INCOME (LOSS)	(121)	0	(121)

4. Revenue

Revenue mainly comprises sales of goods and is broken down as follows:

(MILLIONS OF R\$)	For the year ended	
	31 March 2021	31 March 2020 restated
Sugar	2,619	1,677
Alcohol and Ethanol	1,446	1,230
Co-products	13	19
Energy	314	255
Other	40	38
REVENUE	4,433	3,219

5. Expenses by nature

The analysis of expenses by nature is as follows:

(MILLIONS OF R\$)	Note	For the year ended	
		31 March 2021	31 March 2020 restated
Cost of sales		(3,163)	(2,484)
Distribution expenses		(350)	(254)
General and administrative expenses		(298)	(299)
Other operating income / (expenses)		(30)	93
TOTAL OPERATING EXPENSES BY DESTINATION		(3,840)	(2,943)
Raw materials and consumables used		(1,586)	(912)
External expenses		(884)	(833)
Employee benefits expenses	5.1	(552)	(523)
Amortisations	5.2	(752)	(761)
Other	5.3	(67)	85
TOTAL OPERATING EXPENSES BY NATURE		(3,840)	(2,943)

External expenses mainly concern transportation costs, maintenance costs and external services.

5.1 Employee benefits expenses

(MILLIONS OF R\$)	For the year ended	
	31 March 2021	31 March 2020 restated
Wages and salaries	(503)	(471)
Taxes on wages and salaries	(50)	(52)
Other employee expenses	(0)	(0)
EMPLOYEE BENEFIT EXPENSES	(552)	(523)

5.2 Amortisations

(MILLIONS OF R\$)	For the year ended	
	31 March 2021	31 March 2020 restated
Amortisation of property, plant & equipment	(736)	(749)
Amortisation of intangible assets	(16)	(12)
TOTAL OF AMORTISATIONS	(752)	(761)

5.3 Other operating income (expenses)

The detail of the other operating income (expenses) is broken down as follows:

(MILLIONS OF R\$)	For the year ended	
	31 March 2021	31 March 2020 restated
Taxes	(3)	70
Change in fair value of derivatives	(1)	1
Provisions and depreciations	(7)	(9)
Legal proceedings	(43)	(32)
Other	(13)	55
TOTAL OTHER OPERATING INCOMES (EXPENSES)	(67)	85

At 31 March 2020, the line "Other" amounted to R\$ 55 million and mainly corresponds to a gain on sale of tangible assets in Brazil for R\$ 63 million.

6. Net financial expenses

6.1 Financial income and expenses

(MILLIONS OF R\$)	For the year ended	
	31 March 2021	31 March 2020 restated
Interest expenses	(327)	(356)
Fair value loss on derivatives	(10)	0
Foreign exchange losses	(113)	(111)
Other financial expenses	(18)	(20)
Financial expenses	(468)	(486)
Interest income	29	34
Gains on financial assets and liabilities at fair value through statement of operations	2	0
Foreign exchange gains	121	131
Other financial income	3	54
Financial income	155	219
NET FINANCIAL INCOME (EXPENSES)	(313)	(267)
<i>Of which: net interest income (expenses)</i>	<i>(298)</i>	<i>(322)</i>
<i>Of which: foreign exchange gains and losses</i>	<i>8</i>	<i>20</i>

6.2 Gains and losses on financial assets and liabilities

For the year ended 31 March 2021

(MILLIONS OF R\$)	Net interest income (expense)	Net foreign exchange income (expense)	Net gain (loss) of fair value	Others financial income / (expenses)	Total Financial Income (expenses)	Operating income (expenses)	OCI
Trade receivables	0	(7)	0	0	(7)	0	0
Cash and cash equivalents	12	28	0	0	40	0	0
Other fin. assets (excluding derivatives)	10	0	0	1	11	0	0
Borrowings	(309)	(36)	0	0	(345)	0	139
Trade payables	0	(7)	0	0	(7)	0	0
Other fin. liabilities (excluding derivatives)	0	(2)	1	0	(1)	0	0
Derivatives	(11)	31	(10)	0	10	(1)	(478)
Other	0	0	1	(15)	(15)	0	0
TOTAL	(298)	8	(9)	(15)	(313)	(1)	(339)
Effect of deferred taxes on OCI							115
TOTAL OCI NET OF TAXES							(224)

For the year ended 31 March 2020 (restated)

(MILLIONS OF R\$)	Net interest income (expense)	Net foreign exchange income (expense)	Net gain (loss) of fair value	Others financial income / (expenses)	Total Financial Income (expenses)	Operating income (expenses)	OCI
Trade receivables	0	16	0	0	16	0	0
Cash and cash equivalents	18	87	0	0	105	0	0
Other fin. assets (excluding derivatives)	11	0	0	10	21	0	0
Borrowings	(353)	(99)	0	0	(451)	0	(364)
Trade payables	0	(1)	0	0	(1)	0	0
Other fin. liabilities (excluding derivatives)	0	0	(2)	0	(1)	0	0
Derivatives	1	18	1	(0)	19	1	99
Other	0	0	2	24	26	0	0
TOTAL	(322)	20	1	33	(267)	1	(265)
Effect of deferred taxes on OCI							90
TOTAL OCI NET OF TAXES							(175)

7. Income tax

7.1 Income tax recognised in statement of operations

The breakdown of income taxes is presented as follows:

(MILLIONS OF R\$)	For the year ended	
	31 March 2021	31 March 2020
Current income tax	(52)	(29)
Deferred income tax	(52)	(2)
TOTAL INCOME TAX	(103)	(31)

The reconciliation between the applicable and effective tax rates is presented below:

(MILLIONS OF R\$)	For the year ended	
	31 March 2021	31 March 2020
Net income	(41)	(121)
Share of profit of associates and joint ventures	9	2
Income tax income (expense)	(2)	(31)
<i>o/w deferred tax reclassified in "net income from discontinued operations"</i>	101	0
Income before income tax and share of profit of associates and joint ventures	(47)	(92)
<i>Brazil's statutory income tax rate</i>	<i>34%</i>	<i>34%</i>
Income tax based on Brazil's statutory rate	16	31
Tax losses without recognition of deferred tax assets tax loss carry forward *	(54)	(12)
Use of previously unrecognised tax losses	0	2
Effect of different tax rates	(242)	(44)
Other non-deductible expenses for tax purposes	278	(8)
Adjustments to reconcile income taxes	(18)	(62)
EFFECTIVE INCOME TAX	(2)	(31)
<i>Effective income tax rate</i>	<i>-5%</i>	<i>-34%</i>

* including R\$ (60) million related to Mozambique

7.2 Income tax in the statement of financial position

The positions of income and deferred taxes in the statement of financial position are the following:

(MILLIONS OF R\$)	31 March 2021	31 March 2020
Income tax receivables	81	52
Income tax payables	(82)	(30)
TOTAL CURRENT TAX	(2)	22
Deferred tax assets	342	57
Deferred tax liabilities	(0)	0
TOTAL DEFERRED TAX	342	57

Net deferred tax amounts to R\$ 342 million (deferred tax asset) including R\$ 164 million on the recognition of tax losses carried forward.

The breakdown of deferred tax on the statement of financial position is presented as follows:

(MILLIONS OF R\$)	31 March 2021	31 March 2020
Deferred tax assets	342	57
Deferred tax assets through the statement of operations	(6)	(175)
Deferred tax assets through other comprehensive income	348	232
Deferred tax liabilities	(0)	0
Deferred tax liabilities through the statement of operations	(0)	0
TOTAL OF DEFERRED TAX	342	57

(MILLIONS OF R\$)	31 March 2021	31 March 2020
Differences between carrying value and tax basis	177	(125)
<i>Property, plant and equipment and intangible assets</i>	(286)	(167)
<i>Biological assets</i>	(61)	(59)
<i>Financial assets and liabilities</i>	461	39
<i>Others</i>	62	62
Tax losses unused and recognised as deferred tax assets	164	182
TOTAL	342	57

Changes in deferred taxes are presented below:

(MILLIONS OF R\$)	Net deferred taxes
At 31 March 2019	86
Amount charged to the statement of operations	(2)
Amount charged to other comprehensive income	(27)
At 31 March 2020	57
Amount charged to the statement of operations	49
Amount charged to other comprehensive income	236
At 31 March 2021	342

As part of the reorganisation of its activities in Mozambique, the intragroup financial receivable of R\$ 1,589 million that TAEB held on its Mozambican subsidiary was sold for a value of Euro 1.00 to the Mauritian holding company SHL which owns the activities in Mozambique. The tax treatment related to this transaction resulted in the cancellation of a deferred tax liability of R\$ 268 million and recycling of deferred tax from other comprehensive income of R\$ (167) million in the statement of operations i.e. deferred tax of R\$ 101 million reclassified in “net income from discontinued operations”.

