

# Raízen Combustíveis S.A.

Interim financial information  
as at June 30, 2020.

(A free translation of the original report in Portuguese, containing condensed, individual and consolidated interim financial information prepared in accordance with CPC 21 (R1) – Interim Financial Reporting and IAS 34 – Interim Financial Reporting, issued by International Accounting Standards Board (IASB))

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## **Independent auditor's review report on condensed interim financial information**

The Board of Directors, Shareholders and Officers

**Raízen Combustíveis S.A.**

### **Introduction**

We have reviewed the individual and consolidated statement of financial position of Raízen Combustíveis S.A. (the "Company") as at June 30, 2020, and the individual and consolidated condensed statements of income, of comprehensive income, of changes in equity and of cash flows for the three-month period then ended, and notes to the interim financial information.

Management is responsible for the preparation of the individual and consolidated condensed interim financial information in accordance with NBC TG 21 – Interim Financial Reporting and international standard IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB). Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

### **Scope of review**

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

### **Conclusion on the individual and consolidated condensed interim financial information**

Based on our review, nothing has come to our attention that causes us to believe that the individual and consolidated condensed interim financial information referred to above is not prepared, in all material respects, in accordance with NBC TG 21 and IAS 34.



## **Other matters**

### **Condensed financial statements and interim financial information of prior periods examined and reviewed by another independent auditor**

The audit of the individual and consolidated financial statements as at March 31, 2020 and the review of the individual and consolidated condensed interim financial information for the quarter ended June 30, 2019, presented for comparison purposes, were performed under the responsibility of other independent auditor, who issued unmodified audit and review reports dated June 5, 2020 and August 12, 2019, respectively.

São Paulo, August 10, 2020.

ERNST & YOUNG  
Auditores Independentes S.S.  
CRC-2SP034519/O-6

Original report in Portuguese signed by  
Uilian Dias Castro de Oliveira  
Accountant CRC-1SP223185/O-3

## RAÍZEN COMBUSTÍVEIS S.A.

### Statements of financial position

June 30 and March 31, 2020

In thousands of Reais – R\$

	Note	Individual		Consolidated	
		06.30.2020	03.31.2020	06.30.2020	03.31.2020
Assets					
Current assets					
Cash and cash equivalents	3	495,547	635,968	1,238,826	2,167,058
Restricted cash	4	378,299	30,884	378,299	30,884
Derivative financial instruments	24	420,366	709,719	443,418	1,208,585
Trade accounts receivable	5	1,206,319	1,128,345	1,775,466	1,783,961
Inventories	6	1,831,554	1,642,697	3,768,341	4,125,088
Recoverable income and social contribution taxes	16.b	187,769	166,769	362,866	583,191
Recoverable taxes	7	966,587	847,493	1,952,745	1,881,363
Dividends receivable		43,165	43,165	4,130	4,130
Related parties	8	808,610	532,874	940,489	898,192
Assets from contracts with customers	9	385,866	391,090	471,964	475,305
Other receivables		33,291	35,057	251,556	237,347
		<u>6,757,373</u>	<u>6,164,061</u>	<u>11,588,100</u>	<u>13,395,104</u>
Noncurrent assets					
Trade accounts receivable	5	280,677	249,804	380,165	346,996
Derivative financial instruments	24	3,004,251	2,513,295	3,004,251	2,513,295
Recoverable Taxes	7	380,336	340,986	711,525	664,224
Related parties	8	903,924	883,064	903,472	882,207
Recoverable Income and social contribution taxes	16.b	-	-	27,870	52,070
Deferred income and social contribution taxes	16.d	-	-	164,313	136,672
Judicial deposits	17	55,908	54,759	68,927	68,049
Assets from contracts with customers	9	1,840,846	1,770,211	2,164,090	2,091,860
Other receivables		57,772	51,899	107,886	113,131
Investments	10	5,987,676	6,086,249	739,546	739,008
Property, plant and equipment (PPE)	11	1,522,248	1,514,757	6,498,300	6,322,518
Intangible assets	12	636,993	648,105	1,129,341	1,145,267
Right of use	14.a	191,211	200,170	666,214	709,066
		<u>14,861,842</u>	<u>14,313,299</u>	<u>16,565,900</u>	<u>15,784,363</u>
Total assets		<u>21,619,215</u>	<u>20,477,360</u>	<u>28,154,000</u>	<u>29,179,467</u>

See accompanying notes.

# RAÍZEN COMBUSTÍVEIS S.A.

## Statements of financial position

June 30 and March 31, 2020

In thousands of Reais – R\$

	Note	Individual		Consolidated	
		06.30.2020	03.31.2020	06.30.2020	03.31.2020
Liabilities and equity					
Current liabilities					
Trade accounts payable	13	3,269,515	2,480,322	4,072,246	4,116,180
Lease liabilities	14.b	43,406	40,933	257,276	259,690
Loans and financing	15	1,384,842	1,204,829	1,849,334	1,736,408
Related parties	8	876,256	1,207,369	2,864,452	4,173,506
Derivative financial instruments	24	360,644	139,245	368,572	202,222
Payroll and related charges payable		129,314	105,637	210,075	181,125
Income and social contribution taxes payable	16.c	-	-	68,220	175,705
Taxes payable		74,128	105,082	274,342	279,073
Dividends and interest on equity payable	19.b	729	63,258	10,497	73,026
Prepaid revenues		37,896	41,159	37,896	41,159
Bonus payable		51,116	52,811	64,142	65,755
Other obligations		174,327	319,003	476,143	677,054
		<u>6,402,173</u>	<u>5,759,648</u>	<u>10,553,195</u>	<u>11,980,903</u>
Noncurrent liabilities					
Lease liabilities	14.b	57,890	64,408	372,805	414,396
Loans and financing	15	6,330,494	5,944,866	7,151,894	6,724,671
Related parties	8	3,417,581	3,211,701	3,329,720	3,122,112
Derivative financial instruments	24	375	-	375	-
Taxes payable		-	-	6,983	7,108
Provision for contingencies	17	953,398	928,361	1,022,091	1,046,828
Deferred income and social contribution taxes	16.d	448,634	501,227	1,275,251	1,395,408
Prepaid revenues		39,833	46,860	39,833	46,860
Dividends and interest on equity payable	19.b	93,979	-	93,979	-
Bonus payable		160,108	106,991	192,892	134,419
Other obligations		21,000	18,768	162,546	153,208
		<u>11,523,292</u>	<u>10,823,182</u>	<u>13,648,369</u>	<u>13,045,010</u>
Total liabilities		<u>17,925,465</u>	<u>16,582,830</u>	<u>24,201,564</u>	<u>25,025,913</u>
Equity					
Attributable to controlling interests					
Capital		1,921,843	1,921,843	1,921,843	1,921,843
Capital reserves		510,941	510,941	510,941	510,941
Equity adjustments		883,607	714,536	883,607	714,536
Income reserves		747,210	747,210	747,210	747,210
Accumulated losses		(369,851)	-	(369,851)	-
		<u>3,693,750</u>	<u>3,894,530</u>	<u>3,693,750</u>	<u>3,894,530</u>
Noncontrolling interests		-	-	258,686	259,024
Total equity		<u>3,693,750</u>	<u>3,894,530</u>	<u>3,952,436</u>	<u>4,153,554</u>
Total liabilities and equity		<u>21,619,215</u>	<u>20,477,360</u>	<u>28,154,000</u>	<u>29,179,467</u>

See accompanying notes.

# RAÍZEN COMBUSTÍVEIS S.A.

## Statements of profit or loss Three-month periods ended June 30, 2020 and 2019 In thousands of Reais – R\$

	Note	Individual		Consolidated	
		Apr-Jun/20	Apr-Jun/19	Apr-Jun/20	Apr-Jun/19
Net operating revenue	20	11,827,893	18,879,211	15,558,332	25,127,042
Cost of sales and services	21	(11,548,972)	(18,225,901)	(15,421,526)	(24,012,890)
Gross profit		278,921	653,310	136,806	1,114,152
Operating income (expenses)					
Selling	21	(249,675)	(294,721)	(491,208)	(551,988)
General and administrative	21	(95,139)	(105,817)	(146,398)	(152,559)
Other operating income, net	22	26,122	116,141	77,522	176,092
Equity pickup	10	(283,784)	107,620	519	-
		(602,476)	(176,777)	(559,565)	(528,455)
(Loss) income before finance income (costs) and income and social contribution taxes		(323,555)	476,533	(422,759)	585,697
Finance income (costs)	23				
Finance expenses		(95,411)	(290,887)	(143,747)	(309,985)
Finance revenues		30,461	62,751	49,698	97,064
Foreign exchange differences, net		(489,410)	111,550	(606,743)	148,751
Net effect of derivatives		495,139	(21,123)	639,838	(90,035)
		(59,221)	(137,709)	(60,954)	(154,205)
(Loss) income before income and social contribution taxes		(382,776)	338,824	(483,713)	431,492
Income and social contribution taxes	16.a				
Current		(2,302)	(98,477)	(26,651)	(245,870)
Deferred		52,227	36,337	177,174	105,419
		49,925	(62,140)	150,523	(140,451)
Net (loss) income for the period		(332,851)	276,684	(333,190)	291,041
Attributable to:					
Controlling interests		(332,851)	276,684	(332,851)	276,684
Noncontrolling interests		-	-	(339)	14,357
		(332,851)	276,684	(333,190)	291,041
Net (loss) earnings per share (basic and diluted for common shares)	19.d			(0.20)	0.17

See accompanying notes.

# RAÍZEN COMBUSTÍVEIS S.A.

## Statements of comprehensive income Three-month periods ended June 30, 2020 and 2019 In thousands of Reais – R\$

	<u>Individual</u>		<u>Consolidated</u>	
	<u>Apr-Jun/20</u>	<u>Apr-Jun/19</u>	<u>Apr-Jun/20</u>	<u>Apr-Jun/19</u>
Net (loss) income for the period	(332,851)	276,684	(333,190)	291,041
Comprehensive income (loss)				
Items that are or may be reclassified to income statement				
Gains (losses) on financial instruments designated as hedge accounting (Note 24.e)	(16,504)	(11,428)	(16,504)	(11,428)
Gain on hedge of net investment in a foreign operation	-	3,098	-	3,098
Deferred taxes on hedge (Note 16.k)	5,611	2,834	5,611	2,834
Foreign currency translation effects	179,964	(52,128)	179,964	(52,128)
Other components of comprehensive income (loss) for the period	169,071	(57,624)	169,071	(57,624)
Total comprehensive income (loss) for the period	<u>(163,780)</u>	<u>219,060</u>	<u>(164,119)</u>	<u>233,417</u>
Attributable to:				
Controlling interests	(163,780)	219,060	(163,780)	219,060
Noncontrolling interests	-	-	(339)	14,357
	<u>(163,780)</u>	<u>219,060</u>	<u>(164,119)</u>	<u>233,417</u>

See accompanying notes.



# RAÍZEN COMBUSTÍVEIS S.A.

## Statements of changes in equity Three-month period ended June 30, 2020 In thousands of Reais – R\$

	Attributable to controlling interests									Noncontrolling interests	Total equity
	Capital reserves			Income reserves			Total	Total equity			
	Capital	Capital reserve	Special Law 8200/91	Equity adjustments	Legal	Retained profits			Accumulated losses		
At March 31, 2020	1,921,843	510,847	94	714,536	197,097	550,113	-	3,894,530	259,024	4,153,554	
Comprehensive income (loss) for the period											
Loss for the period	-	-	-	-	-	-	(332,851)	(332,851)	(339)	(333,190)	
Net loss on financial instruments designated as hedge accounting	-	-	-	(10,893)	-	-	-	(10,893)	-	(10,893)	
Foreign currency translation effects	-	-	-	179,964	-	-	-	179,964	-	179,964	
Total comprehensive income (loss) for the period	-	-	-	169,071	-	-	(332,851)	(163,780)	(339)	(164,119)	
Distributions to shareholders, net											
Dividends and interest on equity ("IOE") (Note 19.b)	-	-	-	-	-	-	(37,000)	(37,000)	-	(37,000)	
Total distributions to shareholders, net	-	-	-	-	-	-	(37,000)	(37,000)	-	(37,000)	
At June 30, 2020	1,921,843	510,847	94	883,607	197,097	550,113	(369,851)	3,693,750	258,685	3,952,435	

See accompanying notes.

# RAÍZEN COMBUSTÍVEIS S.A.

## Statements of changes in equity Three-month period ended June 30, 2020 In thousands of Reais – R\$

	Attributable to controlling interests										
	Capital reserves				Income reserves				Total	Noncontrolling interests	Total equity
	Capital	Capital reserve	Special Law 8200/91	Equity adjustments	Legal	Tax incentive reserve	Retained profits	Retained earnings			
At March 31, 2019	1,921,843	519,572	94	(136,311)	197,097	41,568	279,624	-	2,823,487	240,865	3,064,352
Comprehensive income (loss) for the period											
Net income for the period	-	-	-	-	-	-	-	276,684	276,684	14,357	291,041
Net (loss) on financial instruments designated as hedge accounting	-	-	-	(7,541)	-	-	-	-	(7,541)	-	(7,541)
Net gain on financial instruments in net investments in a foreign operation	-	-	-	2,045	-	-	-	-	2,045	-	2,045
Foreign currency translation effects	-	-	-	(52,128)	-	-	-	-	(52,128)	-	(52,128)
Total comprehensive income (loss) for the period	-	-	-	(57,624)	-	-	-	276,684	219,060	14,357	233,417
Distributions to shareholders, net											
Dividends and IOE	-	-	-	-	-	(41,568)	(279,624)	(40,000)	(361,192)	-	(361,192)
Taxation on transactions between shareholders	-	-	-	-	-	-	-	(7,334)	(7,334)	-	(7,334)
Total distributions to shareholders, net	-	-	-	-	-	(41,568)	(279,624)	(47,334)	(368,526)	-	(368,526)
At June 30, 2019	1,921,843	519,572	94	(193,935)	197,097	-	-	229,350	2,674,021	255,222	2,929,243

See accompanying notes.

# RAÍZEN COMBUSTÍVEIS S.A.

## Statements of cash flows – Indirect method Three-month periods ended June 30, 2020 and 2019 In thousands of Reais – R\$

	Individual		Consolidated	
	Apr-Jun/20	Apr-Jun/19	Apr-Jun/20	Apr-Jun/19
Cash flow from operating activities				
(Loss) income before income and social contribution taxes	(382,776)	338,824	(483,713)	431,492
Adjustments to:				
Depreciation and amortization (Note 21)	51,247	51,480	245,699	186,440
Amortization of assets from contracts with customers (Notes 9 and 20)	87,855	98,666	111,681	118,327
Equity pickup (Note 10)	283,784	(107,620)	(519)	-
Gain (loss) on write-off of property, plant and equipment (Note 22)	1,686	(42,097)	(5,451)	(44,281)
Interest and monetary and exchange differences, net	522,653	(42,060)	707,075	(102,101)
Changes in fair value of financial instruments payable (Notes 8, 15 and 23)	(856)	149,683	(856)	149,683
Loss (gain) on derivative financial instruments, net	(374,711)	31,292	(526,736)	99,755
Recognition of tax credits and others, net (Note 22)	(19)	(43,840)	(21,247)	(45,114)
Changes in fair value of inventories - fair value hedge (Notes 6 and 24.e)	(311,199)	(3,131)	(311,199)	(3,131)
Other	(45,454)	9,513	(41,979)	18,716
Changes in assets and liabilities				
Trade accounts receivable and advances from customers	16,649	4,778	146,623	(40,672)
Inventories	165,152	(331,355)	807,528	(399,941)
Restricted cash	(327,009)	33,004	(333,750)	33,004
Payment of assets from contracts with customers	(199,174)	(135,055)	(245,836)	(153,950)
Derivative financial instruments	275,420	40,722	848,439	96,525
Related parties	(341,803)	429,872	(1,683,734)	(65,080)
Trade accounts payable and advances to suppliers	794,890	(62,261)	(118,716)	340,142
Taxes recoverable and payable	(218,019)	(96,919)	44,585	(194,132)
Payroll and related charges payable	23,676	12,044	25,699	21,594
Other assets and liabilities, net	(57,448)	36,318	(133,518)	(33,510)
Payment of income and social contribution taxes on net income	-	-	(2,199)	(7,181)
Net cash (used in) from operating activities	(35,456)	371,858	(972,124)	406,585
Cash flow from investing activities				
Additions to investments	-	(4,750)	-	-
Payment for business acquisition	-	(299,505)	-	(299,505)
Cash received upon disposal of equity interest	-	585,045	14,456	-
Additions to PPE and intangible assets (Notes 11, 12 and 26.b)	(38,368)	(34,527)	(110,538)	(211,473)
Cash from disposal of property, plant and equipment	349	59,502	8,290	61,089
Net cash (used in) from investing activities	(38,019)	305,765	(87,792)	(449,889)
Cash flow from financing activities				
Loans and financing taken out - third parties	269,000	592,328	475,735	1,283,128
Repayment of principal of loans and financing - third parties	(561)	(1,115)	(289,993)	(195,432)
Interest paid on loans and financing – third parties	(57,666)	(57,340)	(86,279)	(62,831)
Amortization of lease liabilities - third parties	(7,377)	(5,637)	(89,049)	(46,802)
Amortization of lease liabilities – intragroup	(4,070)	(2,711)	-	-
Interest paid on pre-export financing – intragroup	(2,862)	(11,506)	(2,862)	(11,506)
Payment of dividends and IOE	-	(341,842)	-	(341,842)
Management of intragroup funds, net and other	(292,930)	(1,163,661)	63,544	(1,548,743)
Net cash (used in) from financing activities	(96,466)	(991,484)	71,096	(924,028)
Decrease in cash and cash equivalents	(169,941)	(313,861)	(988,820)	(967,332)
Cash and cash equivalents at beginning of period (Note 3)	635,968	1,585,508	2,167,058	2,818,591
Foreign exchange effect on cash and cash equivalents	29,520	(1,792)	60,588	(15,634)
Cash and cash equivalents at end of period (Note 3)	495,547	1,269,855	1,238,826	1,835,625

Supplementary information on cash flow is stated in Note 26.

