BrasilAgro - Companhia Brasileira de Propriedades Agrícolas

Individual and consolidated financial statements

June 30, 2023

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(A free translation of the original in Portuguese)

BrasilAgro - Companhia Brasileira de Propriedades Agrícolas

Parent company and consolidated financial statements at June 30, 2023 and independent auditor's report

(A free translation of the original in Portuguese)

Independent auditor's report

To the Board of Directors and Stockholders
BrasilAgro - Companhia Brasileira de
Propriedades Agrícolas

Opinion

We have audited the accompanying parent company financial statements of BrasilAgro - Companhia Brasileira de Propriedades Agrícolas (the "Company"), which comprise the balance sheet as at June 30, 2023 and the statements of operations, comprehensive income, changes in equity and cash flows for the year then ended, as well as the accompanying consolidated financial statements of BrasilAgro - Companhia Brasileira de Propriedades Agrícolas and its subsidiaries ("Consolidated"), which comprise the consolidated balance sheet as at June 30, 2023 and the consolidated statements of operations, comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including significant accounting policies and other explanatory information.

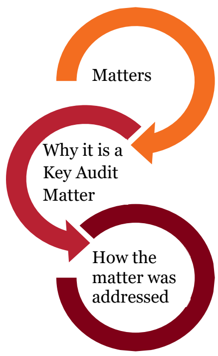
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of BrasilAgro - Companhia Brasileira de Propriedades Agrícolas and of BrasilAgro - Companhia Brasileira de Propriedades Agrícolas and its subsidiaries as at June 30, 2023, and the financial performance and the cash flows for the year then ended, as well as the consolidated financial performance and the cash flows for the year then ended, in accordance with accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Parent Company and Consolidated Financial Statements section of our report. We are independent of the Company and its subsidiaries in accordance with the ethical requirements established in the Code of Professional Ethics and Professional Standards issued by the Brazilian Federal Accounting Council, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

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



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Why it is a Key Audit Matter	How the matter was addressed in the audit

Disclosure of fair value of investment properties

As at June 30, 2023, the balance of investment properties, comprising land and related farm infrastructure, at cost net of accumulated depreciation, totaled R$ 244,174 thousand in the Parent Company and R$ 1,252,712 thousand in the Consolidated. As described in Note 11. As required by accounting standards, the Company has disclosed the estimated fair value for these properties.

Management's estimates of fair value, which was carried out with the support of external appraisers, requires a significant level of judgment in determining assumptions, such as future cash flows, revenue projections (quantity and price), costs and the rate used to discount cash flows.

We treated this as a Key Audit Matter due to the materiality of the asset, as well as its fair value as it was estimated using subjective assumptions requiring a high degree of judgment.

Audit procedures applied, among others, included:

(a) We obtained an understanding and testing of the main internal controls related to the evaluation and determination of fair value;

(b) We assessed the reasonableness of the main assumptions, understanding the principal changes in the period and back testing past projections. We tested the discounted cash flow model, used to measure fair value, as well as its general logical and arithmetic consistency;

(c) We performed sensitivity analyses for information that might affect significant assumptions, market values and for the selected methodologies;

(d) We reviewed the objectivity, independence and competence of the external appraisal firm; and

(e) We reviewed management's disclosures.

We consider the criteria and assumptions adopted by the Company to determine the fair value of investment properties, as well as the disclosures, to be consistent with the evidence we obtained.

Measurement of biological assets at fair value

On June 30, 2023, the biological assets of R$ 150,870 thousand in the Parent Company, and R$ 254,229 thousand in the Consolidated, are classified as current and non-current assets, matching the harvest/cutting period.

As described in Notes 3.9 and 10, the biological assets correspond to soybean, corn, beans, cotton, sugarcane and cattle which are measured at fair value less selling expenses, applying the discounted cash flow methodology. This method makes use of data and assumptions that involve significant judgment by the Company with assumptions that consider internal and external data, mainly related to: (i) planted area,

Audit procedures applied, among others, included:

(a) Understanding the main internal controls established by the Company for the measurement of these assets;

(b) Assisted by our specialists, we tested the mathematical models, as well as the consistency of the information and main assumptions used in the cash flow projections, by comparing these with key market indicators, the Company's officially approved data and other available market information; and

Why it is a Key Audit Matter	How the matter was addressed in the audit
(ii) productivity, (iii) quantity, (iv) future prices in active markets, (v) costs of crop treatments, land used, contributory assets and harvesting/cutting, transshipment and transport (CTT) and (vi) interest rate for discounting cash flows. We treated this as a Key Audit Matter due to the risks inherent in the estimation process that require management to apply its judgment in determining assumptions which may have a significant impact on estimates of fair value and, consequently, on the results for the year.	(c) We compared management's valuation data with the respective disclosures, including the description of the main factors affecting the determination and changes to the fair value of the biological assets. We consider the criteria and assumptions adopted by the Company to determine the fair value of biological assets, as well as the disclosures, to be consistent with the evidence we obtained.
Recognition of revenue from the sale of agricultural properties In the year ended June 30, 2023, the Company and its subsidiaries recognized gains on sales of agricultural properties of R$ 346,065 thousand, as described in Notes 2.1 and 22. The recognition of revenue from the sale of agricultural properties relies on assumptions and data that require significant judgment of management, including the determination of future prices of agricultural commodities. Future sales proceeds are realized through receipt of commodities based on volumes and prices to be determined in future periods. The receivable balance is adjusted by factors including changes in discount rates. The sale of land is conditioned to contractual clauses and conditions affecting the transfer of control and title to the land. This requires an assessment of the correct period for recognition of such revenues. We treated this as a Key Audit Matter due to the significance of the amounts involved, including the receivables from sale of land, and an analysis of changes in assumptions affecting the measurement of transactions and, consequently, the determination of balances and results of operations.	 Audit procedures applied, among others, included: (a) Obtaining an understanding and testing of the main internal controls related to revenue recognition on the sale of land and determining the sales value; (b) Analysis of the sales contracts, together with evidence and analysis of the transfer of control; (c) Tests of accounts receivable balances and of payments received in the year; (d) Recoverability assessment of accounts receivable and testing of the adjustments applied in updating balances based on the underlying indexes; (e) Requesting confirmation letters from counterparties to confirm the existence of the transaction and the contractual terms; (f) Revenue cut-off testing; and (g) Reviewing management's disclosures. We consider the criteria and assumptions adopted by the Company for measuring and recognizing revenue from the sale of land, as well as the disclosures, to be consistent with the underlying data examined.

BrasilAgro - Companhia Brasileira de
Propriedades Agrícolas

Other matters

Statements of Value Added

The parent company and consolidated Statements of Value Added for the year ended June 30, 2023, prepared under the responsibility of the Company's management and presented as supplementary information for IFRS purposes, were submitted to audit procedures performed in conjunction with the audit of the Company's financial statements. For the purposes of forming our opinion, we evaluated whether these statements are reconciled with the financial statements and accounting records, as applicable, and if their form and content are in accordance with the criteria defined in Technical Pronouncement CPC 09 - "Statement of Value Added". In our opinion, these Statements of Value Added have been properly prepared in all material respects, in accordance with the criteria established in the Technical Pronouncement and are consistent with the parent company and consolidated financial statements taken as a whole.

Other information accompanying the parent company and consolidated financial statements and the auditor's report

The Company's management is responsible for the other information that comprises the Earnings Release 4Q23 | 2023 ("Management's Report").

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

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

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

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

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

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

Auditor's responsibilities for the audit of the parent company and consolidated financial statements

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

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

- Identify and assess the risks of material misstatement of the parent company and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company and its subsidiaries.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the parent company and consolidated financial statements, including the disclosures, and whether these financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the parent company and consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

São Paulo, September 5, 2023

PricewaterhouseCoopers
Auditores Independentes Ltda.
CRC 2SP000160/O-5

Emerson Lima de Macedo
Contador CRC 1BA022047/O-1

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Emerson Lima de Macedo
Signed By: EMERSON LIMA DE MACEDO:49747029553
CPF: 49747029553
Signing Time: 28 September 2023 | 16:31 BRT
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BrasilAgro - Companhia Brasileira de Propriedades Agrícolas

Individual and consolidated financial statements

June 30, 2023

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BRASILAGRO – COMPANHIA BRASILEIRA DE PROPRIEDADES AGRÍCOLAS
Publicly-Held Company with Authorized Capital
Corporate Taxpayer's ID (CNPJ/MF) No. 07.628.528/0001-59
State Registry (NIRE) 35.300.326.237

ANNEX I TO THE MINUTES OF THE FISCAL COUNCIL MEETING

HELD ON AUGUST 30, 2023

OPINION OF THE FISCAL COUNCIL

The members of the Fiscal Council of BRASILAGRO – COMPANHIA BRASILEIRA DE PROPRIEDADES AGRÍCOLAS, in compliance with the legal and statutory provisions, examined the Company's Management Report and Financial Statements prepared in accordance with the Accounting practices adopted in Brazil and the Consolidated Financial statements prepared in accordance with the international financial reporting standards ("**IFRS**"), issued by the International Accounting Standards Board ("**IASB**") and the accounting practices adopted in Brazil, all relatedto the year ended June 30, 2023.

Based on the examinations made, considering further, the opinion of *PricewaterhouseCoopers* ("**PwC**"), as well as the information and clarifications provided by Management, the members of the Fiscal Council concluded that said documents, have been properly prepared in all their material respects, appropriate, and should therefore be referred for approval by the Company's Annual Shareholders Meeting.

São Paulo, August 30, 2023

Members:

Ivan Luvisotto Alexandre

Marcos Paulo Passoni

Geraldo Affonso Ferreira

BRASILAGRO – COMPANHIA BRASILEIRA DE PROPRIEDADES AGRÍCOLAS

Publicly-Held Company with Authorized Capital
Corporate Taxpayer's ID (CNPJ/MF) No. 07.628.528/0001-59
State Registry (NIRE) 35.300.326.237

Management's representation on the Financial Statements

In accordance with section VI of article 25 of CVM Instruction 480, of December 7, 2009, the Management declares that reviewed, discussed and agreed with the Company's Financial Statements for the year ended June 30, 2023.

São Paulo, September 05, 2023.

Andre Guillaumon
CEO

Gustavo Javier Lopez
CFO & IRO

BRASILAGRO – COMPANHIA BRASILEIRA DE PROPRIEDADES AGRÍCOLAS

Publicly-Held Company with Authorized Capital

Corporate Taxpayer's ID (CNPJ/MF) No. 07.628.528/0001-59

State Registry (NIRE) 35.300.326.237

Management's representation on the Independent Auditor's Report

In accordance with section V of article 25 of CVM Instruction 480, as of December 7, 2009, we hereby represent that we have reviewed, discussed and agreed with the independent auditor's report on the Company's Financial Statements for the year ended June 30, 2021, issued on this date.

São Paulo, September 05, 2023.

Andre Guillaumon
CEO

Gustavo Javier Lopez
CFO & IRO

BrasilAgro – Companhia Brasileira de Propriedades Agrícolas

Balance sheets
Years ended June 30
(In thousands of reais)

		Company		Consolidated	
Assets	**Note**	**2023**	**2022**	**2023**	**2022**
Current assets					
Cash and cash equivalents	6.1	131,178	192,629	383,837	435,493
Securities	6.2	28,205	82,338	28,205	94,870
Derivative operations	7	76,815	61,013	76,815	61,013
Accounts receivable and other credits	8	105,284	176,288	430,035	442,313
Inventories	9	169,664	234,260	213,684	289,899
Biological assets	10	113,565	110,880	216,924	264,976
Related parties	30	19,105	136,235	-	-
		643,816	993,643	1,349,500	1,588,564
Noncurrent assets					
Restricted marketable securities	6.2	4,800	5,348	21,580	19,580
Derivative operations	7	7,032	2,744	7,032	2,744
Accounts receivable and other credits	8	26,286	21,572	486,802	411,351
Biological assets	10	37,305	57,906	37,305	57,906
Deferred taxes	18.1	15,211	-	30,140	4,360
Investment properties	11	244,174	159,066	1,252,712	1,004,380
Related parties	30	4,136	2,620	2,157	1,839
Investments	12	1,749,263	1,597,167	2,591	7,642
Property, plant and equipment	13	59,359	43,365	155,108	128,131
Intangible assets		1,871	647	1,917	812
Right-of-use assets	14	281,820	189,950	161,231	117,954
		2,431,257	2,080,385	2,158,575	1,756,699
Total assets		3,075,073	3,074,028	3,508,075	3,345,263

See the accompanying Management notes.

BrasilAgro – Companhia Brasileira de Propriedades Agrícolas

Balance sheets
Years ended June 30
(In thousands of reais)

		Company		Consolidated	
Liabilities and equity	**Note**	**2023**	**2022**	**2023**	**2022**
Current liabilities					
Accounts payable and other liabilities	16	103,142	190,871	176,115	253,440
Loans, financing and debentures	17	67,529	57,453	198,213	123,411
Labor obligations		17,778	18,964	23,405	25,652
Derivative operations	7	22,006	34,064	22,006	34,064
Acquisitions payable	19	13,681	20,687	156,666	28,846
Related parties	30	54	482	-	-
Leases payable and related obligations	15	76,455	37,541	55,502	18,581
Noncurrent liabilities		300,645	360,062	631,907	483,994
Accounts payable and other liabilities	16	-	-	31,424	23,833
Loans, financing and debentures	17	304,923	286,380	356,425	329,630
Derivative operations	7	831	5,272	831	5,272
Deferred taxes	18.1	-	5,395	20,654	34,925
Losses from investments	12	1,944	-	-	-
Related parties	30	659	926	6,569	7,472
Acquisitions payable	19	-	12,402	-	12,402
Leases payable and related obligations	15	268,815	187,331	261,831	230,570
Provision for contingencies	28	114	212	1,292	1,117
		577,286	497,918	679,026	645,221
Total liabilities		877,931	857,980	1,310,933	1,129,215
Equity					
Share capital	20.a	1,587,985	1,587,985	1,587,985	1,587,985
Share issue costs		(11,343)	(11,343)	(11,343)	(11,343)
Capital reserve	20.b	(13,423)	(21,348)	(13,423)	(21,348)
Treasury shares	20.f	(50,807)	(49,761)	(50,807)	(49,761)
Income reserves		364,888	416,352	364,888	416,352
Additional dividends proposed	20.d	256,223	196,476	256,223	196,476
Comprehensive income	20.e	63,619	97,687	63,619	97,687
Total equity		2,197,142	2,216,048	2,197,142	2,216,048
Total liabilities and equity		3,075,073	3,074,028	3,508,075	3,345,263

See the accompanying Management notes.

BrasilAgro – Companhia Brasileira de Propriedades Agrícolas

Statements of operations
Years ended June 30
(In thousands of reais, unless stated otherwise)

	Note	Company 2023	Company 2022	Consolidated 2023	Consolidated 2022
Net revenue	22.a	569,180	710,425	903,372	1,168,137
Gain from sale of farm	22.b	-	-	346,065	251,534
Changes in fair value of biological assets and agricultural products	10	42,198	288,395	78,238	549,764
Cost of sales	23	(557,272)	(693,018)	(886,225)	(1,142,688)
Provision for impairment of agricultural products, net	9.1	(36,264)	(51,016)	(47,708)	(50,822)
Gross profit		17,842	254,786	393,742	775,925
Selling expenses	23	(29,911)	(28,058)	(41,008)	(43,578)
General and administrative expenses	23	(54,272)	(45,499)	(65,792)	(55,968)
Other operating income (expenses), net	25	(5,731)	2,392	(11,049)	13,829
Equity pickup	12.a	300,363	464,241	(70)	(31)
Operating profit before financial results and taxes		228,291	647,862	275,823	690,177
Financial income	26	255,073	226,212	330,491	320,177
Financial expenses	26	(224,928)	(323,375)	(324,605)	(373,037)
Profit before income and social contribution taxes		258,436	550,699	281,709	637,317
Income and social contribution taxes	18.2	10,100	(30,599)	(13,173)	(117,217)
Net income for the year		268,536	520,100	268,536	520,100
Basic earnings per share – reais	27	2.7178	5.2618	2.7178	5.2618
Diluted earnings per share – reais	27	2.7028	5.2347	2.7028	5.2347

See the accompanying Management notes.

BrasilAgro – Companhia Brasileira de Propriedades Agrícolas

Statements of comprehensive income (loss)
Years ended June 30
(In thousands of reais)

	Note	Company and Consolidated	
		2023	**2022**
Net income for the year		268,536	520,100
Comprehensive income to be reclassified to income from the year in subsequent years:			
Net effect of taxes on the conversion of investments abroad	20.e	(34,068)	18,265
Total comprehensive income (loss)		234,468	538,365

See the accompanying Management notes.