7.3 Deferred tax assets on tax losses carried forward

Recognised deferred tax assets arising from the carry-forward of unused tax losses are mostly located in Sugar & Energy Brazil entities.

The expected recovery of deferred tax assets recognised on tax losses carried forward based on the taxable income projections approved by Group Management is as follows:

(MILLIONS OF R\$)	31 March 2021	31 March 2020
N+1	17	0
N+2	20	3
N+3	38	16
N+4	50	35
N+5	40	47
N+6 and thereafter	0	81
TOTAL DEFERRED TAX ASSETS ON TAX LOSSES CARRIED FORWARD	164	182

As income tax credits or expenses result not only from taxable income but also from the tax and corporate structure of the Group, the existence of non-taxable income, non-deductible expenses, tax exemptions and incentives, and various other variables, the projected utilization of tax loss carry-forwards should not be considered indicative of the Group's future net income.

7.4 Unrecognised tax losses carried forward

Unrecognised deferred tax assets arising from the carry-forward of unused tax losses amounted to R\$ 11 million at 31 March 2021 (compared to R\$ 51 million, of which R\$ 33 million related to Mozambique at 31 March 2020) in the consolidated financial statements in accordance with the accounting policies described in Note 2.19.

8. Inventories

(MILLIONS OF R\$)	31 March 2021	31 March 2020
Raw materials	60	341
Finished and intermediate products	193	134
INVENTORIES	253	475

Changes in inventories are presented as follows:

(MILLIONS OF R\$)	
At 31 March 2019	451
Change in inventories through cost of sales	20
Change in write-down of inventory in the statement of operations	(4)
Change due to fair value harvested	(4)
Effect of foreign currency exchange differences	12
At 31 March 2020	475
Change in inventories through cost of sales	(167)
Change in write-down of inventory in the statement of operations	(53)
Changes in scope consolidation	(14)
Change due to fair value harvested	13
Effect of foreign currency exchange differences	(0)
At 31 March 2021	253

9. Biological assets

Changes in the net amount of biological assets are as follows:

(MILLIONS OF R\$)	Total
At 31 March 2019	324
Change due to harvest	(321)
Change in fair value	467
Effect of foreign currency exchange differences	4
At 31 March 2020	474
Change due to harvest	(474)
Change in fair value	552
Changes in scope consolidation	(30)
Effect of foreign currency exchange differences	3
At 31 March 2021	524

Fair value adjustment recognised through statement of operation at end of 31 March 2021 amounts to R\$ 47 million against R\$ 191 million in 31 March 2020, where of Mozambique entities for R\$ 8 million in 31 March 2021 against R\$ 0.4 million in 31 March 2020, both recognised in "net income from discontinued operations".

Own sugarcane crushed amounted to 10 971 thousand tons for the period ended 31 March 2021 against 9 773 thousand tons for the year ended 31 March 2020.

Standing Cane

The following assumptions have been used in the determination of the fair value of standing cane:

At 31 March 2021	Unit	Brazil	Mozambique
Expected area to harvest	hectares	133,875	8,831
Estimated yields	tons of cane per hectare	78	54
Quantity of Total Recoverable Sugar	kg per ton of cane	142	
Quantity of Sugar	kg per ton of sugar		10.0
Value of one kg of Total Recoverable Sugar	KR\$	0.8	
Value of one kg of Sugar	KR\$		3.0
At 31 March 2020	Unit	Brazil	Mozambique
Expected area to harvest	hectares	136,059	9,134
Estimated yields	tons of cane per hectare	82	54
Quantity of Total Recoverable Sugar	kg per ton of cane	138	
Quantity of Sugar	kg per ton of sugar		10.7
Value of one kg of Total Recoverable Sugar	KR\$	0.7	
Value of one kg of Sugar	KR\$		2.1

10. Investments in associates and joint ventures

Main investments in associates and joint ventures at 31 March 2021 were as follows:

		Investment in associates and joint ventures		
(MILLIONS OF R\$)	Activity	Group voting rights (in %)	31 March 2021	31 March 2020
Teapar	Port services operator for sugar export sales	35.00%	23	19
Centro de Tecnologia Canavieira	R&D of sugarcane varieties	4.57%	33	27
Sao Jose Agricultura	Surgarcane plantation	32.00%	5	5
TOTAL			60	51

		Share of profit of associates and joint ventures	
(MILLIONS OF R\$)		31 March 2021	31 March 2020
Teapar		3	0
Centro de Tecnologia Canavieira		5	1
Sao Jose Agricultura		1	1
Sub-total Associates		9	2
TOTAL		9	2

11. Property, plant and equipment

Changes in property, plant and equipment are presented as follows:

(MILLIONS OF R\$)	Land	Buildings	Tools, Equip. and Installations	Bearer plant	Other	Assets in Progress	Right- of-use	TOTAL
GROSS AMOUNT								
31 March 2019	56	992	2,909	1,100	400	255	0	5,712
Additions	0	0	250	294	2	162	189	897
Reclassifications	2	60	231	2	(18)	(346)	(36)	(105)
Disposals	(4)	(0)	(8)	(120)	(14)	0	0	(146)
Change in accounting method	0	0	0	0	0	0	389	389
Foreign exchange	10	9	37	31	17	2	0	105
Other changes	(3)	0	(0)	0	0	0	(47)	(50)
31 March 2020	61	1,062	3,418	1,306	388	72	495	6,801
Additions	0	0	225	297	1	164	177	864
Reclassifications	11	5	(365)	(80)	44	(84)	(10)	(479)
Changes in scope consolidation	(61)	(51)	(225)	(176)	(125)	(10)	0	(647)
Disposals	0	0	(9)	(2)	(6)	0	0	(17)
Foreign exchange	5	4	19	14	11	1	0	54
Other changes	(0)	(0)	(0)	0	0	0	(12)	(12)
31 March 2021	17	1,020	3,062	1,360	313	143	650	6,565
AMORTISATION AND IMPAIRMENT								
31 March 2019	(19)	(289)	(1,489)	(422)	(334)	0	0	(2,553)
Amortisations*	(2)	(43)	(410)	(197)	(18)	0	(100)	(770)
Impairment losses	9	(8)	(5)	(12)	(1)	0	0	(16)
Reclassifications	2	1	30	0	34	0	36	103
Disposals	0	0	8	120	12	0	0	140
Foreign exchange	(4)	(7)	(27)	(24)	(14)	0	0	(75)
Other changes	(1)	(0)	(0)	0	1	0	0	0
31 March 2020	(15)	(346)	(1,892)	(535)	(321)	0	(64)	(3,172)
Amortisations*	(2)	(41)	(376)	(215)	(18)	0	(114)	(767)
Impairment losses	(36)	(8)	(48)	(30)	(14)	(8)	0	(144)
Reclassifications	(2)	(5)	436	78	(38)	0	10	479
Changes in scope consolidation	61	51	225	176	125	9	0	646
Disposals	0	0	8	1	5	0	0	14
Reversal of impairment	1	1	2	4	2	0	0	10
Foreign exchange	(6)	(4)	(21)	(15)	(12)	(1)	0	(59)
31 March 2021	(0)	(352)	(1,667)	(535)	(271)	0	(168)	(2,994)
Net amount at 31 March 2019	37	703	1,420	678	66	255	0	3,159
Net amount at 31 March 2020	46	716	1,525	771	67	72	431	3,629
Net amount at 31 March 2021	16	668	1,395	825	42	143	482	3,571

*of which R\$ 31 million related to Mozambique for the year ended 31 March 2021 (against R\$ 21 million in 2020)

The main additions for the year in Brazil are as follows (except right-of-use):

- R\$ 161 million in various operational investments (R\$ 155 million in 2020);
- R\$ 286 million in bearer plants (R\$ 279 million in 2020);
- R\$ 218 million in maintenance costs (R\$ 236 million in 2020).

