

Raízen Energia S.A.

Interim financial information as of June 30, 2019

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

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Report on review of interim financial information

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

To the Board of Directors, Shareholders and Management of
Raízen Energia S.A.
São Paulo - SP

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of Raízen Energia S.A. (the “Company”) contained in the Quarterly Information Form - ITR for the quarter ended June 30, 2019, which comprises the statement of financial position as of June 30, 2019 and the respective statements of income (loss), comprehensive income (loss), changes in equity and cash flows for the three-month period then ended, including the explanatory notes.

The Company's management is responsible for the preparation of this individual and consolidated interim financial information in accordance with Technical Pronouncement CPC 21 (R1) – Interim Financial Reporting and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board – IASB, as well as for the presentation of this information in accordance with standards issued by the Brazilian Securities and Exchange Commission, applicable to the preparation of Quarterly Information - ITR. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

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



Conclusion on the interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the Quarterly Information referred to above has not been prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34, issued by IASB, applicable to the preparation of Quarterly Information - ITR, and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission.

Other matters

Statements of Value Added

The individual and consolidated interim financial information, related to statements of value added for the three-month period ended June 30, 2019, prepared under the responsibility of the Company's management, presented as supplementary information for the purposes of IAS 34, were submitted to the review procedures followed together with the review of the Quarterly Information – ITR of the Company. In order to form our conclusion, we evaluated whether these statements are reconciled to the interim financial information and to the 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. Based on our review, nothing has come to our attention that causes us to believe that it has not been prepared, in all material respects, consistent with the individual and consolidated interim financial information taken as a whole.

São Paulo, August 12, 2019

KPMG Auditores Independentes
CRC SP014428/O-6
Original report in Portuguese signed by
Ulysses M. Duarte Magalhães
Accountant CRC RJ-092095/O-8

RAÍZEN ENERGIA S.A.

Statements of financial position at June 30 and March 31, 2019

(In thousands of reais – R\$)

	Note	Parent company		Consolidated	
		06/30/2019	03/31/2019	06/30/2019	03/31/2019
Assets					
Current assets					
Cash and cash equivalents	3	434,316	537,241	2,804,338	3,189,859
Restricted cash	4	54,461	84,687	114,975	134,966
Derivative financial instruments	26	609,633	239,512	1,208,197	788,279
Trade accounts receivable	5	276,390	232,031	1,242,339	974,024
Inventories	6	1,303,118	477,554	2,122,817	789,371
Biological assets	7	710,182	654,348	856,189	813,995
Recoverable income and social contribution taxes	17.a.1	377,703	386,692	419,183	418,302
Recoverable taxes		234,529	133,467	375,965	221,494
Other financial assets	8	134,466	265,860	167,672	306,457
Related parties	9	1,375,527	1,247,672	3,099,493	2,413,896
Dividends receivable		61,869	61,802	1,063	-
Other receivables		231,193	258,357	284,662	318,492
Total current assets		<u>5,803,387</u>	<u>4,579,223</u>	<u>12,696,893</u>	<u>10,369,135</u>
Non-current assets					
Derivative financial instruments	26	442,656	514,076	505,255	562,684
Other financial assets	8	339,203	324,827	542,054	526,969
Recoverable income tax and social contribution	17.a.1	388,813	388,813	414,230	414,230
Recoverable taxes		53,440	52,052	60,713	77,369
Related parties	9	339,931	359,409	2,519,346	3,416,858
Deferred income tax and social contribution	17.b	474,094	437,132	425,944	390,400
Judicial deposits	18	253,262	241,435	392,601	381,020
Other receivables		224,217	203,517	255,238	232,020
Investments	10	5,683,223	5,606,301	571,676	572,918
Right of use	11	3,782,645	-	4,236,538	-
Property, plant and equipment	12	6,052,997	6,094,306	9,742,310	9,846,271
Intangible assets	13	<u>1,463,631</u>	<u>1,472,164</u>	<u>1,830,459</u>	<u>1,841,711</u>
Total non-current assets		<u>19,498,112</u>	<u>15,694,032</u>	<u>21,496,364</u>	<u>18,262,450</u>
Total assets		<u>25,301,499</u>	<u>20,273,255</u>	<u>34,193,257</u>	<u>28,631,585</u>

The accompanying notes from management are an integral part of this interim financial information

RAÍZEN ENERGIA S.A.

Statements of financial position at June 30 and March 31, 2019

(In thousands of reais – R\$)

(Continued)

	Note	Parent company		Consolidated	
		06/30/2019	03/31/2019	06/30/2019	03/31/2019
Liabilities					
Current liabilities					
Suppliers	14	1,026,791	751,447	3,947,553	4,189,363
Loans and financing	15	1,591,460	1,384,892	2,705,326	1,506,095
Lease liability	16	637,894	-	719,870	-
Derivative financial instruments	26	151,359	227,548	720,219	766,549
Payroll and related charges payable		418,174	342,072	489,827	399,418
Income and social contribution taxes payable	17.a.2	-	-	22,670	22,655
Taxes payable		55,786	48,909	143,898	157,343
Dividends payable		7,164	7,164	10,011	10,011
Related parties	9	3,119,513	1,263,016	2,556,200	656,335
Advances from clients	5	59,014	22,715	505,636	71,640
Other liabilities		71,106	89,074	101,309	126,561
Total current liabilities		7,138,261	4,136,837	11,922,519	7,905,970
Non-current liabilities					
Loans and financing	15	4,677,466	4,994,057	9,269,081	10,570,881
Lease liability	16	2,365,479	-	2,732,299	-
Derivative financial instruments	26	440,653	366,026	452,108	379,050
Taxes payable		168,344	168,344	177,618	177,611
Related parties	9	2,322,870	1,812,752	1,004,518	398,863
Provision for legal disputes	18	350,506	337,665	462,562	436,786
Deferred income and social contribution taxes	17.b	-	-	283,600	267,504
Other liabilities		147,494	154,811	149,627	156,894
Total non-current liabilities		10,472,812	7,833,655	14,531,413	12,387,589
Total liabilities		17,611,073	11,970,492	26,453,932	20,293,559
Equity					
	20				
Capital		6,511,193	6,511,193	6,511,193	6,511,193
Capital reserves		1,089,121	1,089,121	1,089,121	1,089,121
Equity valuation adjustments		(147,625)	(228,801)	(147,625)	(228,801)
Income reserves		350,743	931,250	350,743	931,250
Accumulated losses		(113,006)	-	(113,006)	-
		7,690,426	8,302,763	7,690,426	8,302,763
Non-controlling shareholders		-	-	48,899	35,263
Total equity		7,690,426	8,302,763	7,739,325	8,338,026
Total liabilities and equity		25,301,499	20,273,255	34,193,257	28,631,585

The accompanying notes from management are an integral part of this interim financial information

RAÍZEN ENERGIA S.A.

Statements of income (loss)

Three-month periods ended June 30

(In thousands of reais - R\$, except income (loss) per share)

	Note	Parent company		Consolidated	
		Apr-Jun/2019	Apr-Jun/2018	Apr-Jun/2019	Apr-Jun/2018
Net operating revenue	21	1,400,782	1,282,055	6,084,101	4,091,555
Costs of products sold and services provided	23	(1,168,002)	(1,166,372)	(5,663,743)	(3,768,905)
Gross income		232,780	115,683	420,358	322,650
Operating revenue (expenses)					
Selling	23	(140,263)	(148,989)	(172,210)	(184,952)
General and administrative	23	(108,263)	(110,673)	(143,692)	(146,809)
Other operating revenue (expenses), net	24	18,255	(11,740)	3,238	60,602
Equity accounting result	10	70,777	179,534	(8,947)	(1,402)
		(159,494)	(91,868)	(321,611)	(272,561)
Income before financial results and income and social contribution taxes		73,286	23,815	98,747	50,089
Financial results					
Financial expenses	25	(380,177)	(181,269)	(441,937)	(244,870)
Financial revenue	25	56,331	77,399	122,309	171,292
Foreign exchange variation, net	25	25,129	(105,878)	27,267	(141,466)
Net effect of the derivatives	25	37,586	84,158	50,421	101,412
		(261,131)	(125,590)	(241,940)	(113,632)
Loss before income and social contribution taxes		(187,845)	(101,775)	(143,193)	(63,543)
Income and social contribution taxes	17.a				
Current		-	-	(13,434)	(16,642)
Deferred		74,839	105,901	57,257	84,293
		74,839	105,901	43,823	67,651
Net income (loss) for the period		(113,006)	4,126	(99,370)	4,108
Attributable to:					
Company's controlling shareholders				(113,006)	4,126
Company's non-controlling shareholders				13,636	(18)
				(99,370)	4,108
Net earnings (loss) per common share:					
Basic and diluted	20.e			(0.0155)	0.0004

The accompanying notes from management are an integral part of this interim financial information

RAÍZEN ENERGIA S.A.

Statements of comprehensive income (loss) Three-month periods ended June 30 (In thousands of reais – R\$)

	Parent company		Consolidated	
	Apr– Jun/2019	Apr– Jun/2018	Apr– Jun/2019	Apr– Jun/2018
Net income (loss) for the period	(113,006)	4,126	(99,370)	4,108
Comprehensive income (loss)				
Items that are or may be reclassified to statements of income or loss				
Net result from financial instruments designated as				
Hedge accounting (Note 26.e)	111,404	(512,495)	111,404	(512,495)
Effect of foreign currency translation - CTA	7,650	(4,947)	7,650	(4,947)
Deferred taxes on adjustments (Note 17.b)	(37,878)	174,248	(37,878)	174,248
	<u>81,176</u>	<u>(343,194)</u>	<u>81,176</u>	<u>(343,194)</u>
Other components of the comprehensive income (loss) for the period	<u>81,176</u>	<u>(343,194)</u>	<u>81,176</u>	<u>(343,194)</u>
Total comprehensive loss for the period	<u>(31,830)</u>	<u>(339,068)</u>	<u>(18,194)</u>	<u>(339,086)</u>
Attributable to:				
Company's controlling shareholders			(31,830)	(339,068)
Company's non-controlling shareholders			<u>13,636</u>	<u>(18)</u>
			(18,194)	(339,086)

The accompanying notes from management are an integral part of this interim financial information

RAÍZEN ENERGIA S.A.

Statements of changes in shareholders' equity for the three-month periods ended June 30 (In thousands of reais – R\$)

	Attributable to the parent company's shareholders										
	Capital	Capital reserves			Income reserves			Accumulated losses	Total	Interest of non-controlling shareholders	Total equity
		Capital reserve	Goodwill special reserve	Equity valuation adjustments	Tax incentive reserve	Legal	Profit retention				
Balances at March 31, 2019	6,511,193	846,010	243,111	(228,801)	407,906	226,519	296,825	-	8,302,763	35,263	8,338,026
Comprehensive income (loss) for the period											
Loss for the period	-	-	-	-	-	-	-	(113,006)	(113,006)	13,636	(99,370)
Equity valuation adjustments - Hedge accounting (Note 26)	-	-	-	73,526	-	-	-	-	73,526	-	73,526
Effect of foreign currency translation - CTA	-	-	-	7,650	-	-	-	-	7,650	-	7,650
	-	-	-	81,176	-	-	-	(113,006)	(31,830)	13,636	(18,194)
Distributions to Company's shareholders											
Payment of dividends (Note 20.b)	-	-	-	-	-	-	(172,602)	-	(172,602)	-	(172,602)
Realization of reserves (Note 20.b)	-	-	-	-	(407,905)	-	-	-	(407,905)	-	(407,905)
	-	-	-	-	(407,905)	-	(172,602)	-	(580,507)	-	(580,507)
Balances at June 30, 2019	6,511,193	846,010	243,111	(147,625)	1	226,519	124,223	(113,006)	7,690,426	48,899	7,739,325

	Attributable to the parent company's shareholders										
	Capital	Capital reserves			Income reserves			Retained earnings	Total	Interest of non-controlling shareholders	Total equity
		Capital reserve	Goodwill special reserve	Equity valuation adjustments	Tax incentive reserve	Legal	Profit retention				
Balances at March 31, 2018	6,505,526	846,010	243,111	(3,386)	310,190	203,122	720,564	-	8,825,137	(970)	8,824,167
First-time adoption - IFRS 9	-	-	-	-	-	-	-	(163)	(163)	-	(163)
	6,505,526	846,010	243,111	(3,386)	310,190	203,122	720,564	(163)	8,824,974	(970)	8,824,004
Comprehensive income (loss) for the period											
Income for the period	-	-	-	-	-	-	-	4,126	4,126	(18)	4,108
Equity valuation adjustments - Hedge accounting	-	-	-	(338,247)	-	-	-	-	(338,247)	-	(338,247)
Effect of foreign currency translation - CTA	-	-	-	(4,947)	-	-	-	-	(4,947)	-	(4,947)
	-	-	-	(343,194)	-	-	-	4,126	(339,068)	(18)	(339,086)
Distributions to Company shareholders											
Payment of dividends	-	-	-	-	-	-	(330,200)	-	(330,200)	-	(330,200)
	-	-	-	-	-	-	(330,200)	-	(330,200)	-	(330,200)
Balances at June 30, 2018	6,505,526	846,010	243,111	(346,580)	310,190	203,122	390,364	3,963	8,155,706	(988)	8,154,718

The accompanying notes from management are an integral part of this interim financial information

RAÍZEN ENERGIA S.A.

Statements of cash flows - indirect method Three-month periods ended June 30 (In thousands of reais – R\$)

	Parent company		Consolidated	
	Apr–Jun/2019	Apr–Jun/2018	Apr–Jun/2019	Apr–Jun/2018
Cash flow from operating activities				
Loss before income and social contribution taxes	(187,845)	(101,775)	(143,193)	(63,543)
Adjustments:				
Depreciation and amortization (Note 23.a)	453,608	297,182	578,917	397,832
Net (gain) loss arising from change in fair value and realization of fair value gain or loss of biological assets (Note 23.a)	(91,912)	49,186	(86,506)	56,689
Equity accounting result of subsidiaries and associated companies (Note 10)	(70,777)	(179,534)	8,947	1,402
Net interest, inflation adjustments and exchange-rate variations, net	201,198	218,275	222,414	174,238
Fair value of liability financial instruments (Note 26)	106,951	(17,504)	116,943	(30,368)
Net formation of provision for legal disputes and contingencies	32,238	18,372	43,996	24,732
Unrealized net gain on derivative transactions	(82,205)	(52,675)	(122,264)	(81,121)
Credits from indemnity suits (Note 24)	-	-	-	(75,406)
Other	(39,589)	2,829	(37,671)	(3,299)
Changes in assets and liabilities				
Trade accounts receivable and advances from clients	14,360	29,943	187,409	117,450
Inventories	(441,473)	(548,884)	(875,310)	(873,022)
Restricted cash	31,754	(52,018)	36,604	(45,412)
Derivative financial instruments	(108,265)	(299,204)	(103,837)	(298,214)
Other financial assets	(328)	33,520	7,304	33,520
Judicial deposits	(8,827)	(5,084)	(7,864)	(4,776)
Suppliers and advances to suppliers	186,413	207,870	(351,640)	903,699
Recoverable and payable taxes	(77,266)	(64,754)	(132,073)	(70,177)
Related parties	(426,428)	480,674	365,694	(31,778)
Payroll and related charges payable	76,102	59,703	90,410	72,636
Provision for legal disputes	(6,677)	(7,507)	(9,829)	(8,530)
Other assets and liabilities, net	(5,569)	(1,089)	(22,917)	(63,544)
Payment of income and social contribution taxes on net income	-	-	(19,110)	(101,690)
Net cash generated by (used in) operating activities	(444,537)	67,526	(253,576)	31,318
Cash flow from investment activities				
Acquisitions of companies, net of acquired cash	(6,099)	(7,201)	(6,104)	(7,201)
Additions to the investment (Note 10.i)	(9,667)	(10,352)	(9,667)	(10,352)
Additions to property, plant and equipment and intangible assets	(356,217)	(264,817)	(432,228)	(312,407)
Dividends received from subsidiaries	968	145,468	-	-
Cash received upon disposal of fixed assets	2,944	2,331	3,020	1,492
Additions to biological assets	(166,640)	(138,156)	(187,844)	(157,714)
Net cash received in the sale of investment	-	-	-	3,662
Amortizations of interest of PPEs obtained - intragroup	-	-	-	10,542
Net cash used in investment activities	(534,711)	(272,727)	(632,823)	(471,978)
Cash flow from financing activities				
Loans and financing – third parties	-	536,264	7,227	537,266
Amortizations of principal of loans and financing – third parties	(19,617)	(114,581)	(48,368)	(331,751)
Payment of interest on loans and financing – third parties	(133,271)	(141,208)	(139,302)	(157,956)
Amortization of lease liabilities - third parties	(203,660)	-	(225,944)	-
Amortization of lease liabilities - related parties	(33,697)	-	(33,697)	-
Redemption of financial investments linked to financing (Restricted cash)	(92)	(524)	182	(384)
Payment of dividends (Note 20.b)	(580,507)	(330,200)	(580,507)	(330,200)
Net asset management - intragroup	1,860,218	267,466	1,557,282	(387,343)
Amortizations of interest of PPEs obtained - intragroup	(9,163)	(8,766)	-	-
Net cash generated by (used in) financing activities	880,211	208,451	536,873	(670,368)
Increase (Decrease) in cash and cash equivalents, net	(99,037)	3,250	(349,526)	(1,111,028)
Cash and cash equivalents at the beginning of the period	537,241	106,390	3,189,859	3,321,777
Effect of exchange-rate change on cash and cash equivalents	(3,888)	6,916	(35,995)	140,727
Cash and cash equivalents at the end of the period	434,316	116,556	2,804,338	2,351,476

Supplementary information to the cash flow is shown in Note 29.

The accompanying notes from management are an integral part of this interim financial information

RAÍZEN ENERGIA S.A.

