

Individual and consolidated financial statements

(A free translation of the original report in Portuguese, as filed with the Brazilian Securities and Exchange Commission (CVM), prepared in accordance with the accounting practices adopted in Brazil and the International Standards of Accounting (IFRS Accounting Standards) issued by the International Accounting Standards Board (IASB))

at March 31, 2026

and independent auditor's report





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Independent Auditors' report on the individual and consolidated financial statement

(A free translation of the original report in Portuguese, as filed with the Brazilian Securities and Exchange Commission (CVM), prepared in accordance with the accounting practices adopted in Brazil and the International Standards of Accounting (IFRS Accounting Standards) issued by the International Accounting Standards Board (IASB))

**To the Shareholders of
São Martinho S.A.
Pradópolis – SP**

Opinion

We have audited the individual and consolidated financial statements of São Martinho S.A. ("Company"), identified as Parent Company and Consolidated, respectively, comprising the balance sheet as of March 31, 2026, and the related statements of profit or loss, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and the corresponding notes, including material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the individual and consolidated financial position of São Martinho S.A. as of March 31, 2026, and its individual and consolidated financial performance and its individual and consolidated cash flows for the year then ended, in accordance with the accounting practices adopted in Brazil and the International Standards of Accounting (IFRS Accounting Standards) issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audit in accordance with International Standards and Brazilian Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of Individual and Consolidated Financial Statements section of our report. We are independent of the Company and its subsidiaries in accordance with the ethical requirements that are relevant to audits of the Individual and Consolidated financial statements of public interest entities in Accountants Professional Code of Ethics ("Código de Ética Profissional do Contador") and in the professional standards issued by the Brazilian Federal Accounting Council ("Conselho Federal de Contabilidade") and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

Investment grants

See note 2.8 and 19.c (i) to the individual company and consolidated financial statements

Key audit matters	How the audit addressed the matter
<p>As described in Note 19.c to the financial statements, the Company is the beneficiary of ICMS (“Imposto sobre a Circulação de Mercadorias or VAT”) tax incentives – including benefits granted under the Goiás Industrial Development Program (PRODUZIR), as well as other incentives utilized by its industrial units. For tax purposes, such benefits are accounted for in accordance with Complementary Law No. 160/2017 and Article 30 of Law No. 12,973/2014, which establish the conditions for their characterization as investment grants and, consequently, for their exclusion from the calculation basis of corporate income tax and social contribution on net income.</p> <p>During the year, the Company reassessed the accounting and tax treatment applicable to certain ICMS tax incentives related to the years from 2020 to 2023, considering the provisions of Complementary Law No. 160/2017, Article 30 of Law No. 12,973/2014, as well as the understanding established by the Superior Court of Justice under Topic 1,182. As a result of this reassessment, certain benefits came to be treated as investment grants for tax purposes.</p> <p>Additionally, the Company reassessed the treatment previously applied to incentives related to accelerated tax depreciation, which resulted in the reversal of deferred tax liabilities previously recognized in connection with such accelerated tax depreciation.</p>	<p>Our audit procedures in this area included, among others:</p> <ul style="list-style-type: none"> - We evaluate, with the assistance of our Legal and Tax specialists: <ul style="list-style-type: none"> i. Evaluated the legal opinions and subsequent updates obtained by the Company with respect to the assessment of the uncertainty related to the income tax treatment adopted by the Company; ii. Evaluated the favorable decisions supporting the exclusion of such benefits from the calculation of income taxes; iii. Evaluated the supporting documentation prepared by the Company to demonstrate compliance with the conditions established under tax legislation for the utilization of the tax incentives; and iv. Understand of the process and criteria used to determine the amounts excluded from the calculation of IRPJ and CSLL; - We inspected documentary testing, on a sample basis, over the calculation of the government grant credit utilized, including inspection of supporting documentation and the calculation methodology. - We evaluated whether the disclosures in the individual and consolidated financial statements include the relevant information. <p>According to the results obtained by applying the procedures summarized above, we considered that the accounting recognition of government grants on income taxes and related disclosures are acceptable in the context of the individual company and consolidated financial statements for the year ended March 31, 2026 taken as a whole.</p>

Derivative financial instruments

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

Key audit matters	How the audit addressed the matter
<p>In order to hedge against volatility in <i>commodity</i> prices, exchange and interest rates, the Company enters into derivative financial instruments, and part of these were designated as <i>hedging</i> instruments under its <i>hedge accounting</i> policy). These derivative financial instruments total R\$379,833 thousand, R\$367,825 thousand, in asset and liability accounts, respectively, and a debt balance of R\$49,837 thousand (net of tax effects) in equity as of March 31, 2026.</p> <p>In order to be able to apply the hedge accounting method, the Company must meet certain requirements established in the accounting standards, including designation, effectiveness test, risk and <i>hedging</i> policy, and economic relationship between the <i>hedging instrument</i> and the hedged item.</p> <p>These derivative financial instruments used to hedge the Company's exposure to volatility risks are measured at fair value and changes therein are recognized in profit or loss, other comprehensive income and equity, as required by CPC 48/IFRS 9 Financial Instruments and CPC 38/IAS 39 - Financial Instruments: Recognition and Measurement. Fair value is estimated according to assumptions such as interest rate, exchange rate projection, commodity futures curve and object volatility. Given the technical requirements applicable to <i>hedge</i> accounting and the complexity of the assumptions used to measure fair value, we considered the accounting recognition of derivative financial instruments as a key audit matter.</p>	<p>Our audit procedures in this area included, among others:</p> <ul style="list-style-type: none"> - Understanding of the Company's risk management process, hedging policy and hedge accounting framework. - With the help of our experts in derivative financial instruments: <ul style="list-style-type: none"> v. We evaluated the Company's application of <i>hedge</i> accounting in accordance with the requirements set forth by CPC 48/IFRS 9 and CPC 38/IAS 39; vi. We performed an independent calculation to determine the fair value of derivatives; vii. We inspected all the documentation about the instrument designating financial instruments for <i>hedge</i> accounting; and viii. We evaluated prospective and retrospective effectiveness tests to check whether coverage relationships are effective and whether they have been properly calculated. - We confirmed outstanding positions with counterparties to the contracts. - We inspected samples of derivative financial instrument contracts of outstanding positions. - We evaluated whether disclosures in the individual company and consolidated financial statements consider relevant information related to derivative financial instruments. <p>According to the results obtained by applying the procedures summarized above, we considered that the accounting recognition of derivative financial instruments and related disclosures are acceptable in the context of the individual company and consolidated financial statements for the year ended March 31, 2026 taken as a whole.</p>

Other matters

Statements of value added

The individual company and consolidated statements of value added for the year ended March 31, 2026, prepared under the responsibility of the Company's management, and presented as supplementary information for *IFRS Accounting Standards* purposes, were submitted to the same audit procedures followed simultaneously with the audit of the Company's financial statements. In order to form our opinion, we evaluated whether these statements are reconciled to the Company's financial statements and accounting records, as applicable, and whether their form and content are in accordance with the criteria set on Technical Pronouncement CPC 09 - Statement of Value Added. In our opinion, these statements of value added have been adequately prepared, in all material respects, according to the criteria set on this Technical Pronouncement and are consistent with the individual company and consolidated financial statements taken as a whole.

Other information accompanying the individual company and consolidated financial statements and the auditors' report

Management is responsible for the other information. The other information comprises the Management's Report.

Our opinion on the individual and consolidated financial statements does not cover the Management's Report and we do not express any form of assurance conclusion thereon.

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

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

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

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

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

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

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

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

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

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

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

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

Ribeirão Preto, May 25, 2026
KPMG Auditores Independentes Ltda.
CRC 2SP-027666/O-5 F SP

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Giovani Ricardo Pigatto
Accountant CRC 1SP263189/O-7

Contents

Balance sheet.....	2
Statement of profit or loss.....	3
Statement of comprehensive income.....	4
Statement of changes in equity.....	5
Statement of cash flows - Indirect method.....	6
Statement of value added.....	7
1. Operations.....	8
2. Summary of material accounting policies.....	10
3. Significant accounting estimates and judgments used.....	16
4. Cash and cash equivalents and financial investments.....	18
5. Trade receivables.....	19
6. Inventories and advances to suppliers.....	20
7. Biological assets.....	21
8. Taxes recoverable.....	23
9. Related parties.....	24
10. Investments.....	27
11. Property, plant and equipment.....	29
12. Intangible assets.....	32
13. Right-of-use assets, and lease and agricultural partnerships payable.....	34
14. Trade payables.....	37
15. Obligations and rights with Copersucar.....	38
16. Borrowings.....	39
17. Equity.....	42
18. Profit sharing.....	45
19. Current and deferred income tax and social contribution.....	45
20. Commitments.....	50
21. Provision for contingencies.....	51
22. Risk management and derivative financial instruments.....	54
23. Classification and fair value of financial instruments.....	61
24. Segment information (Consolidated).....	63
25. Revenue.....	65
26. Costs and expenses by nature.....	67
27. Other income, net.....	67
28. Finance income (costs).....	68
29. Earnings per share.....	68
30. Insurance coverage.....	69
31. Events after the reporting period.....	69

Balance sheet

March 31, 2026 and 2025

All amounts in thousands of reais

ASSETS	Note	Parent		Consolidated		LIABILITIES AND EQUITY	Note	Parent		Consolidated	
		2026	2025	2026	2025			2026	2025	2026	2025
CURRENT ASSETS						CURRENT LIABILITIES					
Cash and cash equivalents	4	95,214	898,517	95,263	898,588	Trade payables	14	603,497	405,130	603,869	404,994
Financial investments	4	3,939,593	2,004,012	4,107,638	2,184,443	Lease payable	13	134,133	113,485	134,133	113,485
Trade receivables	5	351,217	457,645	366,650	477,210	Agricultural partnership payable	13	380,042	577,005	380,042	577,005
Derivative financial instruments	22	126,024	81,482	126,024	81,482	Borrowings	16	927,745	903,719	930,399	906,297
Inventories	6	549,318	590,958	556,864	597,081	Derivative financial instruments	22	265,919	207,006	265,919	207,006
Advances to suppliers	6	91,508	145,980	91,417	145,980	Salaries and social charges		251,123	262,955	252,858	264,498
Biological assets	7	1,234,632	1,405,729	1,234,632	1,405,729	Taxes payable		51,609	36,699	53,376	38,408
Taxes recoverable	8	499,188	423,472	512,340	423,822	Income tax and social contribution payable	19	-	-	5,804	5,834
Income tax and social contribution	19	95,609	75,301	97,572	75,900	Dividends payable	17	69,928	20	69,928	20
Dividends receivable	9	-	13,592	-	-	Advances from customers		18,948	47,418	19,260	47,732
Other assets		54,878	12,732	57,628	15,006	Other liabilities		40,050	9,432	48,810	24,344
TOTAL CURRENT ASSETS		7,037,181	6,109,420	7,246,028	6,305,241	TOTAL CURRENT LIABILITIES		2,742,994	2,562,869	2,764,398	2,589,623
NON-CURRENT ASSETS						NON-CURRENT LIABILITIES					
Long-term receivables						Lease payable	13	426,316	532,830	426,316	532,830
Financial investments	4	81,432	80,196	81,432	80,196	Agricultural partnership payable	13	1,371,955	1,607,133	1,371,955	1,607,133
Trade receivables	5	-	-	38,115	37,544	Payables to Copersucar	15(a)	143,489	139,276	143,489	139,276
Inventories	6	31,682	-	31,682	-	Borrowings	16	8,267,399	7,139,873	8,310,264	7,183,164
Advances to suppliers	6	81,082	56,005	81,082	56,005	Derivative financial instruments	22	101,906	51,999	101,906	51,999
Derivative financial instruments	22	253,809	177,367	253,809	177,367	Deferred income tax and social contribution	19	315,093	433,701	537,405	792,961
Taxes recoverable	8	689,982	704,558	697,562	710,071	Provision for contingencies	21	136,458	118,648	136,458	121,033
Income tax and social contribution	19 (i)	8,983	8,983	8,983	8,983	Taxes with suspended collection	15(b)	2,261,784	2,025,634	2,261,784	2,025,634
Judicial deposits	21	2,290,779	2,049,008	2,290,982	2,049,045	Other liabilities		-	26,368	-	26,368
Receivables from Copersucar	15(b)	369,560	369,560	369,560	369,560	TOTAL NON-CURRENT LIABILITIES		13,024,400	12,075,462	13,289,577	12,480,398
Other assets		23,703	-	23,703	-	TOTAL LIABILITIES		15,767,394	14,638,331	16,053,975	15,070,021
Total long-term receivables		3,831,012	3,445,677	3,876,910	3,488,771	EQUITY	17				
Investments	10	1,613,177	1,845,827	70,174	62,573	Share capital		4,819,109	4,445,192	4,819,109	4,445,192
Property, plant and equipment	11	7,816,287	6,743,683	9,379,463	8,708,049	Treasury shares		(179,754)	(90,323)	(179,754)	(90,323)
Intangible assets	12	456,470	440,451	468,133	452,114	Carrying value adjustments		1,313,436	1,180,341	1,313,436	1,180,341
Right-of-use assets	13	2,377,487	2,752,635	2,377,487	2,752,635	Revenue reserves		1,411,429	1,164,152	1,411,429	1,164,152
TOTAL NON-CURRENT ASSETS		16,094,433	15,228,273	16,172,167	15,464,142	TOTAL EQUITY		7,364,220	6,699,362	7,364,220	6,699,362
TOTAL ASSETS		23,131,614	21,337,693	23,418,195	21,769,383	TOTAL LIABILITIES AND EQUITY		23,131,614	21,337,693	23,418,195	21,769,383

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

Statement of profit or loss
Years ended March 31, 2026 and 2025
All amounts in thousands of reais

	Note	Parent		Consolidated	
		2026	2025	2026	2025
Revenue	25	7,218,007	6,971,099	7,431,765	7,162,034
Cost of goods sold	26	(5,541,332)	(5,450,989)	(5,483,369)	(5,376,732)
Gross profit		1,676,675	1,520,110	1,948,396	1,785,302
Operating income (expenses)					
Selling expenses	26	(274,121)	(248,006)	(292,471)	(262,564)
General and administrative expenses	26	(351,838)	(322,312)	(366,733)	(340,066)
Other income, net	27	94,722	321,368	94,752	325,275
		(531,237)	(248,950)	(564,452)	(277,355)
Operating profit		1,145,438	1,271,160	1,383,944	1,507,947
Share of profit (loss) of equity-accounted investees	10	233,044	251,629	10,857	9,456
Profit before finance income (costs) and taxes		1,378,482	1,522,789	1,394,801	1,517,403
Finance income (costs)	28				
Finance income		407,234	345,275	434,517	378,732
Finance costs		(1,021,880)	(1,045,606)	(1,024,277)	(1,050,689)
Monetary and foreign exchange variations, net		(51,166)	(126,467)	(51,166)	(126,467)
Derivatives		(213,304)	(216,205)	(213,304)	(216,205)
		(879,116)	(1,043,003)	(854,230)	(1,014,629)
Profit before income tax and social contribution		499,366	479,786	540,571	502,774
Income tax and social contribution	19(c)				
Current		10,996	13,718	(30,890)	(9,572)
Deferred		325,815	63,227	326,496	63,529
Profit for the year		836,177	556,731	836,177	556,731
Basic and diluted earnings per share - R\$	29			2.5264	1.6697

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



Statement of comprehensive income

Years ended March 31, 2026 and 2025

All amounts in thousands of reais

Parent and Consolidated	2026	2025
Profit for the year	836.177	556.731
Items that will be subsequently reclassified to profit or loss		
Changes in the year:		
Changes in fair value		
Commodity derivatives - Futures, options and forward contracts	122.983	5.667
Foreign exchange derivatives - Options / NDF	297.781	(228.882)
Foreign exchange gains (losses) on trade finance contracts	136.090	74.430
	<u>556.854</u>	<u>(148.785)</u>
Recognition in operating income		
Commodity derivatives - Futures, options and forward contracts	(136.595)	(3.153)
Foreign exchange derivatives - Options / NDF	(209.674)	218.485
Foreign exchange gains (losses) on trade finance contracts	(50)	30.317
	<u>(346.319)</u>	<u>245.649</u>
Write-off due to ineffectiveness		
Commodity derivatives - Futures, options and forward contracts	888	4.777
Foreign exchange derivatives - Options / NDF	(2.633)	1.869
	<u>(1.745)</u>	<u>6.646</u>
Total changes in the year		
Commodity derivatives - Futures, options and forward contracts	(12.724)	7.291
Foreign exchange derivatives - Options / NDF	85.474	(8.528)
Foreign exchange gains (losses) on trade finance contracts	136.040	104.747
Deferred taxes on the items above	(70.988)	(35.193)
	<u>137.802</u>	<u>68.317</u>
Comprehensive income for the year	<u>973.979</u>	<u>625.048</u>