12. Goodwill

12.1 Goodwill by CGU

Goodwill has been allocated to the following cash-generating units (CGUs) for the purpose of impairment tests:

(MILLIONS OF R\$)		31 March 2021	31 March 2020
Cash Generating Unit	Operating segment		
Sugar & Energy Brazil	Sugar & Energy Brazil	1,046	1,035
Sugar Mozambique	Sugar Mozambique	0	0
TOTAL NET GOODWILL		1,046	1,035

12.2 Changes in goodwill

Changes in goodwill were as follows:

(MILLIONS OF R\$)		
GROSS AMOUNT		
At 31 March 2019		1,374
Effect of foreign currency exchange differences		18
At 31 March 2020		1,393
Derecognised on disposal of a subsidiary		(142)
Effect of foreign currency exchange differences		7
At 31 March 2021		1,257
IMPAIRMENT		
At 31 March 2019		(339)
Effect of foreign currency exchange differences		(18)
At 31 March 2020		(357)
Derecognised on disposal of a subsidiary		153
Effect of foreign currency exchange differences		(7)
At 31 March 2021		(211)
Net amount at 31 March 2019		1,035
Net amount at 31 March 2020		1,035
Net amount at 31 March 2021		1,046

13. Other intangible assets

Changes in other intangible assets over the year are as follows:

(MILLIONS OF R\$)	Patents, licenses	Other	TOTAL
GROSS AMOUNT			
31 March 2019	79	5	85
Additions	0	123	123
Reclassifications	2	(1)	2
31 March 2020	82	128	210
Additions	0	20	20
Acquisition or divestitures	0	(3)	(3)
Reclassifications	0	1	1
31 March 2021	82	146	228
AMORTISATION AND IMPAIRMENT			
31 March 2019	(37)	(2)	(39)
Amortisations	(12)	(0)	(12)
Foreign exchange	0	(0)	(0)
Reclassifications	0	1	1
31 March 2020	(49)	(2)	(51)
Amortisations	(11)	(4)	(16)
Acquisition or divestitures	0	3	3
Foreign exchange	0	(0)	(0)
Reclassifications	0	(1)	(1)
31 March 2021	(60)	(5)	(65)
Net amount at 31 March 2019	43	3	45
Net amount at 31 March 2020	33	126	159
Net amount at 31 March 2021	22	142	163

14. Leases

14.1 Right-of-Use

Changes in right-of-use assets are presented as follows:

(MILLIONS OF R\$)	Land	Buildings	Tools, machinery, equipment	Transport materials	Other	TOTAL
GROSS AMOUNT						
31 March 2019	0	0	0	0	0	0
Additions	52	2	2	134	0	189
Reclassifications	(2)	(2)	(1)	(31)	(0)	(36)
Change in accounting method	318	6	1	64	0	389
Other changes	(45)	(1)	0	(0)	0	(47)
31 March 2020	323	4	2	166	0	495
Additions	70	5	0	102	0	177
Reclassifications	(3)	0	0	(7)	0	(10)
Other changes	(11)	0	0	(1)	0	(12)
31 March 2021	379	9	2	260	0	650
AMORTISATION AND IMPAIRMENT						
31 March 2019	0	0	0	0	0	0
Amortisation	(34)	(3)	(1)	(62)	(0)	(100)
Reclassifications	2	2	1	31	0	36
31 March 2020	(33)	(1)	(0)	(30)	0	(64)
Amortisation	(38)	(2)	(0)	(74)	0	(114)
Reclassifications	3	0	0	7	0	10
31 March 2021	(68)	(3)	(0)	(98)	0	(168)
Net amount at 31 March 2020	290	3	2	136	0	431
Net amount at 31 March 2021	312	6	2	163	0	482

14.2 Leases

The net amount of leases not restated as part of the IFRS 16 (CPC 06 (R2)) standard is as follows:

(MILLIONS OF R\$)	31 March 2021
Rental charges on short-term contracts (< 1 year)	(10)
Rental charges on contracts with low new value assets (< 5 000 USD)	(10)
Others	(21)
TOTAL LEASES	(41)

15. Impairment tests

15.1 Key assumptions

Impairment tests are performed annually during the last quarter of the financial year, or whenever the Group identifies a triggering event.

The Group calculates the recoverable value of a CGU based on forecasted future cash flows.

The key assumptions used to calculate the value of the CGUs are as follows:

2020/2021	Sugar & Energy Brazil	Sugar Mozambique
Basis used for determination of recoverable value	Value in use	Value in use
Source	5 years business plan discounted cashflows	7 years business plan discounted cashflows
Growth rate used for terminal value	3.2%	5.7%
Post-tax discount rate	9.1%	15.2%
Pre-tax discount rate	12.1%	15.7%

2019/2020	Sugar & Energy Brazil	Sugar Mozambique
Basis used for determination of recoverable value	Value in use	Value in use
Source	5 years business plan discounted cashflows	8 years business plan discounted cashflows
Growth rate used for terminal value	3.5%	5.5%
Post-tax discount rate	10.4%	15.3%
Pre-tax discount rate	13.5%	15.9%

The recoverable amount is determined by reference to value in use, using the discounted future cash flows model based on CGU Management's budget estimates, reviewed by Group Management, which take into consideration assumptions related to each business, using available market data as well as past performance.

The main assumptions and estimates used for the sugar and ethanol activities are: expected sugar and ethanol sales prices, costs of energy as well as raw materials and other macroeconomic factors.

In order to take into account the business characteristics of Mozambique operations, and in accordance with IAS 36 (CPC 01 (R1)), Management elected to use cash flow projections over an eight-year period (plus a terminal value after that). The Group considers that this period is more appropriate in the context of the Sugar Mozambique CGU's business, given the expected time to ramp-up their operational performance and achieve full potential.

15.2 Impairment recognised during the year

Impairment loss was recorded on 31 March 2021 on the property, plant and equipment of the CGU Sugar Mozambique for R\$ 183 million, disclosed within line "net income (loss) from discontinued operations" in statement of operations.

15.3 Sensitivity analysis

During the last quarter of the 2020/2021 financial year, the sensitivity analysis of the recoverable value of the main CGUs was based on the following assumptions:

- Change in the post-tax discount rate of +/- 1 point
- Change in the perpetual growth rate of +/- 0.5 points
- Change in the EBITDA margin over the final year of the business model of +/- 1 point
- A decrease of 10% in the prices of sugar, alcohol, ethanol and starches and sweeteners in the first three years of the business plan

These changes in assumptions, all else being equal, would not result in the recognition of an impairment loss.

In the particular case of Mozambique, a change of these assumptions would not have a material impact on the financial statements.

If the Group were to face a prolonged period of very low sugar prices, it could be caused to reconsider the need to update its impairment tests.

During the last quarter of the 2019/2020 financial year, the sensitivity analysis of the recoverable value of the main CGUs was based on the following assumptions:

CGU Sugar Mozambique

A deviation of more than 10% from the sugar price assumptions used for the first three years of the business plan would lead to an impairment loss of R\$ 34 million, all else being equal.

A one-point increase or decrease in the post-tax discount rate would increase the recoverable amount by R\$ 40 million, or decrease it by R\$ 34 million, respectively, with the recognition of a R\$ 34 million impairment loss in the first case, all else being equal.

A half-point increase or decrease in the perpetuity growth rate used to determine terminal value would increase the recoverable amount by R\$ 11 million, or decrease it by R\$ 11 million, respectively, with the recognition of a R\$ 11 million impairment loss in the second case, all else being equal.

A one-point increase or decrease in the EBITDA margin rate, for the terminal year of the economic model, would increase the recoverable amount by R\$ 11 million, or decrease it by R\$ 11 million, respectively, with the recognition of a R\$ 11 million impairment loss in the second case, all else being equal.

CGU Sugar Brazil

The Group considers it unlikely that a change in the assumptions of Sugar Brazil CGU would bring their value in use below their book value. The sensitivity analyses focused on the following assumptions:

- Change in the post-tax discount rate of +/- 1 point
- Change in the perpetuity growth rate of +/- 0.5 point
- Change in the EBITDA margin over the terminal year of the economic model by +/- 1 point
- 10% decrease in the prices of sugar, alcohol and ethanol over the first three years of the plan

These changes to the assumptions would not result in the recognition of an impairment loss, all else being equal.

16. Provisions

Provisions are set aside for the following contingencies:

(MILLIONS OF R\$)	Current		Non-current	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Labor	0	0	32	31
Tax	0	0	1	0
Environment	0	0	14	13
Other	0	0	2	5
TOTAL PROVISIONS	0	0	48	49

Changes in provisions over the year were as follows:

(MILLIONS OF R\$)	Social	Tax	Environment	Other	Total
At 1 April 2019	32	0	9	3	44
Addition of the period	3	0	4	2	8
Amounts used	(1)	0	0	0	(1)
Unused amounts reversed	(3)	0	0	0	(2)
At 31 March 2020	31	0	13	5	49
Addition of the period	2	1	1	0	3
Amounts used	(1)	0	0	(2)	(4)
At 31 March 2021	32	1	14	2	48

The table below presents a summary of disputes with probable and possible loss involving the Group:

(MILLIONS OF R\$)	Probable		Possible	
	Number of claims	Provision	Number of claims	Claims with possible losses
Social	223	32	1,191	190
Tax	1	1	415	1,726
Environment	26	14	158	17
Other	7	2	80	35
At 31 March 2021	257	49	1,844	1,968
Social	258	31	1,397	176
Tax	0	0	372	1,852
Environment	27	13	156	27
Other	6	5	61	32
At 31 March 2020	291	49	1,986	2,087

There is no dispute known to Management carrying material risks that could affect the Group's profit or financial position which has not been recognised at 31 March 2021.