Statements of added value Three-month periods ended June 30 (In thousands of reais – R\$)

	Parent company		Consolidated	
	Apr– Jun/2019	Apr– Jun/2018	Apr– Jun/2019	Apr– Jun/2018
Revenues				
Gross sales of products and services	1,515,713	1,397,675	6,414,949	4,335,714
Returns of sales, discounts and rebates	(3,570)	(2,258)	(9,759)	(7,434)
Reversal (formation) of estimated loss from allowance for doubtful accounts, net	(85)	(223)	215	(76)
Other operating revenue (expenses), net	18,255	(11,740)	3,238	60,602
	<u>1,530,313</u>	<u>1,383,454</u>	<u>6,408,643</u>	<u>4,388,806</u>
Inputs acquired from third parties				
Costs of products sold and services provided	(689,084)	(673,705)	(5,031,654)	(3,125,701)
Materials, energy, outsourced services and other	(175,813)	(180,674)	(203,412)	(216,434)
Gain (loss) arising from change in the fair value and realization of the capital gain or loss of biological assets	91,912	(49,186)	86,506	(56,689)
Reversal (formation) of estimated loss in investments, fixed and intangible assets, net	(202)	277	(69)	373
Reversal (formation) reversal of estimated loss from obsolescence of inventories, net	(1,800)	1,222	(1,486)	1,370
	<u>(774,987)</u>	<u>(902,066)</u>	<u>(5,150,115)</u>	<u>(3,397,081)</u>
Gross added value	755,326	481,388	1,258,528	991,725
Depreciation and amortization	(453,608)	(297,182)	(578,917)	(397,832)
Net added value produced	<u>301,718</u>	<u>184,206</u>	<u>679,611</u>	<u>593,893</u>
Added value received as transfers				
Equity accounting result	70,777	179,534	(8,947)	(1,402)
Financial revenue	56,331	77,399	122,309	171,292
Gain from exchange-rate variation	25,129	-	27,267	-
Gain on derivative operations	37,586	84,158	50,421	101,412
	<u>189,823</u>	<u>341,091</u>	<u>191,050</u>	<u>271,302</u>
Added value payable	<u>491,541</u>	<u>525,297</u>	<u>870,661</u>	<u>865,195</u>
Distribution of added value				
Personnel				
Direct remuneration	124,820	122,588	189,269	185,599
Benefits	32,125	28,912	37,824	34,565
FGTS	13,030	12,286	15,069	14,617
	<u>169,975</u>	<u>163,786</u>	<u>242,162</u>	<u>234,781</u>
Taxes, duties and contributions				
Federal	56,371	60,013	201,171	143,298
Deferred Federal taxes	(74,839)	(105,901)	(57,257)	(84,293)
State	52,354	53,624	133,406	113,440
Municipal	3,083	1,911	4,037	2,387
	<u>36,969</u>	<u>9,647</u>	<u>281,357</u>	<u>174,832</u>
Third-party capital remuneration				
Financial expenses	380,177	181,269	441,937	244,870
Loss from exchange-rate variation	-	105,878	-	141,466
Rental and leases	17,426	60,591	18,211	65,120
	<u>397,603</u>	<u>347,738</u>	<u>460,148</u>	<u>451,456</u>
Remuneration of own capital				
Retained earnings (losses)	(113,006)	4,126	(99,370)	4,108
Non-controlling interest in retained (losses) earnings	-	-	(13,636)	18
	<u>(113,006)</u>	<u>4,126</u>	<u>(113,006)</u>	<u>4,126</u>
Distributed added value	<u>491,541</u>	<u>525,297</u>	<u>870,661</u>	<u>865,195</u>

The accompanying notes from management are an integral part of this interim financial information

RAÍZEN ENERGIA S.A.

Notes from management to the interim financial information

June 30, 2019

In thousands of reais - R\$, unless otherwise indicated

1. Operations

Raízen Energia S.A. (“Company”, “Group”, “Raízen Energia” or “RESA”) is a publicly-held company enrolled in the Brazilian Securities and Exchange Commission (“CVM”) in Category B, headquartered at Brigadeiro Faria Lima Avenue, 4.100, 11° floor, Parte V, Itaim Bibi, São Paulo/SP, Brazil. The Company was established on June 1, 2011 and is indirectly and jointly controlled by Royal Dutch Shell (“Shell”) and Cosan Limited (“Cosan”).

The term Raízen, when mentioned, corresponds to the establishment of a joint venture between Shell and Cosan, in the ethanol, sugar and energy segment.

The Company and its subsidiaries are mainly engaged in producing and trading sugar and ethanol, including abroad through its subsidiaries Raízen Trading LLP and Raízen International Universal Corporation, and co-generating energy produced from sugarcane bagasse at its 26 mills located in Brazil's Center-Southern Region and trading business of electricity.

Sugarcane farming requires a period ranging from 12 to 18 months for maturing and harvesting and generally starts between the months of April and May every year, and usually ends between November and December, period in which sugar and ethanol are also produced. Production is sold during the whole year and does not fluctuate over the seasons, but is affected by normal market supply and demand. Because of its production cycle, the Company’s fiscal year starts on April 1 and ends on March 31.

2. Presentation of interim financial information and significant accounting policies

2.1. Preparation basis

The interim financial information was prepared in accordance with Technical Accounting Pronouncement CPC 21 (R1) - Interim Financial Reporting and the international standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board - IASB, as well as for the presentation of this information in a manner consistent with the standards issued by the Brazilian Securities Commission, applicable to the preparation of the Quarterly Financial Information - ITR.

This interim financial information was prepared following preparation basis and accounting policies consistent with those adopted for preparation of the financial statements as of March 31, 2019 and should be read with such statements. The information in the notes that had not significantly changed, when compared to March 31, 2019, were not fully repeated in this quarterly financial information. Select information was included to explain the main events and transactions that took place, in order to provide an understanding of the changes in the Company's financial position and operating performance since the disclosure of the annual financial statements at March 31, 2019, as well as changes in accounting policies due to the adoption of new standards and interpretations were adopted in the three-month period ended June 30, 2019 (Note 2.3).

In the preparation of this interim financial information, the Management used judgments, estimates and assumptions that affect the Group’s application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates. The estimates and assumptions are reviewed continually, and did not suffer any material changes in the preparation of this interim financial information in comparison to the annual financial statements at March 31, 2019, except for the adoption as of April 1, 2019 of new standards and interpretations issued by the

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IASB: IFRS 16 - Leases (CPC 06 (R2) - Leases) and ICPC 22 / IFRIC 23 - Uncertainty Regarding a Tax Treaties issued by the IASB.

Company's Management affirms that all relevant information characteristic of quarterly financial information, and only them, are being evidenced and correspond to those used by Management.

The presentation of the Statement of Added Value is required by Brazilian Corporate Law and the accounting practices adopted in Brazil applicable to publicly-held companies. However, IFRS does not require the presentation of such statement, which is considered supplementary information, without prejudice to the set of quarterly financial information.

The issue of interim financial information was authorized by Management on August 12, 2019.

2.2. Basis of consolidation

As of June 30 and March 31, 2019, the consolidated financial information includes quarterly information of RESA and its direct and indirect subsidiaries which are listed below:

	Direct	Indirect
Agrícola Ponte Alta Ltda. ("Agrícola Ponte Alta")	91.21%	8.79%
Benálcool Açúcar e Álcool Ltda. ("Benálcool")	100.00%	-
Bioenergia Araraquara Ltda. ("Bio Araraquara")	-	100.00%
Bioenergia Barra Ltda. ("Bio Barra")	99.99%	0.01%
Bioenergia Caarapó Ltda. ("Bio Caarapó")	-	100.00%
Bioenergia Costa Pinto Ltda. ("Bio Costa Pinto")	-	100.00%
Bioenergia Gasa Ltda. ("Bio Gasa")	-	100.00%
Bioenergia Jataí Ltda. ("Bio Jataí")	-	100.00%
Bioenergia Maracáí Ltda. ("Bio Maracáí")	-	100.00%
Bioenergia Rafard Ltda. ("Bio Rafard")	-	100.00%
Bioenergia Serra Ltda. ("Bio Serra")	-	100.00%
Bioenergia Tarumã Ltda. ("Bio Tarumã")	-	100.00%
Bioenergia Univalem Ltda. ("Bio Univalem")	-	100.00%
Raízen Centroeste Açúcar e Álcool Ltda. ("Raízen Centroeste")	47.37%	52.63%
Raízen Araraquara Açúcar e Álcool Ltda. ("Raízen Araraquara")	99.99%	0.01%
Raízen Ásia PT Ltd. ("Raízen Ásia")	-	100.00%
Raízen Biotecnologia S.A. ("Biotecnologia")	100.00%	-
Raízen Caarapó Açúcar e Álcool Ltda. ("Raízen Caarapó")	31.48%	68.52%
Raízen Energy Finance Ltd. ("Raízen Energy Finance")	100.00%	-
Raízen Fuels Finance S.A. ("Raízen Fuels")	100.00%	-
Raízen International Universal Corp. ("RIUC")	100.00%	-
Raízen North América, Inc. ("Raízen North América")	-	100.00%
Raízen Paraguaçu Ltda. ("Raízen Paraguaçu")	100.00%	-
Raízen Trading LLP ("Raízen Trading")	100.00%	-
São Joaquim Arrendamentos Agrícolas Ltda. ("São Joaquim")	-	100.00%
Unimodal Ltda. ("Unimodal")	53.17%	20.24%
Raízen-Geo Biogás S.A. ("Biogás")	85.00%	-
Raízen Biogás SPE Ltda. ("Raízen Biogás SPE")	99.90%	0.10%
RWXE Participações S.A. ("RWXE")	-	70.00%
WX Energy Comercializadora de Energia Ltda. ("WX Energy")	-	70.00%
Raízen GD Ltda.	99.99%	0.01%

RAÍZEN ENERGIA S.A.

Notes from management to the interim financial information

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2.3. Changes in significant accounting policies due to the new IFRS / CPC and IFRIC / ICPC

Except as described below, the accounting policies applied in this interim financial information are the same applied in the individual and consolidated financial statements of the Company in the year ended March 31, 2019.

Changes in accounting policies also shall be reflected in the Company's annual, individual and consolidated financial statements for the year ending March 31, 2020.

As of April 1, 2019, the Company adopted IFRS 16 - Leases (CPC 06 (R2) - Leases) and ICPC 22 / IFRIC 23 - Uncertainties over Income Tax Treatments, issued by IASB.

2.3.1. IFRS 16 - Leases (CPC 06 (R2))

General aspects

IFRS 16 (CPC 06 (R2)) introduces a single model of accounting of leases in the statement of financial position to lessees. A lessee recognizes an asset of right of use that represents its right to use the leased asset, and a lease liability that represents its obligation to make lease payments. Optional exemptions are available for short-term leases and low value items. The lessor's accounting remains similar to the former accounting policies.

IFRS 16 (CPC 06 (R2)) replaces the existing lease standards, including CPC 06 (IAS 17) Commercial Lease Operations and ICPC 03 (IFRIC 4, SIC 15 and SIC 27) Complementary Aspects of Commercial Lease Operations and is effective, in the case of RESA. and its subsidiaries, as of April 1, 2019.

Based on such accounting standard, the most significant impact was that the Company recognized new assets and liabilities for its leases formerly recognized as operating leases, in connection with agricultural leases, agricultural machinery and equipment leasing, real estate and truck rentals. In addition, the nature of expenses related to these leases were changed, since IFRS 16 (CPC 06 (R2)) replaced the linear operating lease expense for expenses of depreciation of the right of use and interest on lease liabilities.

Accounting policy

The Company recognizes an asset of right of use and a lease liability on the date of beginning of the lease. The asset of right of use is initially measured at cost and subsequently at cost less any accumulated depreciation and losses to recoverable value and adjusted at the rate of the respective agreements.

The lease liability is initially measured at the present value of the payments of rents and leases that have not been paid on the transition date, discounted using a single nominal rate, based on the Company's indebtedness, which corresponds to approximately 100% of CDI.

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The Company remeasures the lease liability when there is a change in the lease term or a change in future lease payments resulting from a change in index or rate used to determine these payments, recognizing the remeasurement value of the lease liability as adjustment to the asset of right of use.

The Company applied judgment to determine the lease term of a few agreements that include renewal options. The assertiveness of the evaluation if the Company may exercise these options has direct impact on the lease term, significantly affecting the value of the lease liabilities and of the assets of right of use recognized. The options of extension and rescission are included in many lease agreements throughout the Company. These terms are used to maximize the operating flexibility as to the management of agreements.

Transition

The Company opted to adopt the modified retrospective approach, which does not require the restatement of the corresponding values, does not affect the shareholders' equity, and does not change the calculation of dividends and allows the adoption of practical expedients. Thus, the comparative information presented for the prior year was not restated, that is, it is presented as formerly reported according to CPC 06 (IAS 17) and related interpretations.

In addition, the following main practical expedients were used for the transition to the new requirements of lease accounting: (a) adoption of IFRS 16 (CPC 06 (R2)) to all the agreements signed prior to April 1, 2019 which were identified as leases according to CPC 06 (IAS 17) and related interpretations; (b) use of a single nominal discount rate to all the agreements; (c) there was no recognition of agreements expiring within the twelve-month period commencing on the date of first adoption of the standard or with indefinite terms; (d) the options of extension of term or rescission were considered, when applicable.

In the Company's view, the analyzes associated with the measurement and recognition of lease and lease agreements were substantially completed. However, the Company, due to a pending technical definition, awaits the standardization of the following matters use in estimating the payment flows of lease agreements the net or gross portion of taxes, having used the gross portion in this interim accounting information.

The table below summarizes the impacts on the transition to IFRS 16 (CPC 06 (R2)):

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(In thousands of reais, unless otherwise indicated)

	Parent Company				Consolidated			
	Disclosed at 03/31/2019	Initial adoption adjustment to IFRS 16 (CPC 06 (R2))	Note	Balance at 04/01/2019	Disclosed at 03/31/2019	Initial adoption adjustment to IFRS 16 (CPC 06 (R2))	Note	Balance at 04/01/2019
Assets								
Current assets								
Other receivables	258,357	(105,631)		152,726	318,492	(126,107)		192,385
Other assets	4,320,866	-		4,320,866	10,050,643	-		10,050,643
Total current assets	4,579,223	(105,631)		4,473,592	10,369,135	(126,107)		10,243,028
Non-current assets								
Right of use	-	3,531,828	11	3,531,828	-	3,954,410	11	3,954,410
Other assets	15,694,032	-		15,694,032	18,262,450	-		18,262,450
Total non-current assets	15,694,032	3,531,828		19,225,860	18,262,450	3,954,410		22,216,860
Total assets	20,273,255	3,426,197		23,699,452	28,631,585	3,828,303		32,459,888
Liabilities								
Current liabilities								
Lease liability	-	680,460	16	680,460	-	765,203	16	765,203
Related parties	1,263,016	134,048	9	1,397,064	656,335	134,048	9	790,383
Other liabilities	2,873,821	-		2,873,821	7,249,635	-		7,249,635
Total current liabilities	4,136,837	814,508		4,951,345	7,905,970	899,251		8,805,221
Non-current liabilities								
Lease liability	-	2,024,978	16	2,024,978	-	2,342,341	16	2,342,341
Related parties	1,812,752	586,711	9	2,399,463	398,863	586,711	9	985,574
Other liabilities	6,020,903	-		6,020,903	11,988,726	-		11,988,726
Total non-current liabilities	7,833,655	2,611,689		10,445,344	12,387,589	2,929,052		15,316,641
Equity	8,302,763	-		8,302,763	8,338,026	-		8,338,026
Total liabilities and equity	20,273,255	3,426,197		23,699,452	28,631,585	3,828,303		32,459,888

2.3.2. ICPC 22 / IFRIC 23 – Uncertainties in relation to tax treatments

This interpretation clarifies how to apply recognition and measurement requirements of CPC 32 – Income taxes (IAS 12 – Income Taxes) in case there is uncertainty on income and social contribution taxes treatments on net income. In these circumstances, the entity must recognize and measure its current or deferred tax assets or liabilities by applying requirements of CPC 32 (IAS 12), based on taxable income (tax loss), tax bases, taxable losses not used, tax credits not used, and tax rates, determined in accordance with this interpretation. This interpretation is effective, in the case of the Company, as of April 1, 2019 and no impacts had been identified in connection with such interpretation and which had not been disclosed in the financial statements and interim financial information of the Company.

2.3.3. Other information

On April 1, 2019, there were no impacts on the statements of income, comprehensive income, changes in equity, cash flows and as a result of the amendments made to the new IFRSs and IFRIC mentioned above.

RAÍZEN ENERGIA S.A.

Management notes to the interim financial information

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(In thousands of reais, unless otherwise indicated)

3. Cash and cash equivalents

	Index	Average yield rate		Parent company		Consolidated	
		06/30/2019	03/31/2019	06/30/2019	03/31/2019	06/30/2019	03/31/2019
Funds in banks and in cash				372,583	379,415	1,861,738	1,544,831
Values awaiting foreign exchange closure				50,565	157,368	65,975	162,854
Interest earnings bank deposits							
Investment Funds	CDI	98.95%	97.27%	-	-	248,791	290,603
Bank deposit certificate ("CDB") and commitments	CDI	101.28%	99.02%	11,168	458	627,834	1,191,571
				<u>434,316</u>	<u>537,241</u>	<u>2,804,338</u>	<u>3,189,859</u>
Domestic (domestic currency)				64,376	50,189	940,150	1,563,169
Abroad (foreign currency) (Note 26.d)				369,940	487,052	1,864,188	1,626,690
				<u>434,316</u>	<u>537,241</u>	<u>2,804,338</u>	<u>3,189,859</u>

4. Restricted cash

	Index	Average yield rate		Parent company		Consolidated	
		06/30/2019	03/31/2019	06/30/2019	03/31/2019	06/30/2019	03/31/2019
Financial investments linked to financing	CDI	100.02%	100.02%	635	628	41,107	40,565
Investments related to derivative operations (Note 26.g)	CDI	100.12%	101.34%	27,872	40,699	27,872	40,699
Margin on derivative operations (Note 26.g)	-	-	-	25,954	43,360	45,996	53,702
				<u>54,461</u>	<u>84,687</u>	<u>114,975</u>	<u>134,966</u>
Domestic (domestic currency)				28,507	41,327	68,979	81,264
Abroad (foreign currency) (Note 26.d)				25,954	43,360	45,996	53,702
				<u>54,461</u>	<u>84,687</u>	<u>114,975</u>	<u>134,966</u>

5. Trade accounts receivable

	Parent company		Consolidated	
	06/30/2019	03/31/2019	06/30/2019	03/31/2019
Domestic	246,139	232,065	866,246	701,569
Abroad (Note 26.d)	33,102	2,732	400,417	297,104
Estimated loss from allowance for doubtful accounts	(2,851)	(2,766)	(24,324)	(24,649)
	<u>276,390</u>	<u>232,031</u>	<u>1,242,339</u>	<u>974,024</u>

The Company did not pledge any trade as a guarantee. The maximum exposure to credit risk on the statement of financial position date is the book value of each kind of trade accounts receivable.

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Management notes to the interim financial information

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(In thousands of reais, unless otherwise indicated)

The aging analysis of trade accounts receivable is as follows:

	Parent company		Consolidated	
	06/30/2019	03/31/2019	06/30/2019	03/31/2019
Falling due	262,791	225,692	1,161,557	938,405
Overdue (days):				
Up to 30	11,252	1,518	71,318	9,000
31-90	2,144	4,840	2,752	10,403
91-180	307	-	1,860	11,446
>180	2,747	2,747	29,176	29,419
	16,450	9,105	105,106	60,268
	<u>279,241</u>	<u>234,797</u>	<u>1,266,663</u>	<u>998,673</u>

The changes in the estimated loss in allowance for doubtful accounts is as follows:

	Parent company	Consolidated
March 31, 2019	(2,766)	(24,649)
Estimated loss, net	(85)	215
Exchange-rate variation	-	110
June 30, 2019	<u>(2,851)</u>	<u>(24,324)</u>

As of June 30, 2019, the Company had the amounts of R\$ 59,014 and R\$ 505,636 in Parent Company and Consolidated, respectively, (R\$ 22,715 and R\$ 71,640, in Parent Company and Consolidated, respectively as of March 31, 2019) recorded in current liabilities, under “Advances from clients” caption, which substantially refer to the receipts from foreign clients for acquisition of sugar. When applicable, accounts receivable and advances from clients are presented net.

