

## **Unaudited Interim Financial Statements**

### **Coruripe Energética S.A.**

December 31, 2018

with independent auditor's report on review of interim financial  
statements

## **Coruripe Energética S.A.**

### Unaudited interim financial statements

December 31, 2018

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**A free translation from Portuguese into English of independent auditor's report on review of interim financial statements originally issued in Portuguese.**

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## **Independent auditor's review report on interim financial statements**

To the Board of Directors, Shareholders and Officers  
**Coruripe Energética S.A.**  
Iturama – MG

### **Introduction**

We have reviewed the statement of financial position of Coruripe Energética S.A. ("Company") as at December 31, 2018, and the related statements of operations and of comprehensive income for the three and nine-month periods then ended, and of changes in equity and of cash flows for the nine-month period then ended, including the explanatory notes.

Management is responsible for the preparation and presentation of these interim financial statements in accordance with Technical Pronouncement CPC 21 (R1) - Interim Financial Statement ("CPC 21 (R1)"). Our responsibility is to express a conclusion on these interim financial statements based on our review.

### **Scope of review**

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



## **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with CPC 21 (R1).

Recife, February 22, 2019

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

A handwritten signature in grey ink, appearing to read 'Henrique Piereck de Sá', is written over the printed name.

Henrique Piereck de Sá  
Accountant CRC PE 023398/O-3

## Coruripe Energética S.A.

Statement of financial position  
December 31, 2018 (unaudited) and March 31, 2018  
(In thousands of reais)

	Note	12/31/2018	03/31/2018
Assets			
Current assets			
Cash and cash equivalents	3	3,708	238
Trade accounts receivable	4	2,027	-
Inventories		284	337
Taxes recoverable		54	192
Transactions with related parties	5	20,240	24,579
Other receivables		20	-
Total current assets		26,333	25,346
Noncurrent assets			
Long-term receivables			
Transactions with related parties	5	23,213	-
Taxes recoverable		87	134
Property, plant and equipment	6	9,226	11,070
Total noncurrent assets		32,526	11,204
Total assets		58,859	36,550
Liabilities and equity			
Current liabilities			
Accounts payable		59	656
Payroll and related charges		271	233
Taxes payable	7	3,447	2,212
Dividends	8	-	3,980
Transactions with related parties	5	-	185
Total current liabilities		3,777	7,266
Equity			
Capital	8	11,211	11,211
Income reserves		6,133	18,073
Retained earnings		37,738	-
Total equity		55,082	29,284
Total liabilities and equity		58,859	36,550

See accompanying notes.

## Coruripe Energética S.A.

Unaudited statement of operations

Nine and three-month periods ended December 31, 2018

(In thousands of reais, except earnings per share, in reais)

	Note	Nine-month period ended		Three-month period ended	
		12/31/2018	12/31/2017	12/31/2018	12/31/2017
Net revenue	9	<b>59,828</b>	30,272	<b>12,262</b>	8,964
Cost of electric and steam power generation	10	<b>(20,584)</b>	(16,021)	<b>(4,671)</b>	(5,261)
Gross profit		<b>39,244</b>	14,251	<b>7,591</b>	3,703
Operating expenses:					
General and administrative expenses	10	<b>(65)</b>	(91)	<b>3</b>	(40)
Other operating expenses, net	10	<b>-</b>	-	<b>-</b>	(42)
		<b>(65)</b>	(91)	<b>3</b>	(82)
Income before finance income and expenses and income tax		<b>39,179</b>	14,160	<b>7,594</b>	3,621
Finance expenses		<b>(34)</b>	(20)	<b>(25)</b>	(2)
Finance income		<b>783</b>	827	<b>541</b>	351
		<b>749</b>	807	<b>516</b>	349
Income before income tax and social contribution		<b>39,928</b>	14,967	<b>8,110</b>	3,970
Income tax and social contribution	11	<b>(2,190)</b>	(1,278)	<b>(579)</b>	(529)
Net income for the period		<b>37,738</b>	13,689	<b>7,531</b>	3,441
Earnings per share		<b>1,238.73</b>	449.34	<b>247.20</b>	112.95

See accompanying notes.