Disputes hereby are described to our best knowledge at the date of completion of consolidated financial statements.

Labor

The Company faces labor claims. The main demands regarding the labor lawsuits are related to: (i) overtime; (ii) overtime due to partial lunchtime breaks fruition; (iii) hazard pay and exposure to unhealthy agents pay; (iv) illness and work accident compensations; and (v) commuting time. The risk of loss in these cases is generally linked to the facts involved in each case.

Provisions are recorded for a total amount to R\$ 32 million at 31 March 2021 (R\$ 31 million at 31 March 2020).

Environment

The Company is currently litigant in recurrent administrative and judicial proceedings, related to fires in sugarcane plantation areas.

Tax claims

The Company faces tax claims involving mainly: offset and refunds of unratified federal taxes (IRPJ / CSLL / PIS / COFINS); ICMS collection related to the reduction of the tax rate applied to raw crystal type of sugars (VHP and VVHP); ICMS collection related to Tax Assessment (LPD – Daily Entry Book); ICMS collection related to tax reversal in diesel oil operations.

Civil

The Company faces claims of many different natures, mainly referring to traffic accidents; work accidents; fires; contractual disagreements, credit recovery and others.

17. Equity

17.1 Issued capital and share premium

(MILLIONS OF R\$)	Number of shares	Issued Capital
Balance at 31 March 2019	601,128,646	2,640
Capital increase	45,542,071	200
Balance at 31 March 2020	646,670,717	2,840
Balance at 31 March 2021	646,670,717	2,840

17.2 Earnings (loss) per share

The average number of ordinary shares used in the calculation of earnings per share is 646 670 717 shares for the year ended 31 March 2021 against 602 625 920 for the year ended 2020.

For the year 31 March 2021 and 2020, there is no difference between diluted and basic earnings per share.

The earnings (loss) per share for the year 31 March 2021 and 2020, amounted to R\$ (0.0631) and R\$ (0.2014), respectively.

17.3 Dividends proposed and paid

These consolidated financial statements reflect only the mandatory minimum dividend, as requested by Brazilian Corporate Law and the Company's bylaws.

In accordance with the above regulation, shareholders are entitled to receive annual mandatory minimum payment of 25% of the annual individual statutory net income adjusted for the following items: (i) allocation to Legal Reserve; (ii) movements on the Contingencies reserve; (iii) allocation to the tax incentives fund and (iv) realisation of the Unrealised Income Reserve.

Minimum dividend calculation is based on the net result of the Parent Company of the consolidated Group USINA ITAJOBÍ Açúcar e Energia Brasil S.A and distribution is allowed only if reserves in equity are positive. Considering reserves at March 2021 are negative no minimum payment will be proposed to the Shareholder's meeting.

18. Financial assets and liabilities

18.1 Financial assets

At 31 March 2021

(MILLIONS OF R\$)	Notes	Non-consolidated investment	Loans and receivables at amortised cost	Financial assets at fair value through statement of operations	Financial instruments qualified as cash flow hedge	Total
Trade receivables	18.1.1	0	312	0	0	312
Cash and cash equivalent	18.1.2	0	0	1,731	0	1,731
Current fin. assets with related parties	22.2	0	246	0	0	246
Other current financial assets	18.1.3	0	691	0	6	698
Total current financial assets		0	1,249	1,731	6	2,986
Non-consolidated Investment		2	0	0	0	2
Non-current fin. assets with related parties	22.2	0	2	0	0	2
Other non-current financial assets	18.1.3	0	227	0	0	227
Total non-current financial assets		2	228	0	0	231
TOTAL FINANCIAL ASSETS		2	1,477	1,731	7	3,217

At 31 March 2020

(MILLIONS OF R\$)	Notes	Investments at fair value through OCI	Loans and receivables at amortised cost	Financial assets at fair value through statement of operations	Financial instruments qualified as cash flow hedge	Total
Trade receivables	18.1.1	0	361	0	0	361
Cash and cash equivalent	18.1.2	0	0	1,561	0	1,561
Current fin. assets with related parties	22.2	0	206	0	0	206
Other current financial assets	18.1.3	0	135	1	283	418
Total current financial assets		0	702	1,562	283	2,547
Non-consolidated investment		4	0	0	0	4
Non-current fin. assets with related parties	22.2	0	2	0	0	2
Other non-current financial assets	18.1.3	0	273	0	64	337
Total non-current financial assets		4	275	0	64	343
TOTAL FINANCIAL ASSETS		4	977	1,562	347	2,890

18.1.1 Trade receivables

At 31 March 2021 and 31 March 2020, trade receivables were as follows:

(MILLIONS OF R\$)	31 March 2021	31 March 2020
Gross trade receivables	315	371
Allowance	(3)	(10)
TOTAL TRADE RECEIVABLES	312	361

Changes in trade receivables are presented as follows:

(MILLIONS OF R\$)	
At 31 March 2020	361
Change in the period	(41)
Change in write-down of trade receivables in the statement of operations	7
Effect of foreign currency exchange differences	2
Change due to acquisition or divestiture	(29)
Other	12
At 31 March 2021	312

Under the Group's factoring and securitisation programs, R\$ 97 million of trade receivables have been sold as 31 March 2021, of which R\$ 97 million have been deconsolidated in accordance with IFRS 9 (CPC 48). Receivables have been sold without recourse.

(MILLIONS OF R\$)	31 March 2021			31 March 2020		
	Total sold to financial institutions	Portion sold and not derecognised	Portion sold and derecognised	Total sold to financial institutions	Portion sold and not derecognised	Portion sold and derecognised
Maximum authorised amount to be financed	97	0	0	103	0	0
Sold to financial institutions	97	0	97	103	0	103

Past due trade receivables were as follows:

(MILLIONS OF R\$)	31 March 2021	31 March 2020
Trade receivables	315	371
Not overdue	311	358
Overdue	4	13
Overdue from 1 to 30 days	1	3
Overdue from 31 to 60 days	0	1
Overdue from 61 to 90 days	0	0
Overdue from 91 to 180 days	0	1
Overdue from 181 to 360 days	0	0
Overdue more than 360 days	2	9
Allowance	(3)	(10)
TOTAL	312	361

18.1.2 Cash and cash equivalents

Changes in cash and cash equivalents are presented in the consolidated statement of cash flows.

The net cash presented in the consolidated statement of cash flows is as follows:

(MILLIONS OF R\$)	31 March 2021	31 March 2020
Cash and cash equivalents	1,731	1,561
NET CASH	1,731	1,561

At 31 March 2021, cash and cash equivalents can be analysed as follows:

(MILLIONS OF R\$)	31 March 2021	31 March 2020
Certificates of deposit	1,339	861
Money Market funds (SICAV)	386	455
Term accounts or deposits	5	6
Total Cash equivalents	1,730	1,322
Cash	1	239
TOTAL CASH AND CASH EQUIVALENTS	1,731	1,561

18.1.3 Other financial assets

(MILLIONS OF R\$)	Current		Non-current	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Tax receivables	43	109	97	133
Financial assets pledged as collateral	496	9	0	0
Derivatives	6	284	0	64
Paid deposit	0	0	60	61
Advance payments	143	8	3	10
Trade notes and accounts receivable > 1 year	0	0	5	20
Other	9	8	62	49
OTHER FINANCIAL ASSETS	698	418	227	337

Derivative assets are composed of the positive fair value of derivatives. See the details in note 19.2.