6. Inventories

	Parent company		Consolidated	
	06/30/2019	03/31/2019	06/30/2019	03/31/2019
Finished goods:				
Sugar	485,194	64,239	627,354	91,586
Ethanol	581,521	245,707	1,196,651	481,174
Products in process	28,673	-	38,584	-
Warehouse and other	226,151	184,229	283,481	238,378
Estimated loss with inventories' obsolescence and realization	<u>(18,421)</u>	<u>(16,621)</u>	<u>(23,253)</u>	<u>(21,767)</u>
	<u>1,303,118</u>	<u>477,554</u>	<u>2,122,817</u>	<u>789,371</u>

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Management notes to the interim financial information

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The changes in the estimated loss for net realizable value and obsolescence is as follows and was calculated in the statement of income under the caption Cost of products sold and services provided:

	<u>Parent company</u>	<u>Consolidated</u>
Balance at March 31, 2019	(16,621)	(21,767)
Estimated loss	(1,810)	(1,838)
Reversal / Realization	10	352
Balance at June 30, 2019	<u>(18,421)</u>	<u>(23,253)</u>

7. Biological assets

The Company's biological assets correspond to uncut sugarcane cultivated in sugarcane crops that will be used as raw material for production of sugar, ethanol and bioenergy at harvest time. Fair value is evaluated using the cash flow discounted at present value method. The valuation model considers the present value of the cash flows expected to be generated, including projections of up to two years, considering the estimates of effective date of cutting of standing sugarcane.

The cultivated areas represent only sugarcane crops, not considering plots of land where these crops are, which are recognized as fixed assets.

The following assumptions were used in the determination of the fair value:

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>06/30/2019</u>	<u>03/31/2019</u>	<u>06/30/2019</u>	<u>03/31/2019</u>
Estimated harvest area (hectares)	379,236	379,236	435,341	435,341
Amount of ATR per hectare	10.19	10.05	10.30	10.18
Average ATR price per Kg projected (R\$/Kg)	0.64	0.62	0.64	0.62

As of June 30 and March 31, 2019, cash flows were discounted at 6,72% which is the WACC (Weighted Average Capital Cost) of the Company.

The Company periodically reviews assumptions used to calculate biological assets, adjusting it in case there are significant changes in relation to those previously projected.

Movement in biological assets (sugarcane) is detailed below:

	<u>Parent company</u>	<u>Consolidated</u>
Balance at March 31, 2019	<u>654,348</u>	<u>813,995</u>
Additions of sugarcane treatments	172,249	194,318
Absorption of harvested sugarcane costs	(208,327)	(238,630)
Change in fair value	68,771	83,286
Realization of fair value	23,141	3,220
Balance at June 30, 2019	<u>710,182</u>	<u>856,189</u>

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Management notes to the interim financial information

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(In thousands of reais, unless otherwise indicated)

8. Other financial assets

	Parent company		Consolidated	
	06/30/2019	03/31/2019	06/30/2019	03/31/2019
Credits from indemnity suits - refundable (1)	92,261	89,916	92,261	89,916
Credits from indemnity suits - own (2)	-	-	221,373	221,373
National Treasury Certificates - CTN (3)	381,407	500,770	395,895	521,943
Other	1	1	197	194
	473,669	590,687	709,726	833,426
Current	(134,466)	(265,860)	(167,672)	(306,457)
Non-current	339,203	324,827	542,054	526,969

- (1) Receivables from a final and unappeale judgment favorable in favor of RESA, which were not part of the net assets contributed by Cosan to set up the Group. Therefore, RESA recognized a liability in the same amount, classified as current and non-current liabilities in the related parties (Note 9.c) caption, given that RESA has the obligation to reimburse those receivables to Cosan when they are actually collected. These credits yield IPCA-E (Special Amplified Consumer Price Index) and Selic rate change plus annual interest of 6% as applicable.
- (2) Receivables from a final and unappealable judgment in favor of Raízen Araraquara, a subsidiary of the Company, relating to the lawsuit of the Instituto do Açúcar e do Alcool ("IAA") against the Federal Government, filed by Copersucar in 1990. The lawsuit involves the awarding of compensation for losses caused to the mills by the Federal Government when setting prices below market prices.
- (3) Brazilian Treasury Certificates are government bonds issued by the Brazilian Treasury within the Special Agriculture Industry Securitization Program - PESA, with a 20-year original maturity (falling due between 2019 and 2025) and which pledged to secure its related financing transaction called PESA. These bonds bear annual compound interest of 12%, plus the IGP-M (General Market Price Index). Their value on maturity date tends to be equivalent to the principal value of the debt due under PESA and may be used for settlement. In the three-month period ended June 30, 2019 the Company redeemed R\$ 137,844 for settlement of PESA.

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9. Related parties

a) Summary of related party balances

	Parent company		Consolidated	
	06/30/2019	03/31/2019	06/30/2019	03/31/2019
Assets				
Assets classification per currency:				
Domestic (domestic currency)	1,532,112	1,425,032	1,144,520	1,188,455
Abroad (foreign currency) (Note 26.d)	183,346	182,049	4,474,319	4,642,299
	<u>1,715,458</u>	<u>1,607,081</u>	<u>5,618,839</u>	<u>5,830,754</u>
Asset management (1)				
Raízen Combustíveis S.A. and its subsidiaries	210,503	154,277	210,503	154,277
Bioenergia Barra Ltda.	555,673	542,254	-	-
Raízen Biogás Ltda	48,630	34,342	-	-
Other	3	3	-	-
	<u>814,809</u>	<u>730,876</u>	<u>210,503</u>	<u>154,277</u>
Commercial and administrative operations (2)				
Raízen Combustíveis S.A. and its subsidiaries	59,233	63,265	1,601,771	1,731,751
Nova América Agrícola Caarapó Ltda.	-	-	110,921	110,952
Agroterenas S.A.	-	-	61,447	34,338
Rumo Group	20,926	21,046	21,304	21,304
Cosan S.A.	11,008	12,208	11,008	12,208
Companhia de Gás de São Paulo S.A.	10,576	11,843	10,576	11,843
Shell Trading US Company	-	-	20,354	83,924
Raízen International Universal Corporation	17,744	62,726	-	-
Raízen Araraquara Açúcar e Álcool Ltda.	41,665	5,303	-	-
Raízen Centroeste Açúcar e Álcool Ltda.	5,838	4,534	-	-
Unimodal Ltda.	3,617	3,617	-	-
Philipinas Shell Petroleum Corp.	-	-	4,268	5,056
Raízen Paraguaçu Ltda.	10,007	17,253	-	-
Shell Trading Rotterdam	-	-	-	12,709
Raízen Trading LLP	165,245	118,994	-	-
Raízen and Wilmar Sugar Pte Ltda	-	-	2,048	56,047
Other	14,084	9,633	10,863	18,155
	<u>359,943</u>	<u>330,422</u>	<u>1,854,560</u>	<u>2,098,287</u>
Financial operations (3)				
Raízen Combustíveis S.A. and its subsidiaries	-	-	2,944,397	2,963,729
Corporate restructuring				
Geo Energética Participações S.A.	-	-	-	1,663
Framework operations (4)				
Cosan S.A	540,349	545,454	609,022	612,469
Shell Brazil Holding B.V	357	329	357	329
	<u>540,706</u>	<u>545,783</u>	<u>609,379</u>	<u>612,798</u>
	1,715,458	1,607,081	5,618,839	5,830,754
Current assets	<u>(1,375,527)</u>	<u>(1,247,672)</u>	<u>(3,099,493)</u>	<u>(2,413,896)</u>
Non-current assets	<u>339,931</u>	<u>359,409</u>	<u>2,519,346</u>	<u>3,416,858</u>

RAÍZEN ENERGIA S.A.

Management notes to the interim financial information

June 30, 2019

(In thousands of reais, unless otherwise indicated)

	Parent company		Consolidated	
	06/30/2019	03/31/2019	06/30/2019	03/31/2019
Liabilities				
Classification of liabilities per currency:				
Domestic (domestic currency)	3,862,886	1,128,001	3,289,478	826,730
Abroad (foreign currency) (Note 26.d)	1,579,497	1,947,767	271,240	228,468
	<u>5,442,383</u>	<u>3,075,768</u>	<u>3,560,718</u>	<u>1,055,198</u>
Asset management (1)				
Raízen Combustíveis S.A. and its subsidiaries	1,857,559	244,530	1,857,559	244,530
Bioenergia Barra Ltda and its subsidiaries	229,593	175,973	-	-
Raízen Centrooeste Açúcar e Álcool Ltda.	302,793	37,959	-	-
Agrícola Ponte Alta Ltda.	87,961	67,101	-	-
Raízen Araraquara Açúcar e Álcool Ltda.	73,169	37,492	-	-
WX Energy Comercializadora de Energia Ltda.	66,812	77,533	-	-
Raízen Paraguaçu Ltda.	8,619	30,893	-	-
Benálcool Açúcar e Álcool Ltda.	1,270	1,397	-	-
Raízen Caarapó Açúcar e Álcool Ltda.	30,091	27,837	-	-
	<u>2,657,867</u>	<u>700,715</u>	<u>1,857,559</u>	<u>244,530</u>
Commercial and administrative operations (2)				
Raízen and Wilmar Sugar Pte. Ltd	-	-	203,169	79,967
Shell Trading US Company	-	-	68,071	148,501
Agroterenas S.A.	-	-	56,618	15,703
Raízen Combustíveis S.A. and its subsidiaries	29,861	17,459	50,676	34,360
Nova América Agrícola Caarapó Ltda.	-	-	37,134	19,464
Nova América Agrícola Ltda.	-	-	28,332	9,769
Rumo Group	12,577	18,694	14,258	20,891
Propriedades Agrícola Radar and its subsidiaries	1,902	5,375	1,902	5,375
Cosan S.A.	1,515	1,826	1,516	1,826
Raízen Araraquara Açúcar e Álcool Ltda.	43,004	3,093	-	-
Raízen Internacional Universal Corporation	12,165	312,668	-	-
Companhia de Gás de São Paulo S.A.	4,738	4,738	4,738	4,738
Cosan Lubrificantes e Especialidades	4,158	2,047	5,685	2,593
Bioenergia Barra Ltda and its subsidiaries	2,755	6,580	-	-
Other	6,682	116,541	10,005	3,813
	<u>119,357</u>	<u>489,021</u>	<u>482,104</u>	<u>347,000</u>
Financial operations (3)				
Raízen Fuels Finance Limited	1,567,278	1,535,363	-	-
	<u>1,567,278</u>	<u>1,535,363</u>	-	-
Corporate restructuring				
Raízen Biogás Ltda.	-	9,426	-	-
	-	<u>9,426</u>	-	-
Framework operations (4)				
Cosan S.A.	339,607	334,167	464,696	458,507
Agrícola Ponte Alta S.A.	1,915	1,915	-	-
	<u>341,522</u>	<u>336,082</u>	<u>464,696</u>	<u>458,507</u>
Preferred shares (5)				
Cosan S.A.	5,161	5,161	5,161	5,161

RAÍZEN ENERGIA S.A.

Management notes to the interim financial information

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(In thousands of reais, unless otherwise indicated)

Lease liabilities (6)

Radar Propriedades Agrícolas S/A	145,380	-	145,380	-
Aguassanta Agrícola S/A	126,031	-	126,031	-
Nova Agrícola Ponte Alta S/A	106,960	-	106,960	-
Jatobá Prop. Agr. Ltda.	63,076	-	63,076	-
Nova Amaralina S/A Propriedades Agrícolas	55,478	-	55,478	-
Terrainvest Propriedades Agrícolas S/A	52,617	-	52,617	-
Seringueira Propriedades Agrícolas Ltda	45,815	-	45,815	-
Aguapar Agrícola Ltda.	37,191	-	37,191	-
Agrobio Investimento e Participações S/A	31,571	-	31,571	-
Terras da Ponte Alta S/A	16,815	-	16,815	-
Proud Participações S/A	15,652	-	15,652	-
Bioinvestments Negócios e Participações S/A	13,373	-	13,373	-
Jequitibá Propriedades Agrícolas Ltda.	9,824	-	9,824	-
Other	31,415	-	31,415	-
	<u>751,198</u>	<u>-</u>	<u>751,198</u>	<u>-</u>
	<u>5,442,383</u>	<u>3,075,768</u>	<u>3,560,718</u>	<u>1,055,198</u>
Current liabilities	<u>(3,119,513)</u>	<u>(1,263,016)</u>	<u>(2,556,200)</u>	<u>(656,335)</u>
Non-current liabilities	<u>2,322,870</u>	<u>1,812,752</u>	<u>1,004,518</u>	<u>398,863</u>

(1) Asset management

The amount recorded in assets refers to funds made available to companies as a form of managing financial resources. On these transactions, the Company recorded financial revenue in the amount of R\$ 13,019 and R\$ 3,558 (R\$ 6,244 and R\$ 4,333 in the three-month period ended June 30, 2018), Parent Company and Consolidated, respectively, according to the cash financial management, under the terms of the resource management agreement.

The amount recorded in liabilities refers to funds received from the companies as a form of managing financial resources. On these transactions, the Company recorded financial expenses in the amount of R\$ 28,210 and R\$ 16,601 (R\$ 13,264 and R\$ 3,709 in the three-month period ended June 30, 2018), Parent Company and Consolidated, respectively, according to the cash financial management, under the terms of the resource management agreement.

(2) Commercial and administrative operations

Amount recorded in assets refers to commercial transactions for sale of products such as: sugar, ethanol and other materials, as well as advances for acquisition of sugar cane and port lifting transactions.

Amount recorded in liabilities refers to reimbursement of administrative expenses, rendering of services, advances from clients for export of sugar and purchase of products such as: sugar, sugarcane, diesel, and ethanol.

RAÍZEN ENERGIA S.A.

Management notes to the interim financial information

June 30, 2019

(In thousands of reais, unless otherwise indicated)

(3) Financial operations

As of June 30, 2019, the amount recorded in assets refers to export prepayment agreements (“PPE”) receivable from Raízen Combustíveis S.A., as stated below:

Contract	Currency	Principal value in foreign currency	Maturity	Annual effective average interest rate	Index	Consolidated	
						06/30/2019	03/31/2019
PPE	USD	219,000	04/27/2020	4.03%	Libor	839,723	853,988
PPE	USD	350,000	01/20/2027	5.49%	-	1,373,997	1,378,404
		569,000				2,213,720	2,232,392
PPE	Euro (€)	66,000	10/15/2021	3.09%	-	294,041	292,949
PPE	Euro (€)	40,000	01/20/2022	1.88%	Euribor	174,973	175,669
PPE	Euro (€)	60,000	01/21/2022	2.18%	Euribor	261,663	262,719
		166,000				730,677	731,337
						2,944,397	2,963,729
					Current	(879,577)	(20,091)
					Non-current	2,064,820	2,943,638

As of June 30, 2019, the amount recorded in liabilities refers mainly to export prepayment agreements (“PPE”) due to Raízen Fuels as shown below:

Contract	Currency	Principal value in foreign currency	Maturity	Annual effective average interest rate	Index	Parent company	
						06/30/2019	03/31/2019
PPE	USD	200,000	04/30/2024	4.11%	Libor	768,882	779,900
PPE	USD	31,000	04/27/2020	4.04%	Libor	157,185	121,381
PPE	USD	25,000	01/20/2027	5.49%	-	97,991	84,795
PPE	USD	125,000	01/20/2027	5.49%	-	543,220	549,287
		381,000				1,567,278	1,535,363
					Current	(133,941)	(6,886)
					Non-current	1,433,337	1,528,477

- (1) The Company assigns certain PPE as liability measured at fair value through profit or loss. Accordingly, said PPE is presented including measurement at fair value in the amount of R\$ 92,218 (R\$ 44,106 on March 31, 2019), whose negative impact on the result in the three-month period ended June 30, 2019 amounted to R\$ 48,112 (negative R\$ 6,088 in the three-month period ended June 30, 2018).

(4) Framework agreement

As of June 30, 2019, amounts recorded in assets and liabilities refer to amounts spent or payable, fully reimbursable, resulting from establishment of Raízen.

(5) Preferred shares

The balance of preferred shares payable, recorded in liabilities, refers to tax benefit amounts to reimburse Cosan, when effectively utilized by the Company, determined at balances of tax losses and negative basis of social contribution (“NOL”) and tax benefit on amortization of goodwill (“GW”).

RAÍZEN ENERGIA S.A.

Management notes to the interim financial information

June 30, 2019

(In thousands of reais, unless otherwise indicated)

(6) Lease liabilities

On June 30, 2019, the amount recorded in liabilities refers to the transactions of lease agreements with related parties.

	Parent company and consolidated
Balance at March 31, 2019	-
Initial adoption of IFRS 16 (CPC 06 (R2)) (Note 2.3)	720,759
Balances at April 1, 2019	720,759
Addition of new agreements	20,491
Write-off of agreements	(19,093)
Principal	(33,697)
Interest	16,542
Remeasurement of the agreements	46,196
	751,198
Current	(150,029)
Non-current	601,169

b) Summary of related-party transactions (4)

	Parent company		Consolidated	
	Apr–Jun/2019	Apr–Jun/2018	Apr–Jun/2019	Apr–Jun/2018
Sale of products, net of returns				
Raízen Combustíveis S.A. and its subsidiaries	171,140	164,027	2,382,697	1,378,908
Raízen and Wilmar Sugar Pte. Ltd	-	-	135,834	459,287
Shell Brasil Petróleo Ltda.	-	-	12,251	21,333
Shell Trading US Company	-	-	38,026	-
Raízen International Universal	255,677	405,163	-	-
Shell Energy do Brasil Ltda	-	-	3,187	-
Raízen Trading LLP	180,859	136,144	-	-
Other	79,728	93,503	2,890	4,056
	687,404	798,837	2,574,885	1,863,584
Purchase of goods and services				
Shell Trading US Company	-	-	(745,455)	(551,869)
Raízen Combustíveis S.A. and its subsidiaries	(192,478)	(182,986)	(214,305)	(205,522)
Rumo Group (i)	(51,040)	(70,747)	(59,518)	(79,668)
Agroterenas S.A.	-	-	(85,990)	(74,530)
Nova América Agrícola Ltda.	-	-	(36,164)	(38,841)
Nova América Agrícola Caarapó Ltda.	-	-	(37,455)	(20,668)
Cosan Lubrificantes e Especialidades S.A.	(7,138)	(5,381)	(9,430)	(7,207)
Shell Energy do Brasil Ltda	-	-	(5,438)	-
Shell Brasil Petróleo	(3,916)	(2,918)	(4,475)	(3,472)
Nova América Terras Ltda.	-	-	(2,021)	(2,411)
Palermo Agrícola S.A.	(1,528)	(1,741)	(1,528)	(1,741)
Agroterenas S.A. Terra	-	-	(2,995)	(1,009)
Raízen Araraquara Açúcar e Álcool Ltda.	(49,798)	(34,341)	-	-
Raízen Trading LLP	(112,192)	(32,755)	-	-
Raízen Paraguaçu Ltda.	(27,861)	(1,474)	-	-
Other	(12,361)	(10,157)	(6)	(318)
	(458,312)	(342,500)	(1,204,780)	(987,256)

RAÍZEN ENERGIA S.A.