## Coruripe Energética S.A.

Unaudited statement of comprehensive income  
Nine and three-month periods ended December 31, 2018  
(In thousands of reais)

	<b>Nine-month period ended</b>		<b>Three-month period ended</b>	
	<b>12/31/2018</b>	<b>12/31/2017</b>	<b>12/31/2018</b>	<b>12/31/2017</b>
Net income for the period	<b>37,738</b>	13,689	<b>7,531</b>	3,441
Other comprehensive income	-	-	-	-
Comprehensive income for the period	<b>37,738</b>	13,689	<b>7,531</b>	3,441

See accompanying notes.

## Coruripe Energética S.A.

Unaudited statement of changes in equity  
 Nine-month period ended December 31, 2018  
 (In thousands of reais)

	Capital	Income reserve			Retained earnings	Total
		Legal reserve	Retained profits	Additional dividends		
Balances at March 31, 2017	11,211	2,242	3,891	17,219	-	34,563
Additional dividends approved	-	-	-	(17,219)	-	(17,219)
Net income for the period	-	-	-	-	13,689	13,689
Balances at December 31, 2017	11,211	2,242	3,891	-	13,689	31,033
Balances at March 31, 2018	11,211	2,242	15,831	-	-	29,284
Approval of prior years' additional dividends (Note 8 b)	-	-	(11,940)	-	-	(11,940)
Net income for the period	-	-	-	-	37,738	37,738
Balances at December 31, 2018	11,211	2,242	3,891	-	37,738	55,082

See accompanying notes.



## Coruripe Energética S.A.

Unaudited statement of cash flows  
 Nine-month period ended December 31, 2018  
 (In thousands of reais)

	Note	Nine-month period ended	
		12/31/2018	12/31/2017
Operating activities			
Income before income and social contribution taxes		39,928	14,967
Adjustments to reconcile net income to cash:			
Interest and monetary variation, net		(24)	-
Depreciation	6	3,189	6,387
		43,093	21,354
Decrease (increase) in assets			
Accounts receivable		(2,027)	(1,239)
Inventories		53	56
Taxes recoverable		32	14
Transactions with related parties		-	(343)
Other receivables		(20)	(21)
Increase (decrease) in liabilities			
Accounts payable		(597)	(621)
Payroll and related charges		38	(25)
Taxes payable		(272)	(42)
Other accounts payable		-	9
		40,300	19,142
Income tax and social contribution paid		(621)	(557)
Net cash flow from operating activities		39,679	18,585
Investing activities:			
Investments in property, plant and equipment	6	(1,346)	(560)
Net cash flow used in investing activities		(1,346)	(560)
Financing activities			
Intercompany loans granted to related parties		(23,097)	-
Amortization of intercompany loans		(185)	-
Dividends paid		(11,581)	-
Net cash flow used in financing activities		(34,863)	-
Net Increase in cash and cash equivalents		3,470	18,025
Cash and cash equivalents:			
At beginning of period		238	7,885
At end of period		3,708	25,910
Net Increase in cash and cash equivalents		3,470	18,025

See accompanying notes.

## **Coruripe Energética S.A.**

Notes to the unaudited interim financial statements

December 31, 2018

(In thousands of reais)

### **1. Operations**

#### **1.1. Business purpose**

Coruripe Energética S.A. ("Company"), a privately held company headquartered in the city of Iturama, state of Minas Gerais, was incorporated on November 8, 2001 and started its operations in September 2002. Its sole business purpose consists in the production and sale of electric power, water steam power and items deriving from the co-generation of electric power, as well as the purchase of sugarcane fiber (bagasse) or any other raw materials possibly used in energy production.

#### **1.2. ANEEL Authorizations**

Resolutions No. 11, of January 11, 2002, and No.1363, of May 13, 2008, issued by the Brazilian Electric Power Regulatory Agency (ANEEL), authorized the Company to operate as an Independent Power Producer. The electric power produced by the Company will be sold in the form of independent power production, pursuant to the conditions established in articles 12, 15 and 16 of Law No. 9074 dated July 7, 1995, as regulated by Decree No. 2003, of September 10, 1996. The authorizations shall remain effective for 30 (thirty) years as of the date of the related resolutions, and may be extended at ANEEL's discretion and as requested by the authorized company.