The details of financial assets pledged as collateral is broken down as follows:

(MILLIONS OF R\$)	Sugar & Energy Brazil	TOTAL
Initial margin	202	202
Margin variation	294	294
At 31 March 2021	496	496
Initial margin	7	7
Margin variation	2	2
At 31 March 2020	9	9

18.2 Financial liabilities

The various categories of financial liabilities are presented in the tables below:

At 31 March 2021

(MILLIONS OF R\$)	Notes	Financial liabilities at amortised cost	Financial liabilities at fair value through statement of operations	Financial instruments qualified as cash flow hedge	Total
Short-term borrowings	18.2.1	1,094	5	322	1,421
Trade payables		588	0	0	588
Other current financial liabilities	18.2.3	234	0	281	514
Total current financial liabilities		1,916	5	603	2,524
Long-term borrowings	18.2.1	4,010	0	328	4,338
Other non-current financial liabilities	18.2.3	15	0	105	120
Total non-current financial liabilities		4,025	0	432	4,458
TOTAL FINANCIAL LIABILITIES		5,941	5	1,035	6,981

At 31 March 2020

(MILLIONS OF R\$)	Notes	Financial liabilities at amortised cost	Financial liabilities at fair value through statement of operations	Financial instruments qualified as cash flow hedge	Total
Short-term borrowings	18.2.1	1,416	6	342	1,765
Trade payables		488	0	0	488
Other current financial liabilities	18.2.3	295	0	179	473
Total current financial liabilities		2,199	6	521	2,726
Long-term borrowings	18.2.1	3,389	0	446	3,835
Non-current fin. liabilities with related parties	22.2	77	0	0	77
Other non-current financial liabilities	18.2.3	22	0	95	117
Total non-current financial liabilities		3,488	0	541	4,029
TOTAL FINANCIAL LIABILITIES		5,686	6	1,063	6,755

18.2.1 Borrowings

The Group's various credit facilities are presented below:

At 31 March 2021

(MILLIONS OF R\$)			Current	Non-current	Total	Average interest rate	Maximum maturity
INDEX	Currency	Type					
a / CDI	BRL	Working capital and other ST/LT	215	955	1,170	5.6%	10/23/2025
b / LIBOR	USD	Export prepayment and LT Financings	905	1,546	2,451	4.0%	11/15/2032
c / TJLP	BRL	Investment financing (BNDES)	139	642	782	7.6%	8/15/2029
c / TJLP	BRL	Investment financing (FINEP)	0	20	20	7.6%	8/15/2029
d / UMBNDES	USD	Investment financing (BNDES)	24	27	51	6.3%	7/17/2023
e / IPCA	BRL	Certificate of Agribusiness Receivables	23	577	600	5.7%	3/16/2026
e / IPCA	BRL	PCA - BNDES	3	39	42	6.0%	7/15/2033
TOTAL FLOATING			1,308	3,806	5,114	5.2%	
f / Fixed rates	BRL	Investment Financing (Finame)	8	10	18	3.3%	11/18/2024
	BRL	Investment Financing (BNDES - PSI)	8	0	8	7.6%	7/15/2021
	BRL	Investment Financing (PCA)	5	17	21	6.0%	7/15/2023
	BRL	Working Capital (RPL and Custeio)	6	155	161	8.3%	11/30/2022
TOTAL FIXED			26	181	207	5.2%	
TOTAL GROSS DEBT BEFORE AMORTISED COSTS			1,334	3,987	5,321	5.3%	
Amortised cost			(19)	(48)	(67)		
TOTAL GROSS DEBT			1,315	3,939	5,254		
Lease liability			106	399	505		
TOTAL FINANCIAL DEBT			1,421	4,338	5,759		
Cash and cash equivalent					(1,731)		
Total net financial debt					4,028		
Related parties' financial assets					(248)		
Related parties' financial liabilities					0		
Total net financial debt including related-parties					3,780		

At 31 March 2020

(MILLIONS OF R\$)			Current	Non-current	Total	Average interest rate	Maximum maturity
INDEX	Currency	Type					
a / CDI	BRL	Working capital and other ST/LT	327	826	1,153	5.0%	1/15/2025
b / LIBOR	USD	Export prepayment and LT Financings	1,026	1,515	2,540	5.0%	5/15/2031
c / TJLP	BRL	Investment financing (BNDES)	106	651	757	8.4%	5/15/2028
d / UMBNDES	USD	Investment financing (BNDES)	17	37	54	7.6%	7/17/2023
e / IPCA	BRL	Certificate of Agribusiness Receivables	6	233	239	6.1%	10/15/2024
e / IPCA	BRL	PCA - BNDES	0	30	30	6.3%	7/15/2033
TOTAL FLOATING			1,483	3,290	4,773	5.6%	
g/ Fixed rates	BRL	Investment Financing (Finame)	9	18	27	3.4%	11/18/2024
	BRL	Investment Financing (BNDES - PSI)	47	8	54	6.7%	7/15/2021
	BRL	Investment Financing (PCA)	5	19	24	7.5%	7/15/2030
	BRL	Working Capital (RPL and Custeio)	160	160	320	7.8%	7/12/2021
TOTAL FIXED			221	204	425	7.4%	
TOTAL GROSS DEBT BEFORE AMORTISED COSTS			1,704	3,495	5,199	6.7%	
Amortised cost			(13)	(29)	(42)		
TOTAL GROSS DEBT			1,690	3,467	5,157		
Lease liability			74	369	443		
TOTAL FINANCIAL DEBT			1,765	3,835	5,600		
Cash and cash equivalent					(1,561)		
Total net financial debt					4,039		
Related parties' financial assets					(208)		
Related parties' financial liabilities					77		
Total net financial debt including related-parties					3,908		

Financings available in the Group

Group's financings are composed mostly by bank loans and funding through capital markets, through the issuance of Agribusiness Receivables Certificates (CRA). The company benefits from a major BNDES project financing loan, two major export pre-financing loans and several bilateral short-term and medium-term credit lines.

All average rates listed below are weighted by outstanding amounts.

Borrowings on a floating rate basis are based on a variable reference rate (Euribor, Libor USD...) to which a contractual margin is added. The effective interest rate is the sum of both items and changes over time, but an average interest rate on a yearly basis can be calculated as per the above table.

a / CDI-based financings of Brazilian subsidiaries (CDI – Brazilian Overnight Interbank Deposit rate)

At 31 March 2021 the bulk of USINA ITAJOBÍ's CDI based on debt was in the form working capital and structured financings and CRAs. These loans bearing an average interest rate of 5.6%.

During the year, Company made new funding with Brazilian banks (BTG, Safra, Fibra, Banco do Brasil, Itaú) in lines with the CDI rate.

The outstanding amount of CDI based financings was R\$ 1,170 million at 31 March 2021 (R\$ 1,153 million at 31 March 2020).

b / LIBOR-based USD- denominated financings

In order to extend maturities on working capital financings and improve natural hedge of income from exports, the Group structured its Brazilian financing with a significant portion of medium-term export pre-financing contracts at LIBOR plus a margin. These Libor-based financings are denominated in USD. The margin on the USD floating rate loans ranges from 3.3 to 4.80% with an average of 3.90%. Most of these financings are secured by the assignment of future export receivables.

The total outstanding amount of LIBOR-based USD financings was R\$ 2,451 million at 31 March 2021.

Complementing the operations in libor, in March 2021, the company made a new funding with Proparco in the amount of USD 30 million, at a fixed rate of 4,60% + libor 06, with the beginning of the amortization of principal in May 2023 with the final contract due in November 2032.

c / Medium-Term / Long-Term financings based on TJLP (Taxa de juros de longo prazo – long-term state interest rate)

Medium-term/Long-term financings consist of equipment financing facilities from BNDES (based on TJLP + margin + a base rate BNDES between 0.9% and 1.3%). These financings are denominated in BRL for a total amount of R\$ 801 million from BNDES at 31 March 2021 and bearing interest at the long term Brazilian rate ("TJLP"). The margins applied range from 2.9 to 4.6% with an average of 3.6%.

d / UMBNDES

A specific line of BNDES financing is available and negotiated based on a basket of currencies (average of the loans in international currencies of the BNDES - "Cesta de moedas") + a spread + BNDES base rate (1.3%). The outstanding amount was R\$ 50 million at 31 March 2021. Applied margins range from 3.3 to 3.6% with an average of 3.5%.

e / IPCA (Índice Nacional de Preços ao Consumidor Amplo– Special Amplified Consumer Prince Index) based long-term CRA issuing

The outstanding amount of IPCA based financings was R\$ 600 million at 31 March 2021.

f / Fixed rate financings

Fixed rate financings consist of BNDES investment financing (FINEM – Financiamento a Empreendimentos), equipment financing loans in Brazil (FINAME), Working Capital lines (PCA), FINEP (Financiadora de Estudos e Projetos) and medium-term export pre-financing contracts.