Management notes to the interim financial information

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(In thousands of reais, unless otherwise indicated)

Rechargeable of shared expenses (1)				
Raízen Combustíveis S.A. and its subsidiaries	34,016	33,008	34,016	33,008
Companhia de Gás de São Paulo	7,199	8,681	7,199	8,681
Rumo Group (i)	7,875	6,735	7,875	6,735
Cosan Lubrificantes e Especialidades S.A.	1,776	1,564	1,776	1,564
Cosan S.A. Indústria e Comércio	865	722	865	722
Raízen Paraguaçu Ltda.	5,921	5,387	-	-
Bioenergia Barra Ltda and its subsidiaries	2,484	2,053	-	-
Other	7,316	5,984	1,130	1,106
	<u>67,452</u>	<u>64,134</u>	<u>52,861</u>	<u>51,816</u>
Land leases (2)				
Radar group (iii)	-	(17,892)	-	(17,892)
Janus group	-	(8,087)	-	(8,087)
Tellus group	-	(5,502)	-	(5,502)
Aguassanta group (i)	-	(2,780)	-	(2,780)
Barrapar Participações S.A.	-	(15)	-	(15)
	<u>-</u>	<u>(34,276)</u>	<u>-</u>	<u>(34,276)</u>
Net financial income (3)				
Raízen Combustíveis S.A. and its subsidiaries	(11,030)	624	(18,870)	420,931
Radar group (iii)	(8.291)	-	(8.291)	-
Aguassanta group (ii)	(3.864)	-	(3.864)	-
Janus Brasil Part. S.A.	(2.638)	-	(2.638)	-
Tellus Brasil Participações S.A.	(1.663)	-	(1.663)	-
Shell Finance B.V.	-	2,049	-	2,050
Nova América Agrícola Caarapó Ltda.	-	-	1,557	1,803
Raízen Centroeste Açúcar e Álcool Ltda.	(2.917)	(1.336)	-	-
Agroterenas S.A.	-	-	72	205
Raízen Trading LLP e controladas	(4.648)	(1.286)	-	-
Cosan S.A.	-	(2.478)	-	(2.481)
Bioenergia Barra Ltda e suas Controladas	5.473	(1.616)	-	-
Raízen Paraguaçu Ltda.	(1.211)	(1.982)	-	-
Raízen Fuels Finance Limited	7.034	(225.124)	-	-
Raízen International Universal	(144)	18.270	-	-
Outros	(3.461)	(3.291)	25	13
	<u>(27.360)</u>	<u>(216.170)</u>	<u>(33.672)</u>	<u>422.521</u>

(i) The term Rumo Group refers to the railway and port operations represented by the companies Rumo S.A., Elevações Portuárias S.A, Logispot Armazéns Gerais S.A., Rumo Malha Sul S.A., Rumo Malha Oeste S.A., Rumo Malha Paulista S.A., Rumo Malha Norte S.A., ALL América Latina Logística Rail Management, Portofer Transporte Ferroviário Ltda. and Brado Logística S.A.

(ii) The term Aguassanta group refers to land lease transactions for the planting of sugarcane with entities Aguassanta Agrícola Ltda., Aguassanta Participações S.A., Aguapar Agrícola Ltda., Palermo Agrícola S.A. and Vila Santa Empreendimentos Imobiliários Ltda.

(iii) The term Radar group refers to land lease transactions for the planting of sugarcane, and main entities in the group are Radar Propriedades Agrícolas S.A., Nova Agrícola Ponte Alta S.A., Nova Amaralina S.A., Terras da Ponte Alta, Nova Santa Barbara Agrícola S.A., Radar II Propriedades Agrícolas S.A., Vale da Ponte Alta S.A., Proud Participações S.A. and Bioinvestments Negócios S.A.

- (1) Expenses incurred by shared corporate, management and operating costs reimbursed from related parties;
- (2) Expenses incurred with land leased from related parties, outside Raízen Group;
- (3) It mainly refers to charges produced by the as a way of administering financial resources, due the financial management of cash and PPE.
- (4) Transactions with related parties are entered into under reasonable and cumulative conditions, in line with those prevailing in the market or that the Company would contract with third parties.

RAÍZEN ENERGIA S.A.

Management notes to the interim financial information

June 30, 2019

(In thousands of reais, unless otherwise indicated)

c) Summary of shareholder Cosan's refundable and rechargeable balances

	Parent company		Consolidated	
	06/30/2019	03/31/2019	06/30/2019	03/31/2019
Current assets				
Other receivable (i)	56,406	55,053	66,510	64,807
	<u>56,406</u>	<u>55,053</u>	<u>66,510</u>	<u>64,807</u>
Non-current assets				
Judicial deposits (Note 18)	123,484	121,788	236,478	234,389
Other financial assets (Note 8)	92,261	89,916	92,261	89,916
Other receivable (i)	67,456	67,410	69,447	69,395
	<u>283,201</u>	<u>279,114</u>	<u>398,186</u>	<u>393,700</u>
Total assets	<u>339,607</u>	<u>334,167</u>	<u>464,696</u>	<u>458,507</u>
Current liabilities				
Taxes payable	8,442	8,442	10,876	10,876
Other payable (ii)	192,325	177,859	221,229	204,892
	<u>200,767</u>	<u>186,301</u>	<u>232,105</u>	<u>215,768</u>
Non-current liabilities				
Taxes payable (ii)	167,782	167,859	176,865	176,950
Provision for legal disputes (Note 18)	171,800	191,294	200,052	219,751
	<u>339,582</u>	<u>359,153</u>	<u>376,917</u>	<u>396,701</u>
Total liabilities	<u>540,349</u>	<u>545,454</u>	<u>609,022</u>	<u>612,469</u>

(i) Refer mainly to legal expenses receivable from the shareholder.

(ii) Refer mainly to tax credits to be reimbursed to shareholder.

d) Directors and members of the Board of Directors

Fixed and variable remuneration to key management personnel, including statutory officers and members of the Board of Directors that is recognized in income (loss) for the period is as follows:

	<u>Apr-Jun/2019</u>	<u>Apr-Jun/2018</u>
Regular remuneration	(13,286)	(12,977)
Bonuses and other variable remuneration	<u>(10,664)</u>	<u>(7,470)</u>
Total remuneration	<u>(23,950)</u>	<u>(20,447)</u>

The Company shares the corporate, managerial and operational structures and costs of its related party Raízen Combustíveis S.A. ("RCSA"). Key management personnel and other administrative jobs are performed mainly by employees of the Company. Accordingly, as of June 30, 2019, RCSA reimbursed to the Company throughout the shared structure, including key management personnel and other employees, the amount of R\$ 11,771 (R\$ 13,658 in the three-month period ended June 30, 2018).

e) Other significant information involving related parties

The Company is the guarantor of certain debts and derivative financial instruments of its subsidiaries and the related party RCSA.

RAÍZEN ENERGIA S.A.

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(In thousands of reais, unless otherwise indicated)

10. Investments

a) Parent company

	Country	Business	Equity interest percentage	Investments (1)		Equity in net income of subsidiaries	
				06/30/2019	03/31/2019	Apr–Jun/2019	Apr–Jun/2018
<u>Book value</u>							
Agrícola Ponte Alta Ltda.	Brazil	Ethanol trade	91.21%	854,778	836,221	18,557	14,392
Benálcool Açúcar e Alcool Ltda.	Brazil	Holding	100.00%	3,640	3,678	(38)	571
Centro de Tecnologia Canavieira S.A.	Brazil	R&D	19.04%	111,112	113,496	(1,380)	(1,837)
Raízen Caarapó Açúcar e Alcool Ltda.	Brazil	Sugar and ethanol plant	31.48%	229,806	227,637	2,169	1,202
Raízen Centroeste Açúcar e Alcool Ltda.	Brazil	Ethanol plant	47.37%	658,950	652,085	6,865	3,373
Logum Logística S.A.	Brazil	Logistics	30.00%	313,548	314,269	(9,005)	(7,473)
Raízen Araraquara Açúcar e Alcool Ltda. (3)	Brazil	Sugar and ethanol plant	99.99%	897,720	915,932	(18,212)	72,984
Raízen Fuels Finance S.A.	Luxembourg	Financing	100.00%	56,663	54,799	2,836	3,368
Raízen International Universal Corporation	British Virgin Islands	Ethanol and sugar trade	100.00%	41,830	28,485	9,541	-
Raízen and Wilmar Sugar PTE Ltd.	Singapore	Trading of sugar	50.00%	37,651	35,601	2,888	9,706
Raízen Energy Finance Ltd.	Cayman Islands	Financing	100.00%	37,530	38,161	-	-
Raízen Paraguaçu Ltda. (3)	Brazil	Sugar and ethanol plant	100.00%	954,313	955,494	(1,181)	627
Bionergia Barra Ltda.	Brazil	Cogeneration of energy	99.99%	807,207	747,890	59,317	76,237
Uniduto Logística S.A.	Brazil	Logistics	46.48%	48,594	48,709	(1,412)	(1,745)
Raízen-Geo Biogás S.A.	Brazil	Biogas plant	85.00%	20,921	21,887	(966)	-
Raízen Trading LLP	United Kingdom	Trading	100.00%	213,776	216,773	798	2,766
Subtotal				<u>5,288,039</u>	<u>5,211,117</u>	<u>70,777</u>	<u>174,171</u>
<u>Investment goodwill (4)</u>							
Benálcool Açúcar e Alcool Ltda.			100.00%	49,202	49,202	-	-
Raízen Araraquara Açúcar e Alcool Ltda.			99.99%	197,013	197,013	-	-
Raízen Tarumã Ltda.			100.00%	92,379	92,379	-	-
Uniduto Logística S.A.			46.48%	5,676	5,676	-	-
Centro de Tecnologia Canavieira S.A.			19.04%	45,514	45,514	-	-
Ryballa Participações Ltda.			100.00%	5,400	5,400	-	-
Subtotal				<u>395,184</u>	<u>395,184</u>	<u>-</u>	<u>-</u>
Total investments				<u>5,683,223</u>	<u>5,606,301</u>	<u>70,777</u>	<u>174,171</u>
<u>Provision for negative equity in subsidiaries and associated companies (2)</u>							
Raízen International Universal Corporation	British Virgin Islands	Sugar trade	100.00%	-	-	-	5,466
Unimodal Ltda.	Brazil	Logistics	53.17%	(1,923)	(1,923)	-	-
Raízen-Geo Biogás S.A.	Brazil	Usina Biogás	85.00%	-	-	-	(103)
Other	Brazil	-	-	(3)	(3)	-	-
Total provision for shareholders' deficit				<u>(1,926)</u>	<u>(1,926)</u>	<u>-</u>	<u>5,363</u>
						<u>70,777</u>	<u>179,534</u>

(1) Investments assessed under the equity method; (2) Classified in the non-current liabilities, under "Other obligations" caption; (3) As of June 30, 2019, balances of investments include a portion allocated to goodwill from merger of Curupay and acquisition of Usina Zanin in the amounts of R\$ 93,023 and R\$ 63,608 (Negative) (R\$ 94,723 and R\$ 62,933 (negative) as of March 31, 2019), respectively. Goodwill amortizations of said recognitions, classified in Parent company as equity in investees, totaled R\$ 1,699 and R\$ 675 (R\$ 1,112 and R\$ 427 as of March 31, 2019), respectively and (4) Goodwill on the purchase of shares.

RAÍZEN ENERGIA S.A.

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(In thousands of reais, unless otherwise indicated)

(b) Consolidated

	Country	Business	Equity interest percentage	Investments (1)		Equity in net income of subsidiaries	
				06/30/2019	03/31/2019	Apr–Jun/2019	Apr–Jun/2018
<u>Book value</u>							
Centro de Tecnologia Canavieira S.A.	Brazil	R&D	19.58%	114,261	116,717	(1,418)	(1,889)
Logum Logística S.A.	Brazil	Logistics	30.00%	313,548	314,269	(9,005)	(7,473)
Uniduto Logística S.A.	Brazil	Logistics	46.48%	48,594	48,709	(1,412)	(1,745)
Raízen and Wilmar Sugar Pte. Ltd.	Singapore	Trading	50.00%	37,651	35,601	2,888	9,705
Subtotal				<u>514,054</u>	<u>515,296</u>	<u>(8,947)</u>	<u>(1,402)</u>
<u>Investment goodwill (2)</u>							
Uniduto Logística S.A.			46.48%	5,676	5,676	-	-
Centro de Tecnologia Canavieira S.A.			19.58%	51,946	51,946	-	-
Subtotal				<u>57,622</u>	<u>57,622</u>	<u>-</u>	<u>-</u>
Total investments				<u>571,676</u>	<u>572,918</u>	<u>(8,947)</u>	<u>(1,402)</u>

(1) Investments measured under the equity method and (2) Goodwill on acquisition of shares.

RAÍZEN ENERGIA S.A.

Management notes to the interim financial information

June 30, 2019

(In thousands of reais, unless otherwise indicated)

Movement in interest in subsidiaries and associated companies:

	<u>Parent company</u>	<u>Consolidated</u>
Balance at March 31, 2019	5,606,301	572,918
Equity accounting results	70,777	(8,947)
Additions to investment (Note 10.d.i)	9,667	9,667
Dividends declared (Note 10.d.ii)	(1,034)	(1,034)
Effect of foreign currency translation - CTA	(2,488)	-
Other	-	(928)
Balance at June 30, 2019	<u>5,683,223</u>	<u>571,676</u>

Movement in provision for deficit equity in subsidiaries and associated companies:

	<u>Parent company</u>
Balance at March 31, 2019	(1,926)
Balance at June 30, 2019	<u>(1,926)</u>

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

c) Summarized financial information of associated companies, considering adjustments to equity value, when applicable.

- June 30, 2019

	<u>Logum Logística S.A. (1)/(2)</u>	<u>Uniduto Logística Ltda. (1)/(2)</u>	<u>Centro de Tecnologia Canavieira S.A. (2)/(4)</u>	<u>Iogen Energy Corporation (3)</u>	<u>Raízen and Wilmar Sugar PTE Ltd. (4)</u>
Assets	2,178,781	104,569	800,450	29,859	314,305
Liabilities	(1,133,621)	(10)	(216,878)	(297,072)	(239,002)
Equity	<u>1,045,160</u>	<u>104,559</u>	<u>583,572</u>	<u>(267,213)</u>	<u>75,303</u>
Three-month period ended June 30, 2019					
Net operating revenue	33,608	-	31,911	-	20,411
Net income (loss)	(30,302)	(3,037)	3,917	(448)	5,730
Three-month period ended June 30, 2018					
Net operating revenue	31,701	-	39,030	-	605,807
Net income (loss)	(35,886)	(19)	(9,646)	(217)	18,897

- March 31, 2019

	<u>Logum Logística S.A. (1)/(2)</u>	<u>Uniduto Logística Ltda. (1)/(2)</u>	<u>Centro de Tecnologia Canavieira S.A. (2)/(4)</u>	<u>Iogen Energy Corporation (3)</u>	<u>Raízen and Wilmar Sugar PTE Ltd. (4)</u>
Assets	2,101,565	104,814	789,042	29,267	593,148
Liabilities	(1,054,003)	(7)	(192,949)	(296,033)	(521,946)
Equity	<u>1,047,562</u>	<u>104,807</u>	<u>596,093</u>	<u>(266,766)</u>	<u>71,202</u>

(1) The fiscal year of these investees ends on December 31;

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(In thousands of reais, unless otherwise indicated)

- (2) Significant influence over these companies has been defined, mainly, based on the Company's right to elect key management personnel and to decide on their significant operational and some strategic issues.
- (3) Jointly controlled entity in which the Company interest is 50% in common shares, whose fiscal year ends on August 31. The Company did not form an estimated loss for equity in net income of subsidiaries, given that it has no legal or constructive obligations to make payments on account of that company.
- (4) Year ended March 31, every year.

d) Transactions occurred up to June 30, 2019

i) Additions to investment

Capital increase in Logum Logística S.A. (“Logum”)

During the three-month period ended June 30, 2019 capital increases by the Company were resolved, approved and subscribed, amounting to R\$ 27,900. Values subscribed by the Company in these operations totaled R\$ 8,370, fully paid-in bank deposit.

There were no changes in the percentage of interest in capital of the investee, since all shareholders effected capital contributions in proportion to their existing holding.

Capital increases in Uniduto Logística S.A. (“Uniduto”)

During the three-month period ended June 30, 2019 capital increases by the Company were resolved, approved and subscribed, amounting to R\$ 2,790. Values subscribed by the Company in these operations totaled R\$ 1,297, fully paid-in bank deposit.

In these operations, there were no changes in the percentage of interest in capital of the investee, since all shareholders effected capital contributions in proportion to their existing holding.

ii) Dividends declared

Based on the results for the year ended March 31, 2019, the investee Centro de Tecnologia Canavieira S.A. destined dividends to the Company in the amount of R\$1,034.

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(In thousands of reais, unless otherwise indicated)

11. Right of use

a) Parent company

	Land	Property	Aircrafts, crafts and Vehicles	Machinery and equipment	Industrial park	Total
Cost or evaluation:						
March 31, 2019	-	-	-	-	-	-
First-time adoption - IFRS 16 (CPC 06 (R2))(Note 2.3)	3,110,010	47,174	122,603	168,029	84,012	3,531,828
April 1, 2019	3,110,010	47,174	122,603	168,029	84,012	3,531,828
Additions of new agreements - without cash effect	312,778	610	41,807	21,098	-	376,293
Write-off of agreements - without cash effect	(73,498)	-	-	-	-	(73,498)
Remeasurement of agreements - without cash effect	180,292	3,843	(1,409)	1,943	-	184,669
June 30, 2019	3,529,582	51,627	163,001	191,070	84,012	4,019,292
Amortization:						
March 31, 2019	-	-	-	-	-	-
Additions - with impacts on income (loss)	(207,648)	(3,018)	(12,650)	(11,914)	(1,417)	(236,647)
June 30, 2019	(207,648)	(3,018)	(12,650)	(11,914)	(1,417)	(236,647)
Net residual value:						
June 30, 2019	3,321,934	48,609	150,351	179,156	82,595	3,782,645
March 31, 2019	-	-	-	-	-	-

b) Consolidated

	Land	Property	Aircrafts, crafts and Vehicles	Machinery and equipment	Industrial park	Total
Cost or evaluation:						
March 31, 2019	-	-	-	-	-	-
First-time adoption - IFRS 16 (CPC 06 (R2))(Note 2.3)	3,523,705	47,525	127,584	171,584	84,012	3,954,410
April 1, 2019	3,523,705	47,525	127,584	171,584	84,012	3,954,410
Additions of new agreements - without cash effect	315,717	673	43,974	25,355	-	385,719
Write-off of agreements – without cash effect	(75,524)	-	-	(417)	-	(75,941)
Remeasurement of agreements – without cash effect	231,837	3,840	(1,450)	2,011	-	236,238
June 30, 2019	3,995,735	52,038	170,108	198,533	84,012	4,500,426
Amortization:						
March 31, 2019	-	-	-	-	-	-
Additions - with impacts on income (loss)	(233,773)	(3,063)	(13,290)	(12,347)	(1,415)	(263,888)
Transfers	-	(12)	-	12	-	-
June 30, 2019	(233,773)	(3,075)	(13,290)	(12,335)	(1,415)	(263,888)
Net residual value:						
June 30, 2019	3,761,962	48,963	156,818	186,198	82,597	4,236,538
March 31, 2019	-	-	-	-	-	-

RAÍZEN ENERGIA S.A.