Currently, the Company's generation installed capacity is 54 MW, including 24 MW at the main plant in Iturama and 30 MW in the Campo Florido unit. The Company operates three steam generating turbo units in a conventional cogeneration thermal cycle, using the sugar cane bagasse as fuel, and having high pressure steam as supplementary energy input, both supplied by the related party S/A Usina Coruripe Açúcar e Álcool. The Company is located in the facilities of S/A Usina Coruripe Açúcar e Álcool, which is the Company's exclusive raw material supplier.

On January 16, 2018, the Electric Energy Trade Chamber (CCEE) approved the Company as agent of the institution, in the Generation category, Independent Producer Class. In the previous category, the Company's classification was below that of an agent. Approval of the Company's registration by CCEE as a Direct Energy Trading Agent opened a series of commercial opportunities with possibilities to leverage margins.

## **Coruripe Energética S.A.**

Notes to the unaudited interim financial statements (Continued)

December 31, 2018

(In thousands of reais)

### **2. Presentation of financial statements and summary of significant accounting practices**

These interim financial statements were prepared under various assessment bases used in accounting estimates. The accounting estimates involved in the preparation of the interim financial statements were based on objective and subjective factors, considering management's judgment for determining the adequate amounts to be recorded in the interim financial statements.

Significant items subject to these estimates and assumptions include the selection of useful lives and recoverability of property, plant and equipment in operations, fair value measurement of financial assets, as well as analysis of other risks in determining other provisions. The asset and liability financial instruments are recorded at their fair values under finance income (costs) for the period.

Settlement of transactions involving these estimates may result in amounts significantly different from those recorded in the interim financial statements due to the uncertainties inherent in their estimate process. The Company reviews its estimates and assumptions at least annually.

The interim financial statements were prepared and are presented in accordance with CPC 21 (R1) - Interim Financial Statement, issued by the Brazilian Financial Accounting Standards Board (CPC) and approved by the National Association of State Boards of Accountancy (CFC). The interim financial statements evidence all the relevant information specific to the financial statements, and only such information is consistent with the information used to manage the Company's operations. The Company presents and discloses only a single business segment.

These interim financial statements were prepared in accordance with accounting principles, practices and criteria consistent with those adopted in the preparation of the annual financial statements for the fiscal year ended March 31, 2018, described in Note 2 to those annual financial statements. Accordingly, these interim financial statements must be read together with the Company's annual financial statements referred to above.

The Company's generation plants are located in Iturama and Campo Florido, both in the state of Minas Gerais. The sugarcane harvest period in this region is usually from April to December, which is when the Company generates all its energy and steam. During the off-season period, the Company carries out the main scheduled maintenance activities in its industrial units in order to inspect and replace PP&E components.

The Company's interim financial statements for the nine-month period ended December 31, 2018 were authorized for issue as resolved by Company's Executive Board on February 22, 2019.

## Coruripe Energética S.A.

Notes to the unaudited interim financial statements (Continued)

December 31, 2018

(In thousands of reais)

## 2. Presentation of financial statements and summary of accounting practices (Continued)

### 2.1 Standards, amendments and interpretations of standards not yet effective

There were no changes in the accounting practices applied in the preparation of these interim financial statements in relation to those presented in Note 2.8 to the annual financial statements for the year ended March 31, 2018.

There are no new pronouncements or interpretations of standards issued by the Brazilian Financial Accounting Standards Board (CPC) effective as of April 1, 2018 that could have a significant impact on the financial statements as of December 31, 2018, in addition to those disclosed Note 2.8 to the annual financial statements for the year ended March 31, 2018.

## 3. Cash and cash equivalents

	12/31/2018	03/31/2018
Cash and cash equivalents:		
Bank checking account	1,641	238
	<u>1,641</u>	<u>238</u>
Short-term investments:		
Local currency	2,067	-
	<u>2,067</u>	<u>-</u>
	<u>3,708</u>	<u>238</u>

Short-term investments basically include securities represented mostly by Bank Deposit Certificates (CDB) redeemable within 90 days, with annual remuneration rates ranging from 95% to 99% of CDI at December 31, 2018.