BrasilAgro – Companhia Brasileira de Propriedades Agrícolas

Statements of changes in equity
Years ended June 30
(In thousands of reais)

				Capital reserve				Income reserves					
	Note	Capital	Share issue costs	Premium on share issue	Share-based payments	Capital transactions between partners	Treasury shares	Legal reserve	Reserve for investment and expansion	Additional dividends proposed	Comprehensive income	Retained earnings	Total equity
At June 30, 2021		1,587,985	(11,343)	(24,982)	1,824	(11,031)	(40,085)	47,417	368,835	184,559	79,422	-	2,182,601
Net income for the year		-	-	-	-	-	-	-	-	-	-	520,100	520,100
Additional dividends payment		-	-	-	-	-	-	-	-	(184,559)	-	-	(184,559)
Interim dividends payment		-	-	-	-	-	-	-	(200,000)	-	-	-	(200,000)
Return of shares due to indemnity from business combination		-	-	9,676	-	-	(9,676)	-	-	-	-	-	-
Share-based compensation plan		-	-	-	3,165	-	-	-	-	-	-	-	3,165
Constitution of legal reserve		-	-	-	-	-	-	26,005	-	-	-	(26,005)	-
Minimum mandatory dividends		-	-	-	-	-	-	-	-	-	-	(123,524)	(123,524)
Additional dividends proposed		-	-	-	-	-	-	-	-	196,476	-	(196,476)	-
Constitution of reserve for investment and expansion		-	-	-	-	-	-	-	174,095	-	-	(174,095)	-
Effect on the conversion of investments abroad		-	-	-	-	-	-	-	-	-	18,265	-	18,265
At June 30, 2022		1,587,985	(11,343)	(15,306)	4,989	(11,031)	(49,761)	73,422	342,930	196,476	97,687	-	2,216,048
Net income for the year		-	-	-	-	-	-	-	-	-	-	268,536	268,536
Additional dividends payment	20.d	-	-	-	-	-	-	-	-	(196,476)	-	-	(196,476)
Return of shares due to indemnity from business combination	20.b	-	-	1,046	-	-	(1,046)	-	-	-	-	-	-
Transfer of shares under business combination agreement		-	-	951	-	-	-	-	-	-	-	-	951
Share-based compensation plan	20.b	-	-	-	10,613	-	-	-	-	-	-	-	10,613
Payment of charges on compensation plan	20.b	-	-	-	(4,685)	-	-	-	-	-	-	-	(4,685)
Constitution of legal reserve		-	-	-	-	-	-	13,427	-	-	-	(13,427)	-
Minimum mandatory dividends	20.d	-	-	-	-	-	-	-	-	-	-	(63,777)	(63,777)
Additional dividends proposed	20.d	-	-	-	-	-	-	-	(64,891)	256,223	-	(191,332)	-
Effect on the conversion of investments abroad	20.e	-	-	-	-	-	-	-	-	-	(34,068)	-	(34,068)
At June 30, 2023		1,587,985	(11,343)	(13,309)	10,917	(11,031)	(50,807)	86,849	278,039	256,223	63,619	-	2,197,142

See the accompanying Management notes.

BrasilAgro – Companhia Brasileira de Propriedades Agrícolas

Statements of cash flows
Years ended June 30
(In thousands of reais)

	Note	Company 2023	Company 2022	Consolidated 2023	Consolidated 2022
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income for the year		268,536	520,100	268,536	520,100
Adjustment to reconcile net income of the year					
Depreciation and amortization	23	55,421	55,654	88,491	82,614
Gain from sale of farm		-	-	(306,473)	(140,658)
Net book value of property, plant and equipment and intangible assets disposed of		7,395	326	5,882	1,586
Write-offs of investment properties		7,713	982	733	6,743
Equity pick-up	12.a	(300,363)	(464,241)	70	31
Unrealized gain or loss on derivatives, net	26	(34,490)	(14,264)	(34,490)	(14,241)
Earnings from short-term investments, foreign exchange and monetary variation and other financial charges, net		49,767	27,591	22,259	18,769
Variation in the fair value of receivables from sale of farms and financial lease		(6,232)	2,883	47,227	(31,634)
Share-based incentive plan (ILPA)		4,056	2,831	5,928	3,165
Deferred income and social contribution taxes	18.2	(20,606)	18,117	(40,051)	76,194
Fair value of unrealized biological assets and agricultural products	10	(42,198)	(288,395)	(78,238)	(549,764)
Provision for impairment of agricultural products, net	9.1	36,264	51,016	47,708	50,822
Provision for expected credit loss	23	-	-	2,093	20
Provision for (reversal of) contingencies	28	1,384	216	2,180	19
		26,647	(87,184)	31,855	23,766
Changes in assets and liabilities					
Trade accounts receivable		41,684	(80,301)	44,742	(110,467)
Inventories		2,535	(114,418)	1,372	(102,746)
Biological assets		74,995	251,828	140,483	466,490
Taxes recoverable		(9,066)	(13,347)	(14,612)	(612)
Derivative operations		(2,099)	(24,158)	(2,099)	(24,127)
Other receivables		33,672	(32,603)	36,813	(56,409)
Trade accounts payable		(8,152)	17,035	(17,380)	3,187
Related parties		(5,267)	85,981	(567)	364
Taxes payable		8,416	8,533	14,711	17,465
Labor charges		(1,186)	1,500	(2,094)	2,975
Advances from customers		(8,586)	6,454	(108)	2,820
Leases payable		(30,646)	(32,798)	(4,082)	(6,481)
Other liabilities		(11,828)	(7,792)	25,908	(5,667)
Payment of contingencies	28	(1,482)	(178)	(2,005)	(347)
Receivables from the sale of farms		-	-	210,568	84,752
Acquisitions of investment properties		(109,713)	(45,499)	(116,997)	(61,078)
Acquisition of farms	2.2	(2,300)	-	(144,747)	-
Net cash provided by (used in) operating activities		(2,376)	(66,947)	201,761	233,885
Income and social contribution taxes paid		(15,058)	(358)	(46,028)	(28,707)
Net cash provided by (used in) operating activities		(17,434)	(67,305)	155,733	205,178
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisitions of property, plant and equipment and intangible assets		(28,036)	(22,750)	(60,783)	(50,843)
Redemption of marketable securities, net		72,985	(42,060)	110,962	(36,892)
Dividends received		409,983	200,287	-	-
Increase/write-off in investments and interest held	12.a	(171,782)	(12,054)	4,865	(1,994)
Net cash provided by (used in) investing activities		283,150	123,423	55,044	(89,729)
CASH FLOWS FROM FINANCING ACTIVITIES					
Loans, financing and debentures raised	17	84,841	5,000	217,583	60,436
Interest paid on loans, financing and debentures	17	(23,448)	(34,822)	(30,684)	(41,697)
Repayment of loans, financing and debentures	17	(68,165)	(239,892)	(127,981)	(296,555)
Dividends paid		(319,975)	(459,984)	(319,975)	(459,984)
Net cash used in financing activities		(326,747)	(729,698)	(261,057)	(737,800)
Decrease in cash and cash equivalents		**(61,031)**	**(673,580)**	**(50,280)**	**(622,351)**
Cash and cash equivalent at beginning of year	6.1	192,629	867,137	435,493	1,059,107
Effect of exchange rate variation on cash and cash equivalents		(420)	(928)	(1,376)	(1,263)
Cash and cash equivalents at end of year	6.1	131,178	192,629	383,837	435,493

See the accompanying Management notes.

BrasilAgro – Companhia Brasileira de Propriedades Agrícolas

Statements of value added
Years ended June 30
(In thousands of reais), except as stated otherwise

	Note	Company 2023	Company 2022	Consolidated 2023	Consolidated 2022
Revenues		**581,158**	**959,891**	**1,293,901**	**1,954,699**
Gross operating revenue	22	580,955	720,120	930,448	1,190,414
Gain on sale of farm	22	-	-	346,065	251,534
Change in fair value of biological assets and agricultural products	10	42,198	288,395	78,238	549,764
Provision for impairment of agricultural products, net	9.1	(36,264)	(51,016)	(47,708)	(50,822)
Other (expenses) and revenues	25	(5,731)	2,392	(11,049)	13,829
Allowance for expected credit loss	23	-	-	(2,093)	(20)
Inputs acquired from third parties		**(507,483)**	**(646,030)**	**(796,840)**	**(1,050,052)**
Cost of sales		(464,671)	(606,474)	(742,888)	(992,975)
Materials, energy, outsourced services and other		(42,811)	(39,556)	(53,952)	(57,077)
Gross value added		**73,675**	**313,861**	**497,061**	**904,647**
Depreciation and amortization	23	(55,421)	(55,654)	(88,491)	(82,614)
Net value added produced by the Company		**18,254**	**258,207**	**408,570**	**822,033**
Value added received through transfer		**555,437**	**690,453**	**330,421**	**320,146**
Equity pickup	12.a	300,363	464,241	(70)	(31)
Financial income	26	255,073	226,212	330,491	320,177
Total value added to be distributed		**573,691**	**948,660**	**738,991**	**1,142,179**
Distribution of value added		**573,691**	**948,660**	**738,991**	**1,142,179**
Personnel and charges		**70,233**	**61,705**	**92,840**	**104,028**
Direct compensation		65,437	57,976	87,259	99,421
Benefits		4,121	3,189	4,829	3,950
Severance fund (FGTS)		675	540	752	657
Taxes, charges and contributions		**10,660**	**45,470**	**54,502**	**147,572**
Federal (includes deferred income and social contribution taxes)		5,472	41,975	48,462	142,628
State		4,917	3,290	5,146	4,329
Local		271	205	894	615
Financing		**224,262**	**321,385**	**323,113**	**370,479**
Financial expenses (i)		224,026	321,232	322,551	370,137
Rentals		236	153	562	342
Interest on own capital		**268,536**	**520,100**	**268,536**	**520,100**
Minimum mandatory dividends	20.d	63,777	123,524	63,777	123,524
Additional dividends proposed	20.d	191,332	196,476	191,332	196,476
Retained earnings of the year		13,427	200,100	13,427	200,100

(i) Taxes on financial income are presented in the line "Federal."

See the accompanying Management notes.

1. General information

BrasilAgro - Companhia Brasileira de Propriedades Agrícolas ("BrasilAgro") or ("Company") was incorporated on September 23, 2005 and is headquartered at Avenida Brigadeiro Faria Lima, 1309, in São Paulo with branches in the states of Bahia, Goiás, Mato Grosso, Minas Gerais, Maranhão and Piauí, as well as in Paraguay and Bolivia. The Company is the direct and indirect parent company of closely held companies and its corporate purpose is: (i) the commercial exploration, import and export of agriculture activities and inputs, cattle raising and forestry activities; (ii) the purchase, sale and rental of real estate in rural and/or urban areas; and (iii) real estate brokerage involving any type of operations; and management of its own and third-party assets.

The Company and its subsidiaries operate on 19 farms with total area of 273,486 hectares, of which 213,329 hectares are owned and 60,157 hectares are leased. There are sixteen (16) farms in six states of Brazil, one (1) farm in Paraguay and two (2) farms in Bolivia. This total number does not include the 2,009-hectare area of the Alto Taquari and Rio do Meio farms (1,157 and 852 hectares, respectively) negotiated in the long term and whose ownership has not yet been transferred to the buyers. Comparable information on the Company's own farms is disclosed in Note 11.

2. Main events

2.1 Sales of farms

2.1.1 Sales of farms during the previous fiscal year

Alto Taquari IV Farm

On September 01, 2021, the Company entered into an instrument for purchase and sale of a 3,723-hectare area (2,694 arable hectares) in Alto do Taquari Farm, a rural property located in the city of Alto Taquari, state of Mato Grosso (MT), for 2,962,974 soybean bags, equivalent to R$591,339 on the transaction date. The parties determined the sale in two (2) phases: 2,566 hectares were delivered in October 2021 and 1,157 hectares will be transferred on September 30, 2024.

Rio do Meio I Farm

On September 01, 2021, the Company entered into an instrument for the purchase and sale of a 4,573-hectare area (2,859 arable hectares) of the Rio do Meio Farm, property located in the city of Correntina, state of Bahia (BA), for 714,835 soybean bags, which is equivalent to R$130,104 on the transaction date. Possession of the area sold was transferred in December 2021. In the same agreement, the Company undertook to obtain Vegetation Suppression Authorization (ASV) for a 371-hectare area, with payment established at 100 soybean bags per hectare subject to granting of the authorization. This amount will be distributed proportionately to the installments coming due after the sale.

2.1.2 Sales of farms in the current fiscal year

Jatobá VII Farm

On June 29, 2023, the subsidiary Imobiliária Jaborandi entered into an agreement for the sale of 4,408 hectares (3,202 arable hectares) of the Jatobá VII Farm, rural property located in the municipality of Jaborandi (Bahia), for 952,815 soybean bags, equivalent to R$121,558 on the transaction date. The amount will be paid in seven annual installments. On the agreement date, the buyer paid the first installment, thus meeting the conditions for the transfer of possession of the area sold, while the other installments will be paid on July 31 of each year through 2029.

The gain from this transaction is shown in Note 22.b.

Araucária VI and VII Farm

The Company signed two sale agreements for the remaining area of 5,517 hectares (4,011 arable hectares) of the Araucária Farm, an agricultural property located in the city of Mineiros, Goiás. Details about the sales follow:

- On March 28, 2023, 5,185 hectares (3,796 arable hectares) were sold for 3 million soybean bags, equivalent to R$409,328 on the transaction date. The amounts will be paid in seven installments, the first on July 30, 2023, the second on August 16, 2023 and the others on March 1 of each year through 2028. Possession of the area sold was transferred on June 15, 2023.

- On March 29, 2023, 332 hectares (215 arable hectares) were sold for 63,875 soybean bags, equivalent to R$8,508 on the transaction date. The amounts will be paid in five installments: on April 14, the buyer paid the first one, while the others will be paid on March 30 of each year through 2027. Possession of the area sold was transferred on May 31, 2023.

The gain from this transaction is shown in Note 22.b.

Rio do Meio II Farm

On November 8, 2022, the subsidiary Agrifirma Bahia entered into an agreement for the sale of 1,964 hectares (1,422 arable hectares) of the Rio do Meio Farm, rural property located in the municipality of Correntina, Bahia, for 414,097 soybean bags, equivalent to R$62,428 on the transaction date. The agreement envisages a timetable for the transfer of possession, with the proceeds being recognized in four phases. The first and second phases were concluded on November 14, 2022 and June 7, 2023, respectively, with the other phases planned for July of each year through 2025.

The gain from this transaction is shown in Note 22.b.

Marangatu I Farm

On October 6, 2022, the subsidiary Agropecuária Moroti S.A. entered into a sale agreement for 863.3 hectares (498 useful hectares) of the Marangatu Farm ("Marangatu I"), a property located in Mariscal Estigarribia, Boquerón, Paraguay, for US$1,497 thousand (US$3,000 per arable hectare), equivalent to R$7,786 on the sale date. On October 21, 2022, the buyer made the initial payment of US$749 thousand (R$3,886), and the remaining balance will be paid in three fixed annual installments, as shown in Note 8.1.f. Thus, the conditions precedent for transfer of possession were met, and the proceeds from this transaction are shown in Note 22.b.

2.2 Acquisition of farm

Panamby Farm

On August 10, 2022, the Company signed a Purchase and Sale Agreement for a total area of 10,844 hectares of the Panamby Farm, a rural property located in Querência, Mato Grosso. The transaction amount was established at R$285,600, equivalent to 302 soybean bags per useful hectare, divided into two installments. On September 12, 2022, the Company paid the first installment of R$144,747 (R$140,000 refers to the principal and R$4,747 to other transaction costs), meeting the conditions to obtain possession of the land. On June 30, 2023, the liability refers to the payment of the second installment maturing on August 21, 2023 of R$142,985 adjusted at present value (Note 19, under "Panamby Farm"). The amount of R$274,172, which includes the value of the farm, other property, plant and equipment and other transaction costs, is recorded under "Acquisitions" and shown in Note 11 and 13.

2.3. Leases

2.3.1 Leases in the previous fiscal year

Regalito Farm

On June 1, 2022, the Company entered into an agricultural partnership agreement with Regalito Farm to commercially explore a 5,714-hectare agricultural area. The farm is in the city of São José do Xingu, state of Mato Grosso, and the agreement has a duration of 12 years.

Nossa Senhora Aparecida Farm

On June 11, 2022, the Company entered into an agricultural partnership agreement with Nossa Senhora Aparecida Farm to commercially explore a 2,100-hectare agricultural area. The farm is in the city of São Félix do Araguaia, state of Mato Grosso, and the agreement has a duration of six years.