Long-term debts at fixed rate in BRL are basically equipment financings (BNDES – Finame) for which the interest rates vary from 2.5 to 6% with an average of 3.5%. Loans are secured by pledge over the equipment financed. The outstanding amount of FINAME is R\$ 18 million and the outstanding of the BNDES financing (FINEM – Financiamento a Empreendimentos) is R\$ 8 million at 31 March 2021.

The outstanding amount of PCA lines (Programa de Construção e Amplicação de Armazéns) - specific financings in BRL through local financial institutions - is R\$ 21 million, bearing an average interest rate of 7.5%.

Average interest rate

The global average interest rate is at 5.3% at 31 March 2021. The global average interest rate was at 6.7% at 31 March 2020.

Foreign currency breakdown

The foreign currency breakdown of the debt at 31 March 2021 is as follows:

Currency	BRL	USD	Total
Millions of R\$ at 31 March 2021	2,820	2,502	5,321

Debt by maturity

The maturity of the debt at 31 March 2021 is as follows:

As at 31 March 2021

(MILLIONS OF RS)	less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	more than 5 years	TOTAL
Maturity of debt before amortised costs	1,334	1,749	802	675	262	499	5,321
Lease liability	106	92	55	41	24	187	505

Reconciliation of changes in financial debt with the cash flow statement

Changes in financial debt are presented as follows:

(MILLIONS OF R\$)	31 March 2021	31 March 2020
Financial debt - Opening	5,600	4,387
Change with effect on cash	(233)	66
Borrowings issues	891	926
Borrowings repayments *	(1,087)	(862)
Change in treasury liabilities	22	0
Borrowings repayments from discontinued operations	(59)	2
Change with no effect on cash	392	1,147
Change in fair value	181	552
Effect of exchange rate on financial debt in foreign currency	(1)	17
Impact of IFRS 16 (CPC 06 (R2))	196	562
Other	17	16
Financial debt - Closing	5,759	5,600

* Of which R\$ (134) million related to IFRS 16 (CPC 06 (R2)), against R\$ (119) million on 31 March 2020.

18.2.2 Covenants

The ratios below relate to covenants of USINA ITAJOBÍ Açúcar e Energia Brasil S.A. and its subsidiaries:

Type at 31 March 2021	Definition	Triggering level
Gearing	Consolidated Net Debt USINA ITAJOBÍ Açúcar e Energia Brasil Group. / Consolidated Equity USINA ITAJOBÍ Açúcar e Energia Brasil Group	Max. 1.25
Interest coverage	Consolidated Adjusted EBITDA USINA ITAJOBÍ Açúcar e Energia Brasil Group / Consolidated Net Financial Expenses USINA ITAJOBÍ Açúcar e Energia Brasil Group	Min. 2.0
Liquidity	Consolidated Current Assets USINA ITAJOBÍ Açúcar e Energia Brasil Group / Consolidated Current Liabilities USINA ITAJOBÍ Açúcar e Energia Brasil Group	Min. 1.0

The Group complies with all of its financial covenants on the issue date of issuing the financial statements with the exception of the covenant “Consolidated net debt USINA ITAJOBÍ Açúcar e Energia Brasil Group/Consolidated Equity USINA ITAJOBÍ Açúcar e Energia Brasil Group”. The Group obtained a waiver from its banks before the reporting date for all the credit lines concerned (R\$ 2,280 million).

18.2.3 Other financial liabilities

(MILLIONS OF R\$)	Current		Non-current	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Financial liabilities pledged as collateral	3	56	0	0
Taxes payables	40	45	1	1
Received deposit	42	51	0	0
Staff and social security payables	97	84	0	0
Derivatives	281	179	105	95
Other	51	58	15	21
OTHER FINANCIAL LIABILITIES	514	473	120	117

19. Fair value

The fair values of financial assets and liabilities are the same as their carrying amounts, except for borrowings for which the fair value at 31 March 2021 is presented in the table below.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate fair value:

Since cash and cash equivalents, trade receivables and payables and other short-term borrowings mature in the near term, their fair value approximates their carrying amount.

The fair value of fixed- and variable-rate long-term borrowings is based on the estimated present value of the associated future cash flows (principal and interest repayments). A discount rate is calculated for each type of loan, determined by comparison with the interest rate used for similar transactions carried out during the previous period.

The fair value of available-for-sale securities (financial assets) is based on quoted prices in an active market, where available. Investments in equity instruments for which there are no quoted prices in an active market and whose fair value cannot be reliably measured are carried at cost, less any impairment losses, generally calculated in relation to the proportion of equity held.

The Group contracts derivative instruments with counterparties and financial institutions with investment grade ratings. Derivatives are measured using valuation techniques based on observable market inputs. The instruments concerned are mainly interest rate swaps, forward rate agreements, and commodity options and futures. The most frequently applied valuation techniques include forward pricing and swap models, which use present value calculations.

The Group measures biological assets at fair value less costs of sale, if any.

The Group uses the following hierarchy for determining and disclosing the fair value of financial assets and liabilities and biological assets:

- Level 1: unadjusted quoted prices in an active market for identical assets or liabilities.
- Level 2: other techniques for which all inputs with a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: techniques which use inputs with a significant effect on the recorded fair value that are not based on observable market data.

At 31 March 2021 the Group held the following items:

(MILLIONS OF R\$)	Note	Level 1	Level 2	Level 3	Total
Financial assets at fair value		5	2	0	7
Foreign exchange derivatives (OTC)	20.1.2				
Forwards		0	2	0	2
Commodity derivatives	20.1.3				
Futures (listed)		5	0	0	5
Non-consolidated Investments		0	0	2	2
Cash and cash equivalents		1,731	0	0	1,731
Biological assets		0	0	524	524
Financial liabilities at fair value		(228)	(5,456)	0	(5,684)
Financial debt		0	(4,649)	0	(4,649)
Interest rate derivatives (OTC)	20.1.1				
Swaps		0	(20)	0	(20)
Foreign exchange derivatives (OTC)	20.1.2				
Forwards		0	(137)	0	(137)
USD borrowings qualified as CFH		0	(650)	0	(650)
Commodities derivatives	20.1.3				
Futures (listed)		(228)	0	0	(228)
Total fin. assets and liabilities at fair value on a recurring basis		1,508	(805)	0	703
Total fin. assets and liabilities at fair value on a non-recurring basis		0	(4,649)	526	(4,123)
TOTAL FIN. ASSETS AND LIABILITIES AT FAIR VALUE		1,508	(5,454)	526	(3,420)

The methodology adopted by the Group to determine the fair value of assets and liabilities that belong to the level 2 of the fair value hierarchy is as follows:

- Loans, borrowings and interest rate derivatives are valued using the discounted future cash flows method. This method uses interest rates and interest rate curves directly observable on the market at valuation date;
- Foreign exchange derivatives (forwards) are valued on the basis of a recalculation, at valuation date, of the forward exchange rate at maturity of the contract. This recalculation uses exchange rates and interest rate curves directly observable on the market at the valuation date;
- Any interest rate option, foreign exchange option or commodity option is valued using the Black & Scholes model. This model uses the implied volatility of the underlying asset at valuation date;
- Counterparty risk is measured using the CDS quoted on the market at valuation date or, failing that, using the data available on the secondary market (credit spread of listed securities).

19.1 Change in levels and focus on level 3

The methodology adopted by the Group to determine the fair value of level 3 biological assets is described in note9.

The change in fair value of biological assets can be analysed as follows:

(MILLIONS OF R\$)	Level 3 Biological assets
Fair value at 31 March 2020	474
Gain (loss) in the statement of operations (**)	69 *
Change in scope	(19)
Fair value at 31 March 2021	524

* Corresponds to the increase in tilling costs, the change due to harvest and the change in fair value

19.2 Derivatives

Breakdown by type of derivative:

At 31 March 2021		Fair value			
(MILLIONS OF R\$)		Notional Amount	Assets	Liabilities	Net
Interest rate vanilla swaps	Fair Value Hedge	155	0	(4)	(4)
Interest rate vanilla swaps	Cash-Flow Hedge	510	0	(16)	(16)
FX forward contracts	Cash-Flow Hedge	1,369	2	(137)	(135)
Commodities futures	Cash-Flow Hedge	403	5	(228)	(223)
USD Borrowings qualified as CFH	Cash-Flow Hedge	1,980	0	(650)	(650)
TOTAL		4,417	7	(1,035)	(1,028)

At 31 March 2020		Fair value			
(MILLIONS OF R\$)		Notional Amount	Assets	Liabilities	Net
Interest rate vanilla swaps	Cash-Flow Hedge	1,310	6	(29)	(23)
FX forward contracts	Cash-Flow Hedge	1,376	0	(243)	(243)
Commodities futures	Cash-Flow Hedge	2,204	342	(2)	340
USD Borrowings qualified as CFH	Cash-Flow Hedge	2,246	0	(789)	(789)
TOTAL		7,135	348	(1,063)	(715)

Derivatives impacts are presented as follows:

		At 31 March 2021		
Change through Comprehensive Income or through statement of operations	Category	Income / (expenses)		OCI
		Fair value*	OCI recycling	
Interest rate derivatives	Fair Value Hedge	(4)		
	Cash-Flow Hedge	(6)	(11)	13
Foreign exchange derivatives	Cash-Flow Hedge	0	(248)	108
	USD loan qualified as cash flow hedge	0	(322)	139
Commodity derivatives	Trading	(1)	0	0
	Cash-Flow Hedge	0	105	(599)
Total		(11)	(477)	(339)
Effect of deferred taxes on OCI				115
Total OCI net of taxes				(224)
Of which OCI recycled into net revenue			(466)	466
Of which OCI recycled into financial result			(11)	11

20. Risk management

In the context of its operating and financing activities, the Group is exposed to the following financial risks:

- market risks: interest rate risk, foreign exchange risk, commodities risk and energy risk;
- liquidity risks.