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



Statements of changes in equity

All amounts in thousands of reais

	Note	Share capital	Treasury shares	Carrying value adjustments				Revenue reserves			Retained earnings	Total
				Deemed cost		Hedge accounting	Others	Legal	Capital budget	Tax incentive reserve		
				Parent	Investees							
At March 31, 2024		3,941,717	(16,325)	89,374	1,183,933	(156,282)	1,133	387,377	927,969	503,475	-	6,862,371
Capital increase with reserves	17(a)	503,475	-	-	-	-	-	-	-	(503,475)	-	-
Share buyback	17 (b)	-	(496,309)	-	-	-	-	-	-	-	-	(496,309)
Payment of bonus with treasury shares	17 (b)	-	7,869	-	-	-	-	-	-	-	-	7,869
Cancellation of treasury shares	17 (b)	-	414,442	-	-	-	-	-	(414,442)	-	-	-
Reversal of unclaimed dividends		-	-	-	-	-	-	-	-	-	21	21
Realization of surplus on revaluation of deemed cost	17 (c. i)	-	-	(5,601)	(895)	-	-	-	-	-	6,496	-
Gain (loss) on derivate transactions - hedge accounting	17 (c. ii)	-	-	-	-	68,317	-	-	-	-	-	68,317
Carrying value adjustments of investees	10	-	-	-	-	-	362	-	-	-	-	362
Profit (loss) for the year		-	-	-	-	-	-	-	-	-	556,731	556,731
Allocation of profit:												
Transfer to reserves	17 (d)	-	-	-	-	-	-	27,837	235,411	-	(263,248)	-
Payment of Interest on capital	17(e)	-	-	-	-	-	-	-	-	-	(300,000)	(300,000)
At March 31, 2025		4,445,192	(90,323)	83,773	1,183,038	(87,965)	1,495	415,214	748,938	-	-	6,699,362
Capital increase with reserves	17(a)	373,917	-	-	-	-	-	-	(373,917)	-	-	-
Share buyback	17 (b)	-	(89,431)	-	-	-	-	-	-	-	-	(89,431)
Reversal of unclaimed dividends		-	-	-	-	-	-	-	-	-	4	4
Realization of surplus on revaluation of deemed cost	17 (c. i)	-	-	(4,810)	(113)	-	-	-	-	-	4,923	-
Capital reduction in subsidiary	17 (c. i)	-	-	264,425	(264,425)	-	-	-	-	-	-	-
Gain (loss) on derivate transactions - hedge accounting	17 (c. ii)	-	-	-	-	137,802	-	-	-	-	-	137,802
Carrying value adjustments of investees	10	-	-	-	-	-	216	-	-	-	-	216
Profit (loss) for the year		-	-	-	-	-	-	-	-	-	836,177	836,177
Allocation of profit:												
Transfer to reserves	17 (d)	-	-	-	-	-	-	41,809	579,385	-	(621,194)	-
Payment of interest on capital	17(e)	-	-	-	-	-	-	-	-	-	(150,000)	(150,000)
Mandatory minimum dividends	17(e)	-	-	-	-	-	-	-	-	-	(69,910)	(69,910)
At March 31, 2026		4,819,109	(179,754)	343,388	918,500	49,837	1,711	457,023	954,406	-	-	7,364,220

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



Statement of cash flows (indirect method)
Years ended March 31, 2026 and 2025
All amounts in thousands of reais

	Note	Parent		Consolidated	
		2026	2025	2026	2025
Cash flows from operating activities					
Profit for the year		836,177	556,731	836,177	556,731
Adjustments					
Depreciation and amortization	26	1,076,934	1,179,141	1,086,030	1,185,212
Biological assets harvested	26	1,285,217	1,216,970	1,285,217	1,216,970
Changes in the fair value of biological assets, agricultural products, and CBOs	26	339,445	62,654	339,445	62,654
Provision for losses on realization of inventories	26	-	(2,814)	-	(2,814)
Share of profit (loss) of equity-accounted investees	10	(233,044)	(251,629)	(10,857)	(9,456)
Gains (losses) on disposal of investments and PP&E	11	9,233	935	10,126	1,633
Interest, inflation adjustments, and foreign exchange gains (losses), net		177,417	361,025	155,566	337,791
Derivative financial instruments	25 and 28	(133,013)	462,226	(133,013)	462,226
Recognition of provision for contingencies, net	21.1	52,813	39,849	52,196	39,043
Income tax and social contribution	19 (c)	(336,811)	(76,945)	(295,606)	(53,957)
Taxes with suspended collection		236,151	156,070	236,151	156,070
Reversal (recognition) of provision for impairment of trade receivables		-	(26)	87	(158)
Adjustment to present value and other adjustments		210,457	273,546	206,642	269,013
		<u>3,520,976</u>	<u>3,977,733</u>	<u>3,768,161</u>	<u>4,220,958</u>
Changes in assets and liabilities					
Trade receivables		106,050	177,682	113,131	174,413
Inventories		(83,519)	(88,684)	(84,943)	(88,213)
Taxes recoverable		(42,344)	(333,193)	(58,194)	(338,859)
Derivative financial instruments		193,554	(293,609)	193,554	(293,609)
Other assets (mainly judicial deposits)		(69,758)	(397,868)	(69,910)	(397,753)
Trade payables		154,668	33,381	155,173	46,731
Salaries and social charges		(11,832)	23,960	(11,640)	23,662
Taxes payable		4,588	(11,006)	1,789	(15,215)
Payables to Copersucar		721	(45,474)	721	(45,474)
Provision for contingencies (settlement)	21.1	(45,473)	(48,237)	(46,183)	(48,244)
Other liabilities		(24,222)	19,314	(30,280)	19,623
Cash from operations		<u>3,703,409</u>	<u>3,013,999</u>	<u>3,931,379</u>	<u>3,258,020</u>
Payment of interest on borrowings	16	(665,841)	(544,934)	(667,470)	(546,400)
Income tax and social contribution paid		-	-	(39,030)	(22,083)
Net cash provided by operating activities		<u>3,037,568</u>	<u>2,469,065</u>	<u>3,224,879</u>	<u>2,689,537</u>
Cash flows from investing activities					
Return of capital		-	1,140	559	-
Additions to PP&E and intangible assets	11 and 12	(1,065,082)	(1,120,069)	(1,106,204)	(1,227,416)
Additions to biological assets (planting and crop treatments)		(1,411,892)	(1,556,308)	(1,411,892)	(1,556,308)
Financial investments (redemptions)		(1,571,326)	900,798	(1,534,989)	1,020,012
Proceeds from sale of property, plant and equipment	11	10,150	17,183	10,150	17,183
Advance for future capital increase		(14,000)	(60,000)	-	-
Acquisition of assets - Nova Egitto		(175,966)	-	(175,966)	-
Dividends received		197,297	295,381	2,716	1,959
Net cash used in investing activities		<u>(4,030,819)</u>	<u>(1,521,875)</u>	<u>(4,215,626)</u>	<u>(1,744,570)</u>
Cash flows from financing activities					
Payment of leases and agricultural partnerships	13	(696,232)	(679,181)	(696,232)	(679,181)
Proceeds from borrowings - third parties	16	1,730,703	2,472,597	1,730,703	2,476,779
Repayment of borrowings - third parties	16	(612,870)	(1,108,739)	(615,086)	(1,110,720)
Acquisition of treasury shares	17 (b)	(89,431)	(502,152)	(89,431)	(502,152)
Other receipts		-	2,130	(310)	2,130
Payment of dividends and interest on capital		(128,680)	(407,408)	(128,680)	(407,408)
Net cash provided by (used in) financing activities		<u>203,490</u>	<u>(222,753)</u>	<u>200,964</u>	<u>(220,552)</u>
Net increase (decrease) in cash and cash equivalents		<u>(789,761)</u>	<u>724,437</u>	<u>(789,783)</u>	<u>724,415</u>
Cash and cash equivalents at the beginning of the year	4	<u>898,517</u>	<u>204,467</u>	<u>898,588</u>	<u>204,560</u>
Effect of exchange rate changes on cash and cash equivalents		(13,542)	(30,387)	(13,542)	(30,387)
Cash and cash equivalents at the end of the year	4	<u>95,214</u>	<u>898,517</u>	<u>95,263</u>	<u>898,588</u>
<u>Additional information</u>					
Balance of financial investments (current assets)	4	<u>3,939,593</u>	<u>2,004,012</u>	<u>4,107,638</u>	<u>2,184,443</u>
Total funds available	4	<u>4,034,807</u>	<u>2,902,529</u>	<u>4,202,901</u>	<u>3,083,031</u>

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

Statement of value added
Years ended March 31, 2026 and 2025
All amounts in thousands of reais

	Parent		Consolidated	
	2026	2025	2026	2025
Revenue				
Revenue from contracts with customers	7,785,441	7,352,682	8,012,404	7,555,830
Income from construction of own assets	1,882,564	1,964,035	1,882,674	1,964,472
Reversal of provision for impairment of trade receivables	(26)	(26)	556	(214)
Other income	(523,063)	(174,364)	(523,060)	(174,371)
	<u>9,144,916</u>	<u>9,142,327</u>	<u>9,372,574</u>	<u>9,345,717</u>
Inputs acquired from third parties				
Cost of products and goods sold	(1,726,034)	(1,901,513)	(1,615,567)	(1,781,542)
Materials, electric power, third-party services, and other operating expenses	(2,065,646)	(2,280,901)	(2,132,100)	(2,337,713)
	<u>(3,791,680)</u>	<u>(4,182,414)</u>	<u>(3,747,667)</u>	<u>(4,119,255)</u>
Gross value added	5,353,236	4,959,913	5,624,907	5,226,462
Depreciation and amortization	(2,362,151)	(2,396,111)	(2,371,247)	(2,402,182)
Net value added generated by the entity	2,991,085	2,563,802	3,253,660	2,824,280
Value added received in transfer				
Share of profit (loss) of equity-accounted investees	233,044	251,629	10,857	9,456
Finance income	353,407	287,867	381,061	321,597
Others	93,750	324,679	93,852	328,777
Total value added to be distributed	<u>3,671,286</u>	<u>3,427,977</u>	<u>3,739,430</u>	<u>3,484,110</u>
Distribution of value added				
Personnel and payroll charges				
Direct compensation	903,169	879,970	906,176	884,688
Benefits	363,061	343,021	363,912	344,130
Government Severance Indemnity Fund for Employees (FGTS)	28,747	83,464	28,957	83,656
Management compensation	29,252	18,510	29,442	19,142
Taxes, charges and contributions				
Federal	189,170	172,848	248,892	215,734
State	33,082	40,639	33,807	41,550
Municipal	1,911	1,614	2,168	1,749
Remuneration of third-party capital				
Interest	1,047,590	1,028,652	1,051,019	1,032,281
Rentals	18,166	10,394	18,210	10,432
Foreign exchange variations	181,744	284,782	181,744	284,782
Others	39,217	7,352	38,926	9,235
Remuneration of own capital				
Payment of interest on capital	150,000	300,000	150,000	300,000
Retained earnings in the year	686,177	256,731	686,177	256,731
Value added distributed	<u>3,671,286</u>	<u>3,427,977</u>	<u>3,739,430</u>	<u>3,484,110</u>

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

Notes to the financial statements at March 31, 2026

All amounts in thousands of reais unless otherwise stated

1. Operations

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

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

São Martinho is a subsidiary of the holding company LJM Participações S.A. ("LJM"), which owns 58.9% interest (57.9% interest at March 31, 2025) in the Company's voting capital.

The issue of these financial statements was authorized by the Board of Directors on May 25, 2026.

Geopolitical conflicts

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

Climate changes

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

Notes to the financial statements at March 31, 2026

All amounts in thousands of reais unless otherwise stated

Tax Reform

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

The Reform is based on a dual VAT model: one at the Federal level, the Contribution on Goods and Services (CBS) to replace the PIS and COFINS, and the other at the level of the States, Federal District and Municipalities, the Tax on Goods and Services (IBS), to replace the State Value Added Tax (ICMS) and the Tax on Services (ISS). A Selective (excise) Tax ("IS") was also created, under federal jurisdiction, which will apply to the production, extraction, trading or import of goods and services considered harmful to health and the environment, under the terms of a Complementary Law ("LC").

During the transition period scheduled to run from 2026 to 2032, both tax systems - the old and the new - will coexist. The impacts of the Reform on the calculation of the above-mentioned taxes, from the start of the transition period, will only be fully known once the pending issues are regulated through a Complementary Law. Accordingly, the Reform has no effect on these financial statements.

Partial acquisition of biological assets from Usina Santa Elisa

As disclosed in the material fact released on July 15, 2025, the Company informed its stockholders and the market in general about the partial acquisition of biological assets and rights of Raízen Energia S.A. ("Raízen"), related to Usina Santa Elisa ("Transaction"). São Martinho assumed approximately 8,700 hectares of sugarcane from contracts held by Usina Santa Elisa, which were contributed as capital by Raízen to the newly formed entity ("Nova Egito"), in connection with the Transaction.

The areas are located within an average radius of 25 kilometers from São Martinho Unit (Pradópolis-SP), consisting of approximately 80% own sugarcane and 20% sugarcane from suppliers. Given the positive environment potential (predominantly A and B soil conditions and favorable climate), total sugarcane volume is estimated at 405 thousand metric tons for the 2026/27 crop season and 626 thousand metric tons from the 2027/28 crop season onward.

São Martinho Unit has a crushing capacity of 50 thousand metric tons of sugarcane per day and will process the sugarcane related to the Transaction.

The Transaction has been approved by the Administrative Council for Economic Defense (CADE) and is proceeding with the fulfillment of certain conditions set forth in the agreements for its completion.

The transaction restated amount at March 31, 2026 was R\$ 175,966.

Notes to the financial statements at March 31, 2026

All amounts in thousands of reais unless otherwise stated

The Extraordinary General Meeting held on February 6, 2026 approved the merger of subsidiary “Nova Egito”, into the parent company, with the aim of achieving more efficient use of assets, operational efficiency, synergies, and rationalization of administrative and financial costs. As a result of the merger, the subsidiary was dissolved, and São Martinho succeeded to all of its rights and obligations, pursuant to Articles 227 and 229 of the Brazilian Corporate Law, with no capital increase.

The acquisition was valued and accounted for as an asset acquisition, recognized under the following items: a) Biological assets (IFRS 7); b) Property, plant, and equipment (IFRS 11); c) Intangible assets (Note 12); d) Right-of-use assets (Note 13(a)); and e) Leases and partnerships payable (Note 13(b)).

2. Summary of material accounting policies

2.1 Statement of compliance and basis of preparation

The individual and consolidated financial statements were prepared in accordance with accounting practices adopted in Brazil, including the pronouncements, interpretations, and guidelines issued by the Brazilian Accounting Pronouncements Committee (CPC), and in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) — currently referred to by the IFRS Foundation as “IFRS Accounting Standards” — including interpretations issued by the IFRS Interpretations Committee (IFRIC) or its predecessor, the Standing Interpretations Committee (SIC). Disclosures are limited to all information of significance to the parent company and consolidated financial statements, being consistent with that used by management in the performance of its duties.

These financial statements were prepared under the historical cost convention, except for certain derivative financial instruments and biological assets measured at fair value, and disclose all information if significance to the financial statements, which is consistent with that utilized by management in the performance of its duties.

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

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



Notes to the financial statements at March 31, 2026

All amounts in thousands of reais unless otherwise stated

The Company records the dividends received from its subsidiaries in the statement of cash flows as investing activities, since these dividends are considered returns on the investments.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the accounting policies of the Company and its subsidiaries. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

2.2 New standards that are not yet effective

The following amendments to standards were issued by the IASB but were not effective for the year ended March 31, 2026. The early adoption of standards, although encouraged by the IASB, has not been implemented in Brazil by the CPC.

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

Key new requirements introduced by the new standard:

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

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

- **IFRS S1 and S2 – Sustainability and Climate-related Financial Disclosures:** IFRS S1 and S2 (CBPS 1 and CBPS 2 as issued in Brazil by the Brazilian Sustainability Pronouncements Committee (CBPS)) are standards that set requirements for disclosures supplementary to financial statements on sustainability and climate-related matters. They require the inclusion of an integrated report structured around four pillars: (a) Governance; (b) Strategy; (c) Risk management; and (d) Metrics and targets. Based on these pillars, the Company must assess and disclose the risks and opportunities that may affect its operational performance or future cash flows. This information should be consistent with the economic and financial assumptions used by management in preparing the financial statements.