2.3.2 Leases in the current fiscal year

São Domingos Farm

On July 21, 2022, the Company signed an agricultural partnership agreement with the São Domingos Farm, located in Comodoro, Mato Grosso. The Company will explore an arable area of approximately 6,070 hectares under a 12-year agreement and possession will be granted in two phases of 3,035 hectares each, with the first one concluded in December 2022 and the second to be concluded in December 2023.

2.4. Other performance aspects

Part of the Company's revenue is generated by the sale of commodities to local clients, in the context of a global market for said commodities that relies on an extensive logistics and supply chain, including ports, distribution centers and suppliers.

Given the geopolitical scenario with significant impacts from the war between Russia and Ukraine, which began on February 24, 2022, the Company has been the prices of commodities and fertilizers daily to ensure that its operations are not affectmonitoring ed. So far, the situation has not caused any losses to crop development.

With regard to agricultural products, a factor that merits attention is the strong demand for exports benefited by the appreciation in the U.S. dollar. With regard to the logistics chain, the increase in freight prices resulting from higher fuel cost is a concern; note that no significant disruptions occurred in export operations and logistics and in inbound shipments of inputs, most of which already have been acquired and delivered as the use is necessary.

With regard to commitments for sales to clients, the Company has not identified any material changes, since their origination is based on a strong correlation between the way the negotiations are conducted and the players selected as commercial partners. Therefore, to date, the Company has not observed any matters related to these commitments.

Short- and long-term liquidity is preserved, and even any changes in inbound and outbound shipments are scaled to not affect significantly the Company's financial position. BrasilAgro did not identify significant risks with regard to its capacity to continue operating.

3. Basis of preparation and presentation of the separate and consolidated financial statements

The significant accounting policies applied when preparing these financial statements are described below. These policies are being consistently applied in all years presented, unless otherwise stated.

3.1 Basis of preparation

The individual and consolidated financial statements were prepared based on the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) and the accounting practices adopted in Brazil (BR GAAP), which comprise the Brazilian corporate law, as well as the Accounting Pronouncements, Guidelines and Interpretations issued by the Accounting Pronouncements Committee (CPC) and approved by the Securities and Exchange Commission of Brazil (CVM).

The Company's Management affirms that all material information about the Company in the financial statements, and only such information, is being highlighted and corresponds to the information used by it in its management.

(In thousands of reais, except as stated otherwise)

On September 05, 2023, the Board of Directors approved the financial statements and authorized their disclosure.
The individual and consolidated financial statements have been prepared based on the historical cost, unless otherwise stated, as described in the summary of significant accounting policies.

The financial statements have been prepared in the ordinary course of business. Management has not identified any significant uncertainty as to the Company's ability to continue as a going concern in the next 12 months.

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires Management's judgement and analysis when applying the Company's accounting practices. Those areas requiring a higher level of judgment and with more complexity, as well as the areas in which assumptions and estimates are significant for the consolidated financial statements, are disclosed in Note 3.

The non-financial data included in these financial statements, such as sales volume, planted and leased area, quantity of farms and environment, has not been examined by the independent auditors.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as of June 30, 2023 and 2022. The table below shows the Company's ownership interest in the other companies composing the group.

Subsidiaries (%)	**Countries**	**6/30/2023**	**6/30/2022**
Imobiliária Jaborandi Ltda.	Brazil	100	100
Imobiliária Cremaq Ltda.	Brazil	100	100
Imobiliária Engenho Ltda. (iii)	Brazil	-	100
Imobiliária Araucária Ltda.	Brazil	100	100
Imobiliária Mogno Ltda.	Brazil	100	100
Imobiliária Cajueiro Ltda.	Brazil	100	100
Imobiliária Ceibo Ltda.	Brazil	100	100
Imobiliária Flamboyant Ltda.	Brazil	100	100
Agrifirma Agro Ltda.	Brazil	100	100
Agrifirma Bahia Agropecuária Ltda.(i)	Brazil	100	100
I.A. Agro Ltda. (i) (ii)	Brazil	-	100
Palmeiras S.A.	Paraguay	100	100
Agropecuaria Morotí S.A.	Paraguay	100	100
Agropecuaria Acres Del Sud S.A.	Bolivia	100	100
Ombú Agropecuaria S.A.	Bolivia	100	100
Yuchán Agropecuaria S.A.	Bolivia	100	100
Yatay Agropecuaria S.A.	Bolivia	100	100

(i) Subsidiary of Agrifirma Agro (controlled indirectly).
(ii) Company established on July 23, 2022 by the indirect subsidiary Agrifirma Bahia. See Note 12.
(iii) Company dissolved on October 6, 2022, see note 12.

The subsidiaries are fully consolidated from the date control was obtained, being consolidated up to the date on which the control no longer exists. The investor controls the investee when it is exposed to, or has rights on, variable returns arising from its involvement with the investee and has capacity to affect such returns through its power in the investee.

The financial statements of the subsidiaries are prepared for the same reporting period of the Company, using consistent accounting policies. All intragroup balances, revenues and expenses are fully eliminated in the consolidated financial statements. Therefore, the group of companies is referred to as the “BrasilAgro Group.”

3.2 Foreign currency translation

a) Functional and presentation currency

Items included in the financial statements of each of the subsidiaries headquartered in Brazil and the Company are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). For the subsidiaries headquartered in Paraguay, the functional currency is the U.S. dollar, and for the subsidiaries headquartered in Bolivia, the functional currency is the Bolivian boliviano. Therefore, the functional currency of entities based in Brazil and the group’s presentation currency is the Brazilian real (“R$”).

b) Transactions and balances in foreign currencies

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions or valuations. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statements of operations.

c) Foreign group companies

In the preparation of the Company’ financial statements, the financial statements of the companies headquartered abroad, whose functional currency is the U.S. dollar and the Bolivian boliviano, are translated into reais as follows: a) Balance Sheet at the foreign exchange rate ruling at the end of each year and b) Statement of Operations, at the average foreign exchange rate of the year. The effects of variations in the foreign exchange rate resulting from these translations are presented under “Comprehensive income (loss)” in the statement of changes in equity and in the statement of comprehensive income (loss).

3.3. Investments in subsidiaries and in joint venture

The investments in subsidiaries and in joint venture are recorded on the equity method in the individual financial statements.

In the consolidated financial statements, investments in subsidiaries are consolidated, while investments in the joint venture are recorded based on the equity method.

The joint venture is the result of an agreement under which the parties have joint control of and rights to the net assets of the investee. Joint control is the contractual sharing of a control, existing only when decisions on the related activities require the unanimous consent of the parties.

3.4. Cash and cash equivalents and marketable securities

Cash and cash equivalents include cash, bank deposits and short-term highly liquid financial investments for which there are no fines or other restrictions for their immediate redemption from the issuer of the instrument.

Marketable securities include the financial investments provided as guarantees for loans and financing recorded in current and noncurrent assets based on the maturities of referred to loans and financing.

Cash equivalents and marketable securities are measured at fair value through profit or loss.

Financial investments and repurchase agreements may mature within more than 90 days from the date of contract and may have repurchase guarantee contractually provided by the financial institution issuing the security, allowing the redemption of securities at the amount originally invested plus interest with no penalty. They are classified as cash and cash equivalents. Investments in deposit certificates that are not eligible for redemption without penalties are held in marketable securities.

Certain debt agreements require the Company to keep marketable securities as guarantee for the outstanding balances. Such investments are linked while held in guarantee. The Company records the purchases and sales of such investments as investment activities in the statement of cash flows.

The fixed income investments are intended to maintain the amounts held by the Company and not yet allocated to rural activities and are governed by a policy approved by the Board of Directors.

3.5. Financial instruments

a) Financial assets

Initial recognition and measurement

Financial assets are measured at fair value upon initial recognition and subsequently measured at amortized cost or at fair value through profit or loss.

The classification of financial assets upon initial recognition depends on the characteristics of the contractual cash flows of the financial asset and on the Company's business model for managing these financial assets. Trade accounts receivable that do not contain a significant financial component or for which the Company applied the practical expedient are measured at the transaction price calculated in accordance with CPC 47/IFRS 15.

For a financial asset to be classified and measured at its amortized cost, it must generate cash flows that are "exclusively payments of principal and of interest" (also referred to as the "SPPI test") applicable to the outstanding principal.

Following the Company's business model, financial assets are managed to generate cash flows. The business model determines if cash flows result in the collection of contractual cash flows, in the sale of financial assets or both.

Purchases or sales of financial assets that require delivery of assets within a timeframe set by regulations or market conventions (typical negotiations) are recognized on the date of the trade, i.e. on the date the Company undertakes to purchase or sell the asset.

Subsequent measurement

For the purposes of subsequent measurement, the Company's financial assets are classified as:

i. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition as at fair value through profit or loss or financial assets to be mandatorily measured at fair value.

The Company designates certain financial assets at the initial recognition by the fair value through profit or loss. This designation cannot be altered later. These assets are mainly represented by marketable securities, derivatives and receivables from the sale of farms, which consist of debt instruments recognized in the consolidated balance sheet in "Accounts receivable."

Changes in fair value related to credits for the sale of farms designated at fair value through profit or loss are recognized in "Income/Expense from inflation adjustment of farm receivables" under "Financial income."

ii. Financial assets at amortized cost (debt instrument).

The Company measures financial assets at amortized cost when the following conditions are met:

- The financial asset is maintained within a business model whose objective is to hold financial assets for the purpose of receiving contractual cash flows.
- The contractual terms of the financial asset give rise, on specific dates, to cash flows composed solely of payments of principal and interest on the outstanding principal.
- Financial assets at amortized cost are subsequently measured using the effective tax rate method and are subject to impairment. Gains and losses are recognized as profit or loss upon derecognition, modification or impairment of the asset.
- The Company's financial assets at amortized cost include all trade account receivables, loans with affiliates and marketable securities given as collateral for loans and financing.

Impairment of financial assets

The following financial assets held by the Company are subject to the model of "expected credit losses:"

- accounts receivable from clients from sales of agricultural and cattle products and the sale of farms;
- financial assets measured at amortized cost; and
- financial assets measured at fair value through other comprehensive income.

Although cash and cash equivalents are also subject to impairment requirements under IFRS 9/CPC 48, the impairment losses on these assets are not significant.

Trade accounts receivable and contract assets

The Company applies a simplified approach for IFRS 9/CPC 48 to measure expected credit losses considering an estimate for expected losses over the useful life for all trade accounts receivable and contract assets.

Expected loss rates are based on sale payment profiles during a certain period, respectively, and the corresponding historical credit losses incurred during this period. Historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors that affect the clients' capacity to settle receivables.

Trade accounts receivable and contract assets are written off when there is no reasonable expectation of recovery. Indications that there is no reasonable expectation of recovery include: incapacity of the debtor to undertake a renegotiation plan of their debt with the Company or to make contractual payments of liabilities overdue more than 90 days.

Impairment losses of trade accounts receivable and contract assets are presented as net impairment losses, under operating profit. Subsequent recoveries of amounts previously written off are credited in the same account.

Financial assets measured at amortized cost and at fair value through other comprehensive income

All investments in bonds at amortized cost and at fair value through other comprehensive income are considered to have low credit risk and the estimate for recognized losses during the period was therefore limited to expected credit losses in 12 months. Management considers instruments traded in the market "low credit risk" if such investment rating is assigned by at least one important rating agency. Other instruments are considered to have low credit risk when they pose a low risk of default and when the issuer has strong capacity to meet its contractual cash flow obligations in the short term.

Estimated losses from investments in bonds at fair value through other comprehensive income are recognized in profit or loss and reduce the fair value loss recognized in other comprehensive income. The result from application of the model of expected credit losses for said financial assets was insignificant.

Other financial assets at amortized cost include bonds that do not pay interest and listed private securities (previously held to maturity), loans to related parties and other accounts receivable. Estimated losses from other financial assets at amortized cost are recognized in profit or loss for the year.

b) Financial liabilities

Initial recognition and measurement

Financial liabilities are initially recognized at their fair value; in the case of financial liabilities not recognized at fair value through profit or loss, any transaction costs directly attributable to the issue of such financial liability are included as well.

The Company's financial liabilities include trade account and other payables, loans and financing and derivative instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trade and financial liabilities designated, upon initial recognition, as at fair value through profit or loss.

Financial liabilities are classified as held for trade when they are incurred for repurchase in the short term. This category also includes derivate instruments contracted by the Company that are not designated as hedge instruments under the hedge relations established under CPC 48/IFRS 9.

Gains and losses withheld-for-trading liabilities are recognized as profit or loss.

Financial liabilities that comply with the criteria of CPC 48/IFRS 9 are designated at fair value through profit or loss on the initial recognition date.

(ii) Financial liabilities at amortized cost

After initial recognition, loans and financing, contracted and granted, that are subject to interest are subsequently measured at amortized cost, using the effective interest rate method.

Gains and losses are recognized in the result when liabilities are derecognized, as well as through the amortization of the effective tax rate.

The amortized cost is calculated based on any premium or discount in the acquisition and fees or costs that compose the effective interest rate method. Amortization through the effective interest rate method is recorded as a financial expense in the statement of income.

This category usually applies to loans and financing granted and contracted, subject to interest payments. For more information, see Note 17.

3.6. Derivative financial instruments

The Company uses derivative financial instruments, such as future exchange contracts, interest rate swaps and forward commodity contracts, to hedge against risks related to exchange rates, interest rates and commodity prices, respectively. These derivative financial instruments are initially recognized at fair value on the date on which the derivative contract is signed and are, subsequently, remeasured at fair value. Derivatives are recorded as financial assets when their fair value is positive and as financial liabilities when their fair value is negative. The Company did not designate any derivative for hedge accounting.

Any gains or losses arising from changes in the fair value of derivatives during the year are recognized immediately in the statement of operations (Note 26).

The fair value of derivative financial instruments is disclosed in Note 7.

3.7. Trade receivables

Trade receivables are amounts due from customers for merchandise and farms sold in the ordinary course of the Company's business. If collection is expected in one year or less, trade receivables are classified as current assets. Otherwise, they are presented as non-current assets.

Trade receivables not related to the sale of farms are initially recognized at fair value, and subsequently, measured at amortized cost under the effective interest rate method less any expected credit losses, if necessary.

Trade receivables related to the sale of farms for which the amount of cash receivable is contractually determined in quantity of soybean bags, equivalent to an amount in R$, are initially classified as financial assets and measures at fair value through profit or loss. In these cases, the amount of the receivable is subsequently remeasured at each balance sheet date by applying to the quantity of sacks of soybean the quotation of soybean for future delivery at the maturity date of each installment (or based on estimates and quotations of brokers when there is no quotation of soybean for future delivery on a specific maturity date) and by multiplying the resulting amount in U.S. dollars at the exchange rate of US$ to R$ for future delivery also on the same maturity date (considering that future soybean quotations are denominated in US$) with the then resulting amount in Reais measured at fair value upon calculation of discounted cash flow. The gain (loss) on remeasurement of the receivable is recognized in Financial income under "Income/Expense from inflation adjustment of farm receivables" (Note 26).

3.8. Inventories

The inventories of agricultural products from biological assets are measured at fair value when they are ready to be harvested, less selling expenses, when they are transferred from the group of biological assets to the group of inventories.

The inventories of seeds, manures, fertilizers, pesticides, fuel, lubricants, warehouse and sundry materials were assessed at the average acquisition cost.

According to practices adopted by the Company, upon the identification of loss of quality of products which affect their sales (either due to storage, load, transportation and other events related to the operation) an assessment and physical segregation of the quantity of these products are carried out. At that moment an internal process of registration, approval, disposal of inventories and destination of this quantity is started through the approval of the responsible officers duly formalized in the Company’s management system.

A provision/reversal for adjustment of inventories to net realizable value of agricultural products is set up when the fair value recorded in inventories is higher or lower than the net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs to sell them. Impairment to net realizable value is recognized in the statement of operations for the year it refers to under “Movement of the provision for impairment of agricultural products after harvest.”

3.9. Biological assets

The Company’s and its subsidiaries' biological assets consist mainly of the cultivation of soybean, corn, beans, cotton, sugarcane and beef cattle (or cattle production), which are measured at fair value less selling expenses.

Agricultural production

The fair value of biological assets is determined upon their initial recognition and at each subsequent balance sheet date. Gains and losses arising from the variation of fair value of biological assets are determined by the difference between fair value and costs incurred for plantation and treatment of crops of biological assets until evaluation, recorded in the statement of operations for the year under “Changes in fair value of biological assets and agricultural products”. In certain circumstances, the estimated fair value less selling expenses approximates cost value of formation until that moment, especially when only a little biological transformation has taken place since the initial moment or when no material impact is expected of such biological transformation on price. Biological assets continue to be recorded at their fair value.