See accompanying notes.

# **RAÍZEN COMBUSTÍVEIS S.A.**

## **Notes to interim financial information**

**as at June 30, 2020**

**In thousands of Reais – R\$, unless otherwise stated**

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### **1. Operations**

Raízen Combustíveis S.A. (the “Company”, “RCSA” or “Raízen Combustíveis”) is a privately-held corporation headquartered at Avenida Almirante Barroso, 81, 36º andar, sala 36A104, in the city and state of Rio de Janeiro, Brazil. RCSA is jointly controlled indirectly by Royal Dutch Shell (“Shell”) and Cosan Limited (“Cosan”).

Raízen Group corresponds to the joint businesses of RCSA and its subsidiaries, of which the Company is a part, and of Raízen Energia S.A. (“RESA”) and its subsidiaries.

The Company’s main activities are: (i) distribution and sale of petroleum and ethanol by-products, and of other liquid hydrocarbons and their by-products, under the brand Shell; (ii) import and export of the above-mentioned products; (iii) petroleum refining and manufacture and sale of automotive and industrial lubricants through its Argentine subsidiaries; and (iv) holding interest in other companies.

#### **1.1. Covid-19**

As disclosed in the annual financial statements at March 31, 2020, the Company has implemented a contingency plan aimed at preserving the health and integrity of its employees, in addition to ensuring the Company’s safety and continuity, as its products and services are considered essential activities, since they are strategic inputs for hospitals, security, and food and power segment.

In the three-month period ended June 30, 2020, the Company recorded a decrease in the sales of its products, as well as price reduction impacts, mainly in April 2020. In that period, gross profit was below those recorded in the last periods. The financial impacts arising from Covid-19 are reflected in the referred to financial statements. However, the extent to which the Covid-19 pandemic may still affect the Company’s operating income (loss), financial condition and cash flows will depend on future developments, which are highly uncertain and may not be predicted at the time of disclosure of this interim financial information.

Based on information available up to the issue date of this interim financial information, given the increase in prices from the second half of May 2020, mainly for ethanol in Brazil, and the measures for easing social isolation, no additional provisions were recorded for future losses as a result of Covid-19.

### **2. Presentation of condensed interim financial information and significant accounting policies**

#### **2.1. Basis of preparation**

The condensed interim financial information have been prepared in accordance with accounting pronouncement CPC 21 (R1) – Interim Financial Reporting and international standard IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB).

# RAÍZEN COMBUSTÍVEIS S.A.

## Notes to interim financial information

as at June 30, 2020

In thousands of Reais – R\$, unless otherwise stated

This condensed interim financial information have been prepared following the basis of preparation and accounting policies consistent with those adopted in preparing the annual financial statements at March 31, 2020 and should be read in conjunction with those financial statements. The explanatory note information that did not suffer material changes compared with March 31, 2020, is not fully disclosed in this condensed interim financial information. Certain selected information has been included to explain significant events and transactions that have occurred to enable the understanding of changes in the Company's financial position and financial performance since the publication of the annual financial statements at March 31, 2020.

This condensed interim financial information is presented in Brazilian real, which is the Company's functional currency. The functional currency of subsidiaries operating in the international economic environment is the U.S. dollar. All balances were rounded to the nearest thousand, unless otherwise stated. The financial information of each subsidiary included in the Company's consolidation, as well as that used as a basis for investments measured by the equity method, is prepared based on the functional currency of each entity.

In preparing this condensed interim financial information, management used judgments and estimates and adopted assumptions that affect the application of the Company's accounting policies and the amounts reported referring to assets, liabilities, revenues and expenses. Actual results may differ from these estimates. These estimates and assumptions are reviewed on a continuous basis and have not undergone material changes in preparing this condensed interim financial information in relation to the annual financial statements at March 31, 2020.

The condensed interim financial information discloses all significant information of the interim financial information itself, and only such information, which is consistent with the information used to manage the Company's operations.

The issue of the interim financial information was authorized by management on August 10, 2020.

## 2.2. Basis of consolidation

The consolidated condensed interim financial information includes the condensed interim financial information of RCSA and its direct and indirect subsidiaries, as follows:

	<u>06.30.2020</u>	<u>03.31.2020</u>
Blueway Trading Importação e Exportação S.A.	100%	100%
Petróleo Sabbá S.A.	80%	80%
Raízen Argentina S.A. (1)	100%	100%
Raízen Energina S.A (1)	100%	100%
Deheza S.A. (1)	100%	100%
Estación Lima S.A. (1)	100%	100%
Raízen Mime Combustíveis S.A.	76%	76%
Raízen S.A.	100%	100%
Sabor Raíz Alimentação S.A	69%	69%
Saturno Investimentos Imobiliários Ltda.	100%	100%

(1) Jointly called Raízen Argentina and subsidiaries.

# RAÍZEN COMBUSTÍVEIS S.A.

## Notes to interim financial information

as at June 30, 2020

In thousands of Reais – R\$, unless otherwise stated

The breakdown of assets, liabilities and equity for the three-month period ended June 30, 2020 and year ended March 31, 2020, and profit or loss of the companies in Brazil and Argentina for the three-month periods ended June 30, 2020 and 2019, which are part of this financial information and the respective consolidated combined balances, eliminating related party transactions, are presented below:

- Statement of financial position at June 30 and March 31, 2020

	<b>June 30, 2020</b>			
	<b>Raízen Combustíveis and subsidiaries (1)</b>	<b>Raízen Argentina and subsidiaries</b>	<b>Eliminations and reclassifications (3)</b>	<b>Consolidated</b>
Assets				
Current assets	8,675,343	2,912,757	-	11,588,100
Noncurrent assets	14,709,490	4,947,405	(3,090,995)	16,565,900
Total assets	23,384,833	7,860,162	(3,090,995)	28,154,000
Liabilities				
Current liabilities	7,901,535	2,651,660	-	10,553,195
Noncurrent liabilities	11,530,857	1,938,983	178,529	13,648,369
Total liabilities	19,432,392	4,590,643	178,529	24,201,564
Total equity	3,952,441	3,269,519	(3,269,524)	3,952,436
				<b>March 31, 2020</b>
	<b>Raízen Combustíveis and subsidiaries (1)</b>	<b>Raízen Argentina and subsidiaries</b>	<b>Eliminations and reclassifications (3)</b>	<b>Consolidated</b>
Assets				
Current assets	9,286,687	4,108,417	-	13,395,104
Noncurrent assets	14,119,049	4,846,299	(3,180,985)	15,784,363
Total assets	23,405,736	8,954,716	(3,180,985)	29,179,467
Liabilities				
Current liabilities	8,413,026	3,567,877	-	11,980,903
Noncurrent liabilities	10,839,153	2,022,081	183,776	13,045,010
Total liabilities	19,252,179	5,589,958	183,776	25,025,913
Total equity	4,153,557	3,364,758	(3,364,761)	4,153,554

# RAÍZEN COMBUSTÍVEIS S.A.

## Notes to interim financial information as at June 30, 2020

In thousands of Reais – R\$, unless otherwise stated

- Statement of income for the three-month period ended June 30, 2020 and 2019

				<b>June 30, 2020</b>
	<b>Raízen Combustíveis and subsidiaries (1)</b>	<b>Raízen Argentina and subsidiaries (2)</b>	<b>Eliminations and reclassifications (2)</b>	<b>Consolidated</b>
Gross sales of products and services				
Domestic market	14,258,638	2,533,729	(2,533,729)	14,258,638
Foreign market	88,048	205,222	2,533,729	2,826,999
	14,346,686	2,738,951	-	17,085,637
Taxes and deductions on sales	(579,468)	(947,837)	-	(1,527,305)
Net operating revenue	13,767,218	1,791,114	-	15,558,332
Gross profit (loss)	337,190	(191,711)	(8,673)	136,806
Loss (income) before finance income (costs) and income and social contribution taxes	(323,631)	(374,325)	275,197	(422,759)
Loss (income) before income and social contribution taxes	(379,984)	(378,932)	275,203	(483,713)
Net (loss) income for the period	(333,190)	(275,202)	275,202	(333,190)
Other information:				
Depreciation and amortization (Note 21)	57,446	172,818	15,435	245,699
				<b>June 30, 2019</b>
	<b>Raízen Combustíveis and subsidiaries (1)</b>	<b>Raízen Argentina and subsidiaries (2)</b>	<b>Eliminations and reclassifications (2)</b>	<b>Consolidated</b>
Gross sales of products and services				
Domestic market	22,735,934	4,108,928	(4,108,584)	22,736,278
Foreign market	370,981	252,735	4,108,584	4,732,300
	23,106,915	4,361,663	-	27,468,578
Taxes and deductions on sales	(1,064,655)	(1,276,881)	-	(2,341,536)
Net operating revenue	22,042,260	3,084,782	-	25,127,042
Gross profit	835,760	286,310	(7,918)	1,114,152
Income before finance income (costs) and income and social contribution taxes	527,843	123,629	(65,775)	585,697
Income before income and social contribution taxes	392,763	104,504	(65,775)	431,492
Net income for the period	291,041	65,775	(65,775)	291,041
Other information:				
Depreciation and amortization (Note 21)	52,274	119,618	14,548	186,440

(1) Companies located in Brazil.

(2) Substantially represented by eliminations and reclassifications of fair value balances in accordance with Raízen Argentina's preliminary purchase price allocation report, and amortization and depreciation of identified gains. Additionally, revenues from Argentina were reclassified to foreign market in the Consolidated financial information.

# RAÍZEN COMBUSTÍVEIS S.A.

## Notes to interim financial information

as at June 30, 2020

In thousands of Reais – R\$, unless otherwise stated

### 3. Cash and cash equivalents

	<u>Index/rate</u>	<u>Weighted average yield</u>		<u>Individual</u>		<u>Consolidated</u>	
		<u>06.30.2020</u>	<u>03.31.2020</u>	<u>06.30.2020</u>	<u>03.31.2020</u>	<u>06.30.2020</u>	<u>03.31.2020</u>
Funds in bank and in cash				460,411	595,045	815,076	1,298,499
Short-term investments:							
Investment funds	CDI	86.8%	98.1%	1,014	1,008	25,691	25,554
Bank Deposit Certificates (CDB) and repurchase agreements	CDI	100.6%	99.9%	34,122	39,915	398,059	843,005
				35,136	40,923	423,750	868,559
				495,547	635,968	1,238,826	2,167,058
In Brazil (local currency)				90,997	123,439	495,689	977,999
Abroad (foreign currency) (Note 24.d)				404,550	512,529	743,137	1,189,059
				495,547	635,968	1,238,826	2,167,058

### 4. Restricted cash

	<u>Index/rat</u>	<u>Weighted average yield</u>		<u>Individual and Consolidated</u>	
		<u>06.30.2020</u>	<u>03.31.2020</u>	<u>06.30.2020</u>	<u>03.31.2020</u>
Short-term investments linked to financing	CDI	100.0%	100.0%	18,233	18,114
Short-term investment linked to derivative transactions (Note 24.g)	CDI	101.0%	101.0%	18,549	12,770
Margin in derivatives transactions (Note 24.g)				341,517	-
				378,299	30,884
In Brazil (local currency)				36,782	30,884
Abroad (foreign currency) (Note 24.d)				341,517	-
				378,299	30,884

### 5. Trade accounts receivable

	<u>Individual</u>		<u>Consolidated</u>	
	<u>06.30.2020</u>	<u>03.31.2020</u>	<u>06.30.2020</u>	<u>03.31.2020</u>
In Brazil (local currency)	1,195,363	1,115,058	1,485,445	1,429,552
Abroad (foreign currency) (Note 24.d)	1,235	936	291,461	347,725
Other accounts receivable (i)	388,810	361,128	506,529	477,520
Allowance for expected credit losses	(98,412)	(98,973)	(127,804)	(123,840)
Current	1,486,996	1,378,149	2,155,631	2,130,957
	(1,206,319)	(1,128,345)	(1,775,466)	(1,783,961)
Noncurrent	280,677	249,804	380,165	346,996



# RAÍZEN COMBUSTÍVEIS S.A.

## Notes to interim financial information

as at June 30, 2020

In thousands of Reais – R\$, unless otherwise stated

- (i) Other accounts receivable refer, substantially, to installments of overdue customers' debts and sales of real estate properties, with the main purpose of implementing or modernizing gas stations, through security interest, guarantees and collaterals.

The Company has no notes assigned as collateral. The maximum exposure to credit risk at the statement of financial position date is the book value of each class of trade accounts receivable.

The aging list of trade accounts receivable is as follows:

	<b>Individual</b>		<b>Consolidated</b>	
	<b>06.30.2020</b>	<b>03.31.2020</b>	<b>06.30.2020</b>	<b>03.31.2020</b>
Falling due	1,206,050	1,042,869	1,719,220	1,605,755
Overdue:				
Within 30 days	30,206	89,325	53,244	184,840
From 31 to 90 days	34,012	46,102	70,685	56,430
From 91 to 180 days	37,841	43,293	59,088	50,444
Over 180 days	277,299	255,533	381,198	357,328
	<u>1,585,408</u>	<u>1,477,122</u>	<u>2,283,435</u>	<u>2,254,797</u>

For long-overdue notes with no allowance for expected credit losses, the Company has security interest, such as mortgages and letters of credit.

The allowance for expected credit losses was calculated based on the credit risk analysis, which includes the history of losses, the individual situation of customers, the situation of the economic group to which the customers belong, the security interest for debts and, where applicable, the assessment of legal advisors.