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June 30, 2019

(In thousands of reais, unless otherwise indicated)

12. Property, plant and equipment

a) Parent company

	Lands and rural properties	Buildings and improvements	Machinery, equipment and facilities	Aircrafts, vessels and vehicles	Furniture, fixtures and IT equipment	Constructions in progress	Frequently replaced parts and accessories	Sugarcane planting	Other	Total
Cost:										
March 31, 2019	14,915	947,235	4,523,681	516,313	181,542	404,096	974,852	4,879,830	15,067	12,457,531
Additions	-	1,701	6,027	12	4	77,791	81,140	222,166	-	388,841
Write-offs	-	-	(17,420)	(7,163)	(328)	-	-	-	-	(24,911)
Transfers (1)	-	40,144	(19,326)	9,399	1,442	(33,995)	-	-	-	(2,336)
Estimated loss (2)	-	-	(59)	(52)	(94)	-	-	-	-	(205)
June 30, 2019	14,915	989,080	4,492,903	518,509	182,566	447,892	1,055,992	5,101,996	15,067	12,818,920
Accumulated depreciation:										
March 31, 2019	-	(284,621)	(1,737,225)	(253,399)	(110,549)	-	(504,671)	(3,457,721)	(15,039)	(6,363,225)
Depreciation expense in the period	-	(9,913)	(82,898)	(11,319)	(5,540)	-	(174,739)	(129,895)	(14)	(414,318)
Write-offs	-	-	5,444	5,724	288	-	-	-	-	11,456
Transfers (1)	-	(5)	392	(33)	(190)	-	-	-	-	164
June 30, 2019	-	(294,539)	(1,814,287)	(259,027)	(115,991)	-	(679,410)	(3,587,616)	(15,053)	(6,765,923)
Net residual value:										
June 30, 2019	14,915	694,541	2,678,616	259,482	66,575	447,892	376,582	1,514,380	14	6,052,997
March 31, 2019	14,915	662,614	2,786,456	262,914	70,993	404,096	470,181	1,422,109	28	6,094,306

(1) Relates to the transfers between classes of property, plant and equipment and of intangible assets.

(2) Refers to net formation of estimated loss in fixed assets, recognized in income (loss) for the period under "Other operating revenue (expenses), net" caption (Note 24).

RAÍZEN ENERGIA S.A.

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(In thousands of reais, unless otherwise indicated)

b) Consolidated

	Lands and rural properties	Buildings and improvements	Machinery, equipment and facilities	Aircrafts, vessels and vehicles	Furniture, fixtures and IT equipment	Constructions in progress	Frequently replaced parts and accessories	Sugarcane planting	Other	Total
Cost:										
March 31, 2019	37,926	1,652,746	8,886,064	589,610	219,648	581,696	1,245,183	5,638,387	30,367	18,881,627
Additions	-	1,705	7,243	13	40	106,553	103,217	250,843	-	469,614
Write-offs	-	-	(18,661)	(9,980)	(328)	-	-	-	-	(28,969)
Transfers (1)	-	39,781	(16,548)	8,574	883	(35,091)	-	-	-	(2,401)
Estimated loss (2)	-	-	(14)	34	(91)	-	-	-	-	(71)
Other	-	-	-	-	(35)	-	-	-	-	(35)
June 30, 2019	<u>37,926</u>	<u>1,694,232</u>	<u>8,858,084</u>	<u>588,251</u>	<u>220,117</u>	<u>653,158</u>	<u>1,348,400</u>	<u>5,889,230</u>	<u>30,367</u>	<u>19,319,765</u>
Accumulated depreciation:										
March 31, 2019	-	(453,669)	(3,422,620)	(296,606)	(133,140)	-	(648,027)	(4,056,632)	(24,662)	(9,035,356)
Depreciation expense in the period	-	(15,704)	(156,388)	(13,178)	(6,640)	-	(219,585)	(145,470)	(618)	(557,583)
Write-offs	-	-	6,428	8,601	289	-	-	-	-	15,318
Transfers (1)	-	(7)	388	(33)	(182)	-	-	-	-	166
June 30, 2019	<u>-</u>	<u>(469,380)</u>	<u>(3,572,192)</u>	<u>(301,216)</u>	<u>(139,673)</u>	<u>-</u>	<u>(867,612)</u>	<u>(4,202,102)</u>	<u>(25,280)</u>	<u>(9,577,455)</u>
Net residual value:										
June 30, 2019	37,926	1,224,852	5,285,892	287,035	80,444	653,158	480,788	1,687,128	5,087	9,742,310
March 31, 2019	37,926	1,199,077	5,463,444	293,004	86,508	581,696	597,156	1,581,755	5,705	9,846,271

(1) Relates to the transfers between classes of property, plant and equipment and of intangible assets.

(2) Refers to net (formation) reversal of estimated loss in fixed assets, recognized in income (loss) for the period under "Other operating revenue (expenses), net" caption (Note 24).

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(In thousands of reais, unless otherwise indicated)

Borrowing cost capitalization

In the three-month period ended June 30, 2019, loan costs capitalized in parent company and Consolidated reached R\$ 7,059 and R\$ 8,051 (R\$ 6,669 and R\$ 9,901 in the three-month period ended June 30, 2018), respectively. The annual weighted average rates of debt financial charges for the Parent Company and Consolidated, used for capitalization of interest in the balance of construction in progress were 7.26% and 6.75% as of June 30, 2019 (7.03% and 7.83% as of June 30, 2018), respectively.

13. Intangible assets

a) Parent company

	<u>Software license</u>	<u>Goodwill</u>	<u>Agricultural Partnership Agreements</u>	<u>Sugarcane supply agreements</u>	<u>Technology</u>	<u>Total</u>
Cost or evaluation:						
March 31, 2019	238,763	1,639,811	18,411	26,011	185,136	2,108,132
Additions	56	-	-	-	-	56
Transfers (1)	2,336	-	-	-	-	2,336
June 30, 2019	<u>241,155</u>	<u>1,639,811</u>	<u>18,411</u>	<u>26,011</u>	<u>185,136</u>	<u>2,110,524</u>
Accumulated amortization:						
March 31, 2019	(158,435)	(368,026)	(18,411)	(18,762)	(72,334)	(635,968)
Amortization expense in the period	(7,585)	-	733	(534)	(3,375)	(10,761)
Transfers (1)	(164)	-	-	-	-	(164)
June 30, 2019	<u>(166,184)</u>	<u>(368,026)</u>	<u>(17,678)</u>	<u>(19,296)</u>	<u>(75,709)</u>	<u>(646,893)</u>
Net residual value:						
June 30, 2019	74,971	1,271,785	733	6,715	109,427	1,463,631
March 31, 2019	80,328	1,271,785	-	7,249	112,802	1,472,164

(1) Relates to the transfers between classes of property, plant and equipment and of intangible assets.

b) Consolidated

	<u>Software license</u>	<u>Goodwill</u>	<u>Contractual relationships with clients</u>	<u>Agricultural Partnership Agreements</u>	<u>Sugarcane supply agreements</u>	<u>Public concession rights of use</u>	<u>Technology</u>	<u>Other</u>	<u>Total</u>
Cost or evaluation:									
March 31, 2019	259,753	1,978,730	16,196	18,411	181,516	12,541	185,136	26,111	2,678,394
Additions	97	-	-	-	-	-	-	-	97
Transfers (1)	2,401	-	-	-	-	-	-	-	2,401
Other	-	-	-	-	-	-	-	(153)	(153)
June 30, 2019	<u>262,251</u>	<u>1,978,730</u>	<u>16,196</u>	<u>18,411</u>	<u>181,516</u>	<u>12,541</u>	<u>185,136</u>	<u>25,958</u>	<u>2,680,739</u>
Accumulated amortization:									
March 31, 2019	(178,901)	(431,380)	-	(18,411)	(101,912)	(12,541)	(72,332)	(21,206)	(836,683)
Amortization expense in the period	(7,652)	-	(445)	733	(2,690)	-	(3,377)	-	(13,431)
Transfers (1)	(166)	-	-	-	-	-	-	-	(166)
June 30, 2019	<u>(186,719)</u>	<u>(431,380)</u>	<u>(445)</u>	<u>(17,678)</u>	<u>(104,602)</u>	<u>(12,541)</u>	<u>(75,709)</u>	<u>(21,206)</u>	<u>(850,280)</u>
Net residual value:									
June 30, 2019	75,532	1,547,350	15,751	733	76,914	-	109,427	4,752	1,830,459
March 31, 2019	80,852	1,547,350	16,196	-	79,604	-	112,804	4,905	1,841,711

(1) Relates to the transfers between classes of property, plant and equipment and of intangible assets.

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(In thousands of reais, unless otherwise indicated)

14. Suppliers

	Parent company		Consolidated	
	06/30/2019	03/31/2019	06/30/2019	03/31/2019
Materials and services	310,621	437,626	1,502,016	2,029,805
Sugarcane	584,055	182,925	693,278	231,161
Suppliers - Agreement	132,115	130,896	1,752,259	1,928,397
	<u>1,026,791</u>	<u>751,447</u>	<u>3,947,553</u>	<u>4,189,363</u>
Domestic (domestic currency)	1,024,897	748,721	1,597,588	1,310,441
Abroad (foreign currency) (Note 26.d)	1,894	2,726	2,349,965	2,878,922
	<u>1,026,791</u>	<u>751,447</u>	<u>3,947,553</u>	<u>4,189,363</u>

The suppliers' characteristics are the same as those disclosed in the annual financial statements of March 31, 2019, no change has occurred in the recognition procedures, measurement and accounting records, as well as significant changes in credit risk of counterparties involved in balances.

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15. Loans and financing

Description	Final maturity	Index	Financial charges		Parent company		Consolidated	
			Annual effective average interest rate		06/30/2019	03/31/2019	06/30/2019	03/31/2019
			06/30/2019	03/31/2019				
Classification of debts per currency:								
Denominated in Reais					5,195,079	5,314,079	6,192,618	6,318,395
Denominated in US Dollar and Euro (Note 26.d)					1,095,806	1,101,943	5,806,546	5,798,674
					<u>6,290,885</u>	<u>6,416,022</u>	<u>11,999,164</u>	<u>12,117,069</u>
Type of debts (1):								
BNDES	Mar/24	URTJLP	8.48%	9.23%	27,618	29,916	28,853	31,217
BNDES	Aug/30	Pre-fixed	3.94%	3.92%	322,612	336,657	533,252	565,752
BNDES	Apr/24	UMBND	6.68%	6.68%	10,839	11,795	32,982	35,531
Debentures	Oct/20	IPCA + interest	10.44%	10.52%	442,492	430,795	442,492	430,795
Export Prepayments (PPE)	Aug/25	USD + Libor	3.77%	3.96%	1,095,806	1,101,943	1,269,203	1,299,758
Term Loan Agreement	Apr/24	USD + Libor	3.51%	3.86%	-	-	1,766,210	1,755,952
Senior Notes Due 2027 ("Senior 2027")	Jan/27	Dollar (USA)	5.30%	5.30%	-	-	2,033,812	2,012,038
Resolution 2471 (PESA)	Apr/23	IGP-M	10.37%	9.42%	437,170	564,690	459,862	594,381
PESA	Oct/25	Pre-fixed	3.00%	3.00%	53	53	53	53
Credit Notes	Oct/20	CDI	6.86%	6.86%	168,476	171,205	168,476	171,205
Finame/Leasing	Jan/25	Pre-fixed	6.69%	6.59%	48,982	49,634	74,624	76,477
Finame/Leasing	Mar/21	URTJLP	9.48%	10.32%	78	89	78	89
Rural credit	Apr/20	Pre-fixed	6.05%	6.05%	375,929	370,389	375,929	370,389
Certificate of Agribusiness Receivables (CRA)	Mar/25	CDI	6.28%	6.28%	2,307,233	2,353,003	2,772,162	2,804,834
CRA	Mar/26	IPCA + interest	8.77%	8.85%	1,053,597	995,853	1,303,854	1,237,673
Schuldschein	Oct/21	Fixed - EUR	2.45%	2.88%	-	-	293,536	292,621
Schuldschein	Sep/22	Euribor	1.69%	1.87%	-	-	436,559	438,304
Other					-	-	7,227	-
					<u>6,290,885</u>	<u>6,416,022</u>	<u>11,999,164</u>	<u>12,117,069</u>
Expenses incurred with the placement of the securities:								
BNDES					(1,645)	(1,740)	(2,442)	(2,606)
CRA					(19,867)	(21,313)	(19,867)	(21,313)
Debentures					(447)	(539)	(449)	(539)
PPE					-	(13,481)	(145)	(13,642)
Term Loan Agreement					-	-	(501)	(574)
Senior 2027					-	-	(1,353)	(1,419)
					<u>(21,959)</u>	<u>(37,073)</u>	<u>(24,757)</u>	<u>(40,093)</u>
					<u>6,268,926</u>	<u>6,378,949</u>	<u>11,974,407</u>	<u>12,076,976</u>
Current					<u>(1,591,460)</u>	<u>(1,384,892)</u>	<u>(2,705,326)</u>	<u>(1,506,095)</u>
Non-current					<u>4,677,466</u>	<u>4,994,057</u>	<u>9,269,081</u>	<u>10,570,881</u>

- (1) Loans and financing are usually secured by Company's promissory notes. In certain cases, they also have collaterals from its subsidiaries and Raizen Combustíveis S.A., in addition to real guarantees such as: i) credit rights deriving from contracts for energy trading (BNDES); ii) CTN (note 8) and mortgage of land (PESA); iii) fixed assets (Note 12); and iv) financed assets pledged in guarantee (Finame).

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(In thousands of reais, unless otherwise indicated)

Installments falling due in the long term, less the amortizations of expenses incurred with the placement of securities, have the following schedule:

Months:	Parent company	Consolidated
13–24	1,405,372	1,649,166
25–36	142,207	1,116,803
37–48	795,857	1,371,284
49–60	479,396	1,308,892
61–72	858,801	859,461
73–84	985,347	964,424
85–96	2,639	1,991,203
>97	7,847	7,848
	<u>4,677,466</u>	<u>9,269,081</u>

PESA

In the three-month period ended June 30, 2019, the Company offset PESA contracts in the amount of R\$ 137,844 through redemptions of the CTNs, see Note 8.

Covenants

The Company and its subsidiaries are not subject to comply with financial ratios, being subject only to certain covenants in loans and financing contracts, such as “cross-default” and “negative pledge”.

Fair value

On June 30, 2019, book value and fair value of loans are as follows:

Description	Classification	Parent company					
		Book value		Fair value (3)		Financial results (2)	
		06/30/2019	03/31/2019	06/30/2019	03/31/2019	06/30/2019	06/30/2018
PPE	Fair value through profit or loss	1,057,854	1,075,519	1,905,806	1,101,850	(11,621)	-
CRA	Fair value through profit or loss	1,004,426	1,083,990	1,053,597	1,085,943	(47,218)	17,605
		<u>2,062,280</u>	<u>2,159,509</u>	<u>2,149,403</u>	<u>2,187,793</u>	<u>(58,839)</u>	<u>17,605</u>
Description	Classification	Consolidated					
		Book value		Fair value (3)		Financial results (2)	
		06/30/2019	03/31/2019	06/30/2019	03/31/2019	06/30/2019	06/30/2018
Senior 2027 (1)	Fair value through profit or loss	490,713	492,213	543,223	535,822	(8,898)	(6,088)
PPE	Fair value through profit or loss	1,249,749	1,273,000	1,289,926	1,300,514	(12,663)	1,397
CRA	Fair value through profit or loss	1,241,260	1,231,236	1,303,864	1,237,673	(56,167)	29,072
Term Loan Agreement	Fair value through profit or loss	886,355	120,885	926,067	121,382	(39,215)	5,987
		<u>3,868,077</u>	<u>3,117,334</u>	<u>4,063,080</u>	<u>3,195,391</u>	<u>(116,943)</u>	<u>30,368</u>

(1) The fair value of Senior 2027 is based on the price quotation on the secondary market. As of June 30, 2019, face value is 106.22% (102.41% on March 31, 2019).

(2) Refers to the impact of fair value on financial income, as shown in Note 25.

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(3) These debts are presented plus fair value evaluation in the amount of R\$ 87,123 and R\$ 195,003 (R\$ 8,034 and R\$ 78,060 as of March 31, 2019) Parent Company and Consolidated, respectively.

Other loans and financing do not have a value quoted, but the fair value is close to the book value due to their exposure to variable interest rates and insignificant changes in the Company's credit risk which may be accrued by comparing securities quoted and aforementioned.