Management has been monitoring market developments on this topic and has established a working group to evaluate the significant impacts of these standards on the financial statements, which will be effective for annual reports at January 1,

Notes to the financial statements at March 31, 2026

All amounts in thousands of reais unless otherwise stated

2027; for the Company, at April 1, 2027.

Management recognizes the importance of applying these standards and concludes that they contribute to strengthening transparency, governance, and the quality of information provided to investors, creditors, and other stakeholders.

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

2.3 Basis of consolidation and investments in subsidiaries

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

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

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

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

2.4 Functional and presentation currency

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

2.5 Foreign currency translation

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

Notes to the financial statements at March 31, 2026

All amounts in thousands of reais unless otherwise stated

in the statement of profit or loss, except when deferred in equity as qualifying cash flow hedges.

2.6 Financial instruments

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

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

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

a) Financial assets

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

b) Financial liabilities

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

c) Derivative financial instruments

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

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

The effective portion of changes in the fair value of derivatives designated as cash flow hedges is recognized in equity under "Carrying value adjustments." The ineffective portion is recorded in "Finance income (costs)" in the statement of profit or loss for the year. Amounts accumulated in equity are reclassified to the statement

Notes to the financial statements at March 31, 2026

All amounts in thousands of reais unless otherwise stated

of profit or loss when the hedged item affects profit or loss, with the related effects recognized in "Net sales" to offset changes in the hedged item.

2.7 Business combinations and goodwill

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

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

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

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

Upon the acquisition of a business, the Company evaluates the financial assets acquired and liabilities assumed to ensure their appropriate classification and designation in accordance with the contractual terms, economic circumstances, and prevailing conditions as of the acquisition date. This procedure includes the segregation, by the acquiree, of embedded derivatives existing in host contracts.

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

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

2.8 Investment grants

The Company has a policy in place for controlling and utilizing resources from investment grants provided by governmental bodies, aimed at the implementation, expansion, modernization, and development of its operating activities.

Funds from government incentives are applied exclusively to projects linked to the Company's business activities, which may include asset acquisitions, operational expansion, production modernization, innovation, and other eligible investments, in accordance with applicable legislation and the conditions established by incentive programs.

The Company maintains specific accounting and financial controls to ensure the identification, segregation, and traceability of amounts received and applied, backed by appropriate supporting documentation.

The accounting recognition, use, and disclosure of government grants comply with applicable legal, corporate, and tax provisions, as well as with the principles of transparency, compliance, and corporate governance.

The Company is the beneficiary of ICMS tax incentives (Tax on the Circulation of Goods and Services), including benefits granted under the Industrial Development Program of the State of Goiás – PRODUZIR, as well as other incentives utilized by its industrial units. For tax purposes, such benefits are accounted for in accordance with the provisions of Complementary Law No. 160/2017 and Article 30 of Law No. 12,973/2014, which establish the conditions for their characterization as investment grants and, consequently, for their exclusion from the basis of corporate income tax and social contribution on net income.

During the year, the Company revised the accounting and tax treatment applicable to certain ICMS tax incentives related to the fiscal years from 2020 to 2023, considering the provisions of Complementary Law No. 160/2017, Article 30 of Law No. 12,973/2014, as well as the interpretation issued by the Brazilian Superior Court of Justice (STJ) under Topic 1,182. As a result of this review, certain benefits began to be treated as investment grants for tax purposes.

The amounts recognized for the year ended March 31, 2026 are disclosed in Note 19(c)(i).

Notes to the financial statements at March 31, 2026

All amounts in thousands of reais unless otherwise stated

3. Significant accounting estimates and judgments used

Accounting estimates and judgments are continually assessed and are based on historical data and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

a) Impairment losses

The Company reviews annually the balance of its non-financial assets (excluding biological assets, inventories, and deferred taxes) to determine whether there is any indication of impairment. If such an indication exists, the recoverable amount of the asset is estimated. As of the end of the reporting year, no evidence was identified that would justify performing impairment tests on these assets.

In accordance with applicable standards, however, the Company tests, at least annually, the recoverability of goodwill based on expected future profitability. The recoverable amount is determined using the value-in-use method, which is based on projections of discounted cash flows expected from the Cash-Generating Units (CGUs) defined by management.

The test covers the Company's four operating industrial units, together with another 11 entities of the Group, whose activities predominantly include: (i) exploitation of land through lease and agricultural partnerships, rental and sale of properties; (ii) purchase and sale of properties, development and operation of real estate and mining projects; (iii) six units for cogeneration of electric power; (iv) storage of products in general; (v) equity interests in other companies; and (vi) production and processing of gas, which are managed in an integrated manner. Management considers that these operations, taken together, form a single Cash-Generating Unit (Consolidated CGU) of São Martinho for purposes of impairment testing.

Future cash flows are projected based on budgets approved by management, using market information and historical performance as reference. São Martinho's discounted cash flow substantially comprises the Parent company accounts and was prepared over a five-year horizon, considered a reasonable period for the recovery of assets related to the economic sector in which it operates. The discount rate of 9.01% p.a. was used (10.28% in 2025). Main assumptions used by São Martinho: i) expected selling prices for the commodities in the long term, (ii) agricultural productivity, (iii) performance of Total Recoverable Sugar (TRS), and (iv) operating and administrative costs. Cash flows were discounted at rates that reflect the risks specific to relevant assets of the consolidated CGU.

The annual test did not identify any losses for the years ended March 31, 2026 and 2025.

Notes to the financial statements at March 31, 2026

All amounts in thousands of reais unless otherwise stated

Determining the recoverable amount of assets depends on certain key assumptions as described above, which are subject to market, technological and economic conditions existing at the time of testing. Therefore, it is not possible to determine whether impairment losses will arise in the future and, if so, the extent to which they will be material (Note 12).

b) Fair value of biological assets

This represents the present value of expected net cash flows from biological assets, calculated using assumptions defined in discounted cash flow models (Note 7).

c) Income tax, social contribution and other taxes

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

d) Fair value of derivatives and other financial instruments

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

e) Provision for contingencies

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

f) Incremental borrowing rate on leases and agricultural partnerships

Right-of-use assets, lease liabilities, and agricultural partnerships are measured at present value based on cash flows discounted using the incremental borrowing rate. This weighted average borrowing rate involves estimation, since it is the rate

Notes to the financial statements at March 31, 2026

All amounts in thousands of reais unless otherwise stated

that the lessee would have to pay on a borrowing to raise the funds required to obtain an asset of similar value in a similar economic environment, under equivalent terms and conditions, and also considering the lessee's credit risk, the term of the agreement, and the collateral provided.

4. Cash and cash equivalents and financial investments

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

	Parent			Consolidated		
	Annual yield	2026	2025	Annual yield	2026	2025
Current account in Brazil		578	854		627	925
Current account abroad (i)	3.8%	94,636	316,500	3.8%	94,636	316,500
Financial investments						
· Investments in foreign currency	4.4%	-	581,163	4.4%	-	581,163
Total cash and cash equivalents		95,214	898,517		95,263	898,588
In Brazil (local currency)		578	854		627	925
Abroad (foreign currency)		94,636	897,663		94,636	897,663
		95,214	898,517		95,263	898,588
Financial investments						
· Investment fund (ii)	101.1% of CDI	3,703,327	1,994,866	101% of CDI	3,870,895	2,174,697
· Bank Deposit Certificate (CDB)	101.7% of CDI	236,266	9,146	101.7% of CDI	236,743	9,746
· Other (iii)	95.2% of CDI	81,432	80,196	95.2% of CDI	81,432	80,196
Total financial investments		4,021,025	2,084,208		4,189,070	2,264,639
Total financial investments in non-current assets		81,432	80,196		81,432	80,196
Total financial investments in current assets		3,939,593	2,004,012		4,107,638	2,184,443

Notes to the financial statements at March 31, 2026

All amounts in thousands of reais unless otherwise stated

- (i) Balance of a foreign checking account earning interest at a fixed overnight U.S. dollar rate, with daily liquidity, maintained exclusively with investment-grade financial institutions.
- (ii) The exclusive investment funds Sugar Cane I, II, and III are DI-indexed private credit fixed income funds managed by Bradesco Asset Management, Itaú Unibanco Asset Management, and BTG Pactual Asset Management, respectively, and administered by Banco Bradesco, Itaú Unibanco, and BTG Pactual Financial Services, respectively. These funds were established exclusively for the participation of the Company and its subsidiaries. Other obligations related to the funds consist mainly of administrative fees for the portfolio maintenance. Accrued income reflects daily mark-to-market adjustments on fund positions, and the assets are readily liquid in the secondary market. The unit value is composed of: government securities at 56% (64% in 2025), financial bills at 29% (19% in 2025), and other private securities at 15% (17% in 2025).
- (iii) Resources pledged as collateral for financing operations with the Brazilian Development Bank (BNDES) and brokerage firms are subject to redemption restrictions that expire at the contractual maturity date

5. Trade receivables

Trade receivables of the Company and its subsidiaries are initially recognized at fair value and subsequently measured at amortized cost.

Additionally, trade receivables of subsidiaries engaged in real estate development activities are measured at present value less provision for impairment, where applicable.

The balance of trade receivables is as follows:

	Parent		Consolidated	
	2026	2025	2026	2025
Domestic market customers	276,044	248,163	330,553	306,162
Foreign market customers	75,173	209,482	75,173	209,481
	351,217	457,645	405,726	515,643
(-) Expected credit losses	-	-	(961)	(889)
	351,217	457,645	404,765	514,754
Current assets	(351,217)	(457,645)	(366,650)	(477,210)
Non-current assets	-	-	38,115	37,544

Notes to the financial statements at March 31, 2026

All amounts in thousands of reais unless otherwise stated

Trade receivables by maturity date:

	Parent		Consolidated	
	2026	2025	2026	2025
Falling due:				
In up to 30 days	292,389	331,839	303,980	341,395
From 31 to 60 days	9,802	11,318	10,077	12,138
From 61 to 90 days	757	2,978	1,188	3,931
From 91 to 120 days	1,462	27,332	1,888	28,227
From 121 to 180 days	2,460	1,499	3,256	4,883
From 181 to 365 days	44,130	76,278	46,390	80,161
Over 365 days	-	-	38,115	37,544
	351,000	451,244	404,894	508,279
Amounts overdue and not provided for				
In up to 30 days	48	2,920	55	3,163
From 31 to 60 days	23	38	63	47
From 61 to 90 days	65	5	118	18
From 91 to 120 days	5	3	104	11
From 121 to 180 days	12	89	22	99
From 181 to 365 days	64	3,346	135	3,503
Over 365 days	-	-	335	523
	217	6,401	832	7,364
	351,217	457,645	405,726	515,643

Of the balance receivable, R\$ 4,125 in the Parent, and R\$ 2,480 in the Consolidated (R\$ 2,961 and R\$ 216 in the Parent and Consolidated, respectively, at March 21, 2025) refer to related parties (Note 9).

6. Inventories and advances to suppliers

	Parent		Consolidated	
	2026	2025	2026	2025
Inventories				
Finished products and work-in-progress	179,062	234,780	179,393	234,780
Raw material – Corn	124,138	113,919	124,138	113,919
RenovaBio - CBIOs (i)	2,043	567	2,043	567
Inputs, maintenance materials and other	275,757	241,692	276,195	241,692
Land subdivisions	-	-	6,777	6,123
Total inventories	581,000	590,958	588,546	597,081
Advances to suppliers				
Advances - purchases of sugarcane	82,692	79,709	82,601	79,709
Advances - purchases of inputs and finished products	89,898	122,276	89,898	122,276
Total advances to suppliers	172,590	201,985	172,499	201,985
In current assets				
Inventories	549,318	590,958	556,864	597,081
Advances to suppliers	91,508	145,980	91,417	145,980
Total current assets	640,826	736,938	648,281	743,061
In non-current assets				
Inventories	31,682	-	31,682	-
Advances to suppliers	81,082	56,005	81,082	56,005
Total non-current assets	112,764	56,005	112,764	56,005

Notes to the financial statements at March 31, 2026

All amounts in thousands of reais unless otherwise stated

- (i) At March 31, 2026, the Company had 98,000 registered decarbonization credits (Cbios) carried at fair value (11,000 Cbios at March 31, 2025).

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

Of the balance of advances recorded at March 31, 2026 under inventories, R\$ 92 in the Parent and Consolidated accounts refers to related parties (R\$ 625 in the Parent and Consolidated at March 31, 2025) (Note 9).

7. Biological assets

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

Biological assets are carried at fair value less costs to sell. The measurement at fair value of biological assets is classified as Level 3 - Assets and liabilities for which there is little, if any, market activity, or whose prices or valuation techniques are supported by inputs from a thin, non-existent, or illiquid market (non-observable inputs).

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

- a) Cash inflows obtained by multiplying the: *i)* estimated production measured in kilograms of Total Recoverable Sugar (TRS) by *ii)* the sugarcane futures market price, which is projected based on publicly-available data and price estimates of sugar and ethanol; and
- b) Cash outflows represented by the estimated (i) costs necessary for the biological transformation of sugarcane (crop treatments) up to the harvest; (ii) harvesting/cutting, loading, and transportation costs; (iii) cost of capital (land and machinery and equipment); (iv) costs of leases and agricultural partnerships; and (v) taxes levied on positive cash flows.

The following key assumptions were used in determining fair value:

Notes to the financial statements at March 31, 2026

All amounts in thousands of reais unless otherwise stated

Parent and Consolidated	2026	2025
Estimated total harvested area (ha)	255,504	254,689
Amount of TRS per hectare	11.87	11.96
Projected average price of TRS (in R\$)	1.16	1.20

In these financial statements, a discount rate of 9.0% p.a. was used to calculate the fair value of biological assets (10.0% p.a. on March 31, 2025).

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

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

Parent and Consolidated	2026	2025
Historical cost	1,665,746	1,563,058
Fair value	(260,017)	(198,550)
Biological assets - opening balance:	1,405,729	1,364,508
Increase arising from crop treatments (i)	962,779	959,234
Transfer from property, plant and equipment	450,312	392,784
Changes in fair value	(339,595)	(61,467)
Decreases resulting from harvest	(1,244,593)	(1,249,330)
Biological assets - closing balance:	1,234,632	1,405,729
Comprised of:		
Historical cost	1,834,244	1,665,746
Fair value	(599,612)	(260,017)
Biological assets - closing balance:	1,234,632	1,405,729

- (i) Total crop treatments, amounting to R\$ 67,864, corresponds to the acquisition of assets from Nova Egito (Note 1) - Partial acquisition of biological assets from Usina Santa Elisa.

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

Fair value sensitivity analysis

For the purposes of sensitivity analysis, the Company assessed the impact on the fair value of its biological assets at March 31, 2026, considering an increase/decrease in the following variables: (i) price of the sugarcane metric ton; and (ii) sugarcane production volume. The other variables were held constant. Accordingly, a 5% increase or decrease in the price of sugarcane metric ton would result in an increase

Notes to the financial statements at March 31, 2026

All amounts in thousands of reais unless otherwise stated

or decrease of R\$ 116,789. Regarding the production volume, the same 5% variation (up or down) would result in an increase or decrease of R\$ 105.618.