The allowance for expected credit losses is considered sufficient by management to cover any losses on receivables. Changes in this allowance are as follows:

	<b>Individual</b>	<b>Consolidated</b>
Balance at March 31, 2020	<u>(98,973)</u>	<u>(123,840)</u>
Reversal (recognition) of allowance for expected credit losses, net	561	(3,439)
Foreign currency translation effects	-	(525)
Balance at June 30, 2020	<u>(98,412)</u>	<u>(127,804)</u>

# RAÍZEN COMBUSTÍVEIS S.A.

## Notes to interim financial information

as at June 30, 2020

In thousands of Reais – R\$, unless otherwise stated

### 6. Inventories

	<b>Individual</b>		<b>Consolidated</b>	
	<b>06.30.2020</b>	<b>03.31.2020</b>	<b>06.30.2020</b>	<b>03.31.2020</b>
Finished products:				
Diesel (2)	848,615	473,034	1,374,005	1,164,523
Gasoline (2)	679,274	767,073	1,078,602	1,327,047
Ethanol	148,909	190,791	153,464	197,514
Jet fuel (Jet A-1) (2)	130,042	129,079	163,430	170,112
Other petroleum by-products (1)	9,441	11,612	208,133	206,585
Petroleum (crude oil)	-	-	253,977	411,534
Work-in-process	-	-	248,730	266,703
Warehouse items and other	15,273	71,108	288,000	381,070
	<u>1,831,554</u>	<u>1,642,697</u>	<u>3,768,341</u>	<u>4,125,088</u>

(1) Refers substantially to inventories of fuel oil, lubricants and asphalt.

(2) At June 30, 2020 and March 31, 2020, such inventories include fair value measurement, level 2 hierarchy, as follows:

	<b>Book value</b>		<b>Fair value</b>		<b>Individual Income statement</b>	
	<b>06.30.2020</b>	<b>03.31.2020</b>	<b>06.30.2020</b>	<b>03.31.2020</b>	<b>Apr-Jun/20</b>	<b>Apr-Jun/19</b>
	Finished products:					
Diesel	782,845	588,415	848,615	473,034	181,151	(599)
Gasoline	636,196	848,855	679,274	767,073	124,860	3,730
Jet (i)	124,854	-	130,042	-	5,188	-
	<u>1,543,895</u>	<u>1,437,270</u>	<u>1,657,931</u>	<u>1,240,107</u>	<u>311,199</u>	<u>3,131</u>

  

	<b>Book value</b>		<b>Fair value</b>		<b>Consolidated Income statement</b>	
	<b>06.30.2020</b>	<b>03.31.2020</b>	<b>06.30.2020</b>	<b>03.31.2020</b>	<b>Apr-Jun/20</b>	<b>Apr-Jun/19</b>
	Finished products:					
Diesel	1,308,235	1,279,904	1,374,005	1,164,523	181,151	(599)
Gasoline	1,035,524	1,408,829	1,078,602	1,327,047	124,860	3,730
Jet (i)	158,242	-	163,430	-	5,188	-
	<u>2,502,001</u>	<u>2,688,733</u>	<u>2,616,037</u>	<u>2,491,570</u>	<u>311,199</u>	<u>3,131</u>

(i) As of April 1, 2020, the Company designates Jet inventory as fair value hedge.

At June 30, 2020, estimated losses on realization and on slow-moving and/or obsolete inventory were deducted from inventories, by R\$17 and R\$4,608 (R\$42,854 and R\$93,827 at March 31, 2020), Individual and Consolidated, respectively. Changes in the referred to losses, as shown below, were recognized in the statement of profit or loss under Cost of sales and services:

	<b>Individual</b>	<b>Consolidated</b>
Balance at March 31, 2020	(42,854)	(93,827)
Estimated loss	(60)	(60)
Reversal and write-off	42,897	91,919
Foreign currency translation effects	-	(2,640)
Balance at June 30, 2020	<u>(17)</u>	<u>(4,608)</u>

# RAÍZEN COMBUSTÍVEIS S.A.

## Notes to interim financial information as at June 30, 2020

In thousands of Reais – R\$, unless otherwise stated

### 7. Taxes recoverable

	<b>Individual</b>		<b>Consolidated</b>	
	<b>06.30.2020</b>	<b>03.31.2020</b>	<b>06.30.2020</b>	<b>03.31.2020</b>
State Value-Added Tax (ICMS)	673,254	657,771	1,020,589	979,730
Contribution Taxes on Gross Revenue for Social Integration Program (PIS) and for Social Security Financing (COFINS)	695,575	552,458	1,035,833	861,616
Value Added Tax (VAT)	-	-	571,667	653,262
Other	2,036	2,192	65,179	79,977
Estimated loss on realization of taxes	(23,942)	(23,942)	(28,998)	(28,998)
	1,346,923	1,188,479	2,664,270	2,545,587
Current	(966,587)	(847,493)	(1,952,745)	(1,881,363)
Noncurrent	380,336	340,986	711,525	664,224

### 8. Related parties

#### (a) Summary of balances with related parties

	<b>Individual</b>		<b>Consolidated</b>	
	<b>06.30.2020</b>	<b>03.31.2020</b>	<b>06.30.2020</b>	<b>03.31.2020</b>
Assets				
Classification of assets by currency:				
Domestic (local currency)	1,678,975	1,309,964	1,772,319	1,588,280
Abroad (foreign currency)	33,559	105,974	71,642	192,119
	1,712,534	1,415,938	1,843,961	1,780,399
Asset management (1)				
Raízen Energia S.A. and its subsidiaries	364,787	72,345	519,939	441,013
	364,787	72,345	519,939	441,013
Commercial and administrative operations (3)				
Rumo Group	96,090	86,426	97,245	87,727
Agricopel Group	2,207	3,342	29,956	19,045
Raízen Energia S.A. and its subsidiaries	93,510	44,081	99,748	44,693
Shell Group	33,559	105,974	71,642	192,119
Raízen Mime Combustíveis S.A.	61,017	77,459	-	-
Petróleo Sabbá S.A.	39,311	35,573	-	-
Other	8,401	6,829	8,954	9,192
	334,095	359,684	307,545	352,776
Framework agreement (4)				
Shell Brazil Holding B.V.	928,892	894,621	928,892	894,621
Shell Brasil Petróleo Ltda.	56,482	63,607	56,482	63,607
Cosan S.A. Indústria e Comércio	22,139	19,542	22,139	19,542
Other	-	-	8,964	8,840
	1,007,513	977,770	1,016,477	986,610
Preferred shares (5)				
Raízen Mime Combustíveis S.A.	6,139	6,139	-	-
	6,139	6,139	-	-
	1,712,534	1,415,938	1,843,961	1,780,399
Current assets	(808,610)	(532,874)	(940,489)	(898,192)
Noncurrent assets	903,924	883,064	903,472	882,207

# RAÍZEN COMBUSTÍVEIS S.A.

## Notes to interim financial information as at June 30, 2020

In thousands of Reais – R\$, unless otherwise stated

	<b>Individual</b>		<b>Consolidated</b>	
	<b>06.30.2020</b>	<b>03.31.2020</b>	<b>06.30.2020</b>	<b>03.31.2020</b>
Liabilities				
Classification of liabilities by currency:				
Domestic (local currency)	884,527	1,243,027	1,297,829	1,387,027
Abroad (foreign currency)	3,409,310	3,176,043	4,896,343	5,908,591
	<u>4,293,837</u>	<u>4,419,070</u>	<u>6,194,172</u>	<u>7,295,618</u>
Asset management (1)				
Raízen Energia S.A. and its subsidiaries	-	-	533,323	392,476
	-	-	533,323	392,476
Financial operations (2)				
Raízen Fuels Finance S.A. ("Raízen Fuels")	3,352,719	3,116,405	3,352,719	3,116,405
Cosan S.A. Indústria e Comércio	665	2,851	665	2,851
Other	793	3,359	802	3,368
	<u>3,354,177</u>	<u>3,122,615</u>	<u>3,354,186</u>	<u>3,122,624</u>
Commercial and administrative operations (3)				
Raízen Energia S.A. and its subsidiaries	133,454	240,116	1,623,321	2,998,446
Rumo Group	5,342	8,634	5,407	8,753
Petróleo Sabbá S.A.	32,251	23,275	-	-
Raízen Mime Combustíveis S.A.	16,144	42,069	-	-
Raízen Argentina	6,376	6,050	-	-
Blueway Trading Importação e Exportação S.A.	249,920	480,958	-	-
Shell Group	2,096	1,690	288,278	385,187
Other	4,890	11,856	4,275	11,853
	<u>450,473</u>	<u>814,648</u>	<u>1,921,281</u>	<u>3,404,239</u>
Framework agreement (4)				
Shell Brasil Petróleo Ltda.	142,817	137,239	142,847	137,269
Shell Brazil Holding B.V.	59,006	58,802	59,127	58,922
Other	16,099	13,556	16,297	13,759
	<u>217,922</u>	<u>209,597</u>	<u>218,271</u>	<u>209,950</u>
Preferred shares (5)				
Shell Brazil Holding B.V.	167,111	166,329	167,111	166,329
	<u>167,111</u>	<u>166,329</u>	<u>167,111</u>	<u>166,329</u>
			-	
Lease liabilities (6)				
Saturno Investimentos Imobiliários Ltda.	104,154	105,881	-	-
	<u>104,154</u>	<u>105,881</u>	<u>-</u>	<u>-</u>
	<u>4,293,837</u>	<u>4,419,070</u>	<u>6,194,172</u>	<u>7,295,618</u>
Current liabilities	<u>(876,256)</u>	<u>(1,207,369)</u>	<u>(2,864,452)</u>	<u>(4,173,506)</u>
Noncurrent liabilities	<u>3,417,581</u>	<u>3,211,701</u>	<u>3,329,720</u>	<u>3,122,112</u>

### (1) Asset management

The amounts recorded in assets and liabilities refer to funds made available and received from RESA, respectively, as a way of managing financial resources. Regarding these operations, in the three-month period ended June 30, 2020, the Company recorded financial costs amounting to R\$488 and finance income amounting to R\$1,622 (finance income of R\$7,236 and R\$16,601 at June 30, 2019) in the Individual and Consolidated interim financial information, respectively, due to cash management.

# RAÍZEN COMBUSTÍVEIS S.A.

## Notes to interim financial information

as at June 30, 2020

In thousands of Reais – R\$, unless otherwise stated

### (2) Financial operations

At June 30 and March 31, 2020, the amount recorded in liabilities, in the Individual and Consolidated interim financial information, mainly refer to pre-export financing agreements payable to Raízen Fuels, as follows:

<u>Agreement</u>	<u>Currency</u>	<u>Principal in foreign currency</u>	<u>Maturity</u>	<u>06.30.2020</u>	<u>03.31.2020</u>
Pre-export Financing	US\$	350,000	01/20/2027	2,290,205	2,123,725
		350,000		2,290,205	2,123,725
Pre-export Financing	€	66,000	10/15/2021	428,544	398,966
Pre-export Financing	€	40,000	01/20/2022	251,945	235,759
Pre-export Financing	€	60,000	09/21/2022	382,025	357,955
		166,000		1,062,514	992,680
				3,352,719	3,116,405
				(56,217)	(25,836)
				3,296,502	3,090,569

At June 30, 2020, the average effective annual interest rate on those agreements is 4.36% (4.51% at March 31, 2020).

### Fair value

<u>Type</u>	<u>Classification</u>	<u>Amount raised, as</u>		<u>Fair value (1)</u>		<u>Individual and Consolidated Finance income (costs)</u>	
		<u>06.30.2020</u>	<u>03.31.2020</u>	<u>06.30.2020</u>	<u>03.31.2020</u>	<u>Apr-Jun/20</u>	<u>Apr-Jun/19</u>
Pre-export	Fair value through Income statement	2,994,365	2,795,957	3,352,719	3,116,405	(37,906)	(81,297)
		2,994,365	2,795,957	3,352,719	3,116,405	(37,906)	(81,297)

(1) At June 30 and March 31, 2020, includes fair value measurement balance amounting to R\$ 358,354 and R\$ 320,448, respectively.

### (3) Commercial and administrative operations

At June 30 and March 31, 2020, the amounts recorded in assets refers to operations involving sale of products such as gasoline, diesel and Jet.

At June 30 and March 31, 2020, the amounts recorded in liabilities refer to commercial operations involving provision of services and purchase of products such as ethanol, diesel, gasoline, road and rail freight, storage, as well as debit notes relating to reimbursement of shared expenses.

### (4) Framework agreement

The amounts recorded in assets and liabilities refer to recoverable or refundable balances of RCSA's shareholders as they relate to the period prior to the organization of Raízen.

# RAÍZEN COMBUSTÍVEIS S.A.

## Notes to interim financial information

as at June 30, 2020

In thousands of Reais – R\$, unless otherwise stated

### (5) Preferred shares

At June 30 and March 31, 2020, these refer to preferred shares receivable from Mime in connection with gains on certain divestments.

Class E preferred shares payable refer to tax credits arising from overpayment by Shell of corporate income tax (“IRPJ”) and social contribution tax on net profit (“CSLL”), in 2010 and 2011, to be reimbursed to Shell as RCSA uses such credits.

### (6) Lease liabilities

At June 30, 2020, changes in lease liabilities are as follows:

Balance at March 31, 2020	105,881
Payments	(4,070)
Interest	2,343
Balance at June 30, 2020	<u>104,154</u>
Current	(16,287)
Noncurrent	<u>87,867</u>

### (b) Transactions with related parties (8)

	<b>Individual</b>		<b>Consolidated</b>	
	<b>Apr-Jun/20</b>	<b>Apr-Jun/19</b>	<b>Apr-Jun/20</b>	<b>Apr-Jun/19</b>
<b>Sale of products</b>				
Rumo Group (4)	249,275	298,714	250,514	300,017
Shell Group (7)	77,832	304,876	77,832	388,262
Agricopel Group (5)	24,375	25,632	146,756	209,751
Raízen Energia S.A. and its subsidiaries	154,981	213,796	154,981	213,796
Petróleo Sabbá S.A.	166,104	104,802	-	-
Raízen Mime Combustíveis S.A.	283,301	386,110	-	-
Other	8,353	13,421	19,664	16,944
	<u>964,221</u>	<u>1,347,351</u>	<u>649,747</u>	<u>1,128,770</u>
<b>Purchase of goods and services</b>				
Raízen Energia S.A. and its subsidiaries (6)	(231,253)	(249,928)	(1,509,000)	(2,382,697)
Shell Group (7)	-	(1,440)	(34,403)	(375,788)
Rumo Group (4)	(25,344)	(42,659)	(26,135)	(44,361)
Agricopel Group (5)	(12,161)	(12,890)	(34,515)	(23,999)
Blueway Trading Importação e Exportação S.A. (6)	(1,610,545)	(2,453,531)	-	-
Petróleo Sabbá S.A. (6)	(132,433)	(372,311)	-	-
Raízen Mime Combustíveis S.A.	(42,287)	(173,011)	-	-
Other	(2,867)	(5,442)	(17,029)	(20,782)
	<u>(2,056,890)</u>	<u>(3,311,212)</u>	<u>(1,621,082)</u>	<u>(2,847,627)</u>
<b>Finance income (costs) (1)</b>				
Raízen Energia S.A. and its subsidiaries	(237,509)	(69,038)	(398,476)	(47,727)
Saturno Investimentos Imobiliários Ltda.	(2,342)	(2,488)	-	-
Other	5,649	(8,367)	6,254	(8,045)
	<u>(234,202)</u>	<u>(79,893)</u>	<u>(392,222)</u>	<u>(55,772)</u>
<b>Service revenues and other (2)</b>				
Petróleo Sabbá S.A.	1,482	1,847	-	-
Raízen Mime Combustíveis S.A.	618	1,662	-	-
Raízen Energia S.A. and its subsidiaries	243	509	243	509
Other	323	927	67	1,491
	<u>2,666</u>	<u>4,945</u>	<u>310</u>	<u>2,000</u>
<b>Service expenses (3)</b>				
Raízen Energia S.A. and its subsidiaries	(30,780)	(29,988)	(34,595)	(34,016)
Shell Brasil Petróleo Ltda.	(5,536)	(5,040)	(5,536)	(5,040)
Other	(2,439)	(3,371)	(2,193)	(2,136)
	<u>(38,755)</u>	<u>(38,399)</u>	<u>(42,324)</u>	<u>(41,192)</u>

# RAÍZEN COMBUSTÍVEIS S.A.

## Notes to interim financial information

as at June 30, 2020

In thousands of Reais – R\$, unless otherwise stated

- (1) Finance income (costs) correspond to: (i) interest and exchange difference on pre-export financing taken out from Raízen Fuels, a subsidiary of RESA, (ii) income statement arising from the financial resources management agreement between the companies, (iii) interest and exchange difference on the balance payable to SOI and DPM for the acquisition of Raízen Argentina and (iv) commercial exchange difference.
- (2) Refer to: (i) lubricant sales commission to Shell and (ii) expenses with the sharing of corporate, management and operating costs reimbursed by its subsidiaries.
- (3) Refer to: (i) expenses with the sharing of corporate, management and operating costs with RESA and (ii) expenses with technical support, maintenance of the billing and collection process, commissions on the sale of Jet and seconddees to Shell.
- (4) “Rumo Group” refers to the railway and port operations represented by the following companies: Rumo S.A, Elevações Portuárias S.A, Logisport Armazéns Gerais S.A. Rumo Malha Sul S.A. Rumo Malha Oeste S.A. Rumo Malha Paulista S.A. Rumo Malha Norte S.A. Rumo Malha Central S.A. Portofer Transporte Ferroviário Ltda. ALL Armazéns Gerais Ltda. and Brado Logística S.A.
- (5) “Agricopel Group” refers to sales of fuel, represented mainly by the following companies: Agricopel Comércio de Derivados de Petróleo Ltda. and Posto Agricopel Ltda. Agricopel Diesel Paraná Ltda, Blue Adm Administração de Bens Ltda., a related party through FIX Investimentos Ltda., which is a noncontrolling shareholder of Mime.
- (6) Purchases made by the Company from subsidiaries Blueway, Sabbá, Mime and from Agrícola Ponte Alta Ltda. and Raízen Trading LLP, RESA’s subsidiaries, are represented mainly by import of ethanol and by-products in the foreign market.
- (7) “Shell Group” refers mainly to the commercial operations conducted by Shell Aviation Limited and Shell Trading US Company.
- (8) Transactions with related parties are entered into under reasonable and cumulative conditions, in line with those prevailing in the market or under which the Company would take out with third parties.