## 4. Accounts receivable

	12/31/2018	03/31/2018
Third parties (a)	1,897	-
Related parties – S/A Usina Coruripe	130	-
	<u>2,027</u>	<u>-</u>

- (a) The balance of accounts receivable at December 31, 2018 refers to billing of energy sales for the month of December, whose amounts will be received in the subsequent month. At March 31, 2018, the Company did not have accounts receivable balance due to the off-season period, when the Company goes through the maintenance period and there is no energy production.

## Coruripe Energética S.A.

Notes to the unaudited interim financial statements (Continued)

December 31, 2018

(In thousands of reais)

### 4. Accounts receivable (Continued)

At December 31, 2018, Company management concluded that there is no need to recognize allowance for doubtful accounts, since there are no past due receivables.

### 5. Transactions with related parties

		12/31/2018	03/31/2018
Current assets			
Advances for dividends	(c)	20,240	24,579
		<u>20,240</u>	<u>24,579</u>
Noncurrent assets			
Intercompany loans			
S/A Usina Coruripe Açúcar e Álcool	(d)	23,213	-
		<u>23,213</u>	<u>-</u>
Current liabilities			
Intercompany loans			
C. Engenharia S.A.		-	185
		<u>-</u>	<u>185</u>
Statement of profit or loss			
Steam power sales	(a)	4,996	5,278
Purchase of sugarcane bagasse and steam	(a),(b)	(4,996)	(5,280)
		<u>-</u>	<u>(2)</u>

The Company does not pay compensation to its management, which is the same as its related party S/A Usina Coruripe Açúcar e Álcool.

Transactions with related parties are carried out under the conditions agreed by and between the parties, as follows:

- The Company has an agreement for the purchase and sale of steam power with S/A Usina Coruripe Açúcar e Álcool, effective until December 31, 2023, subject to extensions if so mutually agreed upon by the parties thereto. The prices were defined by the parties and are annually restated based on the accumulated IGP-M rate variation for the period;
- This refers to the purchase of raw sugarcane bagasse executed with S/A Usina Coruripe Açúcar e Álcool, effective until March 31, 2023, subject to extensions if so mutually agreed upon by the parties thereto. The prices were defined by the parties and are annually restated based on the accumulated IGP-M rate variation for the period; and
- This refers to dividends in excess of mandatory minimum dividends as at March 31, 2018, which will be paid out to shareholders in the form of interim dividends over the year.
- This refers to the intercompany loan with S/A Usina Coruripe Açúcar e Álcool, bearing IOF in accordance with current tax legislation. The prices were defined by the parties and are annually restated based on the accumulated IGP-M rate variation for the period.

## Coruripe Energética S.A.

Notes to the unaudited interim financial statements (Continued)

December 31, 2018

(In thousands of reais)

### 6. Property, plant and equipment

#### a) Breakdown of balances

	Average depreciation rate (% p.a.)	12/31/2018		03/31/2018	
		Cost	Accumulated depreciation	Net	Net
PP&E in use					
Improvements	7%	1,675	(769)	906	942
Buildings	2%	85	(45)	40	42
Machinery and equipment	5%	50,451	(43,845)	6,606	6,353
Facilities	6%	1,651	(1,281)	370	327
Furniture and fixtures	10%	22	(8)	14	3
Major maintenance	100%	15,564	(15,564)	-	-
		69,448	(61,512)	7,936	7,667
Construction in progress	-	78	-	78	903
Advance to suppliers	-	7	-	7	7
Funding of major maintenance	-	1,205	-	1,205	2,493
		70,738	(61,512)	9,226	11,070

#### b) Changes in balances

	Balance at 03/31/2018	Additions	Depreciation	Transfers	Balance at 12/31/2018
Improvements	942	-	(36)	-	906
Buildings	42	-	(2)	-	40
Machinery and equipment	6,353	83	(642)	812	6,606
Facilities	327	-	(15)	58	370
Furniture and fixtures	3	11	(1)	-	14
Major maintenance	-	-	(2,493)	2,493	-
Construction in progress	903	46	-	(871)	78
Advance to suppliers	7	-	-	-	7
Funding of major maintenance	2,493	1,205	-	(2,493)	1,205
	11,070	1,346	(3,189)	-	9,226