16. Lease liability

Change in lease liabilities, during the three-month period ended June 30, 2019, is as follows:

	<u>Parent company</u>	<u>Consolidated</u>
Balance at March 31, 2019	-	-
Initial adoption of IFRS 16 (CPC 06 (R2)) (Note 2.3)	2,705,438	3,107,544
Balances at April 1, 2019	2,705,438	3,107,544
Addition of new agreements	355,801	365,226
Write-off of agreements	(52,907)	(54,133)
Payments	(203,660)	(225,944)
Updating	59,997	69,430
Remeasurement of the agreements	138,704	190,046
	3,003,373	3,452,169
Current	(637,894)	(719,870)
Non-current	2,365,479	2,732,299

17. Income and social contribution taxes

a) Reconciliation of income and social contribution taxes expenses:

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>Apr- Jun/2019</u>	<u>Apr- Jun/2018</u>	<u>Apr- Jun/2019</u>	<u>Apr- Jun/2018</u>
Loss before income and social contribution taxes	(187,845)	(101,775)	(143,193)	(63,543)
Income tax and social contribution at nominal rate (34%)	63,867	34,603	48,685	21,604
Adjustments for calculation of effective rate:				
Difference between deemed income and taxable income rates	-	-	6,363	8,552
Special regime for the reintegration of tax amounts for exporting companies - ("Reintegra")	313	3,391	316	3,585
Investment grants - ICMS	-	-	1,469	1,590
Exchange-rate change on investee abroad	(3,446)	14,861	(3,446)	14,861
Gifts, donations, class association	(252)	(274)	(353)	(720)
Taxation at universal basis related to investments abroad	(9,044)	(7,069)	(4,481)	(6,445)
Equity accounting results	24,064	61,042	(3,042)	(477)
Credit with claims for damages	-	-	-	25,638
Other	(663)	(653)	(1,688)	(537)
Credit of income and social contribution taxes (current and deferred)	74,839	105,901	43,823	67,651
Effective rate	39.84%	104.05%	30.60%	106.46%

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a.1) Recoverable income tax and social contribution

	Parent company		Consolidated	
	06/30/2019	03/31/2019	06/30/2019	03/31/2019
Taxes on income ("IRPJ")	617,304	614,791	669,132	660,464
Social contribution (CSLL)	149,212	160,714	164,281	172,068
	766,516	775,505	833,413	832,532
Current	(377,703)	(386,692)	(419,183)	(418,302)
Non-current	388,813	388,813	414,230	414,230

a.2) Income and social contribution taxes payable

	Consolidated	
	06/30/2019	03/31/2019
IRPJ	19,588	19,467
CSLL	3,082	3,188
	22,670	22,655

b) Deferred income and social contribution taxes in assets and liabilities:

b.1) Parent company

	06/30/2019			03/31/2019	
	Base	IRPJ 25%	CSLL 9%	Total	Total
<u>Non-current assets (liabilities)</u>					
Tax losses					
Tax losses	1,929,204	482,301	-	482,301	395,553
Negative basis for social contribution	1,903,911	-	171,352	171,352	139,563
Temporary differences:					
Provision for legal disputes	628,321	157,080	56,549	213,629	198,050
Exchange-rate variation on the cash basis	628,953	157,238	56,606	213,844	225,799
Lease liability	15,356	3,839	1,382	5,221	-
Estimated loss for realization of assets	138,753	34,688	12,488	47,176	46,255
Remuneration and employee benefits	211,529	52,882	19,038	71,920	65,037
Sundry provisions and other temporary differences	357,291	89,323	32,156	121,479	74,255
Total deferred tax assets		977,351	349,571	1,326,922	1,144,512
Biological assets	(116,785)	(29,196)	(10,511)	(39,707)	(8,457)
Cost of capitalized loans	(132,303)	(33,076)	(11,907)	(44,983)	(44,427)
Gain of Deferred Capital	(119,709)	(29,927)	(10,774)	(40,701)	(40,701)
Result unrealized with derivatives	(476,965)	(119,241)	(42,927)	(162,168)	(64,001)
Fixed assets' useful life review	(934,615)	(233,654)	(84,115)	(317,769)	(309,665)
Amortized tax goodwill	(727,941)	(181,985)	(65,515)	(247,500)	(240,129)
Total deferred tax liabilities		(627,079)	(225,749)	(852,828)	(707,380)
Total deferred assets - Assets, net		350,272	123,822	474,094	437,132

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b.2) Consolidated

	06/30/2019			03/31/2019	
	Base	IRPJ 25%	CSLL 9%	Total	
Non-current assets (liabilities)					
Tax losses					
Tax losses	2,060,724	515,181	-	515,181	426,429
Negative basis for social contribution	2,035,433	-	183,189	183,189	150,679
Temporary differences:					
Provision for legal disputes	719,565	179,891	64,761	244,652	224,868
Exchange-rate variation on the cash basis	632,656	158,164	56,939	215,103	228,344
Estimated loss for realization of assets	205,265	51,316	18,474	69,790	69,471
Provision on write-off of goodwill	166,656	41,664	14,999	56,663	56,663
Remuneration and employee benefits	231,788	57,947	20,861	78,808	70,900
Fair Value - Other Financial Instruments	102,791	25,698	9,251	34,949	11,835
Lease liability	24,803	6,201	2,232	8,433	-
Sundry provisions and other temporary differences	351,976	87,994	31,678	119,672	89,909
Total deferred tax assets		1,124,056	402,384	1,526,440	1,329,098
Biological assets	(187,403)	(46,851)	(16,866)	(63,717)	(34,304)
Cost of capitalized loans	(243,094)	(60,774)	(21,878)	(82,652)	(83,082)
Capital gain	(119,709)	(29,927)	(10,774)	(40,701)	(40,701)
Result unrealized with derivatives	(543,759)	(135,940)	(48,938)	(184,878)	(66,558)
Fair value of the fixed asset	(228,568)	(57,142)	(20,571)	(77,713)	(79,235)
Fixed assets' useful life review	(1,836,279)	(459,070)	(165,265)	(624,335)	(599,591)
Amortized tax goodwill	(912,059)	(228,015)	(82,085)	(310,100)	(302,731)
Total deferred tax liabilities		(1,017,719)	(366,377)	(1,384,096)	(1,206,202)
Total deferred taxes		106,337	36,007	142,344	122,896
Deferred taxes - Assets, net				425,944	390,400
Deferred taxes - Liabilities, net				(283,600)	(267,504)
Total deferred taxes				142,344	122,896

b.3) Net movement in deferred taxes:

	Apr-Jun/2019	
	Parent company	Consolidated
Balance at the beginning of the period	437,132	122,896
Revenue in profit or loss	74,839	57,257
Deferred taxes on other comprehensive income	(37,878)	(37,878)
Other	1	69
Balance at end of the period	474,094	142,344

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18. Provision for legal disputes and judicial deposits

Breakdown of legal disputes considered as probable loss

As of June 30 and March 31, 2019, the balances of lawsuits are as follows:

	Parent company		Consolidated	
	06/30/2019	03/31/2019	06/30/2019	03/31/2019
Tax	98,902	113,742	110,130	124,036
Civil	23,114	25,883	37,056	39,869
Labor	228,490	198,040	315,376	272,881
	<u>350,506</u>	<u>337,665</u>	<u>462,562</u>	<u>436,786</u>
Non-reimbursable legal disputes	178,706	146,371	262,510	217,035
Reimbursable legal claims (Note 9.c)	171,800	191,294	200,052	219,751

When Raízen was setup it was agreed that Cosan would reimburse the Company for legal disputes that were ongoing before its formation, thus, Company should reimburse Cosan regarding the judicial deposits made on the date before its formation. As of June 30 and March 31, 2019, balances of judicial deposits are as follows:

	Parent company		Consolidated	
	06/30/2019	03/31/2019	06/30/2019	03/31/2019
Tax	169,078	165,034	287,439	283,063
Civil	8,964	8,340	9,356	8,587
Labor	75,220	68,061	95,806	89,370
	<u>253,262</u>	<u>241,435</u>	<u>392,601</u>	<u>381,020</u>
Own judicial deposits	129,778	119,647	156,123	146,631
Refundable judicial deposits (Note 9.c)	123,484	121,788	236,478	234,389

i) Non-reimbursable legal disputes

	Parent company			Total
	Tax	Civil	Labor	
March 31, 2019	10,075	7,293	129,003	146,371
Provision in the period	365	894	42,717	43,976
Write-offs/reversals (i)	(188)	(2,292)	(15,349)	(17,829)
Payments	-	(428)	(6,250)	(6,678)
Inflation adjustment (ii)	-	148	12,718	12,866
June 30, 2019	<u>10,252</u>	<u>5,615</u>	<u>162,839</u>	<u>178,706</u>

(i) Includes the reversal of inflation adjustment in the amount of (R\$ 17,191), calculated at the income (loss) for the period under "Financial income" caption.

(ii) Recognized in the income (loss) for the period as financial income (loss).

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				Consolidated
	Tax	Civil	Labor	Total
March 31, 2019	18,749	14,763	183,523	217,035
Provision in the period	2,214	895	59,991	63,100
Write-offs/reversals (i)	(3,100)	(2,423)	(22,090)	(27,613)
Payments	-	(427)	(9,402)	(9,829)
Inflation adjustment (ii)	1,984	270	17,563	19,817
June 30, 2019	<u>19,847</u>	<u>13,078</u>	<u>229,585</u>	<u>262,510</u>

(i) Includes the reversal of inflation adjustment in the amount of (R\$ 17,657), calculated at the income (loss) for the period under "Financial income" caption.

(ii) Calculated in the income (loss) for the period in "financial income (loss)" caption.

ii) Reimbursable legal disputes (i)

				Parent company
	Tax	Civil	Labor	Total
March 31, 2019	103,667	18,590	69,037	191,294
Provision in the period	69	1,214	4,230	5,513
Write-offs / reversals (ii)	(15,750)	(1,406)	(6,216)	(23,372)
Payments	-	(1,333)	(4,313)	(5,646)
Inflation adjustment	664	434	2,913	4,011
June 30, 2019	<u>88,650</u>	<u>17,499</u>	<u>65,651</u>	<u>171,800</u>

(i) The movement does not have and will never have effect on profit or loss, due to Company's right to reimbursement.

(ii) Includes the reversal of inflation adjustment in the amount of (R\$ 6,434).

				Consolidated
	Tax	Civil	Labor	Total
March 31, 2019	105,287	25,106	89,358	219,751
Provision in the period	71	1,274	4,519	5,864
Write-offs / reversals (ii)	(15,750)	(1,541)	(6,659)	(23,950)
Payments	-	(1,459)	(4,754)	(6,213)
Inflation adjustment	675	598	3,327	4,600
June 30, 2019	<u>90,283</u>	<u>23,978</u>	<u>85,791</u>	<u>200,052</u>

(i) The movement does not have and will never have effect on profit or loss, due to Company's right to reimbursement.

(ii) Includes the reversal of inflation adjustment in the amount of (R\$ 8,869).

iii) Total legal disputes

				Parent company
	Tax	Civil	Labor	Total
March 31, 2019	113,742	25,883	198,040	337,665
Provision in the period	434	2,108	46,947	49,489
Write-offs/reversals	(15,938)	(3,698)	(21,565)	(41,201)
Payments	-	(1,761)	(10,563)	(12,324)
Inflation adjustment	664	582	15,631	16,877
June 30, 2019	<u>98,902</u>	<u>23,114</u>	<u>228,490</u>	<u>350,506</u>

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				Consolidated
	Tax	Civil	Labor	Total
March 31, 2019	124,036	39,869	272,881	436,786
Provision in the period	2,285	2,169	64,510	68,964
Write-offs/reversals	(18,850)	(3,964)	(28,749)	(51,563)
Payments	-	(1,886)	(14,156)	(16,042)
Inflation adjustment	2,659	868	20,890	24,417
June 30, 2019	110,130	37,056	315,376	462,562

a) Tax

	Parent company		Consolidated	
	06/30/2019	03/31/2019	06/30/2019	03/31/2019
Social Security Charges ("INSS")	2,890	2,847	4,952	4,477
Value-added tax on sales and services ("ICMS")	34,372	34,052	39,757	38,423
Social Integration Program ("PIS") and Contribution for Social Security Funding ("COFINS")	16	204	16	204
Excise tax ("IPI") (i)	43,251	58,515	43,251	58,798
Lawyers' fees	10,250	10,076	13,883	13,939
Other	8,123	8,048	8,271	8,195
	98,902	113,742	110,130	124,036
Non-reimbursable legal disputes	10,250	10,075	19,850	18,751
Reimbursable legal disputes	88,652	103,667	90,280	105,285

(i) IPI

In the three-month period ended June 30, 2019, the Company reversed the amount of R\$ 15,561 in connection with lawsuit of IPI debits related to 95/96 Crops. These amounts are prescribed, which impairs the collection by the National Treasury Attorney's Office ("PGFN").

b) Civil and labor

The Company and its subsidiaries are parties to several civil lawsuits relating to (i) indemnification for material and pain and suffering, (ii) disputes on contracts, (iii) executions, (iv) collection, (v) rendering of accounts, (vi) possessory and (vii) public civil lawsuits related environment.

The Company and its subsidiaries are also parties to various labor lawsuits filed by former employees and employees of service providers who question, among others, payment of overtime, extra for night and dangerous work, rehiring to job position, return of amounts discounted on payroll such as confederation union dues, union dues, and others.

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The following legal disputes were considered as possible loss and, thus, no provision for lawsuits demands has been recognized in the financial statements

a) Tax

	Parent company		Consolidated	
	06/30/2019	03/31/2019	06/30/2019	03/31/2019
ICMS (i)	1,787,988	1,751,246	2,237,015	2,196,856
INSS	191,020	228,809	206,434	237,026
IPI	267,098	259,444	303,707	295,932
Income tax and Social contribution ("IRPJ and CSLL") (ii)	1,176,793	844,531	1,521,585	1,125,276
PIS and COFINS	1,623,533	1,558,184	1,726,912	1,646,769
Offsets with IPI credit - IN 67/98	114,454	113,974	135,792	135,215
MP 470 - Installment payment of debt	187,634	186,431	187,634	186,431
Other	204,184	200,343	280,730	283,955
	<u>5,552,704</u>	<u>5,142,962</u>	<u>6,599,809</u>	<u>6,107,460</u>
Non-reimbursable legal disputes	2,833,486	2,511,897	3,448,885	3,042,884
Reimbursable legal disputes	2,719,218	2,631,065	3,150,924	3,064,576

(i) ICMS

In the three-month period ended June 30, 2019, the Company reversed the amount of R\$ 30,592 due to the success of the assessment notice for the collection of social security contribution debits and to SENAR at the administrative level.

(ii) IRPJ and CSLL

In the three-month period ended June 30, 2019, the Company recognized assessment notices for the period from 2016 to 2019 regarding the offset of tax losses and social contribution tax loss carryforwards in the amount of R\$ 396,309.

b) Civil and labor

	Parent company		Consolidated	
	06/30/2019	03/31/2019	06/30/2019	03/31/2019
Civil	450,883	441,983	771,468	752,219
Labor	206,660	238,079	251,583	291,156
	<u>657,543</u>	<u>680,062</u>	<u>1,023,051</u>	<u>1,043,375</u>
Non-reimbursable legal disputes	222,367	242,924	394,788	418,095
Reimbursable legal disputes	435,176	437,138	628,263	625,280

19. Commitments (Consolidated)

As mentioned in note 17 to financial statements of March 31, 2019, the Company has entered into commitments to purchase and lease agreements. During the three-month period ended June 30, 2019 no significant changes related to these commitments.

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20. Equity

a) Capital and capital reserve

As of June 30 and March 31, 2019, capital totals R\$ 6,516,354. That caption does not include the balance of redeemable preferred shares - liability financial instruments in the amount of R\$ 5,161 totaling R\$ 6,511,193.

Capital is fully subscribed for and paid in and is represented as follows:

	Shareholders (shares in units)			
	Shell	CIP Cosan Investimentos e Participações S.A. ("CIP")	Cosan S.A.	Total
Common	3,621,641,599	3,621,641,599	-	7,243,283,198
Class-A preferred shares	-	-	1	1
Class-B preferred shares	-	-	133,242,457	133,242,457
Class-D preferred shares	100,000	-	-	100,000
Total at June 30, 2019 and March 31, 2019	<u>3,621,741,599</u>	<u>3,621,641,599</u>	<u>133,242,458</u>	<u>7,376,625,656</u>

b) Dividends

June 30, 2019									
Company	Dividends	Year	Approval in AGE and/or AGOE	Nature and type of share	Impact in equity	Amounts paid	Recipient	Percentage	Payment date
RESA	Retained earnings	Mar/19	06/26/2019	Common	172,602	172,602	Shell / CIP	50% each	06/27/2019
RESA	Profit reserve	Mar/19	06/26/2019	Common	407,905	407,905	Shell / CIP	50% each	06/27/2019
					<u>580,507</u>	<u>580,507</u>			

c) Equity valuation adjustments

	03/31/2018	Comprehensive income	06/30/2018	03/31/2019	Comprehensive income	06/30/2019
Effect of foreign currency translation - CTA	273	(4,947)	(4,674)	(2,475)	7,650	5,175
Actuarial losses from defined benefit plans	(11,513)	-	(11,513)	(12,526)	-	(12,526)
Net gain (loss) on derivative financial instruments - Hedge accounting	7,854	(338,247)	(330,393)	(213,800)	73,526	(140,274)
Total	<u>(3,386)</u>	<u>(343,194)</u>	<u>(346,580)</u>	<u>(228,801)</u>	<u>81,176</u>	<u>(147,625)</u>

d) Interest of non-controlling shareholders

Corresponds to non-controlling shareholders' interest of 26.59% on equity of subsidiary Unimodal, 15% on equity of subsidiary Biogás and 30% on equity of subsidiary RWXE.

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e) (Losses) earnings per share

Basic and diluted:

	<u>Apr–Jun/2019</u>	<u>Apr–Jun/2018</u>
Numerator		
Net (loss) income for the period	(113,006)	4,126
(Loss) income available to preferred shareholders	<u>529</u>	<u>(1,417)</u>
(Loss) income available to common shareholders	<u>(112,477)</u>	<u>2,709</u>
Denominator:		
Weighted average of outstanding common shares (in thousands)	<u>7,243,283</u>	<u>7,243,283</u>
Basic and diluted earnings (losses) per common share (Reais per share)	<u>(0.0155)</u>	<u>0.0004</u>

The Company does not have outstanding common shares that could cause dilution or debt convertible in common shares. Thus, the basic and diluted (loss) income per share are equivalent.

21. Net operating revenue

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>Apr–Jun/2019</u>	<u>Apr–Jun/2018</u>	<u>Apr–Jun/2019</u>	<u>Apr–Jun/2018</u>
Gross revenue from sale of products and services	1,515,713	1,397,675	6,414,949	4,335,714
Sales taxes	(111,361)	(113,362)	(321,089)	(236,725)
Returns and cancellations	(3,156)	(2,035)	(5,526)	(3,549)
Commercial discounts	<u>(414)</u>	<u>(223)</u>	<u>(4,233)</u>	<u>(3,885)</u>
Net operating revenue	<u>1,400,782</u>	<u>1,282,055</u>	<u>6,084,101</u>	<u>4,091,555</u>

The net operating revenue is segregated between the following components:

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>Apr–Jun/2019</u>	<u>Apr–Jun/2018</u>	<u>Apr–Jun/2019</u>	<u>Apr–Jun/2018</u>
Net revenue from sale of products and services	1,369,692	1,313,538	6,002,046	4,123,038
Income (loss) from financial instruments designated as hedge accounting	28,272	(33,136)	28,272	(33,136)
Results from commodity financial instruments not designated as hedge accounting	2,818	1,653	53,783	1,653
Net operating revenue	<u>1,400,782</u>	<u>1,282,055</u>	<u>6,084,101</u>	<u>4,091,555</u>

22. Segment information

The Management of Raízen Energia defined the ethanol, sugar and bioenergy segment (“EAB”) as the only operating segment, based on reports used by the President of the Company and the Board of Directors, which are the main operating and strategic decision makers. Evaluation and performance goals are defined and followed-up considering EAB segment as a whole.