### (c) **Officers and members of the Board of Directors**

Fixed and variable compensation to key management personnel, including statutory officers and members of the Board of Directors, recognized in income statement for the three-month periods ended June 30, 2020 and 2019, is as follows:

	<u>Apr-Jun/20</u>	<u>Apr-Jun/19</u>
Regular compensation	(14,479)	(13,286)
Bonuses and other variable compensation	<u>(6,271)</u>	<u>(10,664)</u>
Total compensation	<u>(20,750)</u>	<u>(23,950)</u>

The Company shares the corporate, managerial and operational structures and costs with its related party RESA. Key management personnel comprises mainly RESA’s employees and the costs are transferred to the Company through a debit note. In the three-month period ended June 30, 2020, the Company reimbursed RESA the amount of R\$12,933 (R\$11,771 at June 30, 2019) for these expenses that encompass the entire corporate structure.

## RAÍZEN COMBUSTÍVEIS S.A.

### Notes to interim financial information

as at June 30, 2020

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#### (d) Other significant information involving related parties

##### Guarantees

Considering that Raízen Group operates a centralized corporate treasury, the Company is the guarantor of certain debts of its related party RESA.

##### Revolving Credit Facility

Raízen Group has a line of credit agreement totaling US\$700,000 thousand, which was not used until the closing of this interim financial information, as follows:

<u>Beneficiary</u>	<u>Institution</u>	<u>Amount in US\$</u>	<u>Maturity</u>
Raízen Combustíveis	Shell Finance (Netherlands) B.V. and Cosan S.A.	700,000	May/2025

#### 9. Assets from contracts with customers

Assets from contracts with customers correspond to the bonuses granted to RCSA customers and are subject to deadlines and performance obligations, particularly the use of the quantities provided for in supply contracts. As the contractual conditions are met, bonuses are amortized and recognized in the statement of profit or loss, under Sales taxes, deductions and rebates (Note 20).

	<u>Individual</u>	<u>Consolidated</u>
Balance at March 31, 2020	<u>2,161,301</u>	<u>2,567,165</u>
Additions	153,266	176,858
Amortization	(87,855)	(111,681)
Foreign currency translation effects	<u>-</u>	<u>3,712</u>
Balance at June 30, 2020	<u>2,226,712</u>	<u>2,636,054</u>
Current	<u>(385,866)</u>	<u>(471,964)</u>
Noncurrent	<u>1,840,846</u>	<u>2,164,090</u>



# RAÍZEN COMBUSTÍVEIS S.A.

## Notes to interim financial information

as at June 30, 2020

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### 10. Investments

#### (a) Individual

Book value	Country	Business activity	Equity interest	Investments		Equity pickup	
				06.30.2020	03.31.2020	Apr-Jun/2020	Apr-Jun/2019
<b>Subsidiaries</b>							
Raízen Argentina and subsidiaries	Argentina	Fuel refining and sale	100.00%	3,269,528	3,364,765	(275,201)	51,233
Petróleo Sabbá S.A.	Brazil	Sale of fuel	80.00%	817,742	826,026	(8,284)	48,808
Raízen Mime Combustíveis S.A.	Brazil	Sale of fuel	76.00%	162,453	156,662	5,791	7,950
Blueway Trading Importação e Exportação S.A.	Brazil	Import and export	99.99%	213,874	212,459	1,291	(7,035)
Sabor Raiz Alimentação S.A.	Brazil	Food stuff	69.35%	199	322	2	7
Saturno Investimentos Imobiliário Ltda.	Brazil	Real estate investments	99.99%	213,387	205,187	8,200	7,941
				4,677,183	4,765,421	(268,201)	108,904
<b>Joint controlled subsidiary</b>							
Rede Integrada de Lojas de Conveniências e Proximidade S.A. (ii)	Brazil	Convenience and proximity stores	50.00%	198,772	194,413	4,359	13,924
<b>Associates</b>							
Navegantes Logística Portuária S.A.	Brazil	Port operation	33.33%	8,548	8,548	-	-
Nordeste Logística I S.A.	Brazil	Port operation	33.33%	180	180	-	-
Nordeste Logística II S.A.	Brazil	Port operation	33.33%	2,433	2,433	-	-
Nordeste Logística III S.A.	Brazil	Port operation	33.33%	2,329	2,329	-	-
				13,490	13,490	-	-
				4,889,445	4,973,324	(263,842)	122,828
<b>Surplus value of assets, net attributable to subsidiaries and jointly controlled subsidiary</b>							
Raízen Argentina and subsidiaries (i)				346,560	356,744	(15,432)	(14,540)
Raízen Mime Combustíveis S.A.				7,252	7,922	(670)	(668)
Rede Integrada de Lojas de Conveniências e Proximidade S.A.				522,521	526,361	(3,840)	-
				876,333	891,027	(19,942)	(15,208)
<b>Goodwill on investments</b>							
Raízen Argentina and subsidiaries				221,898	221,898	-	-
				221,898	221,898	-	-
<b>Total investments</b>				<b>5,987,676</b>	<b>6,086,249</b>	<b>(283,784)</b>	<b>107,620</b>

- (i) Presented net of deferred tax liabilities, in the amount of R\$178,529 (R\$183,777 at March 31, 2020). In the three-month period ended June 30, 2020, the impact of such taxes on the realizations totaled R\$5,248 and was recognized in the result for the period in the line of Income Tax and deferred social contribution..
- (ii) The equity pickup for the three-month period ended June 30, 2019 was calculated based on the 99.99% equity interest held by RCSA until the formation of the joint venture on November 1, 2019.

# RAÍZEN COMBUSTÍVEIS S.A.

## Notes to interim financial information

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### (b) Consolidated

	Country	Business activity	Equity interest	Consolidated		Equity pickup	
				06.30.2020	03.31.2020	Apr-Jun/2020	Apr-Jun/2019
<b>Book value</b>							
<b>Joint controlled subsidiary</b>							
Rede Integrada de Lojas de Conveniências e Proximidade S.A.	Brazil	Convenience and proximity stores	50.00%	198,772	194,413	4,359	-
<b>Associates</b>							
Termap S.A.	Argentina	Sea terminal	3.50%	379	360	-	-
Latitude Logística Portuária S.A.	Brazil	Port operation	50.00%	4,384	4,384	-	-
Navegantes Logística Portuária S.A.	Brazil	Port operation	33.33%	8,548	8,548	-	-
Nordeste Logística I S.A.	Brazil	Port operation	33.33%	180	180	-	-
Nordeste Logística II S.A.	Brazil	Port operation	33.33%	2,433	2,433	-	-
Nordeste Logística III S.A.	Brazil	Port operation	33.33%	2,329	2,329	-	-
				18,253	18,234	-	-
<b>Surplus value of assets, net attributable to jointly controlled subsidiary</b>							
Rede Integrada de Lojas de Conveniências e Proximidade S.A. ("Rede")				522,521	526,361	(3,840)	-
Total investments				739,546	739,008	519	-

### (c) Changes in investments

	Individual	Consolidated
Balance at March 31, 2020	6,086,249	739,008
Equity pickup	(283,784)	519
Foreign currency translation effect and other	185,211	19
Balance as at June 30, 2020	5,987,676	739,546

### (d) Information selected from joint venture

The table below summarizes the financial information of jointly controlled subsidiary Rede based on its financial statements, adjusted at fair value on the date the JV was organized and by differences in accounting policies, where applicable. The table also reconciles the summarized financial information with the book value of RCSA's equity interest held in JV Rede.

	06.30.2020	03.31.2020
Current assets	426,587	417,264
Noncurrent assets	24,167	17,650
Current liabilities	(46,568)	(42,889)
Noncurrent liabilities	(4,553)	(1,431)
Consolidated equity	399,633	390,594
Attributed to controlling interests	(2,090)	(1,769)
Attributed to joint controlling interests	397,543	388,825
RCSA's equity interest	50.00%	50.00%
Interest held in equity	198,772	194,413
Surplus values and revaluation at fair value	532,762	532,762
Accumulated amortization of surplus values	(10,241)	(6,401)
Surplus values and revaluation, net	522,521	526,361
Book value of equity interest held	721,293	720,774

## RAÍZEN COMBUSTÍVEIS S.A.

### Notes to interim financial information

as at June 30, 2020

In thousands of Reais – R\$, unless otherwise stated

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	<u>Apr-Jun/20</u>	<u>Apr-Jun/19</u>
Operating revenue, net	23,413	28,284
Net income for the consolidated period	9,039	14,347
Attributed to controlling interests	<u>(321)</u>	<u>(423)</u>
Attributed to joint controlling interests	8,718	13,924
RCSA's equity interest	<u>50.00%</u>	<u>99.99%</u>
Equity pickup	<u>4,359</u>	<u>13,924</u>

# RAÍZEN COMBUSTÍVEIS S.A.

## Notes to interim financial information as at June 30, 2020

In thousands of Reais – R\$, unless otherwise stated

### 11. Property, Plant and Equipment (PPE)

							<b>Individual</b>	
	<b>Land</b>	<b>Buildings and improvements</b>	<b>Machinery, equipment and facilities</b>	<b>Vehicles</b>	<b>Furniture, fixtures and IT equipment</b>	<b>Construction in progress</b>	<b>Other</b>	<b>Total</b>
Cost or valuation:								
Balance at March 31, 2020	356,124	373,621	1,139,233	118,283	20,823	243,211	17,049	2,268,344
Additions	-	-	95	-	130	31,017	-	31,242
Write-offs	-	(761)	(8,414)	(58)	(249)	-	-	(9,482)
Reversal of estimated, net (Note 22)	-	-	566	-	-	-	-	566
Transfers (1)	-	1,104	18,104	124	749	(20,065)	-	16
Balance as at June 30, 2020	356,124	373,964	1,149,584	118,349	21,453	254,163	17,049	2,290,686
Accumulated depreciation:								
Balance at March 31, 2020	-	(55,588)	(599,582)	(71,236)	(13,442)	-	(13,739)	(753,587)
Depreciation in the period	-	(2,028)	(16,829)	(2,064)	(1,170)	-	(207)	(22,298)
Write-offs	-	606	6,581	58	202	-	-	7,447
Balance as at June 30, 2020	-	(57,010)	(609,830)	(73,242)	(14,410)	-	(13,946)	(768,438)
Net residual value:								
At June 30, 2020	356,124	316,954	539,754	45,107	7,043	254,163	3,103	1,522,248
At March 31, 2020	356,124	318,033	539,651	47,047	7,381	243,211	3,310	1,514,757

(1) Amounts transferred to intangible assets (software).

# RAÍZEN COMBUSTÍVEIS S.A.

## Notes to interim financial information as at June 30, 2020

In thousands of Reais – R\$, unless otherwise stated

	<b>Consolidated</b>							
	<b>Land</b>	<b>Buildings and improvements</b>	<b>Machinery, equipment and facilities</b>	<b>Vehicles</b>	<b>Furniture, fixtures and IT equipment</b>	<b>Construction in progress</b>	<b>Other</b>	<b>Total</b>
Cost or valuation:								
Balance at March 31, 2020	1,153,551	1,295,459	4,501,108	135,758	58,830	714,452	16,990	7,876,148
Additions	-	-	432	-	213	90,627	12,274	103,546
Write-offs	(1,742)	(1,939)	(13,488)	(58)	(621)	-	-	(17,848)
Reversal of estimated loss, net (Note 22)	-	-	611	-	-	-	-	611
Transfers (1)	-	10,213	25,118	527	431	(25,094)	(8,418)	2,777
Foreign currency translation effect and other	37,400	40,016	153,698	849	1,088	16,317	368	249,736
Balance as at June 30, 2020	1,189,209	1,343,749	4,667,479	137,076	59,941	796,302	21,214	8,214,970
Accumulated depreciation:								
Balance at March 31, 2020	-	(159,617)	(1,284,734)	(66,741)	(28,480)	-	(14,058)	(1,553,630)
Depreciation in the period	-	(15,956)	(122,715)	(3,209)	(2,371)	-	(208)	(144,459)
Write-offs	-	1,909	12,450	58	592	-	-	15,009
Transfers (1)	-	(4,477)	(48)	-	1,397	-	-	(3,128)
Foreign currency translation effect and other	-	(4,318)	(26,021)	93	(216)	-	-	(30,462)
Balance as at June 30, 2020	-	(182,459)	(1,421,068)	(69,799)	(29,078)	-	(14,266)	(1,716,670)
Net residual value:								
At June 30, 2020	1,189,209	1,161,290	3,246,411	67,277	30,863	796,302	6,948	6,498,300
At March 31, 2020	1,153,551	1,135,842	3,216,374	69,017	30,350	714,452	2,932	6,322,518

(1) Amounts transferred to intangible assets (software).

# RAÍZEN COMBUSTÍVEIS S.A.

## Notes to interim financial information

as at June 30, 2020

In thousands of Reais – R\$, unless otherwise stated

### Capitalization of borrowing costs

In the three-month period ended June 30, 2020, borrowing costs capitalized, individual and consolidated, totaled R\$31 (R\$100 at June 30, 2019). At June 30, 2020, the annual weighted average rate of finance charges of the debt, individual and consolidated, was 6.69% (7.89% at June 30, 2019).

## 12. Intangible assets

	<b>Individual</b>				
	<b>Software license</b>	<b>Goodwill</b>	<b>Trademarks</b>	<b>Granting rights and other</b>	<b>Total</b>
Cost or valuation:					
Balance at March 31, 2020	361,422	439,585	532,078	351	1,333,436
Additions	7,351	-	-	-	7,351
Transfers (1)	(16)	-	-	-	(16)
Balance as at June 30, 2020	368,757	439,585	532,078	351	1,340,771
Accumulated amortization:					
Balance at March 31, 2020	(210,130)	-	(475,201)	-	(685,331)
Amortization for the period	(5,321)	-	(13,126)	-	(18,447)
Balance as at June 30, 2020	(215,451)	-	(488,327)	-	(703,778)
Net residual value:					
At June 30, 2020	153,306	439,585	43,751	351	636,993
At March 31, 2020	151,292	439,585	56,877	351	648,105

(1) Amounts transferred from property, plant and equipment.