20.1 Market risk management

The Group manages its financial risks centrally or at the level of each subsidiary, depending on the type of transaction. Market risks are managed through the use of derivative instruments in accordance with Group procedures.

The table below presents the risks borne by the Group on financial instruments:

(MILLIONS OF R\$)	Fair Value	Level 1	Level 2	Level 3
Interest rate derivatives (OTC)	(20)		100%	
Foreign exchange derivatives (OTC)	(785)		100%	
Commodity derivatives	(223)	100%		
Total at 31 March 2021	(1,028)			

20.1.1 Interest rate risk management

The Group's exposure to interest rate risk is generated primarily by its borrowings at floating rates which impact future financial results.

When the Group's wants to minimise the exposure of its subsidiaries to the risk of an increase in interest rates, the Group uses derivative instruments in the form of vanilla swaps. The interest rate hedging policy is defined centrally at Group level. Transactions are negotiated locally, and approved locally and centrally, according to Group procedures.

The notional amounts and fair values of interest rate derivatives by maturity breakdown are as follows:

(MILLIONS OF R\$)	Notional				
At 31 March 2021	less than 1 year	1 to 5 years	more than 5 years	TOTAL	Fair value
Vanilla swaps	198	467	0	665	(20)
in cash-flow hedge	198	312	0	510	(16)
at fair value through profit or loss	0	155	0	155	(4)
Structured	0	0	0	0	0
TOTAL INTEREST RATE	198	467	0	665	(20)
of which CDI based derivatives	0	155	0	155	(4)
of which Libor 6M based derivatives	27	27	0	54	(1)
of which Libor 3M based derivatives	171	285	0	456	(15)

4% of the Group's borrowings was fixed rate debt at 31 March 2021, 96% was on floating rate debt.

25% of the Group's debt was short-term debt and 75% was medium-and long-term at 31 March 2021.

Sensitivity of the statement of operations and other comprehensive income

The sensitivity analysis applies movements in interest rates and determines for various scenarios the impact of changes in interest rates on the statement of operations and other comprehensive income. The table below summarises financial exposures to changes in interest rates.

(MILLIONS OF R\$)		Impacts in a probable scenario		Impacts in a possible scenario		Impacts in a stress scenario	
At 31 March 2021	Notional	+10%	-10%	+25%	-25%	+50%	-50%
Borrowings at floating rate not hedged	4,604	30	76	152	(31)	(77)	(152)
Interest rate derivatives	665	(1)	1	(3)	3	(5)	6
Fair value hedge (Statement of Operations impact)	155	(1)	1	(3)	3	(6)	6
Cash-flow hedge (Other comprehensive income impact)	510	0	(0)	0	(0)	1	(1)
Total	5,269	29	77	150	(28)	(82)	(147)
of which impact on Statement of operations		29	77	149	(28)	(83)	(146)
of which impact on other comprehensive income		0	(0)	0	(0)	1	(1)

A variation of +/- 10% has been applied to all floating interest rates, which is considered as reasonable based on observable market conditions. All other variables of the underlying amounts were held constant.

Underlying amounts contain unhedged borrowings at floating rates and the fair value of interest rate derivatives.

These changes would impact the statement of operations, except for the fair value of interest rate derivatives qualified as cash flow hedges, changes in which would impact other comprehensive income.

20.1.2 Foreign exchange risk management

To hedge exposures to foreign exchange risk, the Group uses derivative instruments, primarily outright forward contracts maturing in less than 12 months and USD borrowings to cover fluctuations in foreign exchange changes rates on sugar sales. These instruments are qualified as cash flow hedges.

The notional amounts and fair values of foreign exchange derivatives by maturity breakdown as follows:

(MILLIONS OF R\$)		Notional			TOTAL	Fair value
At 31 March 2021		less than 1 year	1 to 5 years	more than 5 years		
Forwards / NDF		1,041	328	0	1,369	(135)
in cash-flow hedge		1,041	328	0	1,369	(135)
USD Borrowings qualified as CFH		849	1,132	0	1,980	(650)
TOTAL FOREX		1,889	1,460	0	3,349	(785)
of which USD / BRL derivatives		1,889	1,460	0	3,349	(785)

Sensitivity of the statement of operations and other comprehensive income

The sensitivity analysis considers for various scenarios the impacts of a change in underlying foreign exchange rates on the statement of operations and other comprehensive income.

(MILLIONS OF R\$)		Impacts in a probable scenario		Impacts in a possible scenario		Impacts in a stress scenario	
At 31 March 2021	Notional	+10%	-10%	+25%	-25%	+50%	-50%
Assets and Liabilities	874	87	(87)	219	(219)	437	(437)
Net of financial assets and liabilities (P&L impact)	874	87	(87)	219	(219)	437	(437)
Receivables in Foreign Currency (Assets)	0	0	0	0	0	0	0
Payables in Foreign Currency (Liabilities)	0	0	0	0	0	0	0
FX Derivatives (including USD borrowings qualified in CFH)	3,349	(265)	263	(694)	692	(1,322)	1,319
Trading (Statement of operations impact)	0	0	0	0	0	0	0
Cash-flow hedge (Other comprehensive income impact)	3,349	(265)	263	(694)	692	(1,322)	1,319
Commodities Derivatives	403	201	(295)	573	(667)	1,194	1,287
Trading (Statement of operations impact)	0	0	0	0	0	0	0
Cash-flow hedge (Other comprehensive income impact)	403	201	(295)	573	(667)	1,194	1,287
Interest Rate Derivatives	665	(1)	1	(3)	3	(5)	6
FVH (Statement of operations impact)	155	(1)	1	(3)	3	(6)	6
Cash-flow hedge (Other comprehensive income impact)	510	0	(0)	0	(0)	1	(1)
Total	5,291	22	(118)	95	(191)	304	2,175
of which impact on Statement of operations		86	(86)	215	(215)	431	(431)
of which impact on other comprehensive income		(64)	(32)	(121)	25	(127)	2,606

All foreign currency denominated items were included in the analysis, as well as the impact on the fair value of commodities derivatives which are denominated in USD (typically sugar).

The above table shows the sensitivity of the Group's statement of operations and other comprehensive income to changes in the underlying currency pairs (EUR/USD, EUR/GBP, USD/BRL).

The sensitivity analysis was prepared considering a +/- 10% change to be reasonable, based on general market observations. All other variables were held constant.

The different scenarios would impact the statement of operations, except for derivatives accounted for as cash flow hedges whose impacts would be recorded in other comprehensive income.

20.1.3 Commodities risk management

To hedge its commodities prices risk, several Group entities, depending on their activities, may buy and sell commodities future/forward contracts. The commodities negotiated are mainly: raw and white sugar for USINA ITAJOBÍ Açúcar e Energia Brasil S.A. representing their final products. Most derivatives are qualified as cash flow hedge instruments.

Commodities and finished products transactions are performed at the subsidiary level and reviewed by the Market Risk Committees at USINA ITAJOBÍ Açúcar e Energia Brasil.