### 7. Taxes payable

	12/31/2018	03/31/2018
Withholding income tax (IRRF) payable	21	-
Tax on Financial Transactions (IOF)	2,221	2,111
Corporate income tax (IRPJ) and social contribution tax on net profit (CSLL)	845	60
Other taxes and contributions	360	41
	3,447	2,212

## Coruripe Energética S.A.

Notes to the unaudited interim financial statements (Continued)

December 31, 2018

(In thousands of reais)

### 8. Equity

#### a) Capital

At December 31 and March 31, 2018, paid-in capital totaled R\$11,211 and is represented by 30,465 common shares with a par value of R\$368.00 each, held as follows:

Shareholder	Shares
S.M. Participações e Empreendimentos Ltda.	10,155
R.W. Participações e Empreendimentos Ltda.	10,155
V.W. Participações e Empreendimentos Ltda.	10,155
	<u>30,465</u>

#### b) Allocation of profits

Under to the Company's Articles of Incorporation, shareholders are entitled to mandatory minimum dividends of 25% on net income for the year, adjusted according to legislation, with the possibility of management declaring the distribution of interim dividends annually or semiannually and/or in a shorter period.

On August 16, 2018, the General Shareholders' Meeting approved the allocation of profits for the year ended March 31, 2018, including the amount of R\$3,980 corresponding to mandatory minimum dividends and R\$11,940 corresponding to dividends in excess of the mandatory minimum dividends for that year. Changes in dividends are as follows:

	2018	2017
Opening balance (Note 5)	24,579	23,538
Offset:		
With mandatory minimum dividend	(3,980)	(5,740)
With additional dividends approved	(11,940)	(17,219)
Advances for dividends	11,581	24,000
Closing balance (Note 5)	<u>20,240</u>	<u>24,579</u>

#### c) Income reserves

##### i) Legal reserve

The legal reserve is recorded based on the allocation of 5% of net income for the year, limited to 20% of total capital. At December 31, 2018, the legal reserve is already recorded within the limit defined by law.

## Coruripe Energética S.A.

Notes to the unaudited interim financial statements (Continued)

December 31, 2018

(In thousands of reais)

### 8. Equity (Continued)

#### c) Income reserves (Continued)

##### ii) Retained profits

The remaining retained profits balance is available for allocation by shareholders.

### 9. Net revenue

	Nine-month period ended		Three-month period ended	
	12/31/2018	12/31/2017	12/31/2018	12/31/2017
Gross revenue				
Revenue from energy - production	45,218	27,125	8,518	8,037
Revenue from energy - resale	12,708	-	2,853	-
Revenue from steam vapor	5,126	5,278	1,667	1,555
	63,052	32,403	13,038	9,592
(-) Deductions from gross revenue:				
Sales taxes	(3,224)	(2,131)	(776)	(628)
	(3,224)	(2,131)	(776)	(628)
	59,828	30,272	12,262	8,964

### 10. Operating costs and expenses

	Nine-month period ended		Three-month period ended	
	12/31/2018	12/31/2017	12/31/2018	12/31/2017
Expenses by function:				
Cost of electric and steam power generation	(20,584)	(16,021)	(4,671)	(5,261)
General and administrative expenses	(65)	(91)	3	(40)
Other operating expenses	-	-	-	(42)
	(20,649)	(16,112)	(4,668)	(5,343)
Expenses by nature:				
Energy - resale	(7,989)	-	(2,060)	-
Raw material	(4,834)	(4,943)	(1,482)	(1,952)
Depreciation	(3,189)	(6,387)	(870)	(1,675)
Third-party services	(1,058)	(1,034)	171	(260)
Personnel	(1,048)	(970)	(373)	(255)
Distribution charges	(1,696)	(1,628)	(353)	(557)
Taxes	(137)	(136)	(34)	(48)
Consumables	(671)	(873)	347	(496)
Other	(27)	(141)	(14)	(100)
	(20,649)	(16,112)	(4,668)	(5,343)



## Coruripe Energética S.A.

Notes to the unaudited interim financial statements (Continued)

December 31, 2018

(In thousands of reais)