The EAB segment covers the production and sale of ethanol and sugar generated from sugarcane processing, as well as the cogeneration of energy that is produced from the burning of the sugarcane bagasse.

Since the assets are also used to produce sugar, ethanol and bioenergy, there is no separate disclosure of these assets.

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The Company follows-up net operating revenue from trading of its products in the domestic and foreign markets, as follows:

	Consolidated	
	Apr–Jun/2019	Apr–Jun/2018
Foreign market	1,040,117	932,293
Domestic market	5,043,984	3,159,262
Total	6,084,101	4,091,555

Detailing of net operating revenue per product is as follows:

	Consolidated	
	Apr–Jun/2019	Apr–Jun/2018
Ethanol	1,912,102	1,624,326
Diesel	1,736,908	1,122,690
Sugar	751,319	729,443
Energy	911,268	303,939
Gasoline	731,409	275,068
Other products and services	41,095	36,089
Total	6,084,101	4,091,555

Percentage of net operating revenue per geographic area is as follows:

	Consolidated	
	Apr–Jun/2019	Apr–Jun/2018
Brazil	81.98%	77.10%
Asia	9.58%	17.98%
North America	4.55%	2.94%
Europe	3.84%	1.63%
Other (1)	0.05%	0.35%
Total	100.00%	100.00%

(1) South America (except Brazil), Africa and Oceania.

During three-month periods ended June 30, 2019, main EAB clients, which individually represented 5% or more of the Company's total revenue, are as follows:

Client	Consolidated	
	Apr–Jun/2019	Apr–Jun/2018
Raízen Combustíveis S.A.	37.30%	31.82%
Petrobras Distribuidora S.A.	10.86%	15.43%
Raízen and Wilmar Sugar	2.21%	9.74%

23. Costs and expenses by nature

Reconciliation of costs and expenses by nature

Costs and expenses are shown in the income (loss) by function. The reconciliation of results by nature for the three-month periods ended June 30, 2019 and 2018 is detailed as follows:

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a) Costs and expenses by nature:

	Parent company		Consolidated	
	Apr–Jun/2019	Apr–Jun/2018	Apr–Jun/2019	Apr–Jun/2018
Raw material	(513,645)	(516,044)	(1,656,537)	(1,476,819)
Purchase of fuels (1)	(38,015)	(39,272)	(2,464,592)	(1,401,427)
Depreciation and amortization	(453,608)	(297,182)	(578,917)	(397,832)
Personnel expenses	(165,129)	(155,436)	(242,692)	(233,675)
Cutting, loading and transportation (“CCT”)	(135,749)	(136,519)	(170,216)	(171,584)
Maintenance materials	(46,548)	(41,359)	(59,026)	(40,465)
Outsourced labor	(47,724)	(41,511)	(53,133)	(46,225)
Change in fair value of biological assets	68,771	19,495	83,286	42,823
Realization of fair value of biological assets	23,141	(68,681)	3,220	(99,512)
Rental and leases	(8,125)	(61,984)	(10,577)	(68,401)
Resale of energy (2)	-	-	(721,621)	(122,932)
Other expenses	(99,897)	(87,541)	(108,840)	(84,617)
	<u>(1,416,528)</u>	<u>(1,426,034)</u>	<u>(5,979,645)</u>	<u>(4,100,666)</u>

(1) The increase in the purchase costs of Diesel and Gasoline is mainly due to a higher volume of these products sold at Raízen Trading.

(2) The increase in the costs of purchase of electricity is mainly due to the increase in sales volume as a result of the acquisition of WX. For further details, see Note 27.1.ii of the financial statements as of March 31, 2019.

b) Classified as:

	Parent company		Consolidated	
	Apr–Jun/2019	Apr–Jun/2018	Apr–Jun/2019	Apr–Jun/2018
Cost of products sold and services rendered	(1,168,002)	(1,166,372)	(5,663,743)	(3,768,905)
Selling expenses	(140,263)	(148,989)	(172,210)	(184,952)
General and administrative expenses	(108,263)	(110,673)	(143,692)	(146,809)
	<u>(1,416,528)</u>	<u>(1,426,034)</u>	<u>(5,979,645)</u>	<u>(4,100,666)</u>

24. Other operating revenues (expenses), net

	Parent company		Consolidated	
	Apr–Jun/2019	Apr–Jun/2018	Apr–Jun/2019	Apr–Jun/2018
Credits from indemnity suits (1)	-	-	-	75,406
Revenue from sales of scrap and waste	2,983	2,209	3,664	2,907
Net (formation) reversal of estimated loss in fixed assets (Note 12)	(205)	278	(71)	373
Net recognition of extemporaneous tax credits	83	5	83	204
Results from commercial operations	23,603	(4,084)	16,822	(2,923)
Net formation of provision for legal disputes and contingencies	(26,608)	(10,865)	(35,365)	(16,202)
Other	18,399	717	18,105	837
	<u>18,255</u>	<u>(11,740)</u>	<u>3,238</u>	<u>60,602</u>

(1) On June30, 2018 composed of R\$ 75,406 relating to the recognition of Refundable credit from indemnity suits.

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25. Financial results

	Parent company		Consolidated	
	Apr– Jun/2019	Apr– Jun/2018	Apr– Jun/2019	Apr– Jun/2018
<u>Financial expenses</u>				
Interest	(235,916)	(143,194)	(282,799)	(181,929)
Holding loss	(25,736)	(46,834)	(28,783)	(55,153)
PIS and COFINS on financial revenue	(2,894)	(3,784)	(5,199)	(6,432)
Other	(15,739)	(11,630)	(16,264)	(41,625)
	<u>(280,285)</u>	<u>(205,442)</u>	<u>(333,045)</u>	<u>(285,139)</u>
Fair value of financial instruments (liabilities) (Notes 9 and 15)	<u>(106,951)</u>	<u>17,504</u>	<u>(116,943)</u>	<u>30,368</u>
Less: amounts capitalized on qualifying assets (Note 12)	<u>7,059</u>	<u>6,669</u>	<u>8,051</u>	<u>9,901</u>
	<u>(380,177)</u>	<u>(181,269)</u>	<u>(441,937)</u>	<u>(244,870)</u>
<u>Financial revenues</u>				
Interest	43,193	44,718	90,529	112,242
Yields from financial investments	5,031	2,341	23,245	28,035
Holding gain	8,099	30,340	8,526	31,015
Other	8	-	9	-
	<u>56,331</u>	<u>77,399</u>	<u>122,309</u>	<u>171,292</u>
Net exchange-rate change ⁽¹⁾	<u>25,129</u>	<u>(105,878)</u>	<u>27,267</u>	<u>(141,466)</u>
Net effect of the derivatives ⁽²⁾	<u>37,586</u>	<u>84,158</u>	<u>50,421</u>	<u>101,412</u>
	<u>(261,131)</u>	<u>(125,590)</u>	<u>(241,940)</u>	<u>(113,632)</u>

(1) Includes foreign exchange, net losses on assets and liabilities denominated in foreign currency; and

(2) Includes realized and unrealized income (loss) with futures, options, swaps and NDFs and other derivatives.

26. Financial instruments

a) Overview

The Company presents exposure to the following risks deriving from its operations, which are equalized and managed with the use of certain financial instruments:

- price risk
- Foreign exchange rate risk
- interest rate risk
- credit risk
- liquidity risk

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

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b) Risk management structure

The Company has specific treasury and trading policies that set how risk management must be performed. The Company has two main committees to monitor activities and ensure policy compliance: (i) A risk committee whose members gather weekly to analyze the behavior of commodity (sugar, ethanol and oil by-products) and foreign exchange markets and decide on coverage positions and the strategy to fix the prices of exports and imports to reduce the adverse effects of changes in prices and foreign exchange rate. (ii) An ethanol committee whose members gather monthly to assess the risks posed by the sale of ethanol and to comply with the limits set on risk policies; as well as to follow-up the liquidity risks and counterparty (credit); (iii) Committee on electric power, which meets on a weekly basis to evaluate risks related to trading of electric power and adequacy to limits defined in risk policies.

The Company and its subsidiaries are exposed to market risks, and main ones are: (i) fluctuations in sugar, electric power, by-products and ethanol prices; (ii) fluctuations in foreign exchange rates; and, (iii) fluctuations in interest rates. The purchases of financial instruments for hedging purposes are made according to an analysis of the risk exposure that Management intends to cover.

The Company and its subsidiaries are exposed to market risks, and main ones are: (i) fluctuations in sugar, by-products and ethanol prices; (ii) fluctuations in foreign exchange rates; and, (iii) fluctuations in interest rates. The purchases of financial instruments for hedging purposes are made according to an analysis of the risk exposure that Management intends to cover.

As of June 30 and March 31, 2019, the fair values of transactions with derivative financial instruments for hedging purposes were measured at fair value determined according to observable data, such as prices quoted in active markets or discounted cash flows according to market curves and are presented below:

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	Notional		Parent company Fair value		Notional		Consolidated Fair value	
	06/30/2019	03/31/2019	06/30/2019	03/31/2019	06/30/2019	03/31/2019	06/30/2019	03/31/2019
<u>Price risk</u>								
Commodity derivatives								
Futures and options contracts	2,219,073	1,862,471	172,491	125,859	2,939,724	(8,012,282)	203,817	129,046
	2,219,073	1,862,471	172,491	125,859	2,939,724	(8,012,282)	203,817	129,046
<u>Foreign exchange rate risk</u>								
Foreign exchange rate derivatives								
Futures contracts	229,932	(178,274)	(417)	551	229,932	(178,274)	(417)	551
Forward contracts	8,778,421	5,845,635	145,748	(108,964)	8,778,421	5,845,635	145,748	(108,964)
FX swap	(4,336,786)	(1,375,224)	5,605	60,687	(4,474,017)	(1,561,966)	5,966	64,107
	4,671,567	4,292,137	150,936	(47,726)	4,534,336	4,105,395	151,297	(44,306)
<u>Interest rate risk</u>								
Interest derivatives								
	(938,161)	(1,740,015)	136,850	81,881	(1,153,019)	(1,153,019)	186,011	120,624
	(938,161)	(1,740,015)	136,850	81,881	(1,153,019)	(1,153,019)	186,011	120,624
Total			460,277	160,014			541,125	205,364
Current assets			609,633	239,512			1,208,197	788,279
Non-current assets			442,656	514,076			505,255	562,684
Total assets			1,052,289	753,588			1,713,452	1,350,963
Current liabilities			(151,359)	(227,548)			(720,219)	(766,549)
Non-current liabilities			(440,653)	(366,026)			(452,108)	(379,050)
Total liabilities			(592,012)	(593,574)			(1,172,327)	(1,145,599)

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c) Price risk

Price risks result from the possibility of fluctuations in the market prices of the products sold by the Company and its subsidiaries, mainly VHP sugar (sugar #11), refined sugar (sugar #5 or white sugar), ethanol, electric power and oil by-products. These price changes may cause relevant changes in the Company's revenues and costs. To mitigate these risks, the Company permanently monitors markets, seeking to anticipate price changes. The table below shows the positions of derivative financial instruments to cover the risk of fluctuations in commodity prices, outstanding as of June 30, 2019:

Consolidated							
Price risk: commodity derivatives, outstanding as of June 30, 2019							
Derivatives	Purchased / Sold	Market	Contract	Maturity	Notional (units)	Notional (RS thousand)	Fair value (RS thousand)
Future	Sold	NYSE LIFFE	Sugar#5	Jul/19	2,900 t	3,678	28
Future	Sold	ICE	Sugar#11	Jul/19–Apr/21	3,653,099 t	4,229,523	128,031
Options	Sold	ICE	Sugar#11	Jul/19–Apr/21	1,379,996 t	41,888	(21,327)
Accumulator	Sold	OTC	Sugar#11	Sep/19	101,605 t	134,400	(150)
Subtotal sugar future sold					5,137,600 t	4,409,489	106,582
Future	Purchased	NYSE LIFFE	Sugar#5	Jul/19	(2,100) t	(2,672)	(29)
Future	Purchased	ICE	Sugar#11	Jul/19–Sep/20	(2,210,616) t	(2,433,798)	(14,801)
Options	Purchased	ICE	Sugar#11	Jul/19–Sep/20	(1,379,996) t	(73,078)	26,106
Options	Purchased	OTC	Sugar#11	Sep/19	(101,605) t	(100,800)	1,501
Subtotal sugar future bought					(3,694,317) t	(2,610,348)	12,777
Subtotal sugar future					1,443,283 t	1,799,141	119,359
Future	Sold	B3	Ethanol	Jul/19–Apr/21	1,200 m ³	1,968	(15)
Future	Sold	CME	Ethanol	Jul/19–Sep/20	802,420 m ³	1,827,921	(127,603)
Future	Sold	OTC	Ethanol	Jul/19–Mar/20	1,311,890 m ³	556,990	(26,955)
Subtotal ethanol future sold					2,115,510 m ³	2,386,879	(154,573)
Future	Purchased	B3	Ethanol	Jul/19–Sep/20	(4,950) m ³	(8,072)	88
Future	Purchased	CME	Ethanol	Jul/19–Mar/20	(675,100) m ³	(1,539,305)	117,506
Future	Purchased	OTC	Ethanol	Jul/19–Jun/20	(1,091,699) m ³	(344,357)	58,589
Option	Purchased	CME	Ethanol	Aug/19	(2,000) m ³	(77)	1
Subtotal ethanol future bought					(1,773,749) m ³	(1,891,811)	176,184
Physical fixed	Sold	CHGOETHNL	Ethanol	Jul/19–Jun/20	378,355 m ³	571,854	(6,497)
Subtotal physical fixed ethanol sold					378,355 m ³	571,854	(6,497)
Physical fixed	Purchased	CHGOETHNL	Ethanol	Jul/19–Jun/20	(226,644) m ³	(337,976)	(3,193)
Sub-total physical fixed ethanol bought					(226,644) m ³	(337,976)	(3,193)
Subtotal ethanol future					493,472	728,946	11,921
Future	Sold	NYMEX	Gasoline	Jul/19–Jan/20	1,149,182 m ³	2,067,688	2,152
Future	Sold	ICE	Gasoline	Jul/19–Dec/20	383,985 m ³	548,602	(13,682)
Option	Sold	OTC	Gasoline	Jul/19–Mar/20	111,618 m ³	194,265	23,800
Option	Sold	ICE	Gasoline	Aug/19	47,700 m ³	568	568
Subtotal future gasoline sold					1,692,485	2,811,123	12,838
Future	Purchased	NYMEX	Gasoline	Jul/19–Jan/20	(1,048,128) m ³	(1,871,319)	32,021
Future	Purchased	ICE	Gasoline	Jul/19–Jan/20	(380,010) m ³	(544,966)	10,949
Option	Purchased	ICE	Gasoline	Aug/19	(23,850) m ³	(550)	(550)
Subtotal future gasoline bought					(1,451,988)	(2,416,835)	42,420
Subtotal of future gasoline					240,497	394,288	55,258
Physical fixed	Sold	CCEE/OTC	Energy	Jul/19–Dec/23	5,840,368 mhw	1,281,969	130,229
Subtotal physical fixed energy sold					5,840,368	1,281,969	130,229

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Physical fixed	Purchased	CCEE/OTC	Energy	Jul/19–Dec/23	(5,840,368) mhw	(1,264,620)	(112,950)
Subtotal physical fixed energy sold					(5,840,368) mhw	(1,264,620)	(112,950)
Subtotal physical fixed energy					-	17,349	17,279
Net exposure of commodity derivatives as of June 30, 2019						2,939,724	203,817
Net exposure of commodity derivatives as of March 31, 2019						(8,012,282)	129,046

d) Foreign exchange rate risk

Foreign exchange rate risks arise from the possibility of fluctuations in the exchange rates used by the Company for exports, imports, financing cash flows and other foreign currency assets and liabilities. The Company uses derivative transactions to manage cash flow risks resulting from export revenue denominated in US dollars, net of other cash flows also denominated in foreign currency. The table below shows the positions for derivative financial instruments used to cover exchange rate risks:

Consolidated							
Price risk: outstanding foreign exchange derivatives as of June 30, 2019							
Derivatives	Purchased / Sold	Market	Contract	Maturity	Notional (US\$ thou.)	Notional (R\$ thousand)	Fair value (R\$ thousand)
Future	Sold	B3	Trade dollar	Jul/19–Aug/19	524,500	2,009,989	1,297
Subtotal future sold					524,500	2,009,989	1,297
Future	Purchased	B3	Trade dollar	Jul/19–Aug/19	(464,500)	(1,780,057)	(1,714)
Subtotal future bought					(464,500)	(1,780,057)	(1,714)
Term	Sold	OTC/Cetip	NDF	Jul/19–Aug/19	2,510,400	9,620,355	150,185
Term	Purchased	OTC/Cetip	NDF	Jul/19	(219,700)	(841,934)	(4,437)
Subtotal term bought/sold					2,290,700	8,778,421	145,748
FX swap	Sold	Fixed dollar/OTC	FX swap	Jul/19–Jan/27	470,190	1,801,862	(407,733)
FX swap	Purchased	Fixed dollar/OTC	FX swap	Aug/19–Jan/27	(1,637,670)	(6,275,879)	413,699
Subtotal of swap					(1,167,480)	(4,474,017)	5,966
Net exposure of foreign exchange derivatives as of June 30, 2019					1,183,220	4,534,336	151,297
Net exposure of foreign exchange derivatives as of March 31, 2019					1,073,557	4,105,395	(44,306)

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On June 30 and March 31, 2019, the Company's exchange risk exposure is as follows:

	Consolidated	
	06/30/2019	
	R\$	US\$ (in thousands)
Cash and cash equivalents (Note 3)	1,864,188	486,454
Restricted cash (Note 4)	45,996	12,003
Accounts receivable - Abroad (Note 5)	400,417	104,488
Related parties (Note 9)	4,203,079	1,096,780
Suppliers (Note 14)	(2,349,965)	(613,216)
Loans and financing (Note 15)	(5,806,546)	(1,515,199)
Derivatives (Note 26.d) (*)	-	(1,183,220)
Net foreign exchange exposure	<u>(1,642,831)</u>	<u>(1,611,910)</u>
Derivatives settled in the month following the closing (**)		123,327
Net foreign exchange exposure, adjusted in June 2019 (***)		<u>(1,488,583)</u>
Net foreign exchange exposure, adjusted in March 2019 (***)		<u>(1,766,837)</u>

(*) Refers to the notional foreign exchange derivative transactions.

(**) Settlement at PTAX on the last closing day of the month.

(***) The net foreign exchange exposure, this will be substantially offset by probable future revenue of export products.

e) Hedge accounting effect

The Company formally designates its transactions subject to hedge accounting documenting: (i) the hedging relationship; (ii) the Company's risk management purpose and strategy when entering into the hedging instrument; (iii) the identification of the financial instrument; (iv) the covered object or transaction; (v) the nature of the risk to be covered; (vi) the description of the coverage relation and (vii) correlation between hedging and coverage object.