The notional amounts of the commodities derivatives by maturity are as follows:

(MILLIONS OF R\$)		Notional			TOTAL	Fair value
At 31 March 2021		less than 1 year	1 to 5 years	more than 5 years		
Futures		403	0	0	403	(223)
in cash-flow hedge		403	0	0	403	(223)
at fair value through profit or loss		0	0	0	0	0
TOTAL COMMODITIES		403	0	0	403	(223)
of which cereal derivatives		0	0	0	0	0
of which sugar derivatives		403	0	0	403	(223)
of which ethanol derivatives		0	0	0	0	0

Sensitivity of the statement of operations and other comprehensive income

(MILLIONS OF R\$)		Impacts in a probable scenario		Impacts in a possible scenario		Impacts in a stress scenario	
At 31 March 2021	Notional	+10%	-10%	+25%	-25%	+50%	-50%
Sugar derivatives	403	201	(295)	573	(667)	1,194	(1,287)
Cash-flow hedge (Other comprehensive income impact)	403	201	(295)	573	(667)	1,194	(1,287)
Total	403	201	(295)	573	(667)	1,194	(1,287)
of which impact on Statement of operations		0	0	0	0	0	0
of which impact on other comprehensive income		201	(295)	573	(667)	1,194	(1,287)

The impacts of the different scenarios are disclosed as impacting the statement of operations except those on commodities derivatives accounted for as cash-flow hedge which impacts would be through other comprehensive income.

20.2 Liquidity risk management

The Group finances itself predominantly by short-, medium and long-term bank loans as described above.

Liquidity management and financing of the Group are performed by the Group Treasury Department, supporting by the operating subsidiaries.

The main principles of the Group's policy in terms of liquidity risk management rely mostly on the diversification of the financing instruments in terms of type, tenor and source of funding and access to the longest maturities available on the market.

As such the Group finances itself with USD funding from the bank market, on the local "bond" market (Certificados de Recebíveis do Agronegócio), and when possible, also uses BNDES / Fname programs which give access to long maturities in R\$.

The Group's debt amortisation profile is mainly tied to the maturities of the USD syndicated loans and BNDES loans.

The Group's indebtedness is subject to fluctuations due to the seasonal nature of its businesses, which may generate cash surplus for short periods. The Group's policy is to make investments only in bank deposits or in liquid money market funds.

The undiscounted contractual cash outflows (interest, amortisations and final maturities) on the outstanding amount of the financial liabilities and derivatives by maturity date were as follows:

(MILLIONS OF R\$)

At 31 March 2021	less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	more than 5 years	TOTAL
Principal	1,334	1,749	802	675	262	499	5,321
Fixed interest payment commitments	125	106	59	31	20	44	385
Floating interest payment commitments	56	47	28	20	12	13	176
Total debts before amortised costs	1,515	1,902	890	726	295	556	5,883
Net flows on swap	(4)	(16)	0	0	0	0	(20)
Total derivatives	(4)	(16)	0	0	0	0	(20)
Total interest payment commitments including derivatives	176	137	87	51	33	57	541

At 31 March 2020	less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	more than 5 years	TOTAL
Principal	1,701	1,461	753	474	386	424	5,199
Fixed interest payment commitments	127	93	42	23	17	33	335
Floating interest payment commitments	108	87	51	34	24	29	333
Total debts before amortised costs	1,936	1,641	846	531	426	487	5,866
Net flows on swap	(9)	(10)	(4)	0	0	0	(23)
Total derivatives	(9)	(10)	(4)	0	0	0	(23)
Total interest payment commitments including derivatives	226	170	88	58	40	63	645

21. Unrecognised contractual commitments

Commitments given

(MILLIONS OF R\$)	31 March 2021	31 March 2020
Purchases of sugarcane	3,748	2,469
Assets covered by commitments	37	37
Guarantees given to third parties	12	0

Purchases of sugarcane

USINA ITAJOBÍ Açúcar e Energia Brasil entered into contracts for the purchase of sugarcane produced in third parties' rural properties, amounting to approximately 5.4 million tonnes per crop to be delivered between 2021 and 2026. As of 31 March 2021 the annual commitment is estimated at R\$ 3,748 million, based on the average price until that date of R\$ 114.49 per tonne of sugarcane purchased.

Assets covered by commitments

The Group pledged properties and vehicles in the amount of R\$ 37 million as collateral for tax claims.

22. Related parties

22.1 Operating transactions with related parties

Transactions have been carried out with the following entities:

(MILLIONS OF R\$)	Sales		Purchases	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Entities controlling the Group	0	0	1	1
a/ USINA ITAJOBÍ Internacional	0	0	1	1
Entities controlled by USINA ITAJOBÍ Group	1,934	839	91	75
a/ USINA ITAJOBÍ Participations	1	2	91	75
a/ USINA ITAJOBÍ Amido e Adoçantes Brasil	4	1	0	0
a/ USINA ITAJOBÍ Commodities France (ex TBE) b/ USINA ITAJOBÍ	42	19	0	0
	1,887	817	0	0

(MILLIONS OF R\$)	Receivables		Payables	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Entities controlling the Group	0	0	3	2
a/ USINA ITAJOBÍ Internacional	0	0	3	2
Entities controlled by USINA ITAJOBÍ Group	29	76	14	30
a/ USINA ITAJOBÍ Participations	1	6	12	29
a/ USINA ITAJOBÍ Amido e Adoçantes Brasil	4	3	0	0
a/ USINA ITAJOBÍ Starch & Sweeteners Europe b/ USINA ITAJOBÍ Commodities Suisse	0	0	0	0
	21	67	2	0
a/ Companhia de Sena	1	0	0	0
a/ USINA ITAJOBÍ Commodities France (ex TBE)	1	0	0	0

a/ An intra-group service agreement was entered into on April 1st, 2016 by and between USINA ITAJOBÍ Participations as service provider, and the Company and its subsidiaries. The agreement sets forth the terms and conditions under which USINA ITAJOBÍ Participations will provide to the beneficiaries certain services, in particular in IT, administrative, strategy, insurance, financing and treasury, accounting and consolidation, communication, business development, legal and tax areas. In consideration for the provision of such services, USINA ITAJOBÍ Participations will receive compensation equal to the direct and/or indirect costs incurred by USINA ITAJOBÍ Participations in connection with the provision of such services, plus a 9% margin.

b/ Some operational activities (sugar sales out of the Brazilian market) of USINA ITAJOBÍ Açúcar e Energia Brasil Group are performed with USINA ITAJOBÍ Commodities Suisse (a subsidiary of USINA ITAJOBÍ Cooperation) at market conditions.

22.2 Financing transactions with related parties

The main financing transactions were carried out with the following entities:

(MILLIONS OF R\$)	Financial assets		Financial liabilities	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Entities controlling the Group	246	206	0	53
a/ USINA ITAJOBÍ Internacional	246	206	0	53
Associates	1	1	0	0
b/ Sao Jose Agricultura	1	1	0	0
Other entities	0	1	0	24

No material amounts of interest were received or paid to related parties for the years ended 31 March 2021 and 2020.

The financial assets and liabilities of related parties are classified in the statement of financial position as follows:

(MILLIONS OF R\$)	31 March 2021	31 March 2020
Current financial assets with related parties	246	206
Current financial liabilities with related parties	0	(0)
Non-current financial assets with related parties	2	2
Non-current financial liabilities with related parties	0	(77)
TOTAL NET RELATED PARTY FINANCIAL ASSETS (LIABILITIES)	248	131

23. Subsequent events

None.

24. Scope of consolidation

		31 March 2021		31 March 2020	
Company name		% of interest	Consolidation Method	% of interest	Consolidation Method
USINA ITAJOBÍ Açúcar e Energia Brasil		Parent company		Parent company	
USINA ITAJOBÍ Açúcar e Energia Cruz Alta S.A.	Brazil	100.00	Controlled entity	100.00	Controlled entity
USINA ITAJOBÍ Commodities Brasil S.A.	Brazil	81.00	Controlled entity	81.00	Controlled entity
Usina Vertente Ltda.	Brazil	50.00	Controlled entity	50.00	Controlled entity
Sena Holding Limited	Mauritius	-	Not consolidated	99.09	Controlled entity
Societe Marromeu Limited	Mauritius	-	Not consolidated	75.00	Controlled entity
USINA ITAJOBÍ Sena Limited	Mauritius	-	Not consolidated	100.00	Controlled entity
Compania de Sena	Mozambique	-	Not consolidated	94.15	Controlled entity
Sena Lines	Mozambique	-	Not consolidated	94.20	Controlled entity
Centro de Tecnologia Canavieira S.A.	Brazil	4.42	Associates / Equity method	4.42	Associates / Equity method
Sao Jose Agricultura Ltda.	Brazil	32.00	Associates / Equity method	32.00	Associates / Equity method
Terminal Portuário de Paranaguá S.A.	Brazil	35.00	Associates / Equity method	35.00	Associates / Equity method