8. Taxes recoverable

Balances of taxes recoverable:

	Parent		Consolidated	
	2026	2025	2026	2025
Current				
PIS/COFINS	277,239	241,122	286,909	241,259
ICMS	210,201	179,194	213,684	179,407
Tax Refund Program for Exporters (Reintegra)	10,652	528	10,652	528
Others	1,096	2,628	1,095	2,628
	499,188	423,472	512,340	423,822
Non-current				
PIS/COFINS	310,731	311,112	310,731	311,112
ICMS	367,297	382,206	374,877	387,719
Tax on Financial Transactions (IOF) on derivatives	11,515	10,822	11,515	10,822
INSS	439	418	439	418
	689,982	704,558	697,562	710,071
	1,189,170	1,128,030	1,209,902	1,133,893

The balances of taxes recoverable refer substantially to the Company's operations involving the acquisition of goods and purchases of property, plant and equipment. Credits arising from out-of-period recoveries were also recognized (Note 27.i)

Notes to the financial statements at March 31, 2026

All amounts in thousands of reais unless otherwise stated

9. Related parties

a) Parent and Consolidated balances:

	Parent		Consolidated	
	2026	2025	2026	2025
Current assets				
Trade receivables (i)				
Bio SM	733	1,006	-	-
Bio BV	661	483	-	-
SM Terras Imobiliárias	81	871	-	-
Bio SC	35	19	-	-
Bioenergia SM	35	303	-	-
SM Terras Agrícolas	29	9	-	-
CTC - Centro de Tecnologia Canavieira S.A.	19	19	19	19
Others	2,532	251	2,461	197
	4,125	2,961	2,480	216
Inventories and advances to suppliers				
SM Terras Agrícolas	92	-	-	-
CTC - Centro de Tecnologia Canavieira S.A.	-	167	-	167
Others	-	458	-	458
	92	625	-	625
Dividends receivable				
SM Terras Imobiliárias	-	11,329	-	-
SM Inova	-	2,256	-	-
SM Logística	-	7	-	-
	-	13,592	-	-
Current liabilities				
Trade payables				
SM Terras Agrícolas	4,107	6,990	-	-
Bio SC	788	374	-	47
CTC - Centro de Tecnologia Canavieira S.A.	210	47	210	-
Others	93	140	93	138
	5,198	7,551	303	185
Current and non-current liabilities				
Leases and agricultural partnerships payable from stockholders and related parties				
	376,308	492,056	376,308	492,056

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

Notes to the financial statements at March 31, 2026

All amounts in thousands of reais unless otherwise stated

b) Parent company and Consolidated transactions in the year:

	Parent		Consolidated	
	2026	2025	2026	2025
Sales revenue				
Bio BV	17,811	12,983	-	-
Bioenergia SM	13,219	12,584	-	-
Bio SM	6,606	8,492	-	-
Bio SC	3,691	3,272	-	-
	41,327	37,331	-	-
Lease costs (purchase of products and services) / reimbursed expenses)				
SM Terras Agrícolas	(67,562)	(75,261)	-	-
SM Terras Imobiliárias	(32,710)	(34,932)	-	-
CTC - Centro de Tecnologia Canavieira S.A.	(21,873)	(21,917)	(20,400)	(20,857)
Bio SC	(884)	(500)	-	-
Bio BV	261	348	-	-
Bioenergia SM	145	143	-	-
Bio SM	144	116	-	-
Biometano SC	139	-	-	-
	(122,340)	(132,003)	(20,400)	(20,857)
Stockholders and related parties				
Sugarcane purchases / land leases / agricultural partnership and land lease/ reimbursed expenses				
Agro Pecuária Boa Vista S/A	(58,172)	(59,518)	(58,172)	(59,518)
Others	(19,792)	(28,383)	(6,613)	(29,153)
	(77,964)	(87,901)	(64,785)	(88,671)
Finance result				
Finance income (costs)				
Others (i)	(54,356)	(53,349)	(54,356)	(53,349)
	(54,356)	(53,349)	(54,356)	(53,349)

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

Revenue relate to sale of steam, while purchases of goods and services include the acquisition of a) sugarcane, b) electric power; c) steam processing; and d) royalties. Expenses reimbursed by subsidiaries or related parties correspond to the apportionment of administrative service costs. Contracts with related parties follow the Related Party Transaction Policy, with a revision approved by the Board of Directors on June 17, 2024. The transactions are formalized through contracts that include clauses and conditions aligned with market pricing and practices, which must be mutually beneficial and generate value for both parties involved.

Related-party contracts refer mostly to partnership and lease agreements, cost-sharing agreements, and, occasionally, contracts for rent, purchase and sale of seedlings, and purchase and sale of electric power. The Company's Reference Form, item 11.2, provides details on the agreements, such as: purpose, guarantees, nature, transaction date, amount involved, balance, duration, and interest rate.

Sugarcane partnership and lease agreements are entered into under average market conditions and prices prevailing in the respective region, usually with a term of five years and up to two optional harvest extensions. The agreements do not bear interest, but provide for a 20% penalty in the event of contractual noncompliance.

Notes to the financial statements at March 31, 2026

All amounts in thousands of reais unless otherwise stated

Cost-sharing agreements follow the determinations of the Federal Revenue Service as per SC-COSIT 23/2013 and SC-COSIT 149/2021 and are entered into for an indefinite term. Costs and expenses are formalized and mutually validated by the parties, with monthly apportionment and reimbursement. They are allocated based on the proportional relationship between quantity and time spent on the respective activities.

Regarding other contracts: a) rent: the amounts are in line with the average price per square meter for rental of commercial properties in the region; b) electric energy: these contracts comply with the regulations of the Electric Energy Trading Chamber (CCEE) and are based on the average market price in the spot trading modality; c) purchase and sale of seedlings and licensing: the amounts paid follow market conditions, ensured by Cultivar Protection Law (Law 9.456/1997), Decree 2.366/1997, Industrial Property Law (Law 279/1996), Decree 1.355/1994, and Seeds and Seedlings Law (Law 10.711/2003).

c) Management compensation:

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

	Parent		Consolidated	
	2026	2025	2026	2025
Fixed compensation	30,289	27,735	30,479	28,369
Bonuses, benefits, and other variable compensation	15,968	25,543	15,968	28,163
Share-based compensation	-	138	-	138
Social security contributions	9,041	10,355	9,079	10,533
Total compensation and charges	55,298	63,771	55,526	67,203

d) Long-term incentive plans:

São Martinho offers its senior management a virtual stock option plan, also extended to other executive officers, which provides for cash settlement of the positive difference between the market value on the day prior to exercise and the price established in each program.

On December 15, 2025, the Board of Directors approved the granting of 2,733,060 virtual options, through the 17th Stock Option Plan, and on March 31, 2026, a new Long-Term Virtual Stock Option Incentive Plan was approved, to be granted during the following fiscal year. The Plans' regulations are filed at the Company's head office.

The carrying amount of the liability relating to the new fair value calculation of the Virtual Stock Option Plan is R\$ 11,125 (R\$ 4,645 at March 31, 2025). The fair value for the Virtual Stock Option Plan refers to the difference between the exercise price and the market value of the Company's shares (SMT03) on the balance sheet date.

Notes to the financial statements at March 31, 2026

All amounts in thousands of reais unless otherwise stated

The fair value of the Virtual Shares program is calculated based on the quotation of the Company's shares (SMTO3) and the total number of virtual shares granted.

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

Plan	11th Plan	12th Plan	13th Plan	14th Plan	15th Plan	16th Plan	17th Plan	Total
Plan issue date	09/12/2019	14/12/2020	13/12/2021	12/12/2022	11/12/2023	16/12/2024	15/12/2025	
Deadline for exercise	2026	2027	2028	2029	2030	2031	2032	
Number of virtual options granted	1,072,712	754,980	563,175	1,463,211	1,393,489	1,821,251	2,733,060	9,801,878
Number of virtual options exercised/cancelled	(448,830)	(91,649)	(29,958)	(75,341)	(30,248)	(46,821)	-	(722,847)
Number of virtual options to be exercised	623,882	663,331	533,217	1,387,870	1,363,241	1,774,430	2,733,060	9,079,031
Exercise price (R\$)	19.38	24.22	37.17	27.44	33.70	25.38	13.68	

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

10. Investments

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

Company	Ownership interest %	Equity		Book value of investment		Share of profit (loss) of equity-accounted investees	
		2026	2025	2026	2025	2026	2025
		Parent		Parent		Parent	
Classified as Investments							
SM Terras Imobiliárias	100.00%	678,551	666,366	678,551	666,366	33,556	46,243
SM Terras Agrícolas	100.00%	508,075	808,017	508,075	808,017	43,265	70,004
Biometano SC	100.00%	186,534	169,728	186,534	169,729	2,805	3,429
SM Inova	100.00%	66,902	55,110	66,902	55,110	11,797	9,499
Bio SC	100.00%	54,135	55,911	56,166	58,040	45,547	63,244
Bio SM	100.00%	40,495	36,141	40,495	36,141	28,227	19,339
Bioenergia SM	100.00%	40,127	21,043	40,127	21,043	28,870	(8,175)
Bio BV	100.00%	36,316	31,369	36,316	31,369	38,979	48,031
SM Logística	100.00%	9	10	9	10	(2)	15
Bioenergia Itacema	100.00%	1	1	1	1	-	-
Bioenergia SM II	100.00%	1	1	1	1	-	-
Total classified as Investments		1,611,146	1,843,697	1,613,177	1,845,827	233,044	251,629

Company	Ownership interest %	Equity		Book value of investment		Share of profit (loss) of equity-accounted investees	
		2026	2025	2026	2025	2026	2025
		Consolidated		Consolidated		Consolidated	
Classified as Investments							
CTC - Centro de Tecnologia Canavieira S.A. (i)	5.41%	1,287,093	1,125,891	69,688	60,960	11,721	9,443
Others		-	-	486	1,613	(864)	13
Total classified as Investments		1,287,093	1,125,891	70,174	62,573	10,857	9,456



Notes to the financial statements at March 31, 2026

All amounts in thousands of reais unless otherwise stated

- (i) In accordance with item 16 of CPC 18 (R2), the Company accounts for its investment in CTC using the equity method, as it exercises significant influence through its subsidiary SM Inova, which holds a direct seat on the investee's Board of Directors.

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

Changes in investments during the year were as follows:

	Parent		Consolidated	
	2026	2025	2026	2025
At the beginning of the year	1,845,827	1,738,747	62,573	54,692
Share of profit (loss) of equity-accounted investees	233,044	251,629	10,857	9,456
Payment of capital and advance for future capital increase	14,000	165,202	310	-
Capital decrease (ii)	(296,204)	(1,140)	-	-
Dividends paid	(183,705)	(308,973)	(3,782)	(1,939)
Other effects of investments	215	362	216	364
At the end of the year	1,613,177	1,845,827	70,174	62,573

Summarized information on investments

Company	Ownership interest %	Assets		Liabilities			Profit (loss) for the year
		March 31, 2026		March 31, 2026			
		Current	Non-current	Current	Non-current	Equity	
SM Terras Imobiliárias	100.00%	20,589	661,786	3,824	-	678,551	33,556
SM Terras Agrícolas	100.00%	27,990	698,318	5,212	213,021	508,075	43,265
Biometano SC	100.00%	16,821	173,207	3,494	-	186,534	2,805
SM Inova	100.00%	2,977	69,688	3	5,760	66,902	11,797
Bio SC	100.00%	34,041	23,311	446	2,771	54,135	45,644
Bio SM	100.00%	26,726	15,884	2,115	-	40,495	28,227
Bioenergia SM	100.00%	39,707	53,868	10,583	42,865	40,127	28,870
Bio BV	100.00%	28,059	11,163	2,611	295	36,316	38,979
SM Logística	100.00%	9	-	-	-	9	(2)
Bioenergia Iracema	100.00%	1	-	-	-	1	-
Bioenergia SM II	100.00%	1	-	-	-	1	-
Total		196,921	1,707,225	28,288	264,712	1,611,146	233,141

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

Notes to the financial statements at March 31, 2026

All amounts in thousands of reais unless otherwise stated

(ii) At a meeting held on September 29, 2025, the Board of Directors approved the transfer of pieces of land and the corresponding decrease of R\$31,779 in the share capital of investee SMTA. The related revaluation reserve, net of deferred taxes, totaling R\$264,425, was also transferred to São Martinho. The net assets comprised the following:

	Note	SMTA
NON-CURRENT ASSETS - PP&E		
Bare land		31,779
Bare land – Revaluation / Deemed cost		400,644
	11	<u>432,423</u>
NON-CURRENT LIABILITIES - DEFERRED TAXES		
Deferred income tax and social contribution	19 (b)	<u>(136,219)</u>
EQUITY - CARRYING VALUE ADJUSTMENT, NET OF DEFERRED TAXES		
Deemed cost adjustment - Parent	17 (c. i)	<u>(264,425)</u>

11. Property, plant and equipment

The assets' net book values and useful lives, as well as the depreciation methods, are reviewed at each year-end, and adjusted prospectively, where applicable. For the years ending March 31, 2026 and March 31, 2025, there were no changes in the useful life of the assets. Depreciation is calculated using the straight-line method; for production equipment, the accelerated depreciation method is applied, taking into consideration the crushing season.

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

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

Notes to the financial statements at March 31, 2026

All amounts in thousands of reais unless otherwise stated

Parent	Land	Buildings and facilities	Manufacturing equipment and facilities	Vehicles	Agricultural machinery and implements	Sugarcane plantations	Construction in progress	Other PP&E	Total
At March 31, 2024	96,046	576,914	2,162,157	360,862	518,459	1,947,584	489,474	30,248	6,181,744
Acquisition	-	4,567	23,944	45,787	229,051	602,037	323,843	3,761	1,232,990
Expenditures with intercrop maintenance (i)	-	-	185,289	113,129	154,070	-	-	-	452,488
Transfer of PP&E/biological assets	-	-	-	-	-	(392,784)	-	-	(392,784)
Cost of sale	-	-	(468)	(5,837)	(3,106)	(8,037)	-	(670)	(18,118)
Transfer between groups	-	73,581	321,534	16,892	(29,536)	21,285	(415,554)	11,798	-
Depreciation	-	(18,907)	(415,490)	(116,367)	(153,811)	-	-	(8,062)	(712,637)
At March 31, 2025	96,046	636,155	2,276,966	414,466	715,127	2,170,085	397,763	37,075	6,743,683
Total cost	96,046	814,054	3,536,132	721,433	1,236,662	2,170,085	397,763	212,101	9,184,276
Accumulated depreciation	-	(177,899)	(1,259,166)	(306,967)	(521,535)	-	-	(175,026)	(2,440,593)
Net book value	96,046	636,155	2,276,966	414,466	715,127	2,170,085	397,763	37,075	6,743,683
At March 31, 2025	96,046	636,155	2,276,966	414,466	715,127	2,170,085	397,763	37,075	6,743,683
Acquisitions (i)	22,480	15,527	78,827	42,665	51,820	618,328	449,576	8,270	1,287,493
Expenditures with intercrop maintenance (i)	-	-	191,326	116,815	159,089	-	-	-	467,230
Capital decrease (Note 10) (ii))	432,423	-	-	-	-	-	-	-	432,423
Transfer of PP&E/biological assets	-	-	-	-	-	(450,312)	-	-	(450,312)
Cost of sale	-	-	(7,551)	(3,128)	(2,554)	-	-	(235)	(13,468)
Transfer between groups	-	28,271	110,713	12,943	(50,369)	73,745	(182,943)	7,640	-
Depreciation	-	(19,940)	(261,003)	(176,655)	(185,035)	-	-	(8,129)	(650,762)
At March 31, 2026	550,949	660,013	2,389,278	407,106	688,078	2,411,846	664,396	44,621	7,816,287
Total cost	550,949	857,852	3,741,874	746,878	1,268,418	2,411,846	664,396	227,533	10,469,746
Accumulated depreciation	-	(197,839)	(1,352,596)	(339,772)	(580,340)	-	-	(182,912)	(2,653,459)
Net book value	550,949	660,013	2,389,278	407,106	688,078	2,411,846	664,396	44,621	7,816,287
Residual value:									
Historical cost	79,018	610,825	2,265,333	396,792	683,326	2,411,846	664,396	44,621	7,156,157
Surplus on revaluation	471,931	49,188	123,945	10,314	4,752	-	-	-	660,130
Annual average depreciation rates/ Transfer of biological assets	-	2%	4%	7%	9%	14%	-	14%	

Notes to the financial statements at March 31, 2026

All amounts in thousands of reais unless otherwise stated

Consolidated	Land	Buildings and facilities	Manufacturing equipment and facilities	Vehicles	Agricultural machinery and implements	Sugarcane plantations	Construction in progress	Improvements and other PPE	Total
At March 31, 2024	1,820,793	578,918	2,273,946	360,861	518,459	1,947,583	514,338	30,250	8,045,148
Acquisition	-	4,567	24,285	45,787	229,051	602,037	430,290	3,761	1,339,778
Expenditures with intercrop maintenance (i)	-	-	186,068	113,129	154,070	-	-	-	453,267
Transfer of biological assets	-	-	-	-	-	(392,784)	-	-	(392,784)
Cost of sale	(698)	-	(469)	(5,837)	(3,106)	(8,036)	-	(670)	(18,816)
Transfer between groups	-	81,419	316,926	16,892	(29,536)	21,285	(419,177)	12,191	-
Depreciation	-	(19,113)	(421,135)	(116,367)	(153,811)	-	-	(8,118)	(718,544)
At March 31, 2025	1,820,095	645,791	2,379,621	414,465	715,127	2,170,085	525,451	37,414	8,708,049
Total cost	1,820,095	826,070	3,686,914	721,433	1,236,663	2,170,085	525,451	212,510	11,199,221
Accumulated depreciation	-	(180,279)	(1,307,293)	(306,968)	(521,536)	-	-	(175,096)	(2,491,172)
Net book value	1,820,095	645,791	2,379,621	414,465	715,127	2,170,085	525,451	37,414	8,708,049
At March 31, 2025	1,820,095	645,791	2,379,621	414,465	715,127	2,170,085	525,451	37,414	8,708,049
Acquisitions (i)	22,480	15,527	79,184	42,665	51,820	618,328	488,847	8,270	1,327,121
Expenditures with intercrop maintenance (i)	-	-	192,968	116,815	159,089	-	-	-	468,872
Transfer of biological assets	-	-	-	-	-	(450,312)	-	-	(450,312)
Cost of sale	(885)	-	(7,551)	(3,128)	(2,554)	-	(7)	(235)	(14,360)
Transfer between groups	-	74,560	214,144	12,942	(50,369)	73,745	(333,255)	8,233	-
Depreciation	-	(20,876)	(269,083)	(176,655)	(185,035)	-	-	(8,258)	(659,907)
At March 31, 2026	1,841,690	715,002	2,589,283	407,104	688,078	2,411,846	681,036	45,424	9,379,463
Total cost	1,841,690	916,161	3,997,497	746,878	1,268,418	2,411,846	681,036	228,535	12,092,061
Accumulated depreciation	-	(201,159)	(1,408,214)	(339,774)	(580,340)	-	-	(183,111)	(2,712,598)
Net book value	1,841,690	715,002	2,589,283	407,104	688,078	2,411,846	681,036	45,424	9,379,463
Residual value:									
Historical cost	194,053	665,094	2,453,963	396,790	683,326	2,411,846	681,036	45,424	7,531,532
Surplus on revaluation	1,647,637	49,908	135,320	10,314	4,752	-	-	-	1,847,931
Annual average depreciation rates/ Transfer of biological assets	-	2%	4%	8%	9%	14%	-	12%	

- (i) Of the total purchases of sugarcane crops, R\$ 94,655 corresponds to the acquisition of assets from Nova Egito (Note 1) - Partial acquisition of Usina Santa Elisa's biological assets.