As of June 30 and March 31, 2019, the impacts calculated under the Company's equity and the estimated realization in profit or loss are shown below:

Financial instruments	Market	Risk	June 30, 2019			
			2019/20	2020/21	>2022	Total
Future	OTC / ICE	Sugar#11	86,255	26,742	-	112,997
Future	B3 / NYMEX / OTC	Ethanol	44,110	5,383	-	49,493
Option	ICE	Sugar#11	(28,018)	1,459	-	(26,559)
NDF	OTC	FX	39,000	22,960	-	61,960
Swap	Debt	FX	-	-	(371,746)	(371,746)
PPE	Debt	FX	-	-	(38,684)	(38,684)
			<u>141,347</u>	<u>56,544</u>	<u>(410,430)</u>	<u>(212,539)</u>
(-) Deferred taxes			<u>(48,058)</u>	<u>(19,225)</u>	<u>139,548</u>	<u>72,265</u>
Effect in equity on June 30, 2019			<u>93,289</u>	<u>37,319</u>	<u>(270,882)</u>	<u>(140,274)</u>

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We show below the movement in the balances of other comprehensive income during the period:

	<u>06/30/2019</u>
Balance at the beginning of the period	(213,800)
Gains/(losses) occurred in the period:	
Fair value on commodity futures designated as hedge accounting	64,618
Fair value loss on foreign exchange locks designated as hedge accounting	148,622
Exchange-rate change on debt contracts designated as hedge accounting	(63,641)
Results from commodities recognized in net operating revenue (Note 21)	(18,067)
Result of exchange forward in net operating revenue (Note 21)	(10,205)
Realization of financial instruments we considered as non-effective hedge accounting	(9,923)
Total movements occurred in the period	111,404
Effect of deferred taxes on equity valuation adjustment	(37,878)
	<u>73,526</u>
Balance at June 30, 2019	<u>(140,274)</u>

f) Interest rate risk

The Company monitors fluctuations in interest rates applied to certain debts, particularly those exposed to the Libor risk, and uses derivative instruments to mitigate those risks. The table below shows the positions for derivative financial instruments used to cover exchange rate risks:

							<u>Consolidated</u>
							<u>Price risk: interest derivatives, outstanding as of June 30, 2019</u>
<u>Derivatives</u>	<u>Purchased/ Sold</u>	<u>Market</u>	<u>Contract</u>	<u>Maturity</u>	<u>Notional (US\$ thou.)</u>	<u>Notional (R\$ thousand)</u>	<u>Fair value (R\$ thousand)</u>
Interest rate swap	Sold	OTC	Interest rate swap	Oct/20	104,621	400,927	(19,191)
Interest rate swap	Purchased	OTC	Interest rate swap	Oct/20–Apr/24	(405,497)	(1,553,946)	205,202
Net exposure of interest derivatives as of June 30, 2019					<u>(300,876)</u>	<u>(1,153,019)</u>	<u>186,011</u>
Net exposure of interest derivatives as of March 31, 2019					<u>(295,896)</u>	<u>(1,153,019)</u>	<u>120,624</u>

g) Credit risk

A substantial part of the sales of the Company and its subsidiaries is made to a select group of highly qualified counterparties, as trading companies, fuel distribution companies, electricity distributors and major supermarket chains.

The Group manages credit risk by following specific client acceptance standards, analyzing client credit standing and setting exposure limits per client, requiring, when applicable, letters of credit of top tier banks and taking security interest in assets as security for payment of the credit facilities granted to clients. Management considers that the credit risk is substantially covered by the estimated loss in allowance for doubtful accounts.

Individual risk limits are determined with basis on internal or external classifications in accordance with limits determined by Company's management. The use of credit limits is regularly monitored. No credit limit was exceeded during the period, and Management does not expect any loss from default

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by these counterparties in amounts higher than those already provided for.

The Company enters into commodity derivative agreements in futures markets and options at the New York Board of Trade - NYBOT, Chicago - CBOT and at the London International Financial Futures and Options Exchange - LIFFE, as well as in over-the-counter markets with selected counterparties. The Company enters into foreign exchange rate and commodity derivative agreements at B3 and over-the-counter agreements, mainly with the leading local and foreign banks considered by global credit risk

rating agencies to have investment level ratings.

Guarantee margins - Derivative transactions in commodity exchanges (NYBOT, LIFFE and B3) require guarantee margins. The total margin of Consolidated deposited as of June 30, 2019 is R\$ 73,868 (R\$ 94,401 as of March 31, 2018), of which R\$ 27,872 (R\$ 40,699 as of March 31, 2019) in restricted financial investments and R\$ 45,996 (R\$ 53,702 as of March 31, 2019) in derivative transaction margins.

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

The credit risk on cash and cash equivalents is mitigated by the conservative distribution of investment funds and CDBs (Note 3), which make up the caption. The distribution follows strict criteria for allocation and exposure to counterparties that are major national and international banks, mainly considered investment grade by international rating agencies.

h) Liquidity risk

It is the risk of the Company may encounter difficulties in performing the obligations associated with its financial liabilities that are settled with payments or with another financial asset. The Company's approach in liquidity management is to guarantee, as much as possible, that it always has sufficient liquidity to perform its obligations upon maturity, under normal and stress conditions, without causing unacceptable losses or with a risk of sullyng the Company's reputation. As part of the liquidity management process, management prepares business plans and monitors their implementation, discussing positive and negative cash flow risks and assessing the availability of funds to support its operations, investments and refinancing needs.

The table below shows the financial liabilities according to their aging schedules:

	Consolidated				
	Up to 1 year	Up to 2 years	3-5 years	>5 years	Total
Loans and financing (1)	2,858,467	1,841,160	4,750,295	5,720,089	15,170,011
Suppliers (Note 14)	3,947,553	-	-	-	3,947,553
Derivative financial instruments	720,219	53,474	53,281	345,353	1,172,327
Related parties (1)	3,276,068	-	-	403,348	3,679,416
Lease liabilities (1)	994,169	959,266	2,067,132	1,710,094	5,730,661
June 30, 2019	<u>11,796,476</u>	<u>2,853,900</u>	<u>6,870,708</u>	<u>8,178,884</u>	<u>29,699,968</u>
March 31, 2019	<u>7,225,653</u>	<u>2,626,561</u>	<u>4,330,180</u>	<u>7,846,224</u>	<u>22,028,618</u>

(1) Undiscounted contractual cash flows.

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i) Fair value

Procedures over the definition, measurement and recognition of the fair value of financial liabilities are the same disclosed on annual financial statements as of March 31, 2019.

Fair value hierarchy

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

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

Financial instruments are classified as follows:

Financial instruments valued at fair value	Consolidated		
	Level 1	Level 2	Total
Interest earnings bank deposits (Note 3)	-	876,625	876,625
Restricted financial investments (Restricted cash) (Note 4)		68,979	68,979
Derivative financial instruments - assets	711,318	1,002,134	1,713,452
Loans and financing (Note 15)	-	(4,063,080)	(4,063,080)
Derivative financial instruments - Liabilities	(550,346)	(621,981)	(1,172,327)
June 30, 2019	160,972	(2,737,323)	(2,576,351)
March 31, 2019	126,630	(1,553,219)	(1,426,589)

As of June 30 and March 31, 2019, there were no transfers among such levels in order to determine the fair value of financial instruments.

j) Sensitivity analysis

We present below the sensitivity analysis of the fair value of financial instruments according to the types of risk considered relevant by the Company, pursuant to CVM Instruction No. 475 issued on March 17, 2008.

Assumptions for the sensitivity analysis

The Company has adopted three scenarios for the sensitivity analysis, one probable and two that may show the sundry effects in the fair value of the Company's financial instruments. The probable scenario was set according to the futures market curves of sugar and the US dollar as of June 30, 2019, corresponding to balance of fair value of derivatives on the date. Possible and remote scenarios were set considering impacts of 25% and 50% on sugar and US dollar price curves, which were considered as a basis for the probable scenario.

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Sensitivity table

i) Sensitivity on change in fair value of financial instruments

Risk factor	Impacts on income (loss) (*)				
	June 30, 2019				
	Probable scenario	Remote scenario + (25%)	Balance of fair value	Remote scenario + (50%)	Balance of the fair value
Price risk					
Commodity derivatives					
Futures and options contracts					
Purchase and sale commitments					
Sugar price increase	119,359	(463,470)	(344,111)	(926,941)	(807,582)
Gasoline price increase	55,258	(33,204)	22,054	(66,407)	(11,149)
Electric power price increase	17,278	(37,084)	(19,806)	(74,167)	(56,889)
Ethanol price increase	11,922	(29,321)	(17,399)	(58,641)	(46,719)
	203,817	(563,079)	(359,262)	(1,126,156)	(922,339)
Foreign exchange rate risk					
Foreign exchange rate derivatives					
Futures contracts:					
Purchase and sale commitments					
Increase in FX rate R\$/US\$	(417)	(17,556)	(17,973)	(35,112)	(35,529)
Forward contracts					
Purchase and sale commitments					
Increase in FX rate R\$/US\$	145,748	(1,255,023)	(1,109,275)	(2,510,045)	(2,364,297)
FX swaps:					
Purchase and sale commitments					
Increase in FX rate R\$/US\$	5,966	(286,666)	(280,700)	(573,332)	(567,366)
	151,297	(1,559,245)	(1,407,948)	(3,118,489)	(2,967,192)
Interest rate risk					
Swap, Term and Futures contracts					
Write-off in interest rate	186,011	(60,628)	125,383	(121,256)	64,755
	186,011	(60,628)	125,383	(121,256)	64,755
Total	541,125	(2,182,952)	(1,641,827)	(4,365,901)	(3,824,776)

(*) Result projected to occur within 12 months from June 30, 2019.

ii) Net foreign exchange exposure

The probable scenario considers the position as of June 30, 2019. The effects of the possible and remote scenarios that would be recognized in the consolidated statement of income as revenue or expenses on exchange-rate change are as follows:

Net foreign exchange exposure	Effect of exchange-rate changes				
	Scenarios				
June 30, 2019	+25%	+50%	-25%	-50%	
Cash and cash equivalents (Note 3)	1,864,188	466,047	932,094	(466,047)	(932,094)
Restricted cash (Note 4)	45,996	11,499	22,998	(11,499)	(22,998)
Accounts receivable - Abroad (Note 5)	400,417	100,104	200,209	(100,104)	(200,209)
Related parties (Note 9)	4,203,079	1,050,770	2,101,540	(1,050,770)	(2,101,540)
Suppliers (Note 14)	(2,349,965)	(587,491)	(1,174,983)	587,491	1,174,983
Loans and financing (Note 15)	(5,806,546)	(1,451,637)	(2,903,273)	1,451,637	2,903,273
Impact on income (loss) in the period	(410,708)	(821,415)	410,708	821,415	

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iii) Interest rate sensibility

As of June 30, 2019, the probable scenario considers the annual weighted average rate (5.94%) of floating interest of loans and financing of the Company, and for financial investments and as restricted cash, the CDI (6.31%) accumulated, realized in the last 12 months. In both cases, simulations were run considering the increase and reduction by 25% and 50%. The consolidated results of this sensitivity are as follows:

	Probable scenario	June 30, 2019			
		Interest rate sensibility			
		25%	50%	-25%	-50%
Interest earnings bank deposits	55,614	13,904	27,807	(13,904)	(27,807)
Restricted cash	4,352	1,088	2,176	(1,088)	(2,176)
Loans and financing	(515,759)	(128,940)	(257,880)	128,940	257,880
Additional impact in income (loss) for the period	(455,793)	(113,948)	(227,897)	113,948	227,897

k) Capital management

The Company's goal, when managing its capital structure, is to ensure that it will continue as a going concern and be able to finance investment opportunities, by keeping a healthy credit profile and offering an appropriate return to its shareholders.

The Company has relationships with large local and international rating agencies as show below:

Branch	Scale	Rating	Outlook	Date
Fitch	National	AAA (bra)	Stable	05/30/2019
	Global	BBB	Stable	05/30/2019
Moody's	National	Aaa.Br	Stable	04/30/2019
	Global	Ba1	Stable	04/30/2019
Standard & Poor's	National	brAAA	Stable	04/29/2019
	Global	BBB-	Stable	04/29/2019

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The financial leverage ratios on June 30 and March 31, 2019 were calculated as follows:

	06/30/2019	Consolidated 03/31/2019
Third party capital		
Loans and financing (Note 15)	11,974,407	12,076,976
(-) Cash and cash equivalents (Note 3)	(2,804,338)	(3,189,859)
(-) Financial investments linked to financing (note 4)	(41,107)	(40,565)
(-) National Treasury Certificates - CTN (Note 8)	(395,895)	(521,943)
(-) Foreign exchange and interest rate derivatives (Note 26.b)	(337,308)	(184,731)
	<u>8,395,759</u>	<u>8,139,878</u>
Own capital		
Equity		
Attributable to the parent company's shareholders	7,690,426	8,302,763
Interest of non-controlling shareholders	48,899	35,263
	<u>7,739,325</u>	<u>8,338,026</u>
Total capital	<u>16,135,084</u>	<u>16,477,904</u>
Leverage ratio	<u>52%</u>	<u>49%</u>

27. Retirement supplementation plan and other employee benefits

(a) Pension fund

Defined contribution

During the three-month period ended June 30, 2019, the contribution recognized as expenses amounted to R\$ 3,563 (R\$ 3,570 in the three-month period ended June 30, 2018).

(b) Profit sharing

The Company recognizes a liability and a profit-sharing expense based on a methodology that considers pre-defined targets to employees. The Company recognizes a provision when it is contractually compelled or when there is a past practice that created non-formalized obligation.

28. Insurance

As mentioned in Note 26 of financial statements as of March 31, 2019, the Company and its subsidiaries have an insurance program and risk management that provides consistent coverage and protection for corporate assets and operations. During the three-month period ended June 30, 2019 no significant changes in this insurance coverage.

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29. Supplementary information to the cash flow

a) Reconciliation of financing activities from cash flows

We present the reconciliation of financing activities of cash flows for the three-month period ended June 30, 2019 as follows:

(Assets) / Liabilities	Parent company						
	Financial investments linked to financing	Loans and financing (1)	Lease liability	Lease liabilities - related parties	Related parties	Dividends payable	Total
Opening balance	(628)	5,878,179	-	-	1,510,363	7,164	7,395,078
Transactions with an impact on the Financial Cash Flow ("FCF")							
Amortizations of principal of loans and financing – third parties	-	(19,617)	-	-	-	-	(19,617)
Payment of interest on loans and financing – third parties	-	(133,271)	-	-	-	-	(133,271)
Amortization of lease liabilities - third parties	-	-	(203,660)	-	-	-	(203,660)
Amortization of lease liabilities - related parties	-	-	-	(33,697)	-	-	(33,697)
Financial investments linked to financing	(92)	-	-	-	-	-	(92)
Payment of dividends (Note 20.b)	-	-	-	-	-	(580,507)	(580,507)
Payment of interest on loans and financing - intragroup	-	-	-	-	(9,163)	-	(9,163)
Asset management, net - intragroup	-	-	-	-	1,860,218	-	1,860,218
	(92)	(152,888)	(203,660)	(33,697)	1,851,055	(580,507)	880,211
Other changes not affecting the financing cash flow							
Net interest, inflation adjustments, and exchange-rate changes	85	40,163	59,997	16,542	54,079	-	170,866
Fair value of liability financial instruments	-	106,951	-	-	-	-	106,951
Distribution of dividends	-	-	-	-	-	580,507	580,507
First-time adoption - IFRS 16	-	-	2,705,438	720,759	-	-	3,426,197
Addition, write-off, remeasurement of lease liabilities and Other	-	15,114	441,598	47,594	-	-	504,306
	85	162,228	3,207,033	784,895	54,079	580,507	4,788,827
Closing balance	(635)	5,887,519	3,003,373	751,198	3,415,497	7,164	13,064,116

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(Assets) / Liabilities	Consolidated						
	Financial investments linked to financing	Loans and financing (1)	Lease liability	Lease liabilities - related parties	Related parties	Dividends payable	Total
Opening balance	(40,565)	11,555,033	-	-	(2,868,315)	10,011	8,656,164
Transactions with an impact on the Financial Cash Flow ("FCF")							
Loans and financing – third parties	-	7,227	-	-	-	-	7,227
Amortizations of principal of loans and financing – third parties	-	(48,368)	-	-	-	-	(48,368)
Payment of interest on loans and financing – third parties	-	(139,302)	-	-	-	-	(139,302)
Amortization of lease liabilities - third parties	-	-	(225,944)	-	-	-	(225,944)
Amortization of lease liabilities - related parties	-	-	-	(33,697)	-	-	(33,697)
Financial investments linked to financing	182	-	-	-	-	-	182
Payment of dividends (Note 20.b)	-	-	-	-	-	(580,507)	(580,507)
Net asset management - intragroup	-	-	-	-	1,557,282	-	1,557,282
	182	(180,443)	(225,944)	(33,697)	1,557,282	(580,507)	536,873
Other changes not affecting the financing cash flow							
Net interest, inflation adjustments, and exchange-rate changes	(724)	71,643	69,430	16,542	18,853	-	175,744
Fair value of liability financial instruments	-	116,943	-	-	-	-	116,943
Distribution of dividends	-	-	-	-	-	580,507	580,507
First-time adoption - IFRS 16	-	-	3,107,544	720,759	-	-	3,828,303
Addition, write-off, remeasurement of lease liabilities and Other	-	15,336	501,139	47,594	-	-	564,069
	(724)	203,922	3,678,113	784,895	18,853	580,507	5,265,566
Closing balance	(41,107)	11,578,512	3,452,169	751,198	(1,292,180)	10,011	14,458,603

(1) Presented net of CTN.

b) Main transactions not involving cash

Transactions not involving cash	Parent company		Consolidated	
	Apr–Jun/2019	Apr–Jun/2018	Apr–Jun/2019	Apr–Jun/2018
Depreciation of agricultural assets capitalized as biological assets (Note 7)	(5,609)	(4,537)	(6,474)	(5,422)
Estimated loss on doubtful accounts	-	-	4	388
Depreciation of agricultural assets capitalized as property, plant and equipment (Note 12)	(24,936)	(16,122)	(28,516)	(18,551)
Direito de Uso (Nota 11)	487,464	-	546,016	-
Tax credits on fixed assets, including adjustment to present value of property, plant and equipment.	(685)	(256)	(916)	(2,199)
Interest capitalized in fixed assets (Notes 12 and 25)	(7,059)	(6,669)	(8,051)	(9,901)
	449.175	(27,584)	502.063	(35,685)

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30. Subsequent event

Pursuant to the Announcement of Closing of the Public Distribution of the 1st and 2nd Series of the 6th Issue of True Securitizadora SA disclosed on July 26, 2019, the Company concluded the issuance of CRAs to raise R \$ 1,015,848, maturing in July 2029 and the following interest rates: (i) 100% CDI; (ii) IPCA + 3.6020%, pursuant to article 14, paragraph 2 of CVM 400 Normative Instruction (“IN”). The financial settlement took place on July 25, 2019.