	<b>Consolidated</b>					
	<b>Software license</b>	<b>Goodwill</b>	<b>Trademarks</b>	<b>Contractual relations with customers</b>	<b>Granting rights and other</b>	<b>Total</b>
Cost or valuation:						
Balance at March 31, 2020	375,048	661,483	532,348	268,569	26,361	1,863,809
Additions	7,527	-	-	-	-	7,527
Transfers (1)	1,748	-	-	-	-	1,748
Foreign currency translation effect and other	779	-	-	-	-	779
Balance as at June 30, 2020	385,102	661,483	532,348	268,569	26,361	1,873,863
Accumulated amortization:						
Balance at March 31, 2020	(232,790)	-	(475,452)	(10,235)	(65)	(718,542)
Amortization for the period	(11,210)	-	(13,126)	-	(49)	(24,385)
Transfers (1)	(1,397)	-	-	-	-	(1,397)
Foreign currency translation effect and other	(198)	-	-	-	-	(198)
Balance as at June 30, 2020	(245,595)	-	(488,578)	(10,235)	(114)	(744,522)
Net residual value:						
At June 30, 2020	139,507	661,483	43,770	258,334	26,247	1,129,341
At March 31, 2020	142,258	661,483	56,896	258,334	26,296	1,145,267

(1) Amounts transferred from property, plant and equipment.

# RAÍZEN COMBUSTÍVEIS S.A.

## Notes to interim financial information

as at June 30, 2020

In thousands of Reais – R\$, unless otherwise stated

### 13. Trade accounts payable

	<b>Individual</b>		<b>Consolidated</b>	
	<b>06.30.2020</b>	<b>03.31.2020</b>	<b>06.30.2020</b>	<b>03.31.2020</b>
Trade accounts payable - agreement	2,739,398	2,267,143	2,817,437	2,473,521
Suppliers of oil and its by-products (ii)	238,918	60,776	734,708	1,029,535
Suppliers of ethanol	165,764	68,741	190,490	116,730
Suppliers of materials and services	125,435	83,662	329,611	496,394
	<u>3,269,515</u>	<u>2,480,322</u>	<u>4,072,246</u>	<u>4,116,180</u>
Domestic (local currency)	3,267,039	2,476,683	3,431,369	2,753,435
Abroad (foreign currency) (Note 24.d)	2,476	3,639	640,877	1,362,745
	<u>3,269,515</u>	<u>2,480,322</u>	<u>4,072,246</u>	<u>4,116,180</u>

The characteristics of trade accounts payable are the same as those disclosed in the annual financial statements at March 31, 2020 (Note 13). There were no changes in the procedures for recognition, measurement and accounting records, as well as no significant changes in the credit risk of counterparties involved in the balances.

### 14. Leases

#### (a) Right of use

At June 30, 2020, rights of use are presented by the following underlying assets:

	<b>Individual</b>			<b>Total</b>
	<b>Properties</b>	<b>Vehicles</b>	<b>Machinery and equipment</b>	
Cost or valuation:				
Balance at March 31, 2020	<u>218,013</u>	<u>22,557</u>	<u>495</u>	<u>241,065</u>
Additions	2,722	-	-	2,722
Write-offs	(945)	-	-	(945)
Remeasurements	59	(293)	-	(234)
Balance as at June 30, 2020	<u>219,849</u>	<u>22,264</u>	<u>495</u>	<u>242,608</u>
Accumulated amortization:				
Balance at March 31, 2020	<u>(36,340)</u>	<u>(4,438)</u>	<u>(117)</u>	<u>(40,895)</u>
Amortization for the period	(9,451)	(1,021)	(30)	(10,502)
Balance as at June 30, 2020	<u>(45,791)</u>	<u>(5,459)</u>	<u>(147)</u>	<u>(51,397)</u>
Net residual value:				
At June 30, 2020	<u>174,058</u>	<u>16,805</u>	<u>348</u>	<u>191,211</u>
At March 31, 2020	<u>181,673</u>	<u>18,119</u>	<u>378</u>	<u>200,170</u>

# RAÍZEN COMBUSTÍVEIS S.A.

## Notes to interim financial information as at June 30, 2020

In thousands of Reais – R\$, unless otherwise stated

	<b>Consolidated</b>				
	<b>Land</b>	<b>Properties</b>	<b>Vehicles</b>	<b>Machinery and equipment</b>	<b>Total</b>
Cost or valuation:					
Balance at March 31, 2020	233,466	209,314	546,211	493	989,484
Additions	-	11,732	-	-	11,732
Write-offs	-	(12,448)	-	-	(12,448)
Remeasurements	(1,242)	59	(385)	-	(1,568)
Foreign currency translation effect and other	12,418	3,369	27,784	-	43,571
Balance as at June 30, 2020	244,642	212,026	573,610	493	1,030,771
Accumulated amortization:					
Balance at March 31, 2020	(24,073)	(81,316)	(174,912)	(117)	(280,418)
Write-offs	-	7,025	-	-	7,025
Amortization for the period	(5,981)	(24,062)	(46,783)	(29)	(76,855)
Foreign currency translation effect and other	(1,443)	(2,728)	(10,138)	-	(14,309)
Balance as at June 30, 2020	(31,497)	(101,081)	(231,833)	(146)	(364,557)
Net residual value:					
At June 30, 2020	213,145	110,945	341,777	347	666,214
At March 31, 2020	209,393	127,998	371,299	376	709,066

### (b) Lease liabilities

At June 30, 2020, lease liabilities are as follows:

	<b>Individual</b>	<b>Consolidated</b>
Balance at March 31, 2020	105,341	674,086
Additions	2,722	11,732
Write-offs	(991)	(5,466)
Payments	(7,377)	(89,049)
Interest	1,835	13,430
Remeasurements	(234)	(1,568)
Foreign currency translation effect	-	26,916
Balance as at June 30, 2020	101,296	630,081
In Brazil (local currency)	101,296	135,955
Abroad (foreign currency) (Note 24.d)	-	494,126
	101,296	630,081
Current	(43,406)	(257,276)
Noncurrent	57,890	372,805

The weighted average incremental borrowing rate applied to lease liabilities at June 30, 2020 was 7.1% per year (7.5% at March 31, 2020).



# RAÍZEN COMBUSTÍVEIS S.A.

## Notes to interim financial information as at June 30, 2020

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At June 30, 2020, the aging list of consolidated lease liabilities is as follows:

Periods:	Present value	Future value
1 to 12 months	257,276	274,613
13 to 24 months	147,004	184,062
25 to 36 months	62,233	85,674
37 to 48 months	38,371	53,147
49 to 60 months	22,267	33,983
61 to 72 months	14,570	24,464
73 to 84 months	10,501	19,210
85 to 96 months	7,261	15,042
97 to 120 months	6,683	13,865
From 121 months onwards	63,915	139,744
	630,081	843,804

## 15. Loans and financing

Type	Final maturity	Index/rate	Average annual effective interest rate (1)		Individual		Consolidated	
			06.30.2020	03.31.2020	06.30.2020	03.31.2020	06.30.2020	03.31.2020
Debt classification per currency:								
Denominated in Brazilian Real (R\$)					756,845	748,712	756,845	748,712
Denominated in US Dollar (Note 24.d)					6,958,565	6,401,077	8,244,457	7,712,461
					7,715,410	7,149,789	9,001,302	8,461,173
Debt type (2):								
BNDES	December/21	URTJLP	6.6%	6.8%	698	964	698	964
BNDES	December/20	Fixed rate	6.0%	6.0%	50	75	50	75
BNDES	July/21	UMBND	6.4%	6.5%	934	1,145	934	1,145
Working capital	July/20	ARS Tri	2.7%	-	-	-	213,170	-
Agribusiness Receivables Certificate ("CRA")	December/23	CDI	2.1%	3.5%	502,012	507,293	502,012	507,294
CRA	December/24	IPCA	6.5%	7.8%	253,152	239,235	253,152	239,235
Pre-export Financing	October/25	US\$ + Libor	2.1%	3.0%	6,958,564	6,401,077	8,031,286	7,712,460
					7,715,410	7,149,789	9,001,302	8,461,173
Expenses with placement of securities:								
BNDES					(74)	(94)	(74)	(94)
					7,715,336	7,149,695	9,001,228	8,461,079
Current					(1,384,842)	(1,204,829)	(1,849,334)	(1,736,408)
Noncurrent					6,330,494	5,944,866	7,151,894	6,724,671

- (1) The effective annual interest rate corresponds to the contract fee plus Libor (London InterBank Offered Rate), Euribor (European Interbank Offered Rate), URTJLP, IGP-M, UMBND, IPCA and CDI, where applicable.
- (2) Loans and financing from BNDES are guaranteed, as appropriate, by assets, property, plant and equipment items and/or collateral signatures by RESA.

At June 30, 2020, the installments due in the long term, less amortization of expenses with placement of securities, have the following maturity schedule:

	Individual	Consolidated
13 to 24 months	543,387	543,387
25 to 36 months	2,144,289	2,144,289
37 to 48 months	1,101,206	1,101,206
49 to 60 months	2,261,986	2,261,986
61 to 72 months	279,626	1,101,026
	6,330,494	7,151,894

# RAÍZEN COMBUSTÍVEIS S.A.

## Notes to interim financial information

as at June 30, 2020

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### Working capital

On April 17, 2020, Raízen Argentina took out a new loan amounting to R\$ 206,735, equivalent to AR\$ 2,600,000, maturing in July 2020.

### Pre-export Financing

On June 2, 2020, RCSA took out a new loan amounting to R\$ 269,000, equivalent to US\$ 50,000, maturing in June 2022.

In the quarter ended June 30, 2020, Raízen Argentina prepaid certain pre-export financing contracts in the amount of R\$ 285,390, equivalent to US\$ 55,000 thousand (principal) that were expected to be amortized in July and August 2020.

### Covenants

The Company and its subsidiaries are not subject to compliance with financial ratios, being subject only to certain restrictive clauses in the loan and financing agreements, such as cross-default and negative pledge.

### Fair value

Type	Classification	Amount raised, as adjusted		Fair value (1)		Consolidated Finance income (costs)	
		06.30.2020	03.31.2020	06.30.2020	03.31.2020	Apr Jun/20	Apr-Jun/2019
Pre-export Financing	Fair value through income statement	6,963,672	7,493,703	6,958,564	7,539,732	51,137	(57,883)
CRA	Fair value through income statement	227,094	225,552	253,152	239,235	(12,375)	(10,503)
		<u>7,190,766</u>	<u>7,719,255</u>	<u>7,211,716</u>	<u>7,778,967</u>	<u>38,762</u>	<u>(68,386)</u>

- (1) Includes a fair value assessment balance at June 30 and March 31, 2020, amounting to R\$ 20,950 and R\$ 82,272, respectively.

Other loans and financing have no quoted value, but the fair value substantially approximates their book value, due to exposure to variable interest rates and the irrelevant variation of the Company's credit risk.

# RAÍZEN COMBUSTÍVEIS S.A.

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as at June 30, 2020

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### 16. Income and social contribution taxes

#### (a) Reconciliation of income and social contribution taxes (expense):

	Individual		Consolidated	
	Apr-Jun/20	Apr-Jun/2019	Apr-Jun/20	Apr-Jun/2019
<b>(Loss) Profit before income and social contribution taxes</b>	(382,776)	338,824	(483,713)	431,492
Income and social contribution taxes at nominal rate (34%)	130,144	(115,200)	164,462	(146,707)
<b>Adjustments to calculate the effective rate:</b>				
Interest on Equity (IOE)	12,580	13,600	12,580	13,600
Equity pickup	(89,934)	41,535	1,495	-
Tax rate differences between countries	-	-	(15,151)	3,600
Rate difference between deemed profit and taxable profit taxation regimes	-	-	-	3,018
Company's income statement abroad	(2,302)	-	(2,302)	-
Gifts, donations, trade association dues	(388)	(2,681)	(447)	(2,962)
Other	(175)	606	(10,114)	(11,000)
Income and social contribution taxes credit (expense)	49,925	(62,140)	150,523	(140,451)
Effective rate	15.2%	18.3%	31.4%	32.6%

#### (b) Income and social contribution taxes recoverable (current and noncurrent):

	Individual		Consolidated	
	06.30.2020	03.31.2020	06.30.2020	03.31.2020
Corporate Income Tax (IRPJ)	120,459	105,320	204,004	197,734
Social Contribution Tax on Net Profit (CSLL)	67,310	61,449	106,008	102,623
Entity's tax credits abroad (1)	-	-	80,724	334,904
	187,769	166,769	390,736	635,261
Current assets	(187,769)	(166,769)	(362,866)	(583,191)
Noncurrent assets	-	-	27,870	52,070

(1) Corresponds to Argentinean federal taxes paid in advance on net revenue and credits generated on imports to be offset against exports and/or other federal taxes.

#### (c) Income and social contribution taxes payable (current):

	Consolidated	
	06.30.2020	03.31.2020
Corporate Income Tax (IRPJ)	20,770	6,580
Social Contribution Tax on Net Profit (CSLL)	8,095	2,323
Entity's tax debits abroad (1)	39,355	166,802
	68,220	175,705

(1) Corresponds to Argentinean federal taxes payable on profit.

# RAÍZEN COMBUSTÍVEIS S.A.

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### (d) Deferred income and social contribution tax assets and liabilities:

Assets / (liabilities)	06.30.2020				Individual 03.31.2020		06.30.2020				Consolidated 03.31.2020	
	Base	IRPJ 25%	CSLL 9%	Total	Total		Base	IRPJ 25%	CSLL 9%	Total	Total	
Tax losses	14,912	3,728	-	3,728	-		428,720	107,180	-	107,180	103,297	
Entities' tax losses abroad	-	-	-	-	-		245,852	61,463	-	61,463	-	
CSLL tax loss	15,289	-	1,376	1,376	-		429,100	-	38,619	38,619	37,187	
Temporary differences:												
Fair value of financial liabilities	379,304	94,825	34,138	128,963	129,252		379,306	94,826	34,138	128,964	129,252	
Compensation and benefits to employees	111,082	27,771	9,997	37,768	33,658		115,459	28,865	10,391	39,256	34,931	
Lease liability and right of use	12,312	3,078	1,108	4,186	3,335		7,679	1,920	691	2,611	3,324	
Foreign exchange difference	2,947,076	736,769	265,237	1,002,006	830,285		3,063,309	765,826	275,699	1,041,525	964,789	
Fair value of inventories	-	-	-	-	67,036		-	-	-	-	67,036	
Provisions and other temporary differences	423,639	105,909	38,128	144,037	174,740		670,000	167,499	60,301	227,800	248,798	
Total deferred tax assets		972,080	349,984	1,322,064	1,238,306			1,227,579	419,839	1,647,418	1,588,614	
Amortized tax goodwill	(940,094)	(235,024)	(84,608)	(319,632)	(319,632)		(940,094)	(235,024)	(84,608)	(319,632)	(319,632)	
Fair value of inventories	(114,035)	(28,509)	(10,263)	(38,772)	-		(114,035)	(28,509)	(10,263)	(38,772)	-	
Fair value of PP&E items, intangible assets and others	(152,056)	(38,014)	(13,685)	(51,699)	(54,579)		(749,765)	(187,441)	(67,479)	(254,920)	(266,214)	
ICMS tax reimbursement	(150,056)	(37,514)	(13,505)	(51,019)	(49,572)		(263,738)	(65,935)	(23,736)	(89,671)	(85,235)	
Revaluation of property, plant and equipment	-	-	-	-	-		(2,143,018)	(535,755)	(192,871)	(728,626)	(700,591)	
Review of useful lives of PP&E	(107,556)	(26,889)	(9,680)	(36,569)	(34,313)		(119,762)	(29,941)	(10,778)	(40,719)	(38,338)	
Cost of capitalized loans	(19,204)	(4,801)	(1,729)	(6,530)	(7,543)		(19,206)	(4,801)	(1,729)	(6,530)	(7,543)	
Fair value upon joint venture creation	(522,521)	(130,630)	(47,027)	(177,657)	(178,963)		(522,521)	(130,630)	(47,027)	(177,657)	(178,963)	
Unrealized income (loss) from derivatives	(3,011,151)	(752,788)	(271,003)	(1,023,791)	(1,028,810)		(3,033,265)	(758,316)	(272,994)	(1,031,310)	(1,178,748)	
Contractual relationships with customers	(191,262)	(47,815)	(17,214)	(65,029)	(66,121)		(207,409)	(51,852)	(18,667)	(70,519)	(72,086)	
Total deferred tax liabilities		(1,301,984)	(468,714)	(1,770,698)	(1,739,533)			(2,028,204)	(730,152)	(2,758,356)	(2,847,350)	
Total deferred taxes		(329,904)	(118,730)	(448,634)	(501,227)			(800,625)	(310,313)	(1,110,938)	(1,258,736)	
Deferred taxes- Assets, net				-	-					164,313	136,672	
Deferred taxes- Liabilities, net				(448,634)	(501,227)					(1,275,251)	(1,395,408)	
Total deferred taxes				(448,634)	(501,227)					(1,110,938)	(1,258,736)	

# RAÍZEN COMBUSTÍVEIS S.A.

## Notes to interim financial information at June 30, 2020

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### Changes in deferred taxes, net:

	<u>Individual</u>	<u>Consolidated</u>
Balance at March 31, 2020	(501,227)	(1,258,736)
Impact (credit) on income statement	52,227	177,174
Deferred taxes on comprehensive income (loss)	5,611	5,611
Foreign currency translation effect and other	(5,245)	(34,987)
	<u>                    </u>	<u>                    </u>
Balance at June 30, 2020	<u>(448,634)</u>	<u>(1,110,938)</u>

### (e) **Realization of deferred income and social contribution taxes:**

As mentioned in Note 16.e to the annual financial statements at March 31, 2020, the Company expects to realize deferred tax assets, including IRPJ and CSLL tax loss carryforwards and temporary differences. In the three-month period ended June 30, 2020, there were no significant changes related to the expectations of the realization of deferred income and social contribution taxes.