### 11. Income tax and social contribution

Income and social contribution tax expenses for the periods ended December 31, 2018 and 2017, calculated as a percentage of gross revenue (the so-called "*lucro presumido*" method), are reconciled at statutory rates, as follows:

	Nine-month period ended			
	12/31/2018		12/31/2017	
	IRPJ	CSLL	IRPJ	CSLL
Gross revenue from sale of energy (Note 9)	63,052	63,052	32,403	32,403
Percentage of deemed profit ( <i>lucro presumido</i> )	8%	12%	8%	12%
Deemed profit ( <i>lucro presumido</i> )	5,044	7,566	2,592	3,888
Finance income	783	783	827	827
Total	5,827	8,349	3,419	4,715
Income tax - 15%	874	-	513	-
Income tax surcharge - 10% (net of portion of deduction)	565	-	332	-
Social contribution - 9%	-	751	-	433
IRPJ and CSLL expenses accounted for	1,439	751	845	433
	Three-month period ended			
	12/31/2018		12/31/2017	
	IRPJ	CSLL	IRPJ	CSLL
Gross revenue from sale of energy (Note 9)	13,038	13,038	9,592	9,592
Percentage of deemed profit ( <i>lucro presumido</i> )	8%	12%	8%	12%
Deemed profit ( <i>lucro presumido</i> )	1,043	1,565	767	1,151
Finance income	541	541	351	351
Total	1,584	2,106	1,077	1,461
Income tax - 15%	238	-	162	-
Income tax surcharge - 10% (net of portion of deduction)	154	-	189	-
Social contribution - 9%	-	187	-	178
IRPJ and CSLL expenses accounted for	392	187	351	178

## **Coruripe Energética S.A.**

Notes to the unaudited interim financial statements (Continued)

December 31, 2018

(In thousands of reais)

### **12. Financial instruments and financial risk management objectives and policies**

#### **a) Financial instruments**

The Company's key financial instruments include cash and cash equivalents, trade accounts receivable, trade accounts payable, and related parties.

The fair value of financial assets and liabilities is included in the amount for which an asset could be exchanged in a current transaction between willing parties, rather than in a forced sale or settlement. At December 31, 2018 and March 31, 2018, there was no significant difference between book and market values for the Company's financial instruments.

The Company does not perform hedge, swap, or any other transactions involving derivative financial instruments.

#### **b) Financial risk management objectives and policies**

Company management oversees the management of these risks. The main financial risk-taking activities are governed by appropriate policies and procedures and the financial risks are identified, measured and managed in accordance with the Company's policies and risk appetite.

The main financial liabilities of the Company refer to trade accounts payable and transactions with related parties. The Company has trade accounts receivable and cash and cash equivalents resulting directly from its operations. The Company is exposed to market risk, credit risk, and liquidity risk. The Company does not trade derivatives for speculative purposes.

Management reviews and establishes policies for management of each of these risks, summarized below.

##### *Market risk*

This is the risk that the fair value of the future cash flows of a financial instrument will fluctuate due to changes in market prices.

## Coruripe Energética S.A.

Notes to the unaudited interim financial statements (Continued)

December 31, 2018

(In thousands of reais)

### 12. Financial instruments and financial risk management objectives and policies (Continued)

#### b) Financial risk management objectives and policies (Continued)

*Market risk* (Continued)

##### Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's Treasury Department in accordance with its policy. Exceeding funds are invested only in approved counterparties and within the limits established for each one. Credit limit of counterparties is reviewed annually by the Company management and may be adjusted over the year. These limits are established in order to minimize risk concentration and thus mitigate financial loss in case of potential bankruptcy of a counterparty.

*Liquidity risk*

The main purpose of the Company is to use funds arising only from its operating cash flow, using long-term bank loans only when its operating cash flows are insufficient to meet cash and financing needs.

### 13. Insurance coverage

As of December 31, 2018, the Company and its related party S/A Usina Coruripe Açúcar e Alcool had their assets covered by joint insurance policies against fire and multiple perils in the amount of R\$561,000 thousand (R\$561,000 thousand at March 31, 2018).

The amount of insurance taken out at December 31, 2018 is deemed sufficient to cover any losses in the opinion of the Company's insurance advisors.

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