Notes to the financial statements at March 31, 2026

All amounts in thousands of reais unless otherwise stated

The amount allocated to “Construction in progress” relates mainly to projects under the irrigation plan, increase in sugar production, and flexibility in anhydrous ethanol production scheduled for March 2027, as well as the expansion of the ethanol production unit from corn processing (Second Phase), annexed to the Boa Vista unit in the municipality of Quirinópolis, State of Goiás, with operations expected to begin in the second half of 2027.

Some property, plant and equipment items were pledged as collateral for certain borrowings taken by São Martinho. The carrying amount of the assets pledged as collateral in the consolidated accounts totaled R\$ 691,027, of which R\$ 37,948 corresponds to rural properties that cover an area of 1,505 hectares.

Financial charges capitalized by the Company during for the year amounted to R\$ 51,187 at an average rate of 10.9% p.a. (R\$ 7,023, at an average rate of 8.3% p.a. at March 31, 2025).

12. Intangible assets

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

Parent	Goodwill based on future profitability (i)	Rights on sugarcane contracts (ii)	Software	Forest easement right	Other intangible assets	Intangible assets under construction	Total
At March 31, 2024	374,632	16,769	50,379	29	1,291	204	443,304
Acquisition	-	-	14,725	(6)	-	(204)	14,515
Amortization	-	(4,192)	(13,176)	-	-	-	(17,368)
At March 31, 2025	374,632	12,577	51,928	23	1,291	-	440,451
Total cost	374,632	42,443	108,020	23	1,291	-	526,409
Accumulated amortization	-	(29,867)	(56,091)	-	-	-	(85,958)
Net book value	374,632	12,576	51,929	23	1,291	-	440,451
At March 31, 2025	374,632	12,576	51,929	23	1,291	-	440,451
Acquisition	-	13,447	21,062	-	-	-	34,509
Amortization	-	(4,191)	(14,299)	-	-	-	(18,490)
At March 31, 2026	374,632	21,832	58,692	23	1,291	-	456,470
Total cost	374,632	55,890	129,082	23	1,291	-	560,918
Accumulated amortization	-	(34,058)	(70,390)	-	-	-	(104,448)
Net book value	374,632	21,832	58,692	23	1,291	-	456,470
Annual average amortization rates	-	10%	20%	-	-	-	-

Notes to the financial statements at March 31, 2026

All amounts in thousands of reais unless otherwise stated

Consolidated	Goodwill based on future profitability (i)	Rights on sugarcane contracts (ii)	Rights on electric power supply contracts	Software	Forest easement right	Other intangible assets	Intangible assets under construction	Total
At March 31, 2024	374,632	16,769	-	50,379	11,636	1,291	260	454,967
Acquisition	-	-	-	14,725	(6)	-	(204)	14,515
Amortization	-	(4,192)	-	(13,176)	-	-	-	(17,368)
At March 31, 2025	-	(4,192)	-	1,549	(6)	-	(204)	452,114
Total cost	374,632	42,443	103,401	108,021	11,630	1,291	56	641,474
Accumulated amortization	-	(29,867)	(103,401)	(56,092)	-	-	-	(189,360)
Net book value	374,632	12,576	-	51,929	11,630	1,291	56	452,114
At March 31, 2025	374,632	12,576	-	51,929	11,630	1,291	56	452,114
Acquisition	-	13,447	-	21,062	-	-	-	34,509
Transfer between groups	-	-	-	-	56	-	(56)	-
Amortization	-	(4,191)	-	(14,299)	-	-	-	(18,490)
At March 31, 2026	374,632	21,832	-	58,692	11,686	1,291	-	468,133
Total cost	374,632	55,890	103,401	129,083	11,686	1,291	-	675,983
Accumulated amortization	-	(34,058)	(103,401)	(70,391)	-	-	-	(207,850)
Net book value	374,632	21,832	-	58,692	11,686	1,291	-	468,133
Annual average amortization rates	-	10%	10%	20%	-	-	-	-

- (i) Goodwill related to prior years' business combination of companies merged into the Company;
- (ii) Refers to the acquisition of rights under agricultural partnership and sugarcane supply contracts, which have a defined useful life in accordance with the contractual terms. The purchases made during the year ended March 31, 2026, in the amount of R\$ 13,447, correspond to the acquisition of Nova Egito (Note 1) - Partial acquisition of Usina Santa Elisa's biological assets.

Impairment of non-financial assets

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

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

At March 31, 2026, the Company tested its non-current assets for impairment. The assessment was based on calculations of the value in use of each CGU, which use pre-tax cash flow projections, according to financial budgets approved by management. The growth rate does not exceed the long-term average growth rate of the sector in which the CGU operates.

The main assumptions and estimates relate to sugar and ethanol sales prices, electric power costs, and other macroeconomic data. The cash flows were projected for a five-year period.

Notes to the financial statements at March 31, 2026

All amounts in thousands of reais unless otherwise stated

Main assumptions used by the Company (data from March 31, 2026):

Cash Generating Units	2026		2025	
	Nominal perpetuity growth rate	Nominal discount rate	Nominal perpetuity growth rate	Nominal discount rate
São Martinho	5.00%	9.01%	5.00%	10.28%

The annual test did not identify any losses for the year ended March 31, 2026.

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

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

Definitions used:

Lease

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

The Company as the lessee

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

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

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

Notes to the financial statements at March 31, 2026

All amounts in thousands of reais unless otherwise stated

a) Right-of-use assets

	Parent and Consolidated			
	Vehicles	Agricultural partnership	Agricultural lease	Total
At March 31, 2024	8,689	2,187,893	593,015	2,789,597
Additions	60,325	377,147	40,583	478,055
Reductions	(285)	-	-	(285)
Remeasurement	-	57,420	(3,639)	53,781
Depreciation	(15,360)	(454,752)	(98,401)	(568,513)
At March 31, 2025	53,369	2,167,708	531,558	2,752,635
Additions	23,536	278,390	30,058	331,984
Reductions	814	(80,966)	(4,889)	(85,041)
Remeasurement	-	(103,835)	(46,550)	(150,385)
Depreciation	(50,833)	(337,730)	(83,143)	(471,706)
At March 31, 2026	26,886	1,923,567	427,034	2,377,487
Useful lives (years)	1 to 2	2 to 29	2 to 20	

b) Leases and agricultural partnerships payable

	Parent and Consolidated			
	Vehicles	Agricultural partnership payable	Leases payable	Total
At March 31, 2024	7,684	2,237,857	629,219	2,874,760
Additions	60,325	377,147	40,583	478,055
Reductions	(993)	-	-	(993)
Remeasurement	-	57,421	(3,640)	53,781
Offset of advances	-	(170,097)	-	(170,097)
Payments made	(24,822)	(517,194)	(137,165)	(679,181)
Financial charges	3,658	199,004	71,466	274,128
At March 31, 2025	45,852	2,184,138	600,463	2,830,453
Additions (i)	23,536	278,390	30,058	331,984
Reductions	6,874	(108,400)	(722)	(102,248)
Remeasurement	-	(103,835)	(46,550)	(150,385)
Offset of advances	-	(140,535)	-	(140,535)
Payments made	(29,575)	(541,270)	(125,387)	(696,232)
Financial charges	5,811	183,509	50,089	239,409
At March 31, 2026	52,498	1,751,997	507,951	2,312,446
Total in current liabilities	44,468	380,042	89,665	514,175
Total in non-current liabilities	8,030	1,371,955	418,286	1,798,271
At March 31, 2026	52,498	1,751,997	507,951	2,312,446

- (i) Of the total additions to agricultural partnership payables, the amount of R\$ 155,061 corresponds to contracts acquired from Nova Egito, measured in accordance with IFRS 16 (CPC 06 (R2)) and applying the same incremental rates used by the Company for other agricultural partnership contracts, with initial maturities in the 2029/30 crop season and final maturities in the 2036/37 crop season.

Notes to the financial statements at March 31, 2026

All amounts in thousands of reais unless otherwise stated

Of the total payable for lease and partnership agreements, R\$ 376,308 in the Parent and Consolidated) (R\$ 492,056 in the Parent and Consolidated at March 31, 2025) refers to related parties (Note 9).

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

Maturity	Parent and Consolidated
From 4/1/2027 to 3/31/2028	553,722
From 4/1/2028 to 3/31/2029	451,586
From 4/1/2029 to 3/31/2030	374,567
From 4/1/2030 to 3/31/2031	335,084
From 4/1/2031 to 3/31/2032	266,053
From 4/1/2032 to 3/31/2033	221,786
From 4/1/2033 to 3/31/2034	190,180
From 4/1/2034 onwards	496,679
(-) Adjustment to present value	(1,091,386)
	1,798,271

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

Parent and Consolidated	Agricultural lease	Adjustment to present value
Lease payment	705,029	217,653
Potentially recoverable PIS/COFINS (9.25%)	(50,193)	(15,022)
	654,836	202,631

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

Parent and Consolidated	
Contract terms	Incremental rate
2 years	8.47%
3 years	9.89%
4 years	10.76%
5 years	10.58%
6 years	10.20%
7 years	11.43%
8 years	9.62%
9 years	10.73%
10 years	11.05%
11 years	9.00%
From 12 to 30 years	11.03%

Notes to the financial statements at March 31, 2026

All amounts in thousands of reais unless otherwise stated

14. Trade payables

	Parent		Consolidated	
	2026	2025	2026	2025
Sugarcane (i)	258,723	137,663	254,617	130,675
Corn	596	3	596	3
Suppliers - financing arrangements	6,772	-	6,772	-
Materials, services, and other	337,406	267,464	341,884	274,316
	603,497	405,130	603,869	404,994

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

Of the total amount of trade payables, R\$ 5,198 in the Parent, and R\$ 303 in the Consolidated (R\$ 7,551 and R\$ 185 in the Parent and Consolidated, respectively, at March 31, 2025) refer to related parties (Note 9).

Trade payables - Supplier financing arrangements (reverse factoring)

For the year ended March 31, 2026, the Company offered its suppliers a bank financing arrangement for the advance of invoices ("supplier financing agreements"). The related balances remain recorded as Trade payables, as there was no legal release or substantial modification of the original liabilities.

Under this arrangement, the bank advances the invoice amounts to suppliers and is reimbursed by the Company on the original invoice due date. The arrangement does not alter the payment terms agreed with suppliers nor result in additional interest costs for the Company.

The amounts remain recorded under current liabilities as "Trade payables," with no accounting effects. Payments to the bank are included in operating cash flow, since they form part of the normal cycle of purchasing goods and services. Trade payables to suppliers who opted for advance payment, which are considered non-cash, totaled R\$ 314 in the year.

Additional information on supplier financing arrangements is presented below:

Parent and Consolidated	2026
Invoices available for advance payment to suppliers that joined the program	6,772
Invoices received in advance by the suppliers under the program	314
Average payment term (in days)	
Invoices available for advance payment to suppliers that joined the program	55
Comparable suppliers	20

Notes to the financial statements at March 31, 2026

All amounts in thousands of reais unless otherwise stated

15. Obligations and rights with Copersucar

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

a) Obligations:

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

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

Non-current liabilities - Parent and Consolidated	2026	2025
Exchange Bill (LC) - Restated by reference to SELIC rate	85,710	82,218
Exchange Bill (LC) - Transfer of funds without imposition of charges	52,356	52,356
Expenses with tax proceedings	3,123	2,402
Others	2,300	2,300
	143,489	139,276

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

Notes to the financial statements at March 31, 2026

All amounts in thousands of reais unless otherwise stated

b) Rights:

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

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

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

Upon transferring the funds, Copersucar withheld a portion to cover legal costs related to the dispute about the levy of PIS and COFINS on the compensation received, while undertaking to transfer the corresponding amounts in the event of a favorable outcome. At March 31, 2026 and 2025, the balance receivable from Copersucar, of R\$ 367,826, was recognized under "Rights with Copersucar". The Company, in line with the measures taken by Copersucar, also filed a lawsuit, claiming the suspension of the levy of IRPJ/CSLL/PIS/COFINS, supported by judicial deposits provided for under "Taxes with suspended collection".

Of the balance of R\$ 2,261,784 (R\$ 2,025,634 on March 31, 2025) recorded under Taxes with suspended collection, R\$ 2,246,351 (R\$ 2,011,688 on March 31, 2025) refers to the impact of judicial deposits related to the Sugar and Alcohol Institute (IAA) (Note 21.2). The remaining balance refers to other taxes.

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

16. Borrowings

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

Notes to the financial statements at March 31, 2026

All amounts in thousands of reais unless otherwise stated

Type	Annual charges		Parent		Consolidated	
	Rate	Index	2026	2025	2026	2025
In local currency						
BNDES credit facility	2.1%	+TJLP	62,552	76,937	62,552	76,937
BNDES II credit facilities	4.2%	+IPCA	1,323,057	1,347,807	1,368,576	1,393,676
BNDES III credit facilities (ii)	5.6%	Fixed rate	170,886	134,816	170,886	134,816
BNDES IV credit facilities	2.7%	+ Referential Rate (TR)	257,864	253,012	257,864	253,012
FINEP	3.7%	+ TR	291,110	-	291,110	-
FINEP II	2.7%	+ TR	-	140,975	-	140,975
Agro Export	101.0%	CDI	98,384	97,954	98,384	97,954
ABC (Inovacred)	5.6%	+ TR	28,640	28,636	28,640	28,636
Rural credit	8.5%	Fixed rate	-	9,503	-	9,503
Rural credit II	100.0%	CDI	-	5,377	-	5,377
Agribusiness Receivable Certificate (CRA)	99.0%	CDI	2,544,585	1,953,079	2,544,585	1,953,079
Debentures (iii)	6.0%	+IPCA	2,547,699	2,447,440	2,547,699	2,447,440
Debentures (iv)	12.2%	Fixed rate	518,359	-	518,359	-
International Finance Corporation (IFC)	1.4%	+CDI	248,104	277,816	248,104	277,816
Total in local currency			8,091,240	6,773,352	8,136,759	6,819,221
In foreign currency						
Export prepayment (PPE)	-	-	-	58,755	-	58,755
International Finance Corporation (IFC) (v)	1.3%	6M Sofr	1,103,904	1,211,485	1,103,904	1,211,485
Total in foreign currency			1,103,904	1,270,240	1,103,904	1,270,240
TOTAL (i)			9,195,144	8,043,592	9,240,663	8,089,461
Total in current liabilities			927,745	903,719	930,399	906,297
Total in non-current liabilities			8,267,399	7,139,873	8,310,264	7,183,164
			9,195,144	8,043,592	9,240,663	8,089,461

- (i) In these financial statements, total costs of liabilities in local and foreign currency were calculated based on the terms of the portfolios, and on Interbank Deposit (DI) and Secured Overnight Financing Rate (SOFR) yield curves.
- (ii) 79.0% of the BNDES credit facilities at fixed rate is linked to 53.5% of the DI rate, through a swap contract.
- (iii) 25.3% of Debentures is linked to the DI rate +1.1% p.a., 23.5% to the DI rate +1.4% p.a., and the remaining 51.6%, to 108.2% of the DI rate, through swap contracts.
- (iv) 100% of the amount of debentures is linked to the DI rate of 93.2% p.a. through a swap contract.
- (v) 21.5% of the borrowing with the International Finance Corporation (IFC) is linked to the DI rate +1.15% p.a. through a swap contract, and 78.5%, corresponding only to the principal, is linked to 52.6% of the DI rate.