## 17. **Provision for lawsuits and judicial deposits**

### Composition of lawsuits assessed as probable loss

In the Company's creation process, the parties agreed that Shell shall reimburse the Company for the lawsuits filed with the Company prior to its formation. As of June 30 and March 31, 2020, the balance of said claims to be reimbursed and claims that are not reimbursable are as follow:

	<u>Individual</u>		<u>Consolidated</u>	
	<u>06.30.2020</u>	<u>03.31.2020</u>	<u>06.30.2020</u>	<u>03.31.2020</u>
Tax	744,124	724,721	751,054	735,001
Civil	162,927	158,323	172,756	216,108
Labor	30,356	28,737	40,822	39,185
Environmental	15,991	16,580	57,459	56,534
	<u>953,398</u>	<u>928,361</u>	<u>1,022,091</u>	<u>1,046,828</u>
Non-reimbursable lawsuits	50,026	47,669	115,013	111,650
Reimbursable lawsuits	<u>903,372</u>	<u>880,692</u>	<u>907,078</u>	<u>935,178</u>
	<u>953,398</u>	<u>928,361</u>	<u>1,022,091</u>	<u>1,046,828</u>

# RAÍZEN COMBUSTÍVEIS S.A.

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In the Company's creation process, it was also agreed that the Company shall refund Shell for the amount of judicial deposits made on a base date prior to creation of Raízen. At June 30 and March 31, 2020, the balances of refundable deposits and non-refundable deposits are as follows:

	<b>Individual</b>		<b>Consolidated</b>	
	<b>06.30.2020</b>	<b>03.31.2020</b>	<b>06.30.2020</b>	<b>03.31.2020</b>
Tax	26,173	26,036	27,159	27,015
Civil	15,205	15,302	26,891	26,814
Labor	14,530	13,421	14,877	14,220
	<u>55,908</u>	<u>54,759</u>	<u>68,927</u>	<u>68,049</u>
Own judicial deposits	37,590	36,219	49,794	48,708
Refundable judicial deposits	18,318	18,540	19,133	19,341
	<u>55,908</u>	<u>54,759</u>	<u>68,927</u>	<u>68,049</u>

### (i) Non-reimbursable lawsuits

					<b>Individual</b>
	<b>Tax</b>	<b>Civil</b>	<b>Labor</b>	<b>Environmental</b>	<b>Total</b>
Balance at March 31, 2020	29,890	1,212	15,672	895	47,669
Provisioned in the period (a)	796	60	1,561	584	3,001
Write-offs/reversals (a)	(2)	(101)	(1,077)	-	(1,180)
Payments	-	-	-	(247)	(247)
Monetary adjustment (b)	49	20	714	-	783
Balance at June 30, 2020	<u>30,733</u>	<u>1,191</u>	<u>16,870</u>	<u>1,232</u>	<u>50,026</u>
					<b>Consolidated</b>
	<b>Tax</b>	<b>Civil</b>	<b>Labor</b>	<b>Environmental</b>	<b>Total</b>
Balance at March 31, 2020	37,153	8,142	25,875	40,480	111,650
Provisioned in the period (a)	1,108	757	1,885	584	4,334
Write-offs/reversals (a)	(2,992)	(169)	(1,315)	-	(4,476)
Payments	-	(103)	(6)	(1,495)	(1,604)
Monetary and exchange adjustments (b)	2,295	(425)	151	-	2,021
Foreign currency translation effect and other	98	460	483	2,047	3,088
Balance at June 30, 2020	<u>37,662</u>	<u>8,662</u>	<u>27,073</u>	<u>41,616</u>	<u>115,013</u>

(a) Recognized in the statement of profit or loss for the period under Sales taxes, General and administrative expenses, except for the monetary restatement reversals, if any, recognized in Finance income (costs).

(b) Recorded in profit or loss for the period under Finance income (costs).

# RAÍZEN COMBUSTÍVEIS S.A.

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### (ii) Reimbursable lawsuits (1)

					<b>Individual</b>
	<b>Tax</b>	<b>Civil</b>	<b>Labor</b>	<b>Environmental</b>	<b>Total</b>
Balance at March 31, 2020	694,832	157,112	13,064	15,684	880,692
Provisioned in the period	10,396	61	408	769	11,634
Write-offs/reversals	(39,325)	(1,790)	-	(1,024)	(42,139)
Payments	-	-	-	(670)	(670)
Monetary adjustment	47,488	6,353	14	-	53,855
Balance at June 30, 2020	<u>713,391</u>	<u>161,736</u>	<u>13,486</u>	<u>14,759</u>	<u>903,372</u>
					<b>Consolidated</b>
	<b>Tax</b>	<b>Civil</b>	<b>Labor</b>	<b>Environmental</b>	<b>Total</b>
Balance at March 31, 2020	697,126	207,967	13,317	16,768	935,178
Provisioned in the period	10,396	113	408	769	11,686
Write-offs/reversals	(39,385)	(51,269)	-	(1,024)	(91,678)
Payments	-	-	-	(670)	(670)
Monetary and exchange adjustments	45,255	6,353	24	-	51,632
Foreign currency translation effect and other	-	930	-	-	930
Balance at June 30, 2020	<u>713,392</u>	<u>164,094</u>	<u>13,749</u>	<u>15,843</u>	<u>907,078</u>

(1) The change does not and will never have an effect on income statement, due to the Company's right to reimbursement.

### (iii) Total lawsuits

					<b>Individual</b>
	<b>Tax</b>	<b>Civil</b>	<b>Labor</b>	<b>Environmental</b>	<b>Total</b>
Balance at March 31, 2020	724,722	158,324	28,736	16,579	928,361
Provisioned in the period	11,192	121	1,969	1,353	14,635
Write-offs/reversals	(39,327)	(1,891)	(1,077)	(1,024)	(43,319)
Payments	-	-	-	(917)	(917)
Monetary adjustment	47,537	6,373	728	-	54,638
Balance at June 30, 2020	<u>744,124</u>	<u>162,927</u>	<u>30,356</u>	<u>15,991</u>	<u>953,398</u>
					<b>Consolidated</b>
	<b>Tax</b>	<b>Civil</b>	<b>Labor</b>	<b>Environmental</b>	<b>Total</b>
Balance at March 31, 2020	734,279	216,109	39,192	57,248	1,046,828
Provisioned in the period	11,504	870	2,293	1,353	16,020
Write-offs/reversals	(38,174)	(50,406)	2,110	(440)	(86,910)
Payments	-	(103)	(6)	(2,165)	(2,274)
Monetary and exchange adjustments	47,550	5,928	175	-	53,653
Foreign currency translation effect and other	98	1,390	483	2,047	4,018
Balance at June 30, 2020	<u>755,257</u>	<u>173,788</u>	<u>44,247</u>	<u>58,043</u>	<u>1,031,335</u>

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### (a) Tax

	<b>Individual</b>		<b>Consolidated</b>	
	<b>06.30.2020</b>	<b>03.31.2020</b>	<b>06.30.2020</b>	<b>03.31.2020</b>
Federal Value-Added Tax (IPI)	87,174	86,896	87,174	86,896
IRPJ and CSLL	78,629	78,283	78,629	78,283
Lawyers' fees	8,661	47,299	15,976	57,205
PIS and COFINS	58,410	58,247	58,410	58,247
State Value-Added Tax (ICMS)	507,526	450,323	507,701	450,498
Other	3,724	3,673	3,888	3,872
	<u>744,124</u>	<u>724,721</u>	<u>751,778</u>	<u>735,001</u>
Non-reimbursable lawsuits	30,733	29,889	38,387	37,875
Reimbursable lawsuits	713,391	694,832	713,391	697,126
	<u>744,124</u>	<u>724,721</u>	<u>751,778</u>	<u>735,001</u>

### (b) Civil, tax and environmental claims

The major claims are related to: (a) remediating environmental damage caused by fuel leakage; and (b) contractual, real estate and credit recovery discussions, the last of which discussing contractual violations, possession of Company properties and recovery of amounts not paid by customers.

The Company and its subsidiaries are also parties to several labor claims filed by former employees and employees of service providers who question, among others, the payment of overtime, night shift and risk exposure premiums, job reinstatement, refund of deductions made in payroll such as confederative association dues, union dues and others.

The main environmental claims are related to environmental remediation work to be carried out at filling stations, distribution bases, airports and customer distribution centers, which comprise removal of contaminated material, treatment of the area, laboratory analysis and post-remediation monitoring.

### Lawsuits deemed as possible losses and, consequently, with no provision for lawsuits

### (a) Tax

	<b>Individual</b>		<b>Consolidated</b>	
	<b>06.30.2020</b>	<b>03.31.2020</b>	<b>06.30.2020</b>	<b>03.31.2020</b>
State Value-Added Tax (ICMS)	2,435,391	2,485,975	2,639,917	2,686,730
IRPJ and CSLL	2,006,305	1,994,794	2,174,796	2,162,120
PIS and COFINS	4,115,496	4,217,641	4,374,278	4,452,604
Other	525,773	546,661	847,559	761,043
	<u>9,082,965</u>	<u>9,245,071</u>	<u>10,036,550</u>	<u>10,062,497</u>
Non-reimbursable lawsuits	4,173,746	4,117,011	4,997,599	4,796,416
Reimbursable lawsuits	4,909,219	5,128,060	5,038,951	5,266,081
	<u>9,082,965</u>	<u>9,245,071</u>	<u>10,036,550</u>	<u>10,062,497</u>



# RAÍZEN COMBUSTÍVEIS S.A.

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### (b) Civil, tax and environmental claims

	Individual		Consolidated	
	06.30.2020	03.31.2020	06.30.2020	03.31.2020
Civil	492,491	500,308	530,142	524,963
Labor	64,770	93,466	87,449	97,878
Environmental	2,810	2,830	24,783	24,418
	<u>560,071</u>	<u>596,604</u>	<u>642,374</u>	<u>647,259</u>
Non-reimbursable lawsuits	91,467	126,805	167,566	147,380
Reimbursable lawsuits	468,604	469,799	474,808	499,879
	<u>560,071</u>	<u>596,604</u>	<u>642,374</u>	<u>647,259</u>

### 18. Commitments (Consolidated)

As mentioned in Note 18 of the annual financial statements as of March 31, 2020, the Company and its subsidiaries have diesel sales commitments, purchases of fuel and oil inputs, and storage and transportation service agreements. In the three-month period ended June 30, 2020, there were no significant changes related to these commitments.

### 19. Equity

#### (a) Capital and capital reserve

At June 30 and March 31, 2020, the Company's fully subscribed and paid-in capital is R\$1,921,843, represented as follows:

	Shareholders (shares in units)		
	Shell	Cosan Investimentos e Participações S.A. ("CIP") (1)	Total
Common shares	830,709,236	830,709,236	1,661,418,472
Class A preferred shares	1	-	1
Class D preferred shares	100,000	-	100,000
Class E preferred shares	81,897,057	-	81,897,057
Total as at June 30 and March 31, 2020	<u>912,706,294</u>	<u>830,709,236</u>	<u>1,743,415,530</u>

(1) In June 2014, Cosan S.A. contributed all its common shares issued by RCSA to CIP.

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### (b) Changes in dividends and Interest on Equity (IOE)

	<u>Dividends</u>	<u>IOE</u>	<u>Individual Total</u>	<u>Dividends</u>	<u>IOE</u>	<u>Consolidated Total</u>
Balance at March 31, 2020	729	62,529	63,258	10,497	62,529	73,026
IOE, net of Withholding Income Tax (IRRF)	-	31,450	31,450	-	31,450	31,450
Balance at June 30, 2020	729	93,979	94,708	10,497	93,979	104,476
Current liabilities			(729)			(10,497)
Noncurrent liabilities			93,979			93,979

### (c) Equity adjustments

	<u>03.31.2020</u>	<u>Comprehensive income (loss)</u>	<u>06.30.2020</u>
Actuarial gain on defined benefit plan, net	4,742	-	4,742
Gains (losses) on financial instruments designated as hedge accounting	18,548	(10,893)	7,655
Gains (losses) on net investment hedge of a foreign operation	(45,741)	-	(45,741)
Foreign currency translation effects	736,987	179,964	916,951
	<u>714,536</u>	<u>169,071</u>	<u>883,607</u>
Attributed to:			
Controlling interests	714,536	169,071	883,607
	<u>03.31.2019</u>	<u>Comprehensive income (loss)</u>	<u>06.30.2019</u>
Actuarial loss on defined benefit plan, net	(13)	-	(13)
Gains (losses) on financial instruments designated as hedge accounting	(664)	(7,545)	(8,209)
Gains (losses) on net investment hedge of a foreign operation	(35,795)	2,045	(33,750)
Foreign currency translation effects	(99,843)	(52,124)	(151,967)
	<u>(136,315)</u>	<u>(57,624)</u>	<u>(193,939)</u>
Attributed to:			
Controlling interests	(136,311)	(57,624)	(193,935)
Noncontrolling interests	(4)	-	(4)

### (d) (Loss) earnings per share

Basic and diluted earnings per share are calculated by dividing the profit attributable to the Company's shareholders by the weighted average number of common shares issued during the period.

The table below presents information on profit or loss and shares used to calculate basic and diluted earnings per share for the three-month periods ended June 30, 2020 and 2019 (in thousands, except for earnings (loss) per share):

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### Basic and diluted

	<u>Apr Jun/20</u>	<u>Apr-Jun/19</u>
Numerator		
Net (loss) income for the period	(332,851)	276,684
Denominator		
Weighted average number of common shares (in thousands)	<u>1,661,418</u>	<u>1,661,418</u>
Basic and diluted (loss) earnings per common share (reais per share)	<u>(0.20)</u>	<u>0.17</u>

The Company does not have outstanding common shares that may cause dilution or debt convertible into common shares. As such, the basic and diluted (loss) earnings per share are equivalent.