Sugarcane crops have a five-year production cycle in average, and the beginning of a new cycle depends on the completion of the previous cycle. Accordingly, the current cycle is classified as short-term biological asset, and the amount related to sugarcane stubble crops (bearer of other cycles) is classified as permanent cultures in property, plant and equipment. The calculation methodology used to estimate the value of the biological asset "sugarcane" was the discounted cash flow at a rate compatible with the risk and the time of operations. For such, the future cash flows were projected in accordance with the projected productivity cycle for each harvest, taking into consideration the estimated useful life of each area, the prices of total sugar recoverable, estimated productivity and the related estimated costs of production, including the cost of land, harvest, loading and transportation for each planted hectare.

The soybean, corn, cotton and beans are temporary crops, in which the agricultural product is harvested after a period of time spanning from 90 to 240 days after the planting date, depending on the culture, variety, geographic location and climate conditions. The calculation methodology used to estimate the value of the biological assets of grains was the discounted cash flow at a rate compatible with the risk and time of operations. For such, the future cash flows were projected taking into consideration the estimated productivity, costs to be incurred based on the company budget or on new internal estimates and market prices. These prices for commodities available in futures markets were obtained from quotes on the following boards of trade: CBOT ("Chicago Board of Trade"), B3 (Brasil, Bolsa, Balcão), and NYBOT ("New York Board of Trade"). For the agricultural products not quoted in this type of market, we used the prices obtained through direct market surveys or disclosed by specialized companies. Based on market prices, we used the related logistic and tax discounts in order to arrive at the prices of each of these products in each production unit of the Company.

As mentioned above, the fair value of the biological assets disclosed in the balance sheet was determined using valuation techniques of the discounted cash flow method. The data of these methods is based on the information observed in the market, whenever possible, and whenever it is not feasible, a certain level of judgment is required to establish the fair value. The judgment includes considerations on the costs incurred to sell the product, such as price, productivity and production cost. Changes in the assumptions on these factors might affect the fair value presented in biological assets.

Cattle production

In 2016, the Company started raising cattle, which typically consists of producing and selling beef calves after weaning, which characterizes the activity as breeding. In Paraguay, the main activity is feeding.

For segregation purposes, when applicable, the Company classifies its cattle herd into: food cattle (current assets), which can be sold as biological asset for meat production; and cattle for reproduction (non-current assets), which are used in farm operations to generate other biological assets. Until the conclusion of these financial statements, the Company had beef cattle, which includes breeding and raising, calves, heifers, pregnant heifers, pregnant cows, calves, steers and bulls.

The fair value of cattle is calculated at market value, given the existence of an active market. The gain or loss from changes in the fair value of biological assets is recognized in profit or loss for the period when it occurs (Note 10). The Company considered the prices in the cattle market in Bahia state and in Boqueron (Paraguay), the main market, and the metrics used in the market. Accordingly, food cattle, when applicable, and production cattle are measured based on arroba (weight) and the age bracket of animals.

3.10. Investment properties

The Company's business strategy aims mainly at the acquisition, development, exploration and sale of rural properties where agricultural activities can be developed. The Company acquires rural properties believed to have significant potential to generate value by means of maintenance of assets and development of profitable agricultural activities. By acquiring rural properties, the Company seeks to implement higher value-added crops and transform these rural properties with investments in infrastructure and technology, in addition to entering into lease contracts with third parties. Based on this strategy, whenever the Company considers that its rural properties became profitable, it sells these rural properties to realize capital gains.

The land of rural properties purchased by the Company is stated at acquisition cost, which does not exceed its net realizable value, and is presented in "Non-current assets". The fair value of each property is stated in Note 11.

Buildings, improvements and opening of areas in investment properties are valued at historical cost, less accumulated depreciation, following the same criteria described for property, plant and equipment in Note 3.11.

3.11. Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation. Historical cost includes expenditure directly attributable to the acquisition of the items and finance costs related to the acquisition of qualifying assets.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be reliably measured. All other repair and maintenance costs are charged to the statement of operations for the year, as incurred.

Depreciation is calculated using the straight-line method to allocate their cost to their residual values over their useful lives estimated by specialists of the group, except for permanent crops that depend on the volume produced in the period. The annual depreciation rates are described below:

Annual depreciation rates %	**2023**	**2022**
Buildings and improvements	3	3
Equipment and facilities	7	7
Vehicles and agricultural machinery	7	7
Furniture and fixtures	10	10
Opening of areas	5	5

The assets' residual values and useful lives are revised and adjusted, if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.
Gains and losses on disposals are determined by comparing the sale price with the carrying amount and are recognized in "Other operating (expenses) income" in the statement of operations.

3.12. Intangible assets

Intangible assets comprise software license amortized over their estimated useful life of 5 years.

Costs associated with software maintenance are recognized as an expense as incurred.

3.13. Impairment of non-financial assets

According to CPC 01 (IAS 36) – Impairment of assets, including investment properties, property, plant and equipment and intangible assets are subject to impairment tests whenever events or changes in circumstances indicate that their book value may not be recovered.

Assets with definite useful life are reviewed for impairment indicators and whenever events or changes in circumstances indicate that the book value may not be recovered. If any indicator is detected, the assets are tested for impairment. An impairment loss is recognized at the amount at which the accounting cost exceeds its recoverable amount.

On June 30, 2023 and 2022, no impairment indicators for these assets were identified.

3.14. Trade payables and other liabilities

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less and measured by the amortized cost. Otherwise, they are presented as non-current liabilities.

3.15. Loans, financing and debentures

Loans and financing are recognized initially at fair value, net of transaction costs incurred and subsequently carried at amortized cost.

Any difference between amounts raised (net of transaction costs) and the settlement value is recognized in the statement of operations over the year the loans are outstanding using the effective interest method. Interest paid on loans are recognized in the income statement in the “Loans and financing” group.

Fees paid on the establishment of loan facilities are recognized as transaction costs to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the loan to which it relates.

Loans are classified as current liabilities, unless the Company has an unconditional right to defer settlement of the liability for at least 1 year after the balance sheet date.

3.16. Provisions

Provisions are recognized when the Company has a present, legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, and the amount may be reliably estimated.

The contingent liabilities arising from labor, social security, tax, environmental, contractual, operating obligations and administrative and judicial claims are recorded at their estimated amount when the loss is assessed as probable (Note 4.a).

3.17. Current and deferred income tax and social contribution

a) Current income tax and social contribution

Current and deferred income tax and social contribution are calculated at the rates of 15%, plus 10% additional on taxable profit exceeding R$ 240 per annum for income tax and 9% on taxable profit for social contribution on net profit. The calculation considers the losses on income tax and social contribution carryforward limited to 30% of annual taxable profit, except for the rural activity which is of up to 100% of annual taxable profit. There is no statute of limitations for the balance of losses on income tax and social contribution carryforward.

As permitted by tax legislation in Brazil, certain subsidiaries opted to compute taxable profit as a percentage of gross sales. For these companies, the income tax and social contribution calculation basis is based on the estimated profit assessed at the rate of 8% and 12% on gross revenue, on which the nominal rates are applied respectively, which does not apply to deferred taxes.

b) Deferred income tax and social contribution

Income tax and social contribution is recognized by the estimated future effect of temporary differences and losses on income tax and social contribution carryforward. A deferred income tax liability and social contribution liability are recognized for all the temporary tax differences, whereas the deferred income tax recoverable is recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. The deferred tax assets and liabilities are classified as long term. The income tax related to items directly recognized in equity for the current or prior year is directly recognized in the same account.

Deferred income tax and social contribution are calculated on losses on income tax and social contribution carryforward, and the related temporary differences between the calculation bases of tax on assets and liabilities and the book values of the financial statements. The rates of these taxes, currently defined for the determination of these deferred credits are 25% for income tax and 9% for social contribution (Note 18).

3.18. Benefits to employees

a) Share-based payments

The Company operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments of the Company.

The cost of transactions settled with shares is recognized as expense for the year, jointly with a corresponding increase in equity during the year in which the conditions of performance and/or provision of services are met. The accumulated expenses recognized in connection with the equity instruments on each base date, until the date of acquisition, reflect the extent to which the acquisition period has expired and the best estimate of the Company and its subsidiaries as to the number of equity instruments to be acquired.

The expense or reversal of expenses for each year represents the changes in accumulated expenses recognized in the beginning and end of the year. Expenses related to services that did not complete their acquisition period are not recognized, except for transactions settled with shares in which the acquisition depends on a market condition or on the non-acquisition of rights, which are treated as acquired, irrespective of whether the market condition or the condition of non-acquisition of rights is fulfilled or not, provided that all other conditions of performance and/or provision of services are met.

When an equity instrument is modified, the minimum expense recognized is the expense that would have been incurred if the terms had not been modified. An additional expense is recognized in the event of modification that raises the total fair value of the transaction paid for with shares or that otherwise benefits the employee, as measured on the date of modification.

If an equity instrument is canceled, such instrument is treated as if it was fully acquired on the date of cancellation, and any expenses not yet recognized relating to the premium are recognized immediately in the profit or loss of the year.

This includes any premium whose non-acquisition conditions under the control of the Company or the employee are not met. However, if the canceled plan is replaced by a new plan and substitute grants are generated, on the date it is granted, the canceled grant and the new plan will be treated as a modification of the original grant, as described in the previous paragraph. All cancellations of transactions with share-based payments will be treated the same.

b) Profit sharing

The Company provides employees with a participation in a profit-sharing arrangement, pursuant to which all of the employees have the right to receive annual bonuses based on consolidated financial and operating results and also on personal goals set for each employee.

3.19. Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction of the value raised, net of taxes.

3.20. Revenue from contracts with clients

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Company's activities. Revenue is presented net of taxes, returns, rebates and discounts, when applicable, as well as eliminations of sales among the Company subsidiaries.

The Company applies the model of CPC 47/IFRS 15 to measure and account for revenue from contracts with clients, which establishes the recognition of revenue in an amount that reflects the Company's expected consideration in exchange for the transfer of goods or services to a client. The model is based on five steps: i) identification of the contracts with clients; ii) identification of the performance obligations envisaged in the agreements; iii) determination of the transaction price; iv) allocation of the transaction price to the performance obligations envisaged in the agreements; and v) recognition of revenue when the performance obligation is fulfilled.

a) Sale of goods

Revenue from grain and sugarcane sales is recognized when the Company meets its performance obligations under its agreements with clients, usually when the products are delivered to the buyer at the given location, according to the agreed sales terms.

In the case of grains, the Company usually enters into sale contracts for future delivery determining that the price may be established by the Company, for the total or partial volume sold, up to the delivery, in accordance with formulas established in contract. In certain cases, this formula established in contract determines a price in U.S. dollars. The amount in reais is also determined in contract, based on the exchange rate effective a few days before the date of financial settlement. The price can also be adjusted by other factors, such as humidity and other technical characteristics of grains.

With regard to the sale of sugarcane, the Company normally enters into sale agreements for future deliveries, in which data such as volume and minimum ATR are pre-fixed. The pricing of sugarcane considers the quantity of ATR per ton of sugarcane delivered, and the ATR amount, disclosed every month by Consecana.

Upon the delivery of grains, the revenue is recognized based on the price established with each buyer considering the exchange rate effective on the delivery date. After the grains are delivered to the addressee, the quality and final weight are evaluated, thus determining the final price of the transaction, and adjusting the contractual amounts in accordance with such factors, as well as by the exchange rate variation up to the settlement date.

b) Sale of farms

Sales of farms are not recognized in the statement of operations until (i) the sale is completed, (ii) the Company determines that it is probable the buyer will pay, (iii) the amount of revenue can be measured reliably, and (iv) the Company has transferred to the buyer the control that corresponds to the transfer of ownership.

The result from sales of farms is presented in the statement of operations as “Gain on sale of farm” by the difference between the value of consideration for the sale and the book value of the farm sold.

c) Revenue from cattle raising

Revenue from the sale of cattle is recognized when the material risks and the benefits of cattle ownership are transferred to the buyer, usually when the cattle are delivered to the buyer at the specified place, in accordance with the terms of the sale agreed upon.

For the sale of cattle, the company’s operation in Brazil consists mainly of a project involving the production and sale of beef calves after weaning (this process is called rearing). However, some animals that prove to be infertile may be sold to meat packers for slaughtering. At the Paraguay operation, the project consists of fattening and selling these animals for slaughtering. The pricing for sale of rearing cattle is based on the price of the arroba of fed cattle in the respective market (the arroba price is verified on the transaction date), the animal weight, plus the premium related to the category. The sale of animals for slaughtering in the Brazil and Paraguay operations, in turn, considers the price of the arroba of fed cattle or heifer/cow on the date of sale in the respective market, applied to carcass yields.

3.21. Financial income and expenses

These comprise interest and monetary and exchange variations arising from loan and financing contracts, short-term investments, accounts receivable from farms, trade accounts receivable, monetary and exchange variation recoverable and payable, gains and losses on measurement at fair value of derivative financial instruments and accounts receivable from sale of farms, as well as discounts obtained from suppliers for the prepayment of trade notes.

3.22. Leases

The Company has executed agreements for land leases and agricultural partnerships, as well as service agreements as recipient. Accordingly, the Company evaluates, on the effective date of all its agreements, if such agreement is or contains a lease arrangement, in other words, if the agreement provides the right to control the use of an asset identified for a period in exchange for consideration.

Company as lessee

The Company applies a single approach for recognizing and measuring all leases, except short-term leases and low-value asset leases. The Company recognizes lease liabilities to effect payments of the leases and right-of-use assets that represent the right to use underlying assets.

Right-of-use assets

The Company recognizes right-of-use assets on the effective date of the lease (i.e., the date on which the underlying asset is available for use). Right-of-use assets are measured at cost, deducting any accumulated depreciation and impairment losses, and adjusted by any new remeasurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease liabilities recognized, the initial direct costs incurred and the payments of leases made until the effective date, less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the lease period.

Lease liabilities

On the effective date of the lease, the Company recognizes lease liabilities measured at the present value of the payments to be made during the lease period. Lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or rate, and expected amounts to be paid under guarantees of residual value. Lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of fines due to termination of the lease agreement, if the lease period reflects the Company exercising the option to terminate the lease agreement.

Variable lease payments that do not depend on an index or rate are recognized as expenses (except if they were incurred to produce inventories) in the period in which the event or condition that generates these payments occurred.

To calculate the present value of lease payments, the Company uses its incremental loan rate on the effective date because the implicit interest rate in the lease cannot be easily determined. After the effective date, the lease liability amount is increased to reflect the increase in interest and reduced to exclude the lease payments made. Furthermore, the book value of lease liabilities is remeasured if there are any modifications, changes in lease period, changes in lease payments (e.g., changes in future payments resulting from a change in the index or rate used to determine such lease payments) or changes in the value of a purchase option of the underlying asset.

Short-term leases and low-value asset leases

The Company applies the short-term lease exemption for the short-term lease of machinery and equipment (i.e., leases whose period are equal to or less than 12 months as from the effective date and do not have purchase options). It also applies the low-value asset lease exemption to leases of office equipment of low value. Payments of short-term leases and low-value asset leases are recognized as an expense on a straight-line basis during the lease period.

Company as lessor

Leases in which the Company does not transfer substantially all risks and benefits of asset ownership are classified as operating leases. Revenue from rental is registered on a straight-line basis, during the lease period, and is included under revenue in the income statement, due to its operating nature. Initial direct costs incurred in negotiations of operating leases are added to the book value of the rented asset and recognized during the lease period with a base similar to that of revenue from rentals. Contingent rentals are recognized as revenue during the period in which they are calculated.

3.23. Distribution of dividends

Distributions of dividends and interest on equity to the Company's stockholders are recognized as a liability in the Company's financial statements at year end based on the Company's articles of incorporation. Any amount that exceeds the minimum required dividend is identified in the statement of changes in equity and only transferred to current assets on the date it is approved by the stockholders at the general meeting, according to the proposal presented by the Board of Directors. Tax incentives for interest on equity, if distributed, are recognized in the income statement.

3.24. Adjustment to present value – assets and liabilities

The elements comprising assets and liabilities, arising from long- or short-term operations of material effect, are adjusted to present value.

Accordingly, certain elements of assets and liabilities are adjusted to present value, based on discount rates which aim to reflect the best estimates as regards to the time value of money.

The discount rates used vary in accordance with the features of assets and liabilities in question. That is, it shall depend on the risk, term and specifics of the mentioned item. Its basis and assumption are the average rate of loans and financing raised by the Company, net of inflation effect.

3.25. Basic and diluted earnings (loss) per share

The basic earnings/(loss) per share are calculated by dividing the available net income to common shareholders by the average weighted number of outstanding common shares during the year.