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

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

Notes to the financial statements at March 31, 2026

All amounts in thousands of reais unless otherwise stated

Changes in debt	Parent		Consolidated	
	2026	2025	2026	2025
At the beginning of the year	8,043,592	6,495,230	8,089,461	6,536,818
Proceeds from borrowings	1,730,703	2,472,597	1,730,703	2,476,779
Repayment of principal	(612,870)	(1,108,739)	(615,086)	(1,110,720)
Payment of interest	(665,841)	(544,934)	(667,470)	(546,400)
Provision for interest/inflation adjustment	809,910	709,135	813,405	712,681
Foreign exchange effects	(110,350)	20,303	(110,350)	20,303
At the end of the year	9,195,144	8,043,592	9,240,663	8,089,461

Long-term borrowings mature as follows:

	Parent	Consolidated
From 4/1/2027 to 3/31/2028	718,936	721,352
From 4/1/2028 to 3/31/2029	956,755	959,255
From 4/1/2029 to 3/31/2030	1,331,939	1,334,529
From 4/1/2030 to 3/31/2031	641,292	643,974
From 4/1/2031 to 3/31/2032	1,170,454	1,173,232
From 4/1/2032 to 3/31/2033	1,813,234	1,816,110
From 4/1/2033 to 3/31/2034	280,763	283,742
From 4/1/2034 to 3/31/2035	454,739	457,824
From 4/1/2031 to 3/31/2036	302,057	305,252
From 4/1/2036 onwards	597,230	614,994
	8,267,399	8,310,264

In these financial statements, R\$ 771,295 (R\$ 748,374 at March 31, 2025) of São Martinho's debt is backed by assets, being approximately 95% (95% at March 31, 2025) by equipment, vehicles, buildings and facilities, and approximately 5% by land. In addition, the Company has a contract secured by receivables from the sale of electric power.

On the reporting date, the carrying amounts of borrowings approximate their fair value. The fair values are based on discounted cash flows using a borrowing rate of 13.2% p.a. (12.5% p.a. at March 31, 2025)) and are classified within Level 2 of the fair value hierarchy.

Covenants

The Company has contracts amounting to R\$ 8,103,983 that contain restrictive non-financial and financial covenants, such as cross-default and negative pledge clauses, and tied to the compliance with certain financial ratios, such as i) current ratio (current assets divided by current liabilities), ii) net debt ratio (total cash, cash equivalents and financial investments less borrowings) to adjusted EBITDA (starting from accounting EBITDA and adjusted upward or downward, where the principal adjustment relates mainly to the depreciation concept of agricultural contracts under IFRS 16). These covenants are required and assessed annually.

Notes to the financial statements at March 31, 2026

All amounts in thousands of reais unless otherwise stated

17. Equity

a) Share capital

At March 31, 2025, share capital amounted to R\$ 4,819,109 (R\$ 4,445,192 at March 31, 2025), represented by 332,435,391 (332,435,391 at March 31, 2025) registered common shares without par value.

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

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

At an Extraordinary General Meeting held on July 25, 2025, the stockholders approved a capital increase of R\$ 373,917, without the issue of new shares, through the capitalization of a portion of the Capital budget reserve.

b) Treasury shares

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

At March 31, 2026, the Company acquired 5,804,500 nominal shares, with no par value, in the amount of R\$ 89,431. Total treasury shares at March 31, 2026, of R\$ 179,754 (R\$ 90,323 at March 31, 2025), is equivalent to 9,662,100 shares (3,857,600 shares at March 31, 2025).

	Quantity	Average price (in R\$)	Total amount
At March 31, 2024	544,400	29.99	16,325
Acquisition of shares	17,532,000	28.31	496,309
Payment of bonus with shares	(279,125)	(28.19)	(7,869)
Cancellation of shares	(13,939,675)	(29.73)	(414,442)
At March 31, 2025	3,857,600	23.41	90,323
Acquisition of shares	5,804,500	15.41	89,431
At March 31, 2026	9,662,100	18.60	179,754

c) Carrying value adjustments

Deemed cost

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

The Board of Directors' meeting held on September 29, 2025, approved a capital reduction of R\$ 31,779 in the investee SMTA. The related revaluation reserve, net of deferred taxes, totaled R\$264,425. (Note 10.ii).

Hedge accounting fair value

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

d) Revenue reserves

Legal reserve

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

Capital budget reserve

This reserve is intended for future funding of investments aimed at increasing the production capacity and other improvement processes, and for working capital purposes.

e) Dividends and interest on capital

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

At the Annual General Meeting held on July 26, 2024, the stockholders approved the payment of additional dividends of R\$ 134,047, as proposed by management for the year ended March 31, 2024. This amount, increased by R\$ 16,056 from the

Notes to the financial statements at March 31, 2026

All amounts in thousands of reais unless otherwise stated

realization of unrealized profit reserve, totaled R\$ 150,103, which was paid to the stockholders on August 13, 2024.

The Board of Directors' meeting held on July 25, 2025, approved the prepayment of stockholders' compensation, in the gross amount of R\$ 150,000, paid as interest on capital on August 08, 2025. The interest on capital paid was deducted from the dividends computed for the current year.

In accordance with the Compensation Policy (Dividends), the stockholders are entitled to a dividend and/or interest on capital of at least 40% of the annual cash profit, as shown in the table below and in the financial letter released by the Company, or 25% of the profit for the year, after deduction of accumulated deficit and transfer to the Legal reserve, whichever is greater.

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

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

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

Cash profit calculation	2026	2025
EBT	540,571	502,774
Income tax/social contribution - book value	295,606	53,957
Profit for the year	836,177	556,731
Non-cash effect of IFRS on EBT	51,360	228,761
Income tax/social contribution - book value	(295,606)	(53,957)
Income tax/social contribution paid	(39,030)	(22,083)
Adjustment of biological assets	339,445	62,654
Cash profit	892,346	772,106
Dividend policy (i)	219,910	300,000
Total profit to be distributed	219,910	300,000

- (i) On March 31, 2026, the Board of Directors approved the payment of minimum mandatory dividends of 25%.

Notes to the financial statements at March 31, 2026

All amounts in thousands of reais unless otherwise stated

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

	2026	2025
Profit (loss) for the year	836,177	556,731
Transfer to legal reserve - 5%	(41,809)	(27,837)
Minimum mandatory dividend calculation basis	794,368	528,894
Minimum mandatory dividend - 25%	198,592	132,224
Interest on capital paid	150,000	300,000
Income Tax Withheld at Source (IRRF) on interest on capital	(21,318)	(42,689)
Prepaid dividends (i)	-	125,087
Total	198,592	257,311
Minimum mandatory dividends payable	69,910	-
Dividends per share	0.6153	0.7831
Quantity of shares, net of treasury shares - March 31	322,773	328,578

(i) The balance of Interest on capital approved during 2025 exceeded the minimum mandatory dividends. The amount of R\$ 125,087, presented as prepaid dividends, relates to the surplus of Interest on capital approved in relation to the mandatory minimum dividend.

18. Profit sharing

As part of its policy, the Company manages a profit-sharing program for its employees, linked to a pre-agreed plan of operating and financial targets. Profit sharing for the year totaled R\$ 105,214 in the Parent, and R\$ 105,718 in the Consolidated (R\$ 93,005 and R\$ 93,395 in the Parent and Consolidated, respectively, at March 31, 2025).

19. Current and deferred income tax and social contribution

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

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

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

Notes to the financial statements at March 31, 2026

All amounts in thousands of reais unless otherwise stated

The entity must determine whether to consider each uncertain tax treatment separately or in combination with one or more uncertain tax treatments.

The approach that best predicts the resolution of uncertainties should be followed. No impacts were identified from the adoption of this interpretation.

a) Balance of current income tax and social contribution

	Parent		Consolidated	
	2026	2025	2026	2025
Current assets				
. Income tax and social contribution recoverable	95,609	75,301	97,572	75,900
Debts in current liabilities				
. Income tax and social contribution payable	-	-	5,804	5,834

b) Changes in deferred income tax and social contribution

Parent	2025	Recognized in the statement of profit or loss	Recognized in other comprehensive income	Income tax/social contribution on assets from capital decrease at SMTA	2026
Income tax and social contribution losses	29,876	(28,002)	-	-	1,874
Exclusion of IRPJ/CSLL on tax overpayments (i)	6,937	-	-	-	6,937
Derivative financial instruments	11,488	82,667	(94,155)	-	-
Provision for contingencies and other liabilities	164,733	6,034	-	-	170,767
Foreign exchange gains	22,840	(22,840)	-	-	-
Biological assets and agricultural produce	93,855	114,171	-	-	208,026
Leases	164,560	(450)	-	-	164,110
Other receivables	19,767	16,893	-	-	36,660
Total deferred income tax and social contribution assets	514,056	168,473	(94,155)	-	588,374
Surplus on revaluation of PP&E (deemed cost)	(94,026)	5,611	-	(136,219)	(224,634)
Accelerated depreciation incentive	(550,628)	133,561	-	-	(417,067)
Tax benefit on merged goodwill	(197,959)	-	-	-	(197,959)
Derivative financial instruments	-	(60,989)	23,167	-	(37,822)
Foreign exchange losses	(36,587)	11,794	-	-	(24,793)
Other liabilities	(68,557)	67,365	-	-	(1,192)
Total deferred income tax and social contribution liabilities	(947,757)	157,342	23,167	(136,219)	(903,467)
Deferred income tax and social contribution	(433,701)	325,815	(70,988)	(136,219)	(315,093)

Notes to the financial statements at March 31, 2026

All amounts in thousands of reais unless otherwise stated

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

Consolidated	2025	Recognized in the statement of profit or loss	Recognized in other comprehensive income	Consolidation adjustment - Rights on electric power contracts	2026
Income tax and social contribution losses	29,876	(27,421)	-	-	2,455
Exclusion of IRPJ/CSLL on tax overpayments (i)	6,937	-	-	-	6,937
Derivative financial instruments	11,488	82,667	(94,155)	-	-
Provision for contingencies and other liabilities	164,733	6,034	-	-	170,767
Foreign exchange gains	22,840	(22,840)	-	-	-
Biological assets and agricultural produce	93,855	114,171	-	-	208,026
Leases	164,560	(450)	-	-	164,110
Other receivables	19,865	16,799	-	-	36,664
Total deferred income tax and social contribution assets	514,154	168,960	(94,155)	-	588,959
Surplus on revaluation of PP&E (deemed cost)	(446,521)	5,801	-	-	(440,720)
Accelerated depreciation incentive	(550,628)	133,561	-	-	(417,067)
Tax benefit on merged goodwill	(197,959)	-	-	-	(197,959)
Derivative financial instruments	-	(60,989)	23,167	-	(37,822)
Intangible assets	(1,095)	-	-	47	(1,048)
Gain from change in interest held in CTC	(5,068)	-	-	-	(5,068)
Foreign exchange losses	(36,587)	11,794	-	-	(24,793)
Other liabilities	(69,257)	67,370	-	-	(1,887)
Total deferred income tax and social contribution liabilities	(1,307,115)	157,537	23,167	47	(1,126,364)
Deferred income tax and social contribution	(792,961)	326,497	(70,988)	47	(537,405)

Notes to the financial statements at March 31, 2026

All amounts in thousands of reais unless otherwise stated

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

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

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

Deferred income tax and social contribution liabilities are realized mainly through the depreciation and disposal of the underlying property, plant and equipment items. This liability is expected to be realized at an average annual rate of 15%, consistent with the depreciation rates of the related property, plant and equipment items. Deferred tax liabilities arising from the surplus value of land will be realized only upon sale.

Based on management's approved projections of taxable profit, including the expected realization of temporary differences, the recovery of all deferred tax assets is estimated as follows:

Parent	Expected realization
26/27 crop season	114,971
27/28 crop season	50,648
28/29 crop season	44,005
29/30 crop season	109,842
From 30/31 crop season onwards	268,908
	<u>588,374</u>

Notes to the financial statements at March 31, 2026

All amounts in thousands of reais unless otherwise stated

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

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

Based on this decision, and in accordance with ICPC 22 / IFRIC 23 - Uncertainty over Tax Treatments, the Company recognized R\$ 15,920 as current and deferred income tax assets for the year, as follows: R\$ 8,983 as income tax (IRPJ) and social contribution (CSLL) recoverable for the periods when the Company recorded actual profit, presented in non-current assets; The remaining R\$ 6,937 relates to the recomposition of tax losses for the periods in which the Company recorded tax loss carryforwards and to the use of excess tax losses resulting from the taxation at the Selic rate, offset against non-current liabilities under Deferred income tax and social contribution.

c) Reconciliation of the income tax and social contribution expense

	Parent		Consolidated	
	2026	2025	2026	2025
Profit before taxes	499,366	479,786	540,571	502,774
Income tax and social contribution at nominal rates (34%)	(169,784)	(163,127)	(183,794)	(170,943)
Adjustments for calculation of the effective tax rate:				
. Equity in the results of investees	79,235	85,554	3,691	3,215
. Permanent (additions) exclusions, net	(697)	(3,897)	(887)	(3,965)
. Cbios	12,183	26,471	12,183	26,471
. Interest on capital	51,000	102,000	51,000	102,000
. Tax credit arising from subsidy (Law 14.789/2023)	14,553	19,305	14,553	19,305
. Tax incentives	555	468	1,296	484
. Adjustment to the calculation relating to subsidiary taxed based on deemed profit		-	47,326	67,184
. Recognition of income tax and social contribution credits from prior years (i)	331,057	(4,168)	331,558	(4,168)
. "Lei do Bem"	18,680	14,317	18,680	14,317
. Others	29	22	-	57
Income tax and social contribution expenses	336,811	76,945	295,606	53,957
Income tax and social contribution at the effective rate (ii)	-67.4%	-16.0%	-54.7%	-10.7%
Current income tax and social contribution	10,996	13,718	(30,890)	(9,572)
Deferred income tax and social contribution	325,815	63,227	326,496	63,529

- (i) The Company revised the accounting and tax treatment applied to ICMS tax benefits, in line with favorable court rulings, Complementary Law 160/2017, Article 30 of Law 12.973/2014, and the binding interpretation of the Superior Court of Justice (STJ) in Precedent 1.182. The recognized grant credits (for the period ended December 2025, relating to taxable profit for fiscal years 2020 through 2023) replaced accelerated depreciation incentives for the same period, with no impact on taxable profit. This event resulted in the reversal of the deferred tax liability on accelerated depreciation incentives, in the amount of R\$ 331,057.
- (ii) Excluding out-of-period IRPJ and CSLL entries, the effective tax rate is 1.2% in the parent company and -6.7% in the consolidated (16.9% in the parent and 11.6% in the consolidated at March 31, 2025).

Notes to the financial statements at March 31, 2026

All amounts in thousands of reais unless otherwise stated

20. Commitments

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

Riparian forests and Legal Reserve areas

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

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

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

Sales commitments

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

	Up to 1 year	From 2 to 3 years	More than 3 years
Ethanol (m³)	159,000	96,000	480,000
Sugar (metric tons)	1,287,619	1,247,761	2,000,000
Electric power (Mwh)	879,084	855,289	4,651,850
Biomethane (m³)	8,106,618	30,692,722	99,960,122

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

Purchases of inputs and corn

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

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

Notes to the financial statements at March 31, 2026

All amounts in thousands of reais unless otherwise stated

21. Provision for contingencies

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

21.1 Probable losses

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

	Parent			
	Tax claims	Civil and environmental claims	Labor claims	Total
At March 31, 2024	21,830	6,536	94,885	123,251
Additions	4,222	2,158	51,206	57,586
Reversals	(3,529)	(314)	(13,894)	(17,737)
Utilization	(1,487)	(1,418)	(45,332)	(48,237)
Interest/inflation adjustments	(9,464)	1,171	12,078	3,785
At March 31, 2025	11,572	8,133	98,943	118,648
Additions	980	3,285	70,371	74,636
Reversals	(5,224)	(1,110)	(15,489)	(21,823)
Utilization	(942)	(2,246)	(42,285)	(45,473)
Interest/inflation adjustments	(3,405)	(397)	14,272	10,470
At March 31, 2026	2,981	7,665	125,812	136,458

	Consolidated			
	Tax claims	Civil and environmental claims	Labor claims	Total
At March 31, 2024	21,829	7,452	94,885	124,166
Additions	5,330	2,158	51,206	58,694
Reversals	(5,442)	(315)	(13,894)	(19,651)
Utilization	(1,494)	(1,418)	(45,332)	(48,244)
Interest/inflation adjustments	(7,277)	1,267	12,078	6,068
At March 31, 2025	12,946	9,144	98,943	121,033
Additions	980	3,285	70,370	74,635
Reversals	(5,589)	(1,361)	(15,489)	(22,439)
Utilization	(942)	(2,956)	(42,285)	(46,183)
Interest/inflation adjustments	(4,413)	(448)	14,273	9,412
At March 31, 2026	2,982	7,664	125,812	136,458

Notes to the financial statements at March 31, 2026

All amounts in thousands of reais unless otherwise stated

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

Tax lawsuits:

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

Civil and environmental lawsuits:

Relate to: (i) general compensation; (ii) administrative environmental penalties arising from fires in sugarcane cultivation areas, the imposition of which is currently being challenged in court.