## 20. Net operating revenue

Gross revenue is broken down as follows:

	<b>Individual</b>		<b>Consolidated</b>	
	<u>Apr-Jun/20</u>	<u>Apr-Jun/19</u>	<u>Apr-Jun/20</u>	<u>Apr-Jun/19</u>
Domestic market	12,238,442	19,429,002	14,258,638	22,735,934
Foreign market	88,048	370,981	2,826,999	4,732,644
Gross sales of products and services	12,326,490	19,799,983	17,085,637	27,468,578
Returns and cancellations	(74,896)	(90,205)	(117,704)	(159,943)
Sales taxes	(265,889)	(651,053)	(1,212,338)	(1,973,255)
Trade discounts	(66,192)	(63,096)	(81,850)	(72,845)
Amortization of exclusive supply rights (Note 9)	(87,855)	(98,666)	(111,681)	(118,327)
Other	(3,765)	(17,752)	(3,732)	(17,166)
Net operating revenue	<u>11,827,893</u>	<u>18,879,211</u>	<u>15,558,332</u>	<u>25,127,042</u>

The breakdown of net operating revenue by product is as follows:

	<b>Individual</b>		<b>Consolidated</b>	
	<u>Apr-Jun/20</u>	<u>Apr-Jun/19</u>	<u>Apr-Jun/20</u>	<u>Apr-Jun/19</u>
Diesel	6,305,178	8,527,780	8,310,922	11,226,279
Gasoline	4,186,114	6,818,386	5,524,614	9,294,854
Ethanol	1,070,285	2,080,357	1,094,327	2,131,052
Jet	207,053	1,335,071	236,727	1,622,968
Other	59,263	117,617	391,742	851,889
	<u>11,827,893</u>	<u>18,879,211</u>	<u>15,558,332</u>	<u>25,127,042</u>

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### 21. Costs and expenses by nature

#### Reconciliation of costs and expenses by nature

Costs and expenses are shown in income statement by function. The reconciliation of income statement by nature for the three-month periods ended June 30, 2020 and 2019 is detailed below:

	Individual		Consolidated	
	Apr-Jun/20	Apr-Jun/19	Apr-Jun/20	Apr-Jun/19
Fuel for resale and pickup and transfer costs	(11,548,972)	(18,225,901)	(15,263,059)	(23,902,654)
Personnel expenses	(106,115)	(113,390)	(176,583)	(168,181)
Depreciation and amortization	(51,247)	(51,480)	(245,699)	(186,440)
Freight	(69,316)	(82,879)	(115,588)	(131,374)
Selling expenses	(23,662)	(43,164)	(51,980)	(91,071)
Contracted labor	(22,913)	(24,633)	(51,658)	(50,705)
Logistics expenses	(47,386)	(39,003)	(87,923)	(84,482)
Other	(24,175)	(45,989)	(66,642)	(102,530)
	<u>(11,893,786)</u>	<u>(18,626,439)</u>	<u>(16,059,132)</u>	<u>(24,717,437)</u>

#### Classified as:

	Individual		Consolidated	
	Apr-Jun/20	Apr-Jun/19	Apr-Jun/20	Apr-Jun/19
Cost of sales and services	(11,548,972)	(18,225,901)	(15,421,526)	(24,012,890)
Selling expenses	(249,675)	(294,721)	(491,208)	(551,988)
General and administrative expenses	(95,139)	(105,817)	(146,398)	(152,559)
	<u>(11,893,786)</u>	<u>(18,626,439)</u>	<u>(16,059,132)</u>	<u>(24,717,437)</u>

### 22. Other operating income, net

	Individual		Consolidated	
	Apr-Jun/20	Apr-Jun/19	Apr-Jun/20	Apr-Jun/19
Recognition of tax credits and others, net	19	43,840	21,247	45,114
(Loss) gain on write-off of PPE	(1,686)	42,098	5,451	44,281
Rental and lease income	12,760	19,772	25,453	33,663
Income on washout	11,313	6,048	11,313	7,376
Royalty income	1,020	1,984	1,087	24,560
Commissions on sales of lubricants, cards and means of payment	4,056	4,087	4,912	4,984
Reversal (recognition) of estimated loss on property, plant and equipment, net (Note 12)	566	(338)	611	(338)
Other income (expenses), net	(1,926)	(1,350)	7,448	16,452
	<u>26,122</u>	<u>116,141</u>	<u>77,522</u>	<u>176,092</u>

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#### 23. Finance income (costs)

	Individual		Consolidated	
	Apr-Jun/20	Apr-Jun/19	Apr-Jun/20	Apr-Jun/19
<u>Finance costs</u>				
Interest	(92,153)	(127,845)	(137,894)	(143,898)
PIS/COFINS on finance costs	(2,381)	(3,223)	(3,071)	(4,274)
Monetary losses	917	(2,530)	917	(2,530)
Other	(2,681)	(7,706)	(4,586)	(9,700)
	(96,298)	(141,304)	(144,634)	(160,402)
Fair value of financial instruments (Notes 8.a.2.e and 15)	856	(149,683)	856	(149,683)
Amounts capitalized on qualified assets (Note 11)	31	100	31	100
	(95,411)	(290,887)	(143,747)	(309,985)
<u>Finance income</u>				
Interest	29,698	39,260	43,718	60,737
Short-term investment yield	737	23,404	5,821	36,157
Monetary gains and other	26	87	159	170
	30,461	62,751	49,698	97,064
<u>Foreign exchange differences, net</u>	(489,410)	111,550	(606,743)	148,751
<u>Net effect of derivatives</u>	495,139	(21,123)	639,838	(90,035)
	(59,221)	(137,709)	(60,954)	(154,205)

#### 24. Financial instruments

##### (a) Overview

The Company is exposed to the following risks arising from its operations, which are equalized and managed through certain financial instruments:

- Interest rate risk
- Price risk
- Currency risk
- Credit risk
- Liquidity risk

This note presents information on the Company's exposure to each of the aforementioned risks, the Company's goals, policies and processes for measuring and managing risk, and the Company's capital management.

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### (b) Risk management structure

The Company has specific treasury and trading policies that define how risk management should be carried out, never operating with derivatives which are beyond the notional total of underlying asset or liability. To monitor activities and ensure compliance with policies, the Company has the following main committees: (i) Risk Committee that meets weekly to analyze the behavior of the foreign exchange market and deliberate on hedging positions and pricing strategy for exports and imports of products, so as to reduce the adverse effects of changes in exchange rate and prices of commodities; and (ii) Ethanol and by-products Committee that meets monthly to assess the risks associated with the sale of ethanol and by-products and to adapt to the limits defined in the risk policies.

The Company and its subsidiaries are exposed to the following significant market risks: (i) ethanol, oil and its by-products price volatility; (ii) exchange rate volatility; and (iii) interest rate volatility. The financial instruments for hedging purposes are taken out by analyzing the risk exposure to which management seeks coverage.

As at June 30 and March 31, 2020, the fair values related to transactions involving derivative financial instruments for hedging or other purposes were measured through observable factors, such as prices quoted in active markets or discounted cash flows based on market curves and are presented below:

	Notional amount		Individual Fair value		Notional amount		Consolidated Fair value	
	06.30.2020	03.31.2020	06.30.2020	03.31.2020	06.30.2020	03.31.2020	06.30.2020	03.31.2020
Price risk								
Goods derivatives								
Futures	564,972	642,310	(237,401)	174,117	564,972	642,310	(237,401)	174,117
	564,972	642,310	(237,401)	174,117	564,972	642,310	(237,401)	174,117
Exchange rate risk								
Exchange rate derivatives								
Futures	69,819	(98,775)	40	382	69,819	(98,775)	40	382
Foreign exchange forward	1,513,566	1,384,934	95	51,193	554,719	(3,247,109)	15,219	487,082
Foreign exchange swap	(10,087,399)	(9,284,878)	3,252,605	2,821,504	(10,087,399)	(9,284,878)	3,252,605	2,821,504
	(8,504,014)	(7,998,719)	3,252,740	2,873,079	(9,462,861)	(12,630,762)	3,267,864	3,308,968
Interest rate risk								
Interest swap	(204,024)	(204,024)	48,259	36,573	(204,024)	(204,024)	48,259	36,573
	(204,024)	(204,024)	48,259	36,573	(204,024)	(204,024)	48,259	36,573
Total			3,063,598	3,083,769			3,078,722	3,519,658
Current assets			420,366	709,719			443,418	1,208,585
Noncurrent assets			3,004,251	2,513,295			3,004,251	2,513,295
Total assets			3,424,617	3,223,014			3,447,669	3,721,880
Current liabilities			(360,644)	(139,245)			(368,572)	(202,222)
Noncurrent liabilities			(375)	-			(375)	-
Total liabilities			(361,019)	(139,245)			(368,947)	(202,222)
Total			3,063,598	3,083,769			3,078,722	3,519,658

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### (c) Price risk (Consolidated)

This risk arises from the possibility of oscillations in the market prices of products sold and produced by the Company and its subsidiaries, especially oil (heating oil), gasoline and ethanol. These price oscillations may lead to material changes in sales revenues and costs. To mitigate this risk, the Company constantly monitors the market to anticipate price changes. The positions of derivative financial instruments used to hedge against the commodities price risk outstanding at June 30, 2020 are as follows:

<b>Price risk: commodity derivatives outstanding as at June 30, 2020</b>							
<u>Derivatives</u>	<u>Purchased/ Sold</u>	<u>Market</u>	<u>Contract</u>	<u>Maturity</u>	<u>Notional amount (units)</u>	<u>Notional amount (R\$ thousand)</u>	<u>Fair value (R\$ thousand)</u>
Futures	Sold	NYMEX	Jet	Aug/20	66,780 cbm	1,231	(12,475)
Futures	Sold	NYMEX	Gasoline	Jul/20 to Aug/20	462,213 cbm	642,182	(107,815)
Futures	Sold	NYMEX	Heating Oil	Jul/20 to Dec/20	1,283,607 cbm	1,835,555	(202,694)
Subtotal – futures purchased					1,812,600 cbm	2,478,968	(322,984)
Futures	Purchased	NYMEX	Gasoline	Jul/20 to Jun/21	(350,276) cbm	(525,746)	30,925
Futures	Purchased	NYMEX	Heating Oil	Jul/20 to Jun/21	(974,034) cbm	(1,388,250)	54,658
Subtotal - futures purchased					(1,324,310) cbm	(1,913,996)	85,583
Subtotal - futures					488,290 cbm	564,972	(237,401)
Net exposure of commodity derivatives as at June 30, 2020						564,972	(237,401)
Net exposure of commodity derivatives as at March 31, 2020						642,310	174,117

### (d) Exchange rate risk (Consolidated)

This derives from the possibility of oscillations in exchange rates used by the Company for exports, imports, debt flows and other assets and liabilities in foreign currency. The Company uses derivatives to manage cash flow risks arising from these transactions denominated in US dollars, net of other foreign currency denominated cash flows. The derivatives positions used to hedge against the exchange rate risk are as follows:

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Exchange rate risk: foreign exchange derivatives outstanding as at June 30, 2020							
Derivatives	Purchased/ Sold	Market	Contract	Maturity	Notional amount (units)	Notional amount (R\$ thousand)	Fair value (R\$ thousand)
Futures	Sold	B3	Commercial Dollar	Jul/20 to Aug/20	25,500	139,638	(450)
Subtotal – futures purchased					25,500	139,638	(450)
Futures	Purchased	B3	Commercial Dollar	Jul-20	(12,750)	(69,819)	490
Subtotal - futures purchased					(12,750)	(69,819)	490
Subtotal - futures					12,750	69,819	40
Forward	Sold	OTC/Cetip	Non-Deliverable Forwards (NDF)	Jul/20 to Nov/20	419,300	2,296,087	4,647
Subtotal - forward sold					419,300	2,296,087	4,647
Forward	Purchased	OTC/Cetip	NDF	Jul/20 to Nov/20	(318,000)	(1,741,368)	10,572
Subtotal - forward purchased					(318,000)	(1,741,368)	10,572
Subtotal - forward					101,300	554,719	15,219
Foreign exchange swap	Purchased	OTC	Foreign exchange swap	Jul/20 to Jan/27	(1,842,111)	(10,087,399)	3,252,605
Subtotal - foreign exchange swap purchased					(1,842,111)	(10,087,399)	3,252,605
Net exposure of foreign exchange derivatives as at June 30, 2020					<u>(1,728,061)</u>	<u>(9,462,861)</u>	<u>3,267,864</u>
Net exposure of foreign exchange derivatives as at March 31, 2020					<u>(2,429,600)</u>	<u>(12,630,762)</u>	<u>3,308,968</u>

At June 30, 2020, the summary of quantitative data on the Company's net exposure, considering the parity of all currencies to US\$, is presented below:

	06.30.2020	
	R\$	US\$ (in thousand)
Cash and cash equivalents (Note 3)	743,137	135,708
Restricted cash (Note 4)	341,517	62,366
Foreign trade accounts receivable (Note 5)	291,461	53,225
Related parties (Note 8.a)	(4,824,701)	(881,063)
Trade accounts payable (Note 13)	(640,877)	(117,034)
Loans and financing (Note 15)	(8,244,457)	(1,505,559)
Lease liabilities (Note 14.b)	(494,126)	(90,235)
Derivative financial instruments (Note 24.d) (1)		1,728,061
Foreign exchange exposure, net		(614,531)
Derivatives settled in the month following closing (2)		138,200
Net foreign exchange exposure, adjusted at June 30, 2020 (3)		<u>(476,331)</u>
Net foreign exchange exposure, adjusted at March 31, 2020		<u>(561,530)</u>

(1) Refers to the notional amount of foreign exchange derivative operations.

(2) Maturity in July 2020, which was settled by reference to PTAX of the last day of the closing month.

(3) The adjusted net foreign exchange exposure will be substantially offset in the future with highly probable product export revenues and/or product import costs.



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### (e) Effects of hedge accounting

RCSA formally designates its operations subject to hedge accounting for the purpose of hedging cash flows. The main hedges designated are ethanol revenue, as applicable, cost of by-products and foreign currency debt.

As at June 30, 2020 the impacts recognized in the Company's equity and the estimated realization in income statement are as follows:

Derivatives	Market	Risk	Realization period		
			2020/2021	06.30.2020	03.31.2020
Forward	OTC / ICE	Foreign exchange	11,602	11,602	28,106
			11,602	11,602	28,106
(-) Deferred taxes			(3,946)	(3,946)	(9,557)
Effect on equity			<u>7,656</u>	<u>7,656</u>	<u>18,549</u>

Changes in consolidated balances in other comprehensive income (loss) for the period are as follows:

### *Cash flow hedge*

	<u>06.30.2020</u>
Balance at beginning of period	18,549
Changes for the period:	
Fair value of foreign exchange forward designated as hedge accounting	20,336
Gains (losses) on commodities/foreign exchange reclassified to costs of products sold and services rendered and other operating income, net	<u>(36,840)</u>
Total changes for the period (before deferred taxes)	(16,504)
Effect of deferred taxes on equity adjustments	<u>5,611</u>
	<u>(10,893)</u>
Balance at end of period	<u>7,656</u>

### **Fair value hedge**

RCSA designates at fair value the inventory and highly probable purchases of oil by-products with linked derivatives. Risk management is primarily intended for recognizing inventory at a floating price, as RCSA's sales revenue will be upon sale of products to its customers. Hedge accounting aims to minimize any type of mismatching in income (loss), causing both the derivatives and the inventory to be recorded at fair value, with the change being recognized under Cost of products sold and services rendered, whose positive impact in the three-month period ended June 30, 2020 was R\$311,199 (R\$3,131 at June 30, 2019). At June 30, 2020, in the statement of financial position, the fair value measurement balance of inventories is increased by R\$114,036 (decreased by R\$197,163 at March 31, 2020).

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### (f) Interest rate risk (Consolidated)

The Company monitors fluctuations in variable interest rates related to certain debts, especially those linked to Libor and, when necessary, uses derivative instruments to minimize these risks. The derivatives positions used to hedge against the interest rate risk are as follows:

Interest rate risk: Interest derivatives outstanding as at June 30, 2020							
Derivatives	Purchased/ Sold	Market	Contract	Maturity	Notional amount (units)	Notional amount (R\$ thousand)	Fair value (R\$ thousand)
Interest swap	Purchased	OTC	Interest swap	Dec-24	(37,258)	(204,024)	48,259
Total - interest swap					(37,258)	(204,024)	48,259
Net exposure of interest derivatives as at June 30, 2020						(204,024)	48,259
Net exposure of interest derivatives as at March 31, 2020						(204,024)	36,573

### (g) Credit risk (Consolidated)

A substantial part of the Company's and its subsidiaries sales is made to a select group of highly qualified counterparties.

Credit risk is managed by specific rules for customer acceptance, credit analysis and establishment of exposure limits per customer, including, when applicable, requirement of letter of credit from first-tier banks and capturing security interest on loans granted. Management considers that the credit risk is substantially covered by the allowance for expected credit losses.