The diluted earnings per share are similarly computed, except that outstanding shares include the number of additional shares that would be outstanding if the shares with potential dilution attributable to stock options and warrants had been issued during the related years, using the weighted average price of shares.

3.26. Statements of cash flows and value added

The statements of cash flows are prepared and presented in accordance with CPC 03 (R2) – Statement of cash flows, issued by the Accounting Pronouncements Committee (CPC). The statements of value added are prepared and presented in accordance with CPC 09 – Statement of value added, issued by CPC.

The interest paid and the dividends received from subsidiaries are classified as cash flows from financing and cash flows from investments, respectively, since they are costs for obtaining financial resources and return on the investments and are not considered operating activities by the Company.

3.27. Non-financial obligations

Given the lack of Pronouncement, Interpretation or Guidance applicable to the specific situation of obligations to deliver fixed amounts of soybean as consideration for the purchase of investment property under IAS 40, the Management exercised its judgment to result in information that is:

- relevant for economic decision-making by the users; and
- reliable, so that the financial statements:

  (i) adequately represent the equity and financial position, the financial performance and the cash flows of the entity;
  (ii) reflect the economic essence of transactions, other events and conditions, not merely their legal aspects;
  (iii) are judicious; and
  (iv) are complete in all material aspects.

BrasilAgro believes that the cost of acquisition of investment properties subject to IAS 40 includes the obligation to deliver agricultural products on future dates. This obligation is initially measured at its fair value on the date the property is recognized.

The Company adopts criteria for remeasuring the obligation to deliver agricultural products for the purchase of properties at their fair value on each balance sheet against profit or loss. The gain (loss) from remeasurement of this obligation is recognized in the financial result.

3.28. Fair value measurement

The Company measures financial instruments (such as derivatives) and non-financial instruments (Biological assets) at fair value on each reporting date.

Fair value is the price that would be received for the sale of an asset or paid for the transfer of a liability in a transaction that is not forced between market participants on the measurement date. Fair value measurement is based on the assumption that the transaction to sell the asset or transfer the liability will take place:

- in the principal market; and
- in the absence of a principal market, in the most advantageous market. The principal or more advantageous market must be accessible by the Company.

The fair value of an asset or liability is measured based on the assumptions that market participants would adopt when determining the price of an asset or liability, assuming that the market participants act in accordance with their best economic interest.

The fair value measurement of a non-financial liability takes into account the capacity of the market participant to generate economic benefits using the asset for its best use possible or selling it to another market participant that will use the asset in its best use.

The Company uses valuation techniques that are appropriate under certain circumstances and for which there are sufficient available data to measure the fair value, maximizing the use of significant observable data and minimizing the use of non-observable data.

All assets and liabilities for which the fair value is measured or disclosed in the financial statements are classified according to following fair value hierarchy:

- Level 1 – unadjusted quoted prices in active markets for identical assets and liabilities to which the entity may have access on the measurement date;
- Level 2 – valuation techniques for which the information of lower level and significance for measurement of fair value is directly or indirectly observable; and
- Level 3 – valuation techniques for which the information of lower level and significance for measurement of fair value is not available.

3.29. New standards, alterations and interpretations of standards

The following alterations in standards were issued by the IASB but have not become effective for fiscal year ended June 30, 2023. Early adoption of standards, although encouraged by IASB, is not allowed in Brazil by the Accounting Pronouncements Committee (CPC).

- Amendment to IAS 1 – Presentation of Financial Statements: issued in May 2020, with the purpose of clarifying that liabilities are no longer classified as current or non-current, depending on the rights existing at the end of the period. The classification is not affected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or breach of a covenant). The amendments also clarify the meaning of "settlement" of a liability under IAS 1. The amendments to IAS 1 become effective as from January 1, 2023.

- Amendment to IAS 1 and IFRS Practice Statement 2 – Disclosure of accounting policies: in February 2021, the IASB issued a new amendment to IAS 1 regarding the disclosure of "material" accounting policies instead of "significant" accounting policies. The amendments define the meaning of "information on material accounting policy" and explain how to identify such information. It also clarifies that the disclosure of immaterial information on accounting policy is not mandatory, but if disclosed, must not obscure significant accounting information. To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidelines about how to apply the concept of materiality to accounting policy disclosures. This amendment becomes effective as from January 1, 2023.

- Amendment to IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors: the amendment issued in February 2021 clarifies how entities must distinguish the changes in accounting policies from changes in accounting estimates, since changes in accounting estimates are applied prospectively to future transactions and other future events, while changes in accounting policies are generally applied retrospectively to previous transactions and other prior events, as well as to the current period. This amendment becomes effective as from January 1, 2023.

- Amendment to IAS 12 – Income Taxes: the amendment issued in May 2021 requires entities to recognize deferred taxes on transactions that, upon initial recognition, result in equal amounts of taxable and deductible temporary differences. This normally applies to lease transactions (right-of-use assets and lease liabilities) and decommissioning and refurbishing obligations, for example, and requires the recognition of additional deferred tax assets and liabilities. This amendment becomes effective as from January 1, 2023.

- IFRS17 – Insurance Agreements: the standard issued in August 2022 introduces a new model for measuring insurance agreements, risk adjustments, reinsurance agreements and other relevant aspects. It became effective on January 1, 2023 and has no effect on the financial statements of the Group.

- Amendment to IAS 7 – Statements of cash flows and IFRS 7 – Financial instruments - disclosure: the amendment issued in June 2023 requires entities to provide information on their supplier financing agreements to enable the assessment of the effects of their liabilities and cash flows. Said amendment becomes effective on January 1, 2024.

There are no other IFRS standards or IFRIC interpretations that have not become effective that could have a significant impact on the Group's financial statements.

4. Significant accounting estimates and judgments

Accounting estimates and judgments are continuously assessed and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the current circumstances.

The Company estimates its future based on the assumptions. The accounting estimates will, by definition, seldom equal the related actual amounts, but they are very similar to actual results and no significant adjustments are expected. The estimates and assumptions that have higher level of estimation are addressed below.

a) Contingencies

The Company is a party to various judicial and administrative lawsuits, as described in Note 28. Provisions are set up for all the contingencies related to judicial lawsuits that are estimated to represent probable losses (present obligations resulting from past events and probable outflow of resources that incorporate economic benefits to settle the obligation, with reliable estimate of value). The evaluation of the probability of loss includes the opinion of internal and external legal advisors. Management believes that these contingencies are properly recorded and presented in the financial statements.

b) Biological assets

The fair value of biological assets recorded in the balance sheet (Note 10) was determined using valuation techniques, including the discounted cash flow method and/or price in the active market, when applicable. The inputs for these methods are based on those observable in the market, whenever possible, and when not feasible, a certain level of judgment is required to estimate the fair value, considering the subjectivity of some assumptions composing the calculation of value for this type of asset. Judgment includes considerations on data e.g. price, productivity, crop cost and production cost.

With regard to cattle, the Company values its breeding stock at fair value based on market price for the region.

c) Accounts receivable - Receivables from sale of farms

The Company sells farms in the long term at amounts linked to the price of soybean bags. Such sales are booked at present value and later measured by their fair value, with a corresponding entry in financial result. The price of soybean bags considers the following factors: price of soybean on the Chicago Board of Trade (CBOT), basis, port costs, logistics, exchange rate and CDI rate. The Company adopted the basis rates available for up to one year for short- and long-term installments, as there is no long-term reference amount available. Starting from this fiscal year, for basis rates, the Management has been considering the following: short-term installments will continue to be adjusted by the available rates, while long-term installments will be adjusted by the average rate of the last four years. The Company believes the new estimates better reflect the liquidity of long-term installments.

d) Variable consideration

In the case of sales for which official measurement during or upon termination of the agreement is mandatory, the Company adopts the variable consideration concept set forth in CPC 47/IFRS 15 – Revenue and does not recognize 2.3% of the sale until the measurement is made. This percentage, whose calculation is based on the highest historical deviation plus a safety margin, represents the risk of proportional reversion upon sale recognition if there is any difference between the area negotiated and the area delivered. The unrecognized portion of revenue (2.3%)

is recognized upon completion of the process.

e) Investment properties

The fair value of investment properties disclosed in the notes to financial statements was obtained through the valuation of farms, performed by specialists of an independent company. The valuation was carried out by means of standards practiced in the market considering the characterization, location, type of soil, climate of the region, calculation of improvements, presentation of the elements and calculation of the land value, which may change in relation to these variables.

Methodology used

At June 30, 2023, investment properties were valued by applying the comparative analysis methodology adjusted by its related features:

(i) The valuation relied, among others, on the following information: (i) historical information, (ii) location of farms, (iii) total area and its related percentages of opening and use;

(ii) The market value presented for the farm corresponds to the portion of bare land, for payment in cash, not including machinery, equipment, agricultural inputs, cultivation. The soil adjustment factor (preparation of land for planting) was considered in the assessment of prices;

(iii) The value of land for agriculture, in the surveyed region, is referenced to the price of soybean bag for the Brazilian units, and in U.S. dollars per hectare for the Paraguay and Bolivia units. The unit amounts of the farms for sale (market researches) were obtained in soybean bags per hectare or in USD per hectare. Accordingly, the amount in reais (R$) of the property varies directly due to the variation in the soybean price and in the U.S. dollar; and

(iv) The soybean price considered at the base date of the work (June 30, 2023) in the Brazilian states was R$158.22 in Bahia, R$159.27 in Maranhão, R$153.80 in Mato Grosso, R$159.39 in Piauí and R$159.99 in Minas Gerais. The closing U.S. dollar rate in the period was R$/USD4.82. This amount represents an average in amounts arbitrated by the real estate market of the region due to the great instability in the value of soybean bags.

f) Deferred income tax

The Company recognizes deferred assets and liabilities, as described in Note 18, based on the differences between the carrying amount presented in the financial statements and the tax basis of assets and liabilities using the effective rates. The Company regularly revises the deferred tax assets for the possibility of recovery, considering the historical profit generated and the forecast future taxable profit, in accordance with a study of technical feasibility.

f) Leases

The Company analyzes its agreements in accordance with the requirements of IFRS 16/CPC 06 (R2) and recognizes right-of-use assets and lease liabilities for the lease operations under agreements that meet the requirements of the accounting standard. The Management of the

Company considers as the lease component only the minimum fixed value for the purpose of measuring the lease liabilities. The measurement of lease liabilities corresponds to the total future payments of leases and rentals, adjusted to present value, considering the nominal discount rate which ranges between 6.56% and 16.76% (6.56% and 16.52% on June 30, 2022).

For the cases where payments are indexed to the soybean bag, future minimum payments are estimated in number of soybean bags and translated into local currency using the soybean price of each region, on the base date of first-time adoption of IFRS 16 / CPC 06, and adjusted to the current price at time of payment. Meanwhile, payments indexed to Consecana are stipulated in tons of cane and translated into local currency based on the Consecana price in effect at the time. Payments made in products (soybean bags) are recognized in the statement of cash flow in the operating group.

5. Financial risk management

5.1. Financial risk factors

The Company operates with various financial instruments, mainly including cash and cash equivalents, marketable securities, Accounts receivable and sundry credits, related-party transactions, trade accounts payable, accounts payable for the purchase of farms and loans and financing and derivative instruments.

Certain of the Company's operations are exposed to market risks, mainly in relation to exchange rates, interest rates and changes in the prices of agricultural commodities. As a result, the Company also operates derivative financial instruments, used to hedge crops or balance sheet components, depending on the nature of the operation.

Considering the nature of the instruments, excluding derivative financial instruments, the fair value is basically determined by the application of the discounted cash flow method. The amounts recorded under current assets and liabilities have either immediate liquidity or maturity in less than 12 months. Considering the terms and characteristics of these instruments, which are systematically renegotiated, the book values approximate fair values.

5.2. Policies approved by the Board of Directors for the use of financial instruments, including derivatives

The Company adopts the following policies guiding its financial instruments, which have been approved by the Board of Directors: (i) Investment Policy, which provides guidance on Company's investment of available funds, considering the risks of counterparty, credit instruments and liquidity, among others; (ii) derivative financial instruments policy, which provides guidance on management of the Company's exposures to foreign currency, interest rate and indices risks, and agricultural commodities price risk, always relating derivative financial instruments to an asset or liability that generates the exposure; and (iii) Risk Policy, which addresses items not covered by the Investment Policy or in the derivative financial instruments policy or still related to the hedge of future cash flows, e.g. sale of future production of commodities.

a) Cash and cash equivalents, marketable securities, Accounts receivable and sundry credits, loans with related parties and accounts payable. The amounts recorded approximate their estimated fair value.

b) Loans and financing. The book value of loans and financing denominated in reais has its interest rates either fixed or based on the variation of IPCA and CDI and approximates fair value. The Executive Officers report the operations entered into at the Board of Directors' meetings.

5.3. Analysis of exposure to financial asset and liability risks

a) Foreign currency risk

This risk arises from the possibility of the Company incurring losses due to fluctuations in exchange rates, which reduce the nominal values of assets or increase the values of liabilities. This risk also arises with respect to commitments to sell existing products in inventories or still in formation, at prices to be set, depending on the exchange rate.

b) Interest rate and indices risk

This risk arises from the possibility of the Company incurring losses due to fluctuations in the interest rates or indices which increase financial expenses with respect to contracts for the acquisition of farms, indexed by the IPCA.

c) Commodities risks

This risk arises from the possibility of the Company incurring losses due to fluctuations in the market prices of agricultural products.

The Company assesses its exposure to the above risks and, to mitigate them, contracts financial instruments based on meticulous evaluation by the treasury and commercial departments.

5.4. Objectives and strategies of risk management and of use of derivative instruments

The management of financial risks is a responsibility of the Executive Officers which evaluates the exposure to risks such as foreign currency, interest rate and index and agricultural commodities existing in assets, liabilities and expected transactions of the Company. Considering the exposure to such risks, Company management evaluates the convenience, cost and availability in the market of derivative financial instruments which allow the Company to reduce the existing exposure to such risks. After such assessment, the Officers decide to enter into derivative financial instruments within the parameters previously approved in the Policies referred to above and reported to the Board of Directors in meetings.

5.5. Risks related to each operating strategy

The use of derivative instruments aims to reduce the risks of changes in cash flows arising from variations in exchange rates, interest rates and price indexes, and from variations in the price of agricultural commodities.
However, the change in the fair value of the derivative financial instrument may differ from the

change in the cash flows or fair value of the assets, liabilities or forecasted transactions which are being hedged, as a result of different factors, such as, among others, differences between the contract dates, the maturity and settlement dates, or differences in "spreads" on the financial assets and liabilities being hedged and the corresponding spreads in the related legs of the swaps.

In the case of the derivative financial instruments strategy to hedge recognized assets and liabilities, management believes that the derivative financial instruments present a high degree of protection with respect to the changes in the assets and liabilities being hedged.

In the case of the strategy to hedge forecasted sales of soybean or to hedge accounts payable/receivable that have their amount subject to changes based on commodities, there may be differences arising from additional factors, such as differences between the estimated and actual soybean volume to be harvested, or differences between the quoted price of soybean in the international markets where the derivative financial instruments are quoted and the price of soybean in the markets in which soybean is physically delivered/received by the Company. Should the soybean volume effectively harvested be lower than the amount for which financial instruments were contracted, the Company will be negatively exposed to positive variations in the price of the commodities by the volume hedged in excess and vice-versa should the soybean volume effectively harvested be higher than the hedged volume.

In the case of exposure to exchange rates, there is a risk that the volume of U.S. dollars sold through forward contracts will be higher than the volume to which the Company is exposed. In such case, foreign exchange risk continues to exist in the same proportion as the mismatch, which could result from a reduction in the expected yield of a certain commodity or in a reduction in prices denominated in foreign currencies.

5.6. Controls over the use of derivative financial instruments

Additionally, the Company is subject to credit risk with respect to the counterparty of the derivative financial instrument. The Company has contracted derivative financial instruments either traded on stock exchanges or from prime financial institutions or trading companies. The Company understands that at the balance sheet date there are no indications of collectability risk with respect to the amounts recognized as assets with respect to derivative financial instruments. The main controls established on the use of derivative financial instruments are as follows:

- Establishment of policies defined by the Board of Directors;
- Prohibition to enter into derivative financial instruments that have not been approved by the Executive Officers;
- Maintenance by the Executive Officers of a centralized inventory of outstanding derivative financial instruments;
- Weekly risk report and biweekly meetings of the Board of Executive Officers with the risk committee to evaluate the Company’s consolidated position;
- Monthly monitoring by the Executive Officers of the fair values as reported by the counterparties as compared to the amounts estimated by management; and

- The fair value of the derivative financial instruments is estimated based on the market in which they were contracted and in which the instruments are inserted.