Labor lawsuits:

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

21.2 Judicial deposits

	Parent			Consolidated		
	IAA (i)	Others	Total	IAA (i)	Others	Total
At March 31, 2024	1,455,585	35,611	1,491,196	1,455,585	35,628	1,491,213
Additions	401,013	7,021	408,034	401,013	7,041	408,054
Utilization	-	(7,451)	(7,451)	-	(7,451)	(7,451)
Interest/inflation adjustments	155,090	2,139	157,229	155,090	2,139	157,229
At March 31, 2025	2,011,688	37,320	2,049,008	2,011,688	37,357	2,049,045
Additions	-	10,433	10,433	-	10,602	10,602
Utilization	-	(6,527)	(6,527)	-	(6,531)	(6,531)
Interest/inflation adjustments	234,663	3,202	237,865	234,663	3,203	237,866
At March 31, 2026	2,246,351	44,428	2,290,779	2,246,351	44,631	2,290,982

(i) Note 15 (b))

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

21.3 Possible risk of losses

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

Notes to the financial statements at March 31, 2026

All amounts in thousands of reais unless otherwise stated

Nature		Parent				Consolidated			
		2026		2025		2026		2025	
		Number of proceedings	Amount	Number of proceedings	Amount	Number of proceedings	Amount	Number of proceedings	Amount
Environmental		87	11,732	88	9,694	89	12,698	88	9,694
Civil		77	24,495	47	26,231	157	38,512	119	37,539
Labor claims		169	30,677	61	24,402	169	30,679	61	24,402
Tax claims									
Social security contribution	(i)	5	64,353	5	64,239	8	64,530	7	64,367
Computation of IRPJ/CSLL	(ii)	3	116,146	3	101,426	3	116,146	4	101,591
Offset of federal taxes	(iii)	60	261,232	60	198,851	66	267,397	66	204,442
ICMS	(iv)	18	124,119	17	112,233	18	124,119	17	112,233
Federal taxes	(v)	1	2,246,351	1	2,011,688	1	2,246,351	1	2,011,688
Other lawsuits	(vi)	4	20,089	4	17,604	8	20,683	6	17,872
Total		424	2,899,194	286	2,566,368	519	2,921,115	369	2,583,828

Tax lawsuits:

- (i) The lawsuits relate to the levy of Social Security Contribution (INSS) on export revenue, under the allegation that the exports carried out through the intermediation of a cooperative are not eligible for the exemptions set out in Article 149, paragraph 2, of the Brazilian Federal Constitution.
- (ii) Refer to the exclusion of expenses related to accelerated depreciation incentives from the income tax and social contribution tax base, as provided for in Article 325 of the Income Tax Regulations (RIR)/2018).
- (iii) Relate to requests to offset and refund IRPJ, CSLL, PIS, COFINS and other federal taxes for overpayments and/or tax losses, and tax credits proportional to the export revenue, which have been rejected by the Brazilian Federal Revenue Service (RFB).
- (iv) ICMS relating to: a) allegedly improper credits; b) ICMS levied on product sales.
- (v) The lawsuit relates to the levy of IRPJ/CSLL/PIS/COFINS on court-ordered debt payment received pursuant to the Sugar Pricing Lawsuit filed against the Sugar and Alcohol Institute (IAA) (Note 15).
- (vi) Other tax disputes relating to the levy of property transfer tax (ITBI), municipal real estate tax (IPTU), and others.

Other proceedings:

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

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

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

Notes to the financial statements at March 31, 2026

All amounts in thousands of reais unless otherwise stated

22 Risk management and derivative financial instruments

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

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

22.1 Market risks

a) Foreign exchange risk

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

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

Assets and liabilities exposed to exchange variation

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

Consolidated	2026	Equivalent to thousands of US\$
Current and non-current assets		
Cash and cash equivalents (banks - demand deposits)	94,636	18,134
Trade receivables	75,173	14,404
Derivative financial instruments	379,833	72,782
(+) Total assets	549,642	105,320
Current and non-current liabilities:		
Borrowings	1,103,904	211,500
Derivative financial instruments	367,825	70,473
(-) Total liabilities	1,471,729	281,973
Subtotal assets (liabilities)	(922,087)	(176,653)
Borrowings in foreign currency	1,103,904	211,500
Net asset exposure	181,817	34,847

Notes to the financial statements at March 31, 2026

All amounts in thousands of reais unless otherwise stated

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

These assets and liabilities were adjusted and recorded at the exchange rate in effect at the reporting date: R\$ 5.2188 per US\$ 1.00 for assets, and R\$ 5.2194 per US\$ 1.00 for liabilities.

b) Commodity price volatility risk

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

c) Cash flow and fair value interest rate risk

The Company's borrowings are mainly contracted at floating rates.

For borrowings denominated in local currency, the risk of interest rate fluctuations is naturally mitigated, as all financial investments are also linked to floating rates, which reduces the Company's net exposure to changes in these rates.

For borrowings denominated in foreign currency, the risks associated with interest rate and exchange rate fluctuations are mitigated through natural hedging, provided by exports and offshore financial investments, as well as the use of derivatives, such as swaps, contracted in accordance with the Company's risk management policy guidelines.

d) Market risk sensitivity analysis

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

Consolidated	Risk factor	Impacts on P/L	
		Notional (US\$ thousand)	Probable scenarios 5%
Cash and cash equivalents	Decrease in exchange rate - R\$/US\$	18,133	(4,732)
Trade receivables	Decrease in exchange rate - R\$/US\$	10,452	(2,728)
Borrowings	Increase in exchange rate - R\$/US\$	4,187	(799)
Derivative financial instruments			
Currency forward contracts	Increase in exchange rate - R\$/US\$	191	(50)
Futures price (sugar and ethanol)	Increase in commodity futures prices	2,720	(710)
Swap contracts	Decrease in exchange rate - R\$/US\$ and increase in the yield curve	165,000	(8,361)
Net exposure		200,683	(17,380)

Notes to the financial statements at March 31, 2026

All amounts in thousands of reais unless otherwise stated

The sensitivity analysis of changes in interest rates, provided by Brasil, Bolsa, Balcão (B3) and the New York Stock Exchange - Intercontinental Exchange (ICE Futures US), considers the effects of an increase or decrease of 50bps (basis points) in the pricing curve of the derivative instrument. The exposure to rates refers exclusively to changes in the Interbank Deposit (DI) yield curve. The impact on the result for other risk factors corresponds to a 5% change in the respective market curve of the associated risk, described above (foreign exchange and commodities prices).

e) Financial instruments

São Martinho elected to use hedge accounting to record the following derivative financial instruments: a) derivatives of sugar, ethanol and foreign currency - US dollar; and b) foreign currency debts - US dollar - that cover sales of the 2023/24 to 2026/27 crop seasons and were classified as cash flow hedges of highly probable expected transactions (future sales).

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

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

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

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

Notes to the financial statements at March 31, 2026

All amounts in thousands of reais unless otherwise stated

Parent and Consolidated	2026			
	Contracted amount/volume	Average price/rate	Notional value - R\$	Fair value - R\$
In current assets - Gain				
Margin deposit				23,313
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Sale commitment	32,056	16.62 U\$/lb	61,305	1,911
. Purchase commitment	88,803	14.53 U\$/lb	148,473	10,934
Commodity futures contracts - MA				
. Purchase commitment	675,000	JSD/metric tons	447,525	1,699
Commodity forward contracts - Sugar #11				
. Sale commitment	4,984	16.18 U\$/lb	9,279	77
Currency forward contracts (NDF) - US\$ - OTC				
. Sale commitment	125,989	5.66 US\$/R\$	713,098	37,603
. Purchase commitment	65	5.28 US\$/R\$	343	-
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Bidding position in call options				
. Bidding position in put options	212,151	14.60 U\$/lb	356,412	8,993
Flex option contracts - US dollar - OTC				
. Bidding position in put options	80,000	6.04 U\$/lb	483,200	41,494
Total derivative financial instruments in current assets				126,024
In non-current assets - Gain				
Interest rate swap contracts - OTC				253,809
Total derivative financial instruments in non-current assets				253,809

Parent and Consolidated	2026			
	Contracted amount/volume	Average price/rate	Notional value - R\$	Fair value - R\$
In current liabilities - Loss				
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Sale commitment	95,559	14.55 U\$/lb	159,989	13,064
. Purchase commitment	19,813	15.92 U\$/lb	36,295	455
Commodity futures contracts - Accumulator (structured derivative)				
. Sale commitment	73,467	14.13 U\$/lb	119,451	14,195
Commodity forward contracts - Sugar #11				
. Sale commitment	42,790	15.11 U\$/lb	74,398	3,983
Currency forward contracts (NDF) - US\$ - OTC				
. Purchase commitment	1,744	5.51 US\$/R\$	9,601	308
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Short position in call options	212,151	16.12 U\$/lb	393,518	18,137
Flex option contracts - US dollar - OTC				
. Short position in call options	80,000	6.51 U\$/lb	520,800	507
Interest rate swap contracts - OTC				215,270
Total derivative financial instruments in current liabilities				265,919
In non-current liabilities - Loss				
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Purchase commitment	102	16.45 U\$/lb	193	2
Interest rate swap contracts - OTC				101,904
Total derivative financial instruments in non-current liabilities				101,906

Notes to the financial statements at March 31, 2026

All amounts in thousands of reais unless otherwise stated

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

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

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

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

Notes to the financial statements at March 31, 2026

All amounts in thousands of reais unless otherwise stated

Composition of financial instruments designated for hedge accounting at March 31, 2026:

Parent and Consolidated	Assets	Liabilities	Total in other comprehensive income
Financial instruments:			
Commodity derivatives - Futures, options and forward contracts	17,677	20,912	(3,235)
Foreign exchange derivatives - Options / NDF	78,745	-	78,745
	96,422	20,912	75,510
Deferred taxes on the items above	(32,783)	(7,110)	(25,673)
	63,639	13,802	49,837

f) Estimated realization

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

Parent and Consolidated	26/27 crop season	Total
Derivative financial instruments:		
Commodity derivatives - Futures, options and forward contracts	(3,235)	(3,235)
Foreign exchange derivatives - Options / NDF	78,745	78,745
	75,510	75,510
Deferred taxes on the items above	(25,673)	(25,673)
	49,837	49,837

22.2 Credit risk

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

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

22.3 Liquidity risk

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

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

Notes to the financial statements at March 31, 2026

All amounts in thousands of reais unless otherwise stated

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

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

Parent	Up to 1 year	From 2 to 3 years	More than 3 years	Total
At March 31, 2026				
Borrowings	1,421,755	3,019,642	8,521,440	12,962,837
Leases payable	176,207	163,962	442,036	782,205
Agricultural partnership payable	677,502	841,346	1,442,312	2,961,160
Derivative financial instruments	265,919	101,906	-	367,825
Trade payables	603,497	-	-	603,497
Other liabilities	40,050	-	-	40,050
	3,184,930	4,126,856	10,405,788	17,717,574
At March 31, 2025				
Borrowings	1,238,232	2,429,396	7,631,666	11,299,294
Leases payable	161,019	240,394	536,971	938,384
Agricultural partnership payable	846,978	951,793	1,701,277	3,500,048
Derivative financial instruments	207,006	51,999	-	259,005
Trade payables	405,130	-	-	405,130
Other liabilities	9,432	26,368	-	35,800
	2,867,797	3,699,950	9,869,914	16,437,661
Consolidated	Up to 1 year	From 2 to 3 years	More than 3 years	Total
At March 31, 2026				
Borrowings	1,425,642	3,027,426	8,568,276	13,021,344
Leases payable	176,207	163,962	442,036	782,205
Agricultural partnership payable	677,502	841,346	1,442,312	2,961,160
Derivative financial instruments	265,919	101,906	-	367,825
Trade payables	603,869	-	-	603,869
Other liabilities	48,810	-	-	48,810
	3,197,949	4,134,640	10,452,624	17,785,213
At March 31, 2025				
Borrowings	1,242,040	2,436,968	7,680,045	11,359,053
Leases payable	161,019	240,394	536,971	938,384
Agricultural partnership payable	846,978	951,793	1,701,277	3,500,048
Derivative financial instruments	207,006	51,999	-	259,005
Trade payables	404,994	-	-	404,994
Other liabilities	24,344	26,368	-	50,712
	2,886,381	3,707,522	9,918,293	16,512,196

22.4 Capital management

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

Notes to the financial statements at March 31, 2026

All amounts in thousands of reais unless otherwise stated

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

23 Classification and fair value of financial instruments

23.1 Classification

Financial assets and liabilities are classified as follows:

		Parent	
	Classification	2026	2025
Financial assets			
Cash and cash equivalents	At amortized cost	95,214	898,517
Financial investments	At fair value through profit or loss	4,021,025	2,084,208
Trade receivables	At amortized cost	351,217	457,645
	At fair value through other comprehensive income		
Derivative financial instruments	comprehensive income	126,024	81,482
Derivative financial instruments	At fair value through profit or loss	253,809	177,367
Judicial deposits	At amortized cost	2,290,779	2,049,008
Other assets, except prepayments	At amortized cost	377,205	373,701
		7,515,273	6,121,928
Financial liabilities			
Borrowings	At amortized cost	9,195,144	8,043,592
	At fair value through other comprehensive income		
Derivative financial instruments	comprehensive income	35,855	52,639
Derivative financial instruments	At fair value through profit or loss	317,174	206,366
Trade payables	At amortized cost	603,497	405,130
Other liabilities	At amortized cost	40,050	35,800
		10,191,720	8,743,527

		Consolidated	
	Classification	2026	2025
Financial assets			
Cash and cash equivalents	At amortized cost	95,263	898,588
Financial investments	At fair value through profit or loss	4,189,070	2,264,639
Trade receivables	At amortized cost	404,765	514,754
	At fair value through other comprehensive income		
Derivative financial instruments	comprehensive income	126,024	81,482
Derivative financial instruments	At fair value through profit or loss	253,809	177,367
Judicial deposits	At amortized cost	2,290,982	2,049,045
Other assets, except prepayments	At amortized cost	379,853	375,766
		7,739,766	6,361,641
Financial liabilities			
Borrowings	At amortized cost	9,240,663	8,089,461
	At fair value through other comprehensive income		
Derivative financial instruments	comprehensive income	37,590	52,639
Derivative financial instruments	At fair value through profit or loss	317,174	206,366
Trade payables	At amortized cost	603,869	404,994
Other liabilities	At amortized cost	48,810	50,712
		10,248,106	8,804,172

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

Notes to the financial statements at March 31, 2026

All amounts in thousands of reais unless otherwise stated

23.2 Fair value

To measure and determine fair value, the Company uses different valuation techniques, including market, income, and cost approaches, with the aim of estimating the price that would be received upon the sale of an asset or paid upon the transfer of a liability in an orderly transaction between market participants on the measurement date. Financial assets and liabilities measured at fair value are classified and disclosed according to the following levels:

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

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

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

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

Parent	2026			2025		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Financial investments	-	4.021.025	-	-	2.084.208	-
Derivative financial instruments	21.838	357.995	-	62.510	196.339	-
Biological assets (i)	-	-	1.234.632	-	-	1.405.729
	21.838	4.379.020	1.234.632	62.510	2.280.547	1.405.729
Liabilities						
Derivative financial instruments	31.657	336.168	-	28.349	230.656	-
Borrowings	-	1.103.904	-	-	1.211.485	-
	31.657	1.440.072	-	28.349	1.442.141	-

Consolidated	2026			2025		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Financial investments	-	4.189.070	-	-	2.264.639	-
Derivative financial instruments	21.838	357.995	-	62.510	196.339	-
Biological assets (i)	-	-	1.234.632	-	-	1.405.729
	21.838	4.547.065	1.234.632	62.510	2.460.978	1.405.729
Liabilities						
Derivative financial instruments	31.657	336.168	-	28.349	230.656	-
Borrowings	-	1.103.904	-	-	1.211.485	-
	31.657	1.440.072	-	28.349	1.442.141	-

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

Notes to the financial statements at March 31, 2026

All amounts in thousands of reais unless otherwise stated

Futures and Options - ICE

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

Currency options

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

Forward contracts

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

Other financial assets and liabilities

The discounted cash flow method is used as a valuation model, which considers the present value of the expected payment or receipt discounted using a risk-adjusted discount rate. The following are classified under other assets and liabilities: (a) trade accounts receivable; (b) notes receivable; (c) trade accounts payable; (d) notes payable; and (e) borrowings and financing.