Individual risk limits are established based on internal or external ratings, according to the limits determined by Company management. The use of credit limits is regularly monitored. No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by the counterparties at an amount higher than that already provisioned.

The Company operates commodity derivatives in NYMEX futures markets, as well as in the over-the-counter (OTC) market with selected counterparties. The Company operates commodity exchange rate derivatives and over-the-counter contracts registered with B3, mainly with the main national and international banks considered Investment Grade by international rating agencies.

**Guarantee margins (Restricted Cash, Note 4)** - Derivative transactions on commodity exchanges (NYMEX and B3) require guarantee margins. The total individual and consolidated margin deposited at June 30, 2020 amounts to R\$360,066 (R\$12,770 at March 31, 2020), of which R\$18,549 (R\$12,770 at March 31, 2020) in restricted short-term investments and R\$341,517 (R\$0 at March 31, 2020) in margin on derivative transactions.

The Company's derivative transactions over the counter do not require a guarantee margin.

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Credit risk on cash and cash equivalents is mitigated through the conservative distribution of investment funds and CDBs that make up the item. The distribution follows strict criteria for allocation and exposure to counterparties, which are the main local and international banks considered, in their majority, as Investment Grade by the international rating agencies.

### (h) Liquidity risk (Consolidated)

Liquidity risk is that in which the Company may encounter difficulties in honoring the obligations associated with its financial liabilities that are settled with cash payments or with another financial asset. The Company's approach to liquidity risk management is to ensure, as much as possible, that there is always sufficient liquidity to meet obligations upon their maturity, under normal and stress conditions, without causing unacceptable losses or with the risk of damaging the Company's reputation.

As part of the liquidity management process, management prepares business plans and monitors their execution, discussing the positive and negative cash flow risks and assessing the availability of financial resources to support its operations, investments and refinancing needs.

The table below states the main financial liabilities contracted by maturity:

					06.30.2020	03.31.2020
	Up to 1 year	Up to 2 years	From 3 to 5 years	Above 5 years	Total	Total
Loans and financing (1)	1,890,582	567,897	6,019,530	1,256,835	9,734,844	9,493,424
Trade accounts payable (Note 13)	4,072,246	-	-	-	4,072,246	4,116,180
Lease liabilities (Note 14.b)	276,691	185,805	175,932	212,627	851,055	885,739
Derivative financial instruments (Note 24.b)	368,572	375	-	-	368,947	202,222
Related parties (1)	5,804,930	330,976	495,140	2,254,867	8,885,913	8,279,916
	<u>12,413,021</u>	<u>1,085,053</u>	<u>6,690,602</u>	<u>3,724,329</u>	<u>23,913,005</u>	<u>22,977,481</u>

(1) Non-discounted contractual cash flows.

### (i) Fair value

The procedures for measuring and recognizing the fair value of financial assets and liabilities remain the same as those disclosed in the annual financial statements as at March 31, 2020 (Note 24.i).

#### **Fair value hierarchy**

The Company uses the following hierarchy to determine and disclose the fair value of financial instruments using valuation techniques:

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

# RAÍZEN COMBUSTÍVEIS S.A.

## Notes to interim financial information at June 30, 2020

In thousands of Reais – R\$, unless otherwise stated

<u>Financial instruments measured at fair value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Short-term investments (Note 3)	-	423,750	423,750
Derivative financial assets (Note 24.b)	117,460	3,330,209	3,447,669
Loans and financing (Note 15)	-	(7,211,716)	(7,211,716)
Derivative financial assets (Note 24.b)	(354,821)	(14,126)	(368,947)
Related parties (Note 8.a.3)	-	(3,352,719)	(3,352,719)
Total at June 30, 2020	<u>(237,361)</u>	<u>(6,824,602)</u>	<u>(7,061,963)</u>
Total at March 31, 2020	<u>174,499</u>	<u>(6,681,654)</u>	<u>(6,507,155)</u>

### (j) Sensitivity analysis (Consolidated)

The sensitivity analysis of the financial instruments' fair value, according to the types of risk considered significant by the Company, is presented below.

#### Assumptions for sensitivity analysis

The Company adopted three scenarios for its sensitivity analysis, one probable and two that may have adverse effects on the fair value of its financial instruments. The probable scenario was defined based on the futures market curves for oil (heating oil) and gasoline and for the US dollar at June 30, 2020, corresponding to the balance of the derivatives' fair value on that date. Possible and remote adverse scenarios were defined considering adverse impacts of 25% and 50% on sugar price curves and US dollar, which were calculated based on the probable scenario.

#### Sensitivity tables

### (1) Changes in fair value of derivative financial instruments

	<u>Risk factor</u>	<u>Probable Scenario</u>	<u>Possible scenario +25%</u>		<u>Remote scenario +50%</u>		<u>Impact on income statement (*)</u>
			<u>Fair value balance</u>	<u>Fair value balance</u>	<u>Fair value balance</u>	<u>Fair value balance</u>	
<u>Price risk</u>							
Goods derivatives							
Futures:							
Purchase and sale commitments	Diesel and gasoline price increase	<u>(237,401)</u>	<u>(188,682)</u>	<u>(426,083)</u>	<u>(377,364)</u>	<u>(614,765)</u>	
		<u>(237,401)</u>	<u>(188,682)</u>	<u>(426,083)</u>	<u>(377,364)</u>	<u>(614,765)</u>	
<u>Exchange rate risk</u>							
Exchange rate derivatives							
Futures:							
Purchase and sale commitments	R\$/US\$ exchange rate decrease	40	17,340	17,380	34,680	34,720	
Forward and Locked-in exchange contracts:							
Purchase and sale commitments	R\$/US\$ exchange rate decrease	22,211	(30,097)	(7,886)	(60,194)	(37,983)	
Purchase and sale commitments	AR\$/US\$ exchange rate decrease	(6,992)	75,557	68,565	151,114	144,122	
FX swaps:							
Purchase and sale commitments	R\$/US\$ exchange rate decrease	<u>3,252,605</u>	<u>(2,603,954)</u>	<u>648,651</u>	<u>(5,207,908)</u>	<u>(1,955,303)</u>	
		<u>3,267,864</u>	<u>(2,541,154)</u>	<u>726,710</u>	<u>(5,082,308)</u>	<u>(1,814,444)</u>	
<u>Interest rate risk</u>							
Interest swap:							
Purchase and sale commitments	Interest rate decrease	<u>48,259</u>	<u>(48,236)</u>	<u>23</u>	<u>(96,472)</u>	<u>(48,213)</u>	
		<u>48,259</u>	<u>(48,236)</u>	<u>23</u>	<u>(96,472)</u>	<u>(48,213)</u>	
<b>Total</b>		<u><u>3,078,722</u></u>	<u><u>(2,778,072)</u></u>	<u><u>300,650</u></u>	<u><u>(5,556,144)</u></u>	<u><u>(2,477,422)</u></u>	

(\*) Result projected to occur in up to 12 months from June 30, 2020.

## RAÍZEN COMBUSTÍVEIS S.A.

### Notes to interim financial information at June 30, 2020

In thousands of Reais – R\$, unless otherwise stated

#### (2) Foreign exchange exposure, net

The probable scenario considers the position at June 30, 2020. The effects of the possible and remote scenarios that would be posted to the consolidated statement of income statement as foreign exchange gain (loss) are as follows:

Net foreign exchange exposure at June 30, 2020	Asset/liability balances	FX difference effect			
		Possible scenario +25%	Remote scenario +50%	Possible scenario -25%	Remote scenario -50%
Cash and cash equivalents (Note 3)	743,137	185,784	371,569	(185,784)	(371,569)
Restricted cash (Note 4)	341,517	85,379	170,759	(85,379)	(170,759)
Foreign trade accounts receivable (Note 5)	291,461	72,865	145,731	(72,865)	(145,731)
Related parties (Note 8.a)	(4,824,701)	(1,206,175)	(2,412,351)	1,206,175	2,412,351
Trade accounts payable (Note 13)	(640,877)	(160,219)	(320,439)	160,219	320,439
Lease liabilities (Note 14.b)	(494,126)	(123,532)	(247,063)	123,532	247,063
Loans and financing (Note 15)	(8,244,457)	(2,061,114)	(4,122,229)	2,061,114	4,122,229
Impact on income (loss) for the period		<u>(3,207,012)</u>	<u>(6,514,023)</u>	<u>3,207,012</u>	<u>6,414,023</u>

#### (3) Sensitivity in interest rates

At June 30, 2020, the probable scenario considers the weighted average floating interest rate of 2.02% on loans and financing, and for short-term investments and restricted cash, the CDI accumulated over the past 12 months of 4.6%. In both cases, simulations were performed with an increase and decrease of 25% and 50%. The consolidated results of this sensitivity analysis are presented below:

	June 30, 2020				
	Interest rate sensitivity				
	Probable Scenario	Possible scenario +25%	Possible scenario +50%	Remote scenario -25%	Remote scenario -50%
Short-term investments	19,323	4,831	9,662	(4,831)	(9,662)
Restricted short-term investments (restricted cash)	1,698	425	849	(425)	(849)
Loans and financing	<u>(159,829)</u>	<u>(39,957)</u>	<u>(79,915)</u>	<u>39,957</u>	<u>79,915</u>
Additional impact on income (loss) for the period	<u>(138,808)</u>	<u>(34,701)</u>	<u>(69,404)</u>	<u>34,701</u>	<u>69,404</u>

#### (k) Capital management

The Company's objective when managing its capital structure is to ensure the continuity of its operations and finance investment opportunities, maintaining a healthy credit profile and offering an adequate return to its shareholders.

Raízen Group, to which the Company belongs, has a relationship with the main local and international rating agencies, as shown below:

Agency	Scale	Rating	Outlook	Date
Fitch	Local	AAA (bra)	Stable	05/28/2020
	Global	BBB	Negative	05/28/2020
Moody's	Local	Aaa.Br	Stable	06/28/2019
	Global	Ba1	Stable	06/28/2019
Standard & Poor's	Local	brAAA	Stable	06/29/2020
	Global	BBB-	Stable	06/29/2020

# RAÍZEN COMBUSTÍVEIS S.A.

## Notes to interim financial information

at June 30, 2020

In thousands of Reais – R\$, unless otherwise stated

The Raízen Group monitors its capital through a combined treasury management of its business, using a leverage ratio represented by debt divided by equity.

The Group's net debt is calculated as the total of loans and financing with the market and intragroup pre-export financing, net of cash and cash equivalents, investments and trade notes held as collateral for debt items and derivative financial instruments taken out to hedge the indebtedness.

Financial leverage ratios at June 30 and March 31, 2020 were calculated as follows:

	<u>06.30.2020</u>	<u>03.31.2020</u>
Debt		
Loans and financing (Note 15)	9,001,228	8,461,079
Intragroup pre-export financing (Note 8.a.2)	3,352,719	3,116,405
(-) Cash and cash equivalents (Note 3)	(1,238,826)	(2,167,058)
(-) Financial investments subject to financing (Note 4)	(18,233)	(18,114)
(-) Exchange rate, interest rate and other derivative swaps (Note 24.b)	(3,300,864)	(2,996,253)
	<u>7,796,024</u>	<u>6,396,059</u>
Equity		
Equity		
Attributable to the Parent Company's controlling interests	3,693,750	3,894,531
Noncontrolling interests	258,686	259,028
	<u>3,952,436</u>	<u>4,153,559</u>
Total equity and debt	<u>11,748,460</u>	<u>10,549,618</u>
Financial leverage ratio	66.36%	60.63%

## 25. Supplementary private pension plan

### (a) Pension fund

#### Defined contribution

In the three-month period ended June 30, 2020, the contribution amount recognized as an expense was R\$1,470 (R\$1,536 at June 30, 2019).

#### Pension and healthcare plan of Raízen Argentina

Raízen Argentina granted pension plans to non-union employees with defined and non-financed benefit. These plans are active, but closed to new participants since the end of 2014, currently covering 29 employees. The healthcare coverage of retired employees is an inherited and frozen benefit, whose cost is equally apportioned between the Company and the former employees.

# RAÍZEN COMBUSTÍVEIS S.A.

## Notes to interim financial information at June 30, 2020

In thousands of Reais – R\$, unless otherwise stated

### (b) Profit sharing

The Company recognizes a liability and an expense for profit sharing based on a methodology that considers previously defined goals for employees. The Company recognizes a provision when it is contractually bound or when there is a past practice that has created a constructive obligation.

## 26. Supplementary cash flow information

### (a) Reconciliation of changes in equity with cash flows from financing activities (FCF)

(Assets)/Liabilities	<b>Individual</b>				<b>Total</b>
	<b>Lease liabilities</b>	<b>Loans and financing</b>	<b>Related parties (1)</b>	<b>Dividends and IOE payable</b>	
Balance at March 31, 2020	105,341	7,149,695	3,317,977	63,258	10,636,271
Transactions having an impact on Financial Cash Flow (FCF)					
Loans and financing taken out, net	-	269,000	-	-	269,000
Repayments of principal	-	(561)	-	-	(561)
Interest paid	-	(57,666)	(2,862)	-	(60,528)
Repayments of lease liabilities	(7,377)	-	(4,070)	-	(11,447)
Asset management and other	-	-	(292,930)	-	(292,930)
	(7,377)	210,773	(299,862)	-	(96,466)
Other non-FCF changes					
Interest, monetary variation and foreign exchange differences, net	1,835	393,630	203,853	-	599,318
Change in fair value of financial instruments	-	(38,762)	37,906	-	(856)
Dividends and IOE	-	-	-	37,000	37,000
Addition, write-off and remeasurement	1,497	-	-	-	1,497
Other	-	-	781	(5,550)	(4,769)
	3,332	354,868	242,540	31,450	632,190
Balance as at June 30, 2020	101,296	7,715,336	3,260,655	94,708	11,171,995
	<b>Consolidated</b>				
(Assets)/Liabilities	<b>Lease liabilities</b>	<b>Loans and financing</b>	<b>Related parties (1)</b>	<b>Dividends and IOE payable</b>	<b>Total</b>
Balance at March 31, 2020	674,086	8,461,079	3,241,119	73,024	12,449,308
Transactions having an impact on Financial Cash Flow (FCF)					
Loans and financing taken out, net	-	475,735	-	-	475,735
Repayments of principal	-	(289,993)	-	-	(289,993)
Interest paid	-	(86,279)	(2,862)	-	(89,141)
Repayments of lease liabilities	(89,049)	-	-	-	(89,049)
Asset management and other	-	-	63,544	-	63,544
	(89,049)	99,463	60,682	-	71,096
Other non-FCF changes:					
Interest, monetary variation and foreign exchange differences, net	13,430	414,177	194,193	-	621,800
Change in fair value of financial instruments	-	(38,762)	37,906	-	(856)
Dividends and IOE	-	-	-	37,000	37,000
Addition, write-off and remeasurement	4,698	-	-	-	4,698
Foreign currency translation effect and other	26,916	65,271	781	(5,550)	87,418
	45,044	440,686	232,880	31,450	750,060
Balance as at June 30, 2020	630,081	9,001,228	3,534,681	104,474	13,270,464

(1) Comprised of balances of asset management, financial operations and preferred shares (Note 8.a).

# RAÍZEN COMBUSTÍVEIS S.A.

## Notes to interim financial information at June 30, 2020

In thousands of Reais – R\$, unless otherwise stated

### (b) Non-cash investing transactions

	<b>Individual</b>		<b>Consolidated</b>	
	<b><u>Apr-Jun/20</u></b>	<b><u>Apr-Jun/19</u></b>	<b><u>Apr-Jun/20</u></b>	<b><u>Apr-Jun/19</u></b>
Installments receivable due to sale of shares and formation of a joint venture	46,117	-	113,001	-
Interest capitalized on property, plant and equipment (Notes 11 and 23)	(31)	(100)	(31)	(100)
Right of use	(1,543)	3,559	(34,003)	(8,842)
Other	(194)	2,314	(504)	2,564
	<b><u>44,349</u></b>	<b><u>5,773</u></b>	<b><u>78,463</u></b>	<b><u>(6,378)</u></b>

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