5.7. Impact of derivative financial instruments on the statement of operations

Gains and losses from changes in the fair value of derivative financial instruments are recognized in the statement of operations separately between realized results (corresponding to derivative financial instruments that have already been settled) and unrealized results (corresponding to derivative financial instruments not yet settled).

5.8. Estimate of fair value of derivative financial instruments

The fair value of derivative financial instruments traded on stock exchanges (B3 and Chicago Board of Trade) is determined based on the quotes ruling at the balance sheet date. To estimate the fair value of derivative financial instruments not traded on stock exchanges the Company uses quotes for similar instruments or information available in the market and uses valuation methodologies widely used and that are also used by the counterparties. The estimates do not necessarily guarantee that such operations may be settled at the estimated amounts. The use of different market information and/or valuation methodologies may have a relevant effect on the amount of the estimated fair value.

Specific methodologies used for derivative financial instruments entered into by the Company:

- Derivative financial instruments of agricultural commodities - The fair value is obtained by using various market sources including quotes provided by international brokers, international banks and available on the Chicago Board of Trade (CBOT).

- Derivative financial instruments of foreign currencies - The fair value is determined based on information obtained from various market sources including, as appropriate, B3 S.A. – Brasil, Bolsa, Balcão, local banks, in addition to information sent by the operation counterparty.

a) <u>Sensitivity analysis</u>

Management identified for each type of derivative financial instrument the situation of variation in foreign exchange rates, interest rates or commodities prices which may generate loss on assets and/or liabilities which are being hedged or, in the case of derivative financial instruments related to transactions not recorded in the balance sheet, in the fair value of the contracted derivatives.

The sensitivity analysis aims at measuring the impact from the changes in the market variables on the aforementioned financial instruments of the Company, considering all other market indicators comprised. Upon their settlement, such amounts may differ from those stated below, due to the estimates used in their preparation.

This analysis contemplates 5 distinct scenarios that differ among them due to the intensity of variation in relation to the current market. At June 30, 2023, as probable scenarios for the coming 12 months, I, II, III and IV a variation in relation to the current market of 0%, -25%, -50%, +25%, +50%, respectively, was considered.

(In thousands of reais, except as stated otherwise)

The preparation of the Probable Scenario took into consideration the market prices of each one of the reference assets of derivative instruments held by the Company at the closing of this year. Since all these assets are inserted in competitive and open markets, the current market price is a satisfactory reference for the expected price of these assets. Accordingly, since the current market price was the reference for the calculation of both book value of derivatives and the Probable Scenario, the result of the latter is the same, because the rates and prices of each operation maturity were used.

The assumptions and scenarios are as follows:

								6/30/2023
Product	**Price**	**Market**	**Maturity**	**Probable scenario**	**Scenario I - (25%)**	**Scenario II - (50%)**	**Scenario III +25%**	**Scenario IV +50%**
Soybean	R$/bag	CBOT	10/16/2023	142.72	107.04	71.36	178.40	214.08
Soybean	R$/bag	CBOT	12/12/2023	143.09	107.32	71.55	178.86	214.64
Soybean	R$/bag	CBOT	12/29/2023	140.89	105.67	70.45	176.11	211.34
Soybean	R$/bag	CBOT	4/26/2024	139.67	104.75	69.84	174.59	209.51
Soybean	R$/bag	CBOT	4/28/2024	140.89	105.67	70.45	176.11	211.34
Soybean	R$/bag	CBOT	4/30/2024	139.67	104.75	69.84	174.59	209.51
Soybean	R$/bag	CBOT	6/13/2024	138.95	104.21	69.48	173.69	208.43
Soybean	R$/bag	CBOT	6/30/2024	138.95	104.21	69.48	173.69	208.43
Cotton	R$/lbs	CBOT	11/10/2023	128.08	96.06	64.04	160.10	192.12
Cotton	R$/lbs	CBOT	11/14/2023	128.08	96.06	64.04	160.10	192.12
Cotton	R$/lbs	CBOT	11/23/2023	128.08	96.06	64.04	160.10	192.12
Cotton	R$/lbs	CBOT	11/24/2023	128.08	96.06	64.04	160.10	192.12
Cotton	R$/lbs	CBOT	11/8/2024	128.08	96.06	64.04	160.10	192.12
Corn	R$/bag	OTC/Stock Exchange	8/23/2023	55.61	41.71	27.81	69.51	83.42
Corn	R$/bag	OTC/Stock Exchange	8/25/2023	55.61	41.71	27.81	69.51	83.42
Corn	R$/bag	OTC/Stock Exchange	8/30/2023	55.61	41.71	27.81	69.51	83.42
Corn	R$/bag	OTC/Stock Exchange	9/15/2023	55.13	41.35	27.57	68.91	82.70
Corn	R$/bag	OTC/Stock Exchange	9/15/2024	60.75	45.56	30.38	75.94	91.13
Ethanol	R$/m^3	CBOT	11/3/2023	2,560.00	1,920.00	1,280.00	3,200.00	3,840.00
Ethanol	R$/m^3	CBOT	12/4/2023	2,575.00	1,931.25	1,287.50	3,218.75	3,862.50
Ethanol	R$/m^3	CBOT	1/3//2024	2,518.50	1,888.88	1,259.25	3,148.13	3,777.75
Ethanol	R$/m^3	CBOT	2/2/2024	2,550.00	1,912.50	1,275.00	3,187.50	3,825.00
Ethanol	R$/m^3	CBOT	3/4/2024	2,530.00	1,897.50	1,265.00	3,162.50	3,795.00
Ethanol	R$/m^3	CBOT	4/2/2024	2,540.00	1,905.00	1,270.00	3,175.00	3,810.00
Sugarcane	R$/Kg	CBOT	4/2/2024	1.16	0.87	0.58	1.45	1.75
Fed cattle	R$/@	OTC/Stock Exchange	10/30/2023	264.50	198.38	132.25	330.63	396.75
USD	-	-	7/17/2023	4.82	3.61	2.41	6.02	7.23
USD	-	-	7/28/2023	4.82	3.61	2.41	6.02	7.23
USD	-	-	7/31/2023	4.82	3.61	2.41	6.02	7.23
USD	-	-	9/4/2023	4.85	3.63	2.42	6.06	7.27
USD	-	-	9/15/2023	4.85	3.64	2.43	6.07	7.28
USD	-	-	10/2/2023	4.87	3.65	2.43	6.08	7.30
USD	-	-	10/10/2023	4.87	3.65	2.44	6.09	7.31
USD	-	-	10/16/2023	4.88	3.66	2.44	6.09	7.31
USD	-	-	10/30/2023	4.89	3.66	2.44	6.11	7.33
USD	-	-	10/31/2023	4.89	3.66	2.44	6.11	7.33
USD	-	-	11/30/2023	4.90	3.68	2.45	6.13	7.36
USD	-	-	5/29/2024	4.99	3.75	2.50	6.24	7.49
USD	-	-	6/27/2024	5.01	3.76	2.50	6.26	7.51
USD	-	-	6/28/2024	5.01	3.76	2.50	6.26	7.51
USD	-	-	11/25/2024	5.08	3.81	2.54	6.35	7.62
Interest	-	-	8/15/2023	13.55%	10.16%	6.78%	16.94%	20.33%
Interest	-	-	4/17/2028	10.36%	7.77%	5.18%	12.95%	15.54%

(In thousands of reais, except as stated otherwise)

								6/30/2022
Product	**Price**	**Market**	**Maturity**	**Probable scenario**	**Scenario I - (25%)**	**Scenario II - (50%)**	**Scenario III +25%**	**Scenario IV +50%**
Soybean	R$/bag	CBOT	02/14/2023	167.84	125.88	83.92	209.80	251.76
Soybean	R$/bag	CBOT	02/24/2023	167.84	125.88	83.92	209.80	251.76
Soybean	R$/bag	CBOT	02/27/2023	167.84	125.88	83.92	209.80	251.76
Soybean	R$/bag	CBOT	02/28/2023	167.84	125.88	83.92	209.80	251.76
Soybean	R$/bag	CBOT	04/28/2023	167.49	125.62	83.75	209.36	251.24
Soybean	R$/bag	CBOT	06/30/2023	166.88	125.16	83.44	208.60	250.32
Cotton	R$/lbs	CBOT	11/11/2022	171.19	128.39	85.60	213.99	256.79
Cotton	R$/lbs	CBOT	11/16/2022	171.19	128.39	85.60	213.99	256.79
Cotton	R$/lbs	CBOT	11/14/2023	143.34	107.51	71.67	179.18	215.01
Corn	R$/bag	OTC/Stock Exchange	09/15/2022	87.10	65.33	43.55	108.88	130.65
Corn	R$/bag	OTC/Stock Exchange	09/19/2022	87.10	65.33	43.55	108.88	130.65
Corn	R$/bag	OTC/Stock Exchange	03/15/2023	94.63	70.97	47.32	118.29	141.95
Corn	R$/bag	OTC/Stock Exchange	09/15/2023	86.96	65.22	43.48	108.70	130.44
Ethanol	R$/m^3	CBOT	07/05/2022	3,080.00	2,310.00	1,540.00	3,850.00	4,620.00
Ethanol	R$/m^3	CBOT	08/02/2022	2,900.00	2,175.00	1,450.00	3,625.00	4,350.00
Ethanol	R$/m^3	CBOT	09/02/2022	2,880.00	2,160.00	1,440.00	3,600.00	4,320.00
Ethanol	R$/m^3	CBOT	10/04/2022	2,875.00	2,156.25	1,437.50	3,593.75	4,312.50
Ethanol	R$/m^3	CBOT	11/03/2022	2,925.00	2,193.75	1,462.50	3,656.25	4,387.50
Ethanol	R$/m^3	CBOT	12/02/2022	3,015.00	2,261.25	1,507.50	3,768.75	4,522.50
Ethanol	R$/m^3	CBOT	01/04/2023	3,120.00	2,340.00	1,560.00	3,900.00	4,680.00
Ethanol	R$/m^3	CBOT	02/03/2023	3,200.00	2,400.00	1,600.00	4,000.00	4,800.00
Ethanol	R$/m^3	CBOT	03/03/2023	3,200.00	2,400.00	1,600.00	4,000.00	4,800.00
Ethanol	R$/m^3	CBOT	04/05/2023	3,150.00	2,362.50	1,575.00	3,937.50	4,725.00
Ethanol	R$/m^3	OTC/Stock Exchange	07/05/2022	3,080.00	2,310.00	1,540.00	3,850.00	4,620.00
Ethanol	R$/m^3	OTC/Stock Exchange	08/02/2022	2,900.00	2,175.00	1,450.00	3,625.00	4,350.00
Ethanol	R$/m^3	OTC/Stock Exchange	09/02/2022	2,880.00	2,160.00	1,440.00	3,600.00	4,320.00
Ethanol	R$/m^3	OTC/Stock Exchange	09/05/2022	2,880.00	2,160.00	1,440.00	3,600.00	4,320.00
Ethanol	R$/m^3	OTC/Stock Exchange	10/04/2022	2,875.00	2,156.25	1,437.50	3,593.75	4,312.50
Ethanol	R$/m^3	OTC/Stock Exchange	11/03/2022	2,925.00	2,193.75	1,462.50	3,656.25	4,387.50
Ethanol	R$/m^3	OTC/Stock Exchange	12/02/2022	3,015.00	2,261.25	1,507.50	3,768.75	4,522.50
Ethanol	R$/m^3	OTC/Stock Exchange	01/04/2023	3,120.00	2,340.00	1,560.00	3,900.00	4,680.00
Ethanol	R$/m^3	OTC/Stock Exchange	01/31/2023	3,200.00	2,400.00	1,600.00	4,000.00	4,800.00
Ethanol	R$/m^3	OTC/Stock Exchange	02/28/2023	3,200.00	2,400.00	1,600.00	4,000.00	4,800.00
Ethanol	R$/m^3	OTC/Stock Exchange	03/31/2023	3,150.00	2,362.50	1,575.00	3,937.50	4,725.00
Fed cattle	R$/arroba	OTC/Stock Exchange	10/31/2022	334.85	251.14	167.43	418.56	502.28
USD	-	-	07/26/2022	5.26	3.95	2.63	6.58	7.89
USD	-	-	07/28/2022	5.27	3.95	2.63	6.58	7.90
USD	-	-	10/31/2022	5.40	4.05	2.70	6.75	8.09
USD	-	-	11/23/2022	5.42	4.07	2.71	6.78	8.14
USD	-	-	01/30/2023	5.52	4.14	2.76	6.90	8.28
USD	-	-	05/31/2023	5.66	4.25	2.83	7.08	8.50
USD	-	-	06/30/2023	5.70	4.28	2.85	7.13	8.55
USD	-	-	07/31/2023	5.74	4.31	2.87	7.18	8.61
USD	-	-	11/30/2023	5.88	4.41	2.94	7.35	8.82
Interest	-	-	08/15/2023	13.70%	10.28%	6.85%	17.13%	20.55%
Interest	-	-	04/17/2028	12.74%	9.55%	6.37%	15.92%	19.11%

(In thousands of reais, except as stated otherwise)

This sensitivity analysis aims to measure the impact of variable market changes on the aforementioned financial instruments of the Company, considering all other market indicators included. Upon their settlement, such amounts may differ from the ones stated below, due to the estimates used in their preparation.

In addition, the Company presents a summary of possible scenarios for the following 12 months of the Company's financial instruments. Reliable sources of indices disclosure were used for the rates used in the "probable scenario."

		Consolidated					Scenario I - Possible		Scenario II - Remote		Scenario I - Possible		Scenario II - Remote	
(*) annual average rates		At June 30, 2023			Scenario I - Probable		Decrease	-25%	Decrease	-50%	Increase	25%	Increase	50%
Operation	Risk	Balance (R$)	Notional/ Position	Rate	Balance (R$)	Rate	Balance (R$)	Rate	Balance (R$)	Rate	Balance (R$)	Rate	Balance (R$)	Rate
Short-term investments	CDI	378,081	-	13.65%	(7,448)	11.68%	(11,040)	8.76%	(22,080)	5.84%	11,040	14.60%	22,080	17.52%
Marketable securities	IPCA	27,848	-	17.44%	(3,506)	4.85%	(338)	3.64%	(674)	2.43%	338	6.06%	674	7.28%
Cash - USD	USD	14,296	2,966	4.82	(560)	5.01	(3,714)	3.76	(7,428)	2.50	3,714	6.26	7,428	7.51
Total cash, cash equivalents		**420,225**	**2,966**		**(11,514)**		**(15,092)**		**(30,182)**		**15,092**		**30,182**	
Financing in Paraguay	USD	(31,329)	(6,501)	4.82	(5,943)	5.01	39,230	3.76	78,463	2.50	(39,230)	6.26	(78,463)	7.51
Financing in Bolivia	USD	(5,008)	(1,039)	4.82	(950)	5.01	6,271	3.76	12,545	2.50	(6,271)	6.26	(12,545)	7.51
Debentures	CDI + IPCA	(301,767)	-	13.65%	5,945	11.68%	8,815	8.76%	17,623	5.84%	(8,815)	14.60%	(17,623)	17.52%
Total financing (b)		**(338,104)**	**(7,540)**		**(948)**		**54,316**		**108,631**		**(54,316)**		**(108,631)**	
Araucária V	Soybean bags	10,419	100,000	114.35	-	114.35	(2,605)	85.76	(5,210)	57.17	2,605	142.94	5,210	171.52
Araucária VI	Soybean bags	4,928	51,830	119.36	-	119.36	(1,232)	89.52	(2,464)	59.68	1,232	149.20	2,464	179.03
Araucária VII	Soybean bags	310,723	3,000,000	125.62	-	125.62	(77,681)	94.21	(155,362)	62.81	77,681	157.02	155,362	188.43
Jatobá II	Soybean bags	53,409	523,799	122.33	-	122.33	(13,352)	91.75	(26,705)	61.16	13,352	152.91	26,705	183.49
Jatobá III	Soybean bags	20,348	200,078	122.33	-	122.33	(5,087)	91.74	(10,174)	61.16	5,087	152.91	10,174	183.49
Jatobá IV	Soybean bags	7,187	70,000	121.61	-	121.61	(1,797)	91.21	(3,594)	60.80	1,797	152.01	3,594	182.41
Jatobá V	Soybean bags	17,986	180,000	124.76	-	124.76	(4,497)	93.57	(8,993)	62.38	4,497	155.96	8,993	187.15
Jatobá VI	Soybean bags	19,713	200,032	129.16	-	129.16	(4,928)	96.87	(9,857)	64.58	4,928	161.45	9,857	193.74
Jatobá VII	Soybean bags	86,341	909,337	131.77	-	131.77	(21,585)	98.82	(43,171)	65.88	21,585	164.71	43,171	197.65
Alto Taquari III	Soybean bags	5,159	49,478	119.71	-	119.71	(1,290)	89.78	(2,580)	59.86	1,290	149.64	2,580	179.57
Alto Taquari IV	Soybean bags	100,769	965,703	128.06	-	128.06	(25,192)	96.05	(50,385)	64.03	25,192	160.08	50,385	192.10
Rio do Meio I	Soybean bags	59,467	571,868	128.43	-	128.43	(14,867)	96.32	(29,734)	64.21	14,867	160.54	29,734	192.64
Rio do Meio II	Soybean bags	8,813	92,403	119.65	-	119.65	(2,203)	89.74	(4,407)	59.83	2,203	149.57	4,407	179.48
Total receivables from farms		**705,262**	**6,914,528**		**-**		**(176,316)**		**(352,636)**		**176,316**		**352,636**	
Derivative operations	Grains	(14,163)	(3,248,155)	(a)	(14,162)	(a)	67,695	(a)	121,612	(a)	(40,139)	(a)	(94,056)	(a)
Derivative operations	USD	34,505	(82,405)	(a)	34,504	(a)	94,581	(a)	191,010	(a)	(96,889)	(a)	(202,078)	(a)
Derivative operations	Cotton (lbs)	2,391	(12,638,200)	(a)	2,389	(a)	(2,052)	(a)	(2,251)	(a)	(1,655)	(a)	(1,457)	(a)
Derivative operations	Ethanol (m^3)	504	(5,700)	(a)	504	(a)	2,036	(a)	3,850	(a)	(1,590)	(a)	(3,403)	(a)
Derivative operations	Swap (BRL)	4,905	-	(a)	4,906	(a)	(34,565)	(a)	(69,442)	(a)	34,165	(a)	67,865	(a)
Derivative operations	Sugarcane (Kg)	(2,231)	(26,700,000)	(a)	(2,231)	(a)	7,767	(a)	15,534	(a)	(7,767)	(a)	(15,534)	(a)
Margin - RJO and XP	SELIC	35,099	-	0.14	(691)	0.12	(1,025)	0.09	(2,053)	0.06	1,025	0.15	2,050	0.18
Total derivatives (a)		**61,010**	**-**		**25,219**		**134,437**		**258,260**		**(112,850)**		**(246,613)**	
Cresca, net	USD	(1,349)	(280)	4.82	(53)	5.01	351	3.76	701	2.50	(351)	6.26	(701)	7.51
Cresud, net	USD	(58)	(12)	4.82	(2)	5.01	15	3.76	30	2.50	(15)	6.26	(30)	7.51
Helmir, net	USD	(5,040)	(1,046)	4.82	(199)	5.01	1,310	3.76	2,620	2.50	(1,310)	6.26	(2,620)	7.51
Total related parties		**(6,447)**	**(1,338)**		**(254)**		**1,676**		**3,351**		**(1,676)**		**(3,351)**	