24 Segment information (Consolidated)

Management has defined the Company's operating segments based on the reports used for strategic decisions and reviewed by key decision-makers, namely the Executive Board, the Chief Executive Officer, and the Board of Directors.

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

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

Notes to the financial statements at March 31, 2026

All amounts in thousands of reais unless otherwise stated

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

Consolidated result by segment

									2026
Consolidated	Sugar	Ethanol	Corn ethanol	Electric power	Real estate businesses	Yeast	Other products	Not by segment	Total
Gross revenue									
Domestic market	332,486	3,081,854	791,154	301,369	13,564	78,043	370,494	-	4,968,964
Foreign market	2,570,686	116,068	-	-	-	-	10,572	-	2,697,326
Gain/loss on derivatives	337,949	8,445	-	-	-	-	-	-	346,394
(-) Taxes, contributions, and deductions on sales	(22,571)	(515,858)	19,332	(15,556)	(5,358)	(3,912)	(36,996)	-	(580,919)
Net revenue	3,218,550	2,690,509	810,486	285,813	8,206	74,131	344,070	-	7,431,765
Cost of goods sold	(2,094,035)	(2,223,653)	(488,974)	(115,877)	(667)	(27,728)	(192,990)	-	(5,143,924)
Change in the market value of biological assets, agricultural produce, and CBOs	(184,298)	(155,147)	-	-	-	-	-	-	(339,445)
Gross profit	940,217	311,709	321,512	169,936	7,539	46,403	151,080	-	1,948,396
Gross margin	29.2%	11.6%	39.7%	59.5%	91.9%	62.6%	43.9%	-	26.2%
Selling expenses	(190,319)	(43,784)	(14,831)	(18,912)	-	-	(24,625)	-	(292,471)
Other operating income, net	-	-	-	-	-	-	-	(261,124)	(261,124)
Operating profit	749,898	267,925	306,681	151,024	7,539	46,403	126,455	(261,124)	1,394,801
Operating margin	23.3%	10.0%	37.8%	52.8%	91.9%	62.6%	36.8%	-	18.8%
Other income and expenses not by segment	-	-	-	-	-	-	-	(558,624)	(558,624)
Profit (loss) for the year	-	-	-	-	-	-	-	-	836,177
Depreciation and amortization - intangible assets and right-of-use assets	(1,183,832)	(1,086,692)	(18,489)	(13,872)	-	(9,325)	(34,934)	(24,103)	(2,371,247)

									2025
Consolidated	Sugar	Ethanol	Corn ethanol	Electric power	Real estate businesses	Yeast	Other products	Not by segment	Total
Gross revenue									
Domestic market	365,089	2,645,287	562,248	244,543	25,062	52,778	375,088	-	4,270,095
Foreign market	3,139,163	395,308	-	-	-	-	3,768	-	3,538,239
Gain/loss on derivatives	(242,151)	(4,422)	-	-	-	(1,100)	-	-	(247,673)
(-) Taxes, contributions, and deductions on sales	(26,005)	(334,393)	18,420	(11,198)	(6,155)	(2,826)	(36,470)	-	(398,627)
Net revenue	3,236,096	2,701,780	580,668	233,345	18,907	48,852	342,386	-	7,162,034
Cost of goods sold	(2,056,601)	(2,439,556)	(437,932)	(90,197)	(1,376)	(26,393)	(262,023)	-	(5,314,078)
Changes in the market value of biological assets, and agricultural produce	(2,912)	(59,742)	-	-	-	-	-	-	(62,654)
Gross profit	1,176,583	202,482	142,736	143,148	17,531	22,459	80,363	-	1,785,302
Gross margin	36.4%	7.5%	24.6%	61.3%	92.7%	46.0%	23.5%	-	24.9%
Selling expenses	(170,019)	(64,565)	(10,392)	(17,693)	-	(10)	115	-	(262,564)
Other operating income, net	-	-	-	-	-	-	-	(5,335)	(5,335)
Operating profit	1,006,564	137,917	132,344	125,455	17,531	22,449	80,478	(5,335)	1,517,403
Operating margin	31.1%	5.1%	22.8%	53.8%	92.7%	46.0%	23.5%	-	21.2%
Other income and expenses not by segment	-	-	-	-	-	-	-	(960,672)	(960,672)
Profit (loss) for the year	-	-	-	-	-	-	-	-	556,731
Depreciation and amortization - intangible assets and right-of-use assets	(1,125,396)	(1,153,559)	(24,570)	(11,943)	-	(9,387)	(57,780)	(19,547)	(2,402,182)

At March 31, 2026, net revenue from Cbios (decarbonization credits), amounting to R\$ 30,608, (R\$ 66,772 at March 31, 2025) is recorded under "Ethanol".

Consolidated net operating revenues are geographically distributed as follows:

Consolidated	2026	2025
Domestic market	4,414,019	3,862,250
Foreign market		
Middle East and Asia	1,603,544	1,741,594
Europe	1,026,754	1,459,203
North America	377,928	68,257
South America	7,844	-
Specifically intended for export	1,676	30,730
Net revenue	7,431,765	7,162,034

At the reporting date, three customers of the Company represented more than 10% of its net revenue, and 52% of total revenue (42% at March 31, 2025).



Notes to the financial statements at March 31, 2026

All amounts in thousands of reais unless otherwise stated

Consolidated operating assets by segment

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

								2026
	Sugar	Ethanol	Corn ethanol	Electric power	Real estate businesses	Yeast	Not by segment	Total
Trade receivables	101,886	146,021	29,507	10,903	42,618	7,033	66,797	404,765
Inventories and advances to suppliers	258,142	354,254	126,072	-	6,777	1,414	14,385	761,044
Biological assets	810,131	424,501	-	-	-	-	-	1,234,632
Property, plant and equipment	5,914,075	2,583,163	500,393	173,844	-	31,661	176,327	9,379,463
Intangible assets	290,139	177,294	700	-	-	-	-	468,133
Right-of-use assets	1,234,185	1,143,302	-	-	-	-	-	2,377,487
Total assets allocated	8,608,558	4,828,535	656,672	184,747	49,395	40,108	257,509	14,625,524
Other unallocated assets	-	-	-	-	-	-	8,792,671	8,792,671
Total	8,608,558	4,828,535	656,672	184,747	49,395	40,108	9,050,180	23,418,195

								2025
	Sugar	Ethanol	Corn ethanol	Electric power	Real estate businesses	Yeast	Not by segment	Total
Trade receivables	181,419	103,630	50,364	9,243	51,719	3	118,376	514,754
Inventories and advances to suppliers	257,112	387,643	128,443	-	6,123	799	18,946	799,066
Biological assets	850,643	555,086	-	-	-	-	-	1,405,729
Property, plant and equipment	3,536,662	3,717,955	515,930	167,495	597,469	33,644	138,894	8,708,049
Intangible assets	277,717	173,378	1,019	-	-	-	-	452,114
Right-of-use assets	1,373,777	1,378,858	-	-	-	-	-	2,752,635
Total assets allocated	6,477,330	6,316,550	695,756	176,738	655,311	34,446	276,216	14,632,347
Other unallocated assets	-	-	-	-	-	-	7,137,036	7,137,036
Total	6,477,330	6,316,550	695,756	176,738	655,311	34,446	7,413,252	21,769,383

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

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

25 Revenue

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

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

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

Notes to the financial statements at March 31, 2026

All amounts in thousands of reais unless otherwise stated

a) Sale of goods and rendering of services

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

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

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

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

Balances:

	Parent		Consolidated	
	2026	2025	2026	2025
Gross sales revenue				
Domestic market	4,736,596	4,062,041	4,968,964	4,270,095
Foreign market	2,697,326	3,538,239	2,697,326	3,538,239
Gain/loss on derivatives	346,394	(247,673)	346,394	(247,673)
	<u>7,780,316</u>	<u>7,352,607</u>	<u>8,012,684</u>	<u>7,560,661</u>
Taxes, contributions, and deductions on sales	(562,309)	(381,508)	(580,919)	(398,627)
	<u>7,218,007</u>	<u>6,971,099</u>	<u>7,431,765</u>	<u>7,162,034</u>

Notes to the financial statements at March 31, 2026

All amounts in thousands of reais unless otherwise stated

26 Costs and expenses by nature

Reconciliation of expenses by nature:

	Parent		Consolidated	
	2026	2025	2026	2025
Depreciation and amortization (including biological assets harvested)	(2,362,151)	(2,396,111)	(2,371,247)	(2,402,182)
Raw materials and consumables	(1,757,116)	(1,864,891)	(1,656,557)	(1,754,487)
Personnel expenses	(663,917)	(630,215)	(670,136)	(638,107)
Material for resale	(56,514)	(55,506)	(88,538)	(84,492)
Maintenance parts and services	(224,256)	(275,736)	(224,639)	(276,049)
Changes in the fair value of biological assets, agricultural produce, and CBOs	(339,445)	(62,654)	(339,445)	(62,654)
Reversal (recognition) of provision for losses on realization of inventories	-	2,814	-	2,814
Freight on sales	(262,229)	(218,343)	(262,229)	(218,343)
Third-party services	(135,095)	(139,042)	(138,193)	(142,182)
Litigation	(49,686)	(37,789)	(48,984)	(38,161)
Cost of land sales	-	-	(667)	(1,376)
Inputs	(176,290)	(192,140)	(173,299)	(190,287)
Other expenses	(140,592)	(151,694)	(168,639)	(173,856)
	(6,167,291)	(6,021,307)	(6,142,573)	(5,979,362)
Classified as:				
Cost of goods sold	(5,541,332)	(5,450,989)	(5,483,369)	(5,376,732)
Selling expenses	(274,121)	(248,006)	(292,471)	(262,564)
General and administrative expenses	(351,838)	(322,312)	(366,733)	(340,066)
	(6,167,291)	(6,021,307)	(6,142,573)	(5,979,362)

27 Other income, net

Composition of other income, net:

	Parent		Consolidated	
	2026	2025	2026	2025
Gain (loss) on disposal of property, plant and equipment, net	(3,296)	6,969	(3,296)	6,959
Revenue from the sale of waste and scrap	11,122	9,405	11,122	9,405
Recognition of tax credits, net (i)	100,958	330,139	100,958	330,139
PIS/COFINS on other finance income (expenses)	(6,632)	(19,379)	(6,632)	(19,379)
Insurance claim indemnities	9,256	2,518	9,256	2,518
Derecognition of crop treatments	(2,841)	(8,037)	(3,125)	(8,037)
Other operating income (expenses), net	(13,845)	(247)	(13,531)	3,670
	94,722	321,368	94,752	325,275

- (i) Regarding the amounts recognized at March 31, 2026 as tax credits: a) R\$ 32,779 refers to credits related to the exclusion of ICMS from the PIS/COFINS tax base applied to ethanol; and b) ICMS credits on intermediate materials considered essential to the production process, also covered by the favorable decision in a declaratory action, which recognized the right to take such credits. The credits recognized at March 31, 2026 refer to the period from December 2020 to June 2025, totaling R\$ 56,623, net of attorney fees, of which R\$ 51,416 was recorded in Other income and R\$ 5,207 in Inventories and costs; c) R\$ 35,522 in credits, net of attorney fees, relating to the Emergency Program for the Resumption of the Events Sector (PERSE), established by Law 14.148/2021, which reduced to zero the PIS/COFINS rates on revenue from certain activities (based on the National Classification of Economic Activities (CNAE) codes), for the period from March 2022 to May 2023; and d) Credits from PIS/COFINS on depreciation of property, plant and equipment acquired from 2002 onwards, arising from lawsuits filed by the Company, with final and unappealable judgment, for assets considered by the Company to be essential to the productive activities carried out, amounting to R\$ 9,134, net of attorney fees, of which R\$ 2,654 was recorded in Other income and R\$ 6,479 in Finance income.

Notes to the financial statements at March 31, 2026

All amounts in thousands of reais unless otherwise stated

At March 31, 2025, the amount of R\$ 199,446 refers to presumed PIS/COFINS credits on sugarcane, recorded based on RFB Instruction 2.121/2022, which clarifies and regulates the application of the credit, in accordance with Article 8 of Law 10.925/2004.

28 Finance income (costs)

	Parent		Consolidated	
	2026	2025	2026	2025
Finance income				
Interest received and earned	415,253	337,456	443,088	368,587
Other income	11,469	24,445	11,280	27,133
PIS/COFINS on finance income	(19,488)	(16,626)	(19,851)	(16,988)
	407,234	345,275	434,517	378,732
Finance costs				
Interest on borrowings	(767,148)	(726,157)	(770,463)	(729,704)
Adjustment to present value (i)	(210,456)	(265,677)	(210,456)	(265,677)
Interest paid	(18,914)	(32,328)	(18,928)	(31,984)
Bank guarantee commission	(11,004)	(10,107)	(11,016)	(10,123)
Payables to Copersucar	(2,990)	(9,391)	(2,990)	(9,391)
Other expenses	(11,368)	(1,946)	(10,424)	(3,810)
	(1,021,880)	(1,045,606)	(1,024,277)	(1,050,689)
Exchange and monetary variation, net				
Trade receivables and payables	(5,402)	9,809	(5,402)	9,808
Available funds	(20,025)	(41,545)	(20,025)	(41,544)
Borrowings	(25,739)	(94,731)	(25,739)	(94,731)
	(51,166)	(126,467)	(51,166)	(126,467)
Derivatives - not designated for hedge accounting				
Gain (loss) on swap transactions	(235,805)	(224,006)	(235,805)	(224,006)
Gain (loss) on ethanol transactions	(393)	(2,151)	(393)	(2,151)
Foreign exchange gain (loss), net	(1,803)	12,603	(1,803)	12,603
Gain (loss) on sugar transactions	(25,021)	20,985	(25,021)	20,985
Gain (loss) on foreign exchange transactions	50,318	(23,924)	50,318	(23,924)
Gain (loss) on corn transactions	(260)	3	(260)	3
Gain (loss) on soybean transactions	86	-	86	-
Cost of stock exchange transactions	(426)	285	(426)	285
	(213,304)	(216,205)	(213,304)	(216,205)
	(879,116)	(1,043,003)	(854,230)	(1,014,629)

(i) Mainly represented by leases and agricultural partnerships payable

29 Earnings per share

	Parent		Consolidated	
	2026	2025	2026	2025
Profit for the year attributed to owners of the parent	836,177	556,731	836,177	556,731
Common shares at the beginning of the for the year - in thousands	332,435	345,831	332,435	345,831
Weighted average number of treasury shares - in thousands	(1,458)	(12,401)	(1,458)	(12,401)
Weighted average number of common shares outstanding - in thousands (i)	330,977	333,430	330,977	333,430
Basic and diluted earnings per share - R\$	2.5264	1.6697	2.5264	1.6697

Notes to the financial statements at March 31, 2026

All amounts in thousands of reais unless otherwise stated

(i) In 2026 and 2025, the weighted average price of shares was affected by the share buyback program (Note 17b).

30 Insurance coverage

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

Parent and Consolidated Item	Insured risks	Maximum coverage (i)
Loss of Profits and Operational Risks (ii)	LoP: Loss of income due to business interruption, provided that the cause thereof relates to coverage included in the policy. OR: Any material damage to buildings, facilities, inventories, agricultural and industrial machinery and equipment.	2,741,783
Civil Liability	Damages caused to third parties as a result of professional errors or omissions (E&O insurance).	1,548,750
Environmental Responsibility	Environmental accidents that may lead to breaches of environmental laws.	30,000

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

(ii) Insurance coverage against material damages (operating risks) to vehicles are excluded. as the reference used is 100% of the Economic Research Institute (FIPE) table.

31 Events after the reporting period

As disclosed in a material fact announcement on April 27, 2026, the Company informed its stockholders and the market in general that a Board of Directors' meeting held on that date approved the 9th issuance of simple, unsecured, non-convertible debentures, in two series, in the total amount of R\$1,100,000,000, with a par value of R\$1,000 per unit on the issue date ("9th Issue").

The 9th Issue will be the subject to a public offering, under the automatic registration procedure, pursuant to Law 6.385/1976, CVM Resolution 160/2022, and other applicable legal and regulatory provisions, under a firm placement guarantee regime ("Offering"). The Debentures will meet the requirements of Article 2, caput and paragraph 9, of Law 12.431/2011, so that their holders may be entitled to tax benefits as provided by Law.

* * *