(*) SOURCE Risks: Bloomberg
(a) For sensitivity analysis of derivative positions, forward rates and prices at each maturity date of the operation were used, according to the table above.
(b) The sensitivity analyses do not consider financing transactions and receivables from farms with fixed rate.

(In thousands of reais, except as stated otherwise)

b) Credit risk

Credit risk refers to the risk of the noncompliance by a counterparty of its contractual obligations, leading the Company to incur financial losses. The risk to which the Company is exposed arises from the possibility of not recovering the amounts receivable for the sale of sugarcane, sale of grains, leasing of land and receivables from farms.

To reduce credit risk in the commercial transactions, the Company adopts the practice of defining credit limits considering factors such as: time of opening of the company, history of business with the Company, commercial references and Serasa. The Company also constantly monitors the outstanding balances.

Currently, management does not expect losses due to the default of its counterparties and has no significant exposure to any individual counterparty.

c) Liquidity risk

The table below shows the Company's financial liabilities by group of maturity based on the remaining period at the balance sheet date up to the contract maturity date. The amounts disclosed in the table are the discounted contractual cash flows, except for “Loans, financing and debentures” and “Leases payable” lines, in addition to the net derivative financial instruments, whose fair value is disclosed.

Consolidated financial liabilities	Note	Book value	Contractual value	Less than one year	From one to two years	From three to five years	Above five years
On June 30, 2023							
Derivatives	7	22,837	22,837	22,006	831	-	-
Lease payables	15	208,767	352,955	53,258	92,732	79,836	127,129
Trade accounts payable	16	61,972	61,972	61,972	-	-	-
Loans, financing and debentures	17	554,638	678,509	218,975	48,461	405,512	5,561
Acquisitions payable	19	156,666	156,666	156,666	-	-	-
Related-party transactions	30	6,569	6,569	-	6,569	-	-
On June 30, 2022							
Derivatives	7	39,336	39,336	34,064	2,878	2,394	-
Lease payables	15	137,434	247,412	35,801	59,130	64,473	88,008
Trade accounts payable	16	80,426	80,426	80,426	-	-	-
Loans, financing and debentures	17	453,041	648,267	137,919	48,666	323,929	137,753
Acquisitions payable	19	41,248	41,248	28,846	-	-	12,402
Related-party transactions	30	7,472	7,472	-	7,472	-	-

5.9. Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for stockholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to stockholders, return capital to stockholders or, also, issue new shares or sell assets to reduce, for example, debt.

(In thousands of reais, except as stated otherwise)

Consistent with others in the industry, the Company monitors capital on the basis of the leverage ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total loans, financing, debentures, acquisitions payable and derivatives, less cash and cash equivalents.

The Company presents its net debt and leverage ratio:

		Consolidated	
	Note	**6/30/2023**	**6/30/2022**
Derivative operations	7	(61,010)	(24,421)
Loans, financing and debentures	17	554,638	453,041
Acquisitions payable	19	156,666	41,248
		650,294	469,868
Cash and cash equivalents	6.1	(383,837)	(435,493)
Marketable securities	6.2	(49,785)	(114,450)
		(433,622)	(549,943)
Net coverage		216,672	(80,075)
Total equity		2,197,142	2,216,048
Leverage ratio		9.86%	-

5.10. Hierarchy of fair value

The balances of trade accounts receivable and payable at book value, less impairment, are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

The Company adopts CPC 40/ IFRS 7 for financial instruments that are measured in the balance sheet at fair value, which requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted (unadjusted) prices in active markets for identical assets or liabilities (level 1);

- Information, in addition to quoted prices, included in level 1 that is observable in the market for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2);

- Inputs for assets or liabilities that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's assets and liabilities that are measured at fair value, as well as the level of hierarchy:

(In thousands of reais, except as stated otherwise)

Consolidated	Note	Book value	Fair value	Quoted prices in active markets (Level 1)	Significant observable data (Level 2)	Significant non-observable data (Level 3)
						6/30/2023
Financial assets measured at amortized cost						
Current						
Trade receivables, net	8.1	119,357	119,357	-	119,357	-
Non-current						
Related-party transactions	30	2,157	2,157	-	2,157	-
Financial assets measured at fair value through profit or loss						
Current						
Cash and cash equivalents	6.1	361,544	361,544	361,544	-	-
Marketable securities	6.2	28,205	28,205	28,205	-	-
Receivables from sale of farm, net	8.1	266,601	266,601	-	-	266,601
Derivative operations (b)	7	76,815	76,815	41,983	34,832	-
Non-current						
Marketable securities	6.2	21,580	21,580	21,580	-	-
Receivables from sale of farm, net	8.1	442,867	442,867	-	-	442,867
Derivative operations (b)	7	7,032	7,032	75	6,957	-
Non-financial assets measured at fair value						
Current						
Biological assets	10	216,924	216,924	-	216,924	-
Non-current						
Biological assets	10	37,305	37,305	-	-	37,305
Non-financial assets measured at cost						
Non-current						
Investment properties	11	1,198,741	3,560,260	-	-	3,560,260
Total		**2,779,128**	**5,140,647**	**453,387**	**380,227**	**4,307,033**
Financial liabilities measured at amortized cost						
Current						
Trade payables	16	61,972	61,972	-	61,972	-
Loans, financing and debentures (a)	17	198,213	198,213	-	198,213	-
Accounts payable due to acquisition of farm	19	142,985	142,985	-	142,985	-
Non-current						
Related-party transactions	30	6,569	6,569	-	6,569	
Loans, financing and debentures (a)	17	356,425	356,425	-	356,425	-
Financial liabilities measured at fair value through profit or loss						
Current						
Leases payable and associated liabilities	15	55,502	55,502	-	55,502	-
Derivative operations (b)	7	22,006	22,006	19,628	2,378	-
Acquisitions payable	19	13,681	13,681	7,773	5,908	-
Non-current						
Leases payable and associated liabilities	15	261,831	261,831	-	261,831	-
Derivative operations (b)	7	831	831	830	1	-
Total		**1,120,015**	**1,120,015**	**28,231**	**1,091,784**	**-**

(In thousands of reais, except as stated otherwise)

						6/30/2022
Consolidated	**Note**	**Book value**	**Fair value**	**Quoted prices in active markets (Level 1)**	**Significant observable data (Level 2)**	**Significant non-observable data (Level 3)**
Financial assets measured at amortized cost						
Current						
Trade receivables, net	8.1	184,260	184,260	-	184,260	-
Non-current						
Related-party transactions	30	1,839	1,839	-	1,839	-
Financial assets measured at fair value through profit or loss						
Current						
Cash and cash equivalents	6.1	397,001	397,001	397,001	-	-
Securities	6.2	94,870	94,870	94,870	-	-
Receivables from sale of farm, net	8.1	183,342	183,342	-	-	183,342
Derivative operations (b)	7	61,013	61,013	49,124	11,889	-
Non-current						
Marketable securities	6.2	19,580	19,580	19,580	-	-
Receivables from sale of farm, net	8.1	373,954	373,954	-	-	373,954
Derivative operations (b)	7	2,744	2,744	690	2,054	-
Non-financial assets measured at fair value						
Current						
Biological assets	10	264,976	264,976	-	9,711	255,265
Non-current						
Biological assets	10	57,906	57,906	-	57,906	-
Non-financial assets measured at cost						
Non-current						
Investment property	11	990,415	3,308,718	-	-	3,308,718
Total		**2,631,900**	**4,950,203**	**561,265**	**267,659**	**4,121,279**
Financial liabilities measured at amortized cost						
Current						
Trade payables	16	80,426	80,426	-	80,426	-
Borrowings, financing and debentures (a)	17	123,411	92,651	-	92,651	-
Non-current						
Related-party transactions	30	7,472	7,472	-	7,472	-
Borrowings, financing and debentures (a)	17	329,630	323,608	-	323,608	-
Financial liabilities measured at fair value through profit or loss						
Current						
Lease payable	7	34,064	34,064	25,055	9,009	-
Derivative operations (b)	15	18,581	18,581	-	18,581	-
Payables related to farm acquisitions	19	28,846	28,846	10,221	2,402	16,223
Non-current						
Leases payable	7	5,272	5,272	-	3,270	2,002
Derivative operations (b)	15	230,570	230,570	-	230,570	-
Payables related to farm acquisitions	19	12,402	12,402	1,928	1,811	8,663
Total		**870,674**	**833,892**	**37,204**	**769,800**	**26,888**

(a) The book value of loans, financing and debentures presented in the financial statements approximates the fair value, since the rates of these instruments are substantially subsidized and there is no intention of early settlement;
(b) The derivative transactions negotiated at active market are measured at fair value at Level 1, over-the-counter transactions are measured at Level 2, as presented in the table above

The significant non-observable inputs used in the measurement of the fair value of the receivables from the sale of the farm, classified as Level 3 in the fair value hierarchy, along with an analysis of quantitative sensitivity on June 30, 2023, are as follows. The significant non-observable inputs used in the measurement of the fair value of biological assets and investment properties are disclosed in Notes 10 and 11, respectively:

(In thousands of reais, except as stated otherwise)

Description	Evaluation method	Significant non-observable inputs	Variation of non-observable inputs	Sensitivity of inputs to fair value
Receivables from sale of farm	Discounted cash flow	Premium (or Basis)	0.41 – 0.81 USD/bu	The increase or decrease of 0.20 USD/bu in the premium (or basis) paid for the soybean would result in an impact of R$10,899, representing an increase or decrease of 1.5% in the receivables from the farm.

6. Cash and cash equivalents and marketable securities

6.1. Cash and cash equivalents

		Company		Consolidated	
	Return	6/30/2023	6/30/2022	6/30/2023	6/30/2022
Cash and banks (a)		15,831	25,631	22,293	38,492
Selic Treasury Notes	CDI - 102% to 114%	5,791	53,801	112,185	93,557
Bank deposit certificates	CDI - 92% to 114%	93,324	113,197	228,889	303,444
Repo agreements	CDI – 92% to 96.50%	15,980	-	15,980	-
Other securities	Floating - DI	252	-	4,490	-
Cash and cash equivalents		131,178	192,629	383,837	435,493

(a) Of the balance presented, the Company has amounts in foreign currency, of which R$13,939 (R$12,001 at June 30, 2022) in Company and R$19,738 (R$24,291 at June 30, 2022) in Consolidated.

6.2. Restricted marketable securities

		Company		Consolidated	
	Interest	6/30/2023	6/30/2022	6/30/2023	6/30/2022
Selic Treasury Notes	Selic - 100%	-	2,485	-	2,485
Treasury Notes	IPCA treasury + 4.85%	27,848	79,853	27,848	92,385
Other securities	Fixed - 4.58%	357	-	357	-
Total - current		28,205	82,338	28,205	94,870
Bank deposit certificates (a)	CDI - 95% to 100.25%	4,800	5,348	16,537	14,059
Securities pledged as guarantee (b)		-	-	5,043	5,521
Total – non-current		4,800	5,348	21,580	19,580
Total		33,005	87,686	49,785	114,450

(a) The investments are held for the payment of financing lines contracted from the banks CEF and BNB.
(b) The amount refers to the suretyship letter contracted by the subsidiaries Ombú and Acres, as guarantee in a labor lawsuit. The object of the lawsuits, which are being processed in Bolivia, is the payment of social security charges for outsourced employees.

(In thousands of reais, except as stated otherwise)

7. Derivative operations

	6/30/2023						
	Company/Consolidated						
	Book Value			Volume / Position			
Derivative instruments	**Long**	**Short**	**Net**	**Long**	**Short**	**Net**	**Unit**
Options	4,950	(3)	4,947	14,786	(27,786)	(13,000)	US$
NDF	31,829	(2,271)	29,558	8,000	(77,405)	(69,405)	US$
Swap	5,009	(104)	4,905	149,810	(149,810)	-	R$
Soybean – Call Options	-	(3,681)	(3,681)	-	(249,464)	(249,464)	bags
Soybean - Futures	2,013	(3,137)	(1,124)	-	(1,632,775)	(1,632,775)	bags
Soybean – Structured products	-	(9,194)	(9,194)	-	(666,750)	(666,750)	bags
Corn – Call Options	-	(904)	(904)	-	(362,857)	(362,857)	bags
Corn - Futures	740	-	740	928,800	(1,265,109)	(336,309)	bags
Cotton - Structured products	2,393	(538)	1,855	-	(12,843,250)	(12,843,250)	lbs.
Cotton - Futures	1,087	(551)	536	3,150,000	(2,944,950)	205,050	lbs.
Fed cattle - Futures	-	-	-	12,870	(12,870)	-	@
Ethanol – Call Options	-	(223)	(223)	-	(2,850)	(2,850)	m^3
Ethanol - Futures	727	-	727	-	(2,850)	(2,850)	m^3
TRS - Future	-	(2,231)	(2,231)	-	(26,700,000)	(26,700,000)	kg
Margin deposited	35,099	-	35,099	-	-	-	-
Total Risks - Derivatives	83,847	(22,837)	61,010				
Total - Current	76,815	(22,006)					
Total – Non-current	7,032	(831)					
Result on June 30, 2023 (Note 26)							
Realized	108,969	(61,045)					
Unrealized	85,262	(50,772)					

	6/30/2022						
	Consolidated						
	Book Value			Volume / Position			
Derivative instruments	**Long**	**Short**	**Net**	**Long**	**Short**	**Net**	**Unit**
Options	2,937	(6,829)	(3,892)	36,415	(36,415)	-	US$
NDF	11,005	(5,833)	5,172	700	(41,250)	(40,550)	US$
Swap	-	(1,619)	(1,619)	141,323	-	141,323	R$
Soybean - Put Options	1,768	-	1,768	260,804	-	260,804	bags
Soybean – Call Options	5,815	(6,092)	(277)	-	(260,804)	(260,804)	bags
Soybean - Futures	1,411	(14,382)	(12,971)	-	(1,521,732)	(1,521,732)	bags
Corn – Put Options	2,818	(139)	2,679	231,321	(231,321)	-	bags
Corn - Futures	-	(1,881)	(1,881)	-	(655,200)	(655,200)	bags
Cotton - Structured products	-	(146)	(146)	-	(600,000)	(600,000)	lbs.
Cotton – Call Options	67	(42)	25	-	-	-	lbs.
Cotton - Futures	690	(1,205)	(515)	900,000	(2,300,000)	(1,400,000)	lbs.
Fed cattle - Futures	-	-	-	-	(27,720)	(27,720)	@
Ethanol – Call Options	-	(1,168)	(1,168)	-	(14,550)	(14,550)	m^3
Ethanol - Futures	4,245	-	4,245	-	(16,380)	(16,380)	m^3
Margin deposited	33,001	-	33,001	-	-	-	-
Total Risks - Derivatives	63,757	(39,336)	24,421				
Total - Current	61,013	(34,064)					
Total – Non-current	2,744	(5,272)					
Result on June 30, 2022 (Note 26)							
Realized	73,069	(153,018)					
Unrealized	80,540	(66,299)					

(In thousands of reais, except as stated otherwise)

Derivatives by maturity:

		Consolidated
Maturity	6/30/2023	6/30/2022
2022	-	43,526
2023	55,874	(16,310)
2024	127	(1,181)
2028	5,009	(1,614)
	61,010	24,421

The Company uses derivative financial instruments as currency and forward contracts and forward commodities contracts to hedge against currency risk and commodities prices, respectively.

The margin deposits in Derivative operations refer to the so-called margins by counterparties in operations with derivative instruments.

The total fair value of a derivative is classified as noncurrent assets or liabilities if the remaining maturity of the derivative is over one year, and as current assets or liabilities if the remaining maturity of the derivative is less than one year.

8. Accounts receivable and sundry credits

		Company		Consolidated	
	Note	6/30/2023	6/30/2022	6/30/2023	6/30/2022
Trade accounts receivable	8.1	79,122	120,804	385,958	367,602
Recoverable taxes	8.2	9,077	6,103	23,054	18,371
Advances to suppliers (a)		15,773	48,201	19,411	54,258
Other receivables		1,312	1,180	1,612	2,082
Total current		105,284	176,288	430,035	442,313
Trade accounts receivable	8.1	-	-	442,867	373,954
Recoverable taxes	8.2	25,606	19,514	43,208	35,019
Judicial deposits	28	680	1,895	727	2,215
Other credits		-	163	-	163
Total non-current		26. 286	21,572	486,802	411,351

(a) In June 2022, the balance included advances to suppliers made by the Company for the acquisition of inputs used in the 2022/2023 crop year.

8.1 Trade accounts receivable

	Company		Consolidated	
	6/30/2023	6/30/2022	6/30/2023	6/30/2022
Sale of sugarcane	15,701	16,786	35,732	43,297
Sale of grains	60,880	100,220	74,220	127,875
Sale of cattle	1,761	491	1,761	491
Leases and rentals	1,621	3,941	8,832	11,969
Sale of machinery	10	217	2,425	2,406
Sale of farms	-	-	266,601	183,342
	79,973	121,655	389,571	369,380
Expected losses	(851)	(851)	(3,613)	(1,778)
Total current	79,122	120,804	385,958	367,602
Sale of farms	-	-	442,867	373,954
Total non-current	-	-	442,867	373,954

(In thousands of reais, except as stated otherwise)

a) Changes in trade accounts receivable:

	Company				Consolidated			
	Grains	Cotton	Cattle	Sugarcane	Grains	Cotton	Cattle	Sugarcane
Balance on June 30, 2021	**24,927**	**-**	**155**	**13,680**	**34,502**	**-**	**155**	**43,233**
Sales in year	579,950	(26,109)	(11,219)	120,306	753,984	(26,109)	(32,773)	379,242
Receivables	(504,657)	26,109	11,555	(117,200)	(660,660)	26,109	33,109	(379,178)
Reversal on expected losses	-	-	-	-	49	-	-	-
Balance on June 30, 2022	**100,220**	**-**	**491**	**16,786**	**127,875**	**-**	**491**	**43,297**
Sales in year	442,612	34,137	17,741	77,640	593,787	39,600	26,262	247,260
Receivables	(481,952)	(34,137)	(16,471)	(78,725)	(647,616)	(39,600)	(24,992)	(254,825)
Reversal on expected losses	-	-	-	-	174	-	-	-
Balance on June 30, 2023	**60,880**	**-**	**1,761**	**15,701**	**74,220**	**-**	**1,761**	**35,732**

b) Changes in the allowance for doubtful accounts:

	Company	Consolidated
At June 30, 2021	851	1,729
Set-up of provision	-	5
Exchange variation	-	44
At June 30, 2022	851	1,778
Set-up of provision	-	2,177
Exchange variation	-	(245)
Write-off or reversal	-	(97)
At June 30, 2023	851	3,613

c) Breakdown of receivables by maturity

	Company		Consolidated	
	6/30/2023	6/30/2022	6/30/2023	6/30/2022
Falling due:				
Up to 30 days	38,562	107,087	69,851	159,476
31 to 90 days	38,293	943	159,683	84,922
91 to 180 days	1,710	9,297	31,759	16,586
181 to 360 days	490	2,709	124,082	105,435
Over 360 days	-	-	442,867	373,954
Past due:				
Up to 30 days	13	440	13	855
31 to 90 days	54	328	570	328
Over 360 days	851	851	3,613	1,778
	79,973	121,655	832,438	743,334

d) Sale of sugarcane

The main revenues from sugarcane are concentrated in two supply agreements: the first with Atvos S.A. and the second agreement is included in the partnership IV Agreement. The credit risks of these agreements are assessed in accordance with the internal policy as presented in Note 5.8.b.

All the risks were covered during the fiscal year ended on June 30, 2023 and there was no record of default until the date of disclosure of these financial statements.

(In thousands of reais, except as stated otherwise)

e) Sale of grains

For the year ended June 30, 2023, the main corn and soybean receivables are from the clients Bunge, Novaagri and Amaggi and corn and soybean were sold to the clients Bunge, Cargill and Viterra.

f) Receivables for sale of farm

Total amounts sold, received and receivables for sale of farm are as follows:

	6/30/2022	Accrual	Receivables	Fair value adjustment	Exchange variation	6/30/2023	Current	Non-current
Araucária V	27,917	-	(14,713)	(2,785)	-	10,419	10,419	-
Araucária VI	-	6,315	(1,599)	212	-	4,928	1,190	3,738
Araucária VII	-	307,030	-	3,693	-	310,723	151,859	158,864
Jatobá II	147,852	-	(86,324)	(8,119)	-	53,409	-	53,409
Jatobá III	56,332	-	(32,215)	(3,769)	-	20,348	-	20,348
Jatobá IV	14,243	-	(5,488)	(1,568)	-	7,187	3,913	3,274
Jatobá V	40,597	-	(19,322)	(3,289)	-	17,986	6,103	11,883
Jatobá VI	39,439	-	(16,104)	(3,622)	-	19,713	-	19,713
Jatobá VII	-	89,284	(4,885)	1,942	-	86,341	16,927	69,414
Alto Taquari II	2,174	-	(2,129)	(45)	-	-	-	-
Alto Taquari III	10,735	-	(4,340)	(1,236)	-	5,159	3,136	2,023
Alto Taquari IV	137,261	-	(20,871)	(15,621)	-	100,769	49,730	51,039
Bananal IX	6,269	-	(6,551)	282	-	-	-	-
Fon Fon	536	-	-	-	(46)	490	490	-
San Cayetano	322	-	-	-	(28)	294	294	-
Rio do Meio I	73,619	1,481	(2,511)	(13,122)	-	59,467	21,345	38,122
Rio do Meio II	-	33,534	(29,222)	4,501	-	8,813	-	8,813
Marangatú	-	7,786	(3,886)	(258)	(220)	3,422	1,195	2,227
Total	**557,296**	**445,430**	**(250,160)**	**(42,804)**	**(294)**	**709,468**	**266,601**	**442,867**

	6/30/2021	Accrual	Receivables	Fair value adjustment	Exchange variation	6/30/2022	Current	Non-current
Araucária IV	4,466	-	(6,134)	1,668	-	-	-	-
Araucária V	42,848	-	(17,532)	2,601	-	27,917	15,027	12,890
Jatobá II	146,953	-	(10,100)	10,999	-	147,852	45,152	102,700
Jatobá III	55,911	-	(3,858)	4,279	-	56,332	17,205	39,127
Jatobá IV	19,088	-	(6,578)	1,733	-	14,243	5,563	8,680
Jatobá V	40,887	-	(2,314)	2,024	-	40,597	19,020	21,577
Jatobá VI	38,442	-	-	997	-	39,439	15,873	23,566
Alto Taquari I	2,972	-	(4,023)	1,051	-	-	-	-
Alto Taquari II	3,780	-	(2,307)	701	-	2,174	2,174	-
Alto Taquari III	11,459	-	(1,257)	533	-	10,735	4,468	6,267
Alto Taquari IV	-	218,426	(96,294)	15,129	-	137,261	40,985	96,276
Bananal IX	15,622	-	(9,800)	447	-	6,269	6,269	-
Bananal X	19,234	-	(20,849)	1,615	-	-	-	-
Fon Fon	508	-	-	-	28	536	536	-
San Cayetano	307	-	-	-	15	322	322	-
Rio do Meio I	-	97,748	(20,301)	(3,828)	-	73,619	10,748	62,871
Total	**402,477**	**316,174**	**(201,347)**	**39,949**	**43**	**557,296**	**183,342**	**373,954**

Information on the criteria for measuring the initial and subsequent recognition, as well as sales and the amounts received in the fiscal year ended June 30, 2023, is presented in Notes 2.1 and 22.

Variable consideration

The following table provides a breakdown of the receivables from the sale of farm without the reducing effect on consideration considering the receivables line (see Note 4.c):

	6/30/2023	Variable consideration (2.3%)	6/30/2023
Jatobá III	20,348	468	20,816
Jatobá IV	7,187	165	7,352
Jatobá V	17,986	414	18,400
Jatobá VI	19,713	453	20,166
Jatobá VII	86,341	1,986	88,327
Alto Taquari IV	100,769	2,318	103,087
Rio do Meio II	8,813	203	9,016
Total	**261,157**	**6,007**	**267,164**

(In thousands of reais, except as stated otherwise)

8.2 Recoverable taxes

	Company		Consolidated	
	6/30/2023	6/30/2022	6/30/2023	6/30/2022
Withholding income tax (IRRF) on financial investments to be offset	8,799	5,809	14,702	8,658
ICMS recoverable	-	-	624	624
PIS and COFINS	139	151	139	152
Tax on value added - IVA – (Paraguay/Bolivia)	-	-	7,318	8,644
Other recoverable taxes	139	143	271	293
Total current	9,077	6,103	23,054	18,371
ICMS recoverable	6,448	6,983	8,943	8,910
PIS and COFINS to be offset	18,770	11,058	19,860	12,506
IRRF on financial investments to be offset	387	1,472	380	1,991
INSS recoverable	1	1	26	70
Tax on value added - IVA – (Paraguay/Bolivia)	-	-	13,999	11,542
Total – non-current	25,606	19,514	43,208	35,019

9. Inventories

	Company		Consolidated	
	6/30/2023	6/30/2022	6/30/2023	6/30/2022
Soybean	70,446	25,523	72,003	26,741
Corn	22,532	34,245	38,025	40,369
Bean	5,525	6,025	5,560	6,428
Cotton	25,945	15,360	31,181	15,987
Other harvests	624	1,316	2,118	1,341
Agricultural products – formation costs	**125,072**	**82,469**	**148,887**	**90,866**
Agricultural products – fair value	(262)	51,689	3,537	56,365
Inputs	44,854	100,102	61,260	142,668
	169,664	234,260	213,684	289,899

9.1 Adjustment to recoverable value of inventories of products

	Company	Consolidated
Opening balance	(19,679)	(23,484)
Provision for impairment of agricultural products	(51,016)	(50,822)
Write-offs	63,661	66,531
At June 30, 2022	(7,034)	(7,775)
Reversal of impairment of agricultural products	(36,264)	(47,708)
Write-offs	28,295	36,918
At June 30, 2023	(15,003)	(18,565)

(In thousands of reais, except as stated otherwise)

10. Biological assets

	Company		Consolidated	
	6/30/2023	**6/30/2022**	**6/30/2023**	**6/30/2022**
Food cattle	3,639	787	16,179	9,711
Cattle for reproduction	37,305	57,906	37,305	57,906
Grain plantation	37,815	47,493	47,226	67,358
Cotton plantation	35,860	15,348	41,096	15,347
Sugarcane field	36,251	47,252	112,423	172,560
Total	150,870	168,786	254,229	322,882
Current	113,565	110,880	216,924	264,976
Non-current	37,305	57,906	37,305	57,906

The amounts spent on plantation and treatment of crops are substantially represented by expenditure for crop formation such as seeds, fertilizers, pesticides, depreciation and manpower used in the crops.

A 1% increase or decrease in the expected yield of sugarcane and grains/cotton would result in an increase or decrease in the biological asset value of R$2,744, while a 1% increase or decrease in the price of sugarcane and grains/cotton would result in an increase or decrease in the biological asset value of R$3,824.

The area to be harvested corresponding to the biological assets is as follows:

	Company		Consolidated	
	Planted area (Hectares)		Planted area (Hectares)	
	6/30/2023	**6/30/2022**	**6/30/2023**	**6/30/2022**
Grains	10,653	7,650	12,033	10,097
Cotton	3,228	1,450	4,377	2,113
Sugarcane	7,003	7,177	25,022	24,640
	20,884	16,277	41,432	36,850

(In thousands of reais, except as stated otherwise)

Changes in agricultural activity

	Company			Consolidated		
	Current	**Current**	**Current**	**Current**	**Current**	**Current**
	Grains	Cotton	Sugarcane	Grains	Cotton	Sugarcane
Balance at June 30, 2021	49,033	13,863	36,117	64,554	13,862	120,346
Increases due to planting	325,037	33,577	-	378,588	31,543	-
Increases due to handling	-	-	83,707	-	-	216,424
Change in fair value	237,182	5,088	50,426	313,957	7,122	227,717
Reductions due to harvesting	(563,759)	(37,180)	(122,998)	(689,287)	(37,180)	(392,179)
Exchange variation	-	-	-	(454)	-	252
Balance at June 30, 2022	47,493	15,348	47,252	67,358	15,347	172,560
Increases due to planting	403,234	60,491	-	506,817	72,136	-
Increases due to handling	-	-	68,184	-	-	225,866
Change in fair value	58,970	(6,788)	3,144	102,596	(3,631)	(6,903)
Reductions due to harvesting	(471,882)	(33,191)	(82,329)	(627,000)	(42,172)	(277,904)
Exchange variation	-	-	-	(2,545)	(584)	(1,196)
Balance at June 30, 2023	37,815	35,860	36,251	47,226	41,096	112,423
Composed of:						
Historical cost	43,810	32,915	13,217	53,161	36,939	69,272
Fair value	(5,995)	2,945	23,034	(5,935)	4,157	43,151
Balance on June 30, 2023	37,815	35,860	36,251	47,226	41,096	112,423

(In thousands of reais, except as stated otherwise)

Changes in cattle raising activity

		Company
	Heads of cattle (in number)	**Cattle ($)**
At June 30, 2021	10,525	34,715
Acquisition/birth costs	11,128	26,902
Handling costs	-	12,299
Sales	(3,468)	(10,561)
Deaths	(143)	(360)
Change in fair value	-	(4,302)
At June 30, 2022	18,042	58,693
Acquisition/birth costs	6,659	2,576
Handling costs	-	12,171
Sales	(6,376)	(18,272)
Deaths	(473)	(1,096)
Change in fair value	-	(13,128)
At June 30, 2023	17,852	40,944

		Consolidated
	Heads of cattle (in number)	**Cattle ($)**
At June 30, 2021	14,805	46,312
Acquisition/birth costs	15,100	38,142
Handling costs	-	13,397
Sales	(8,451)	(30,196)
Deaths	(229)	(609)
Consumption	(57)	(230)
Exchange variation	-	(167)
Change in fair value	-	968
At June 30, 2022	21,168	67,617
Acquisition/birth costs	10,478	11,414
Handling costs	-	17,352
Sales	(8,341)	(26,439)
Deaths	(559)	(1,461)
Consumption	(41)	(35)
Exchange variation	-	(1,140)
Change in fair value	-	(13,824)
At June 30, 2023	22,705	53,484

Quantitative data about cattle raising activity, expressed in head of cattle

			Company
	Consumable cattle	**Production cattle**	**Total**
At June 30, 2022	28	18,014	18,042
At June 30, 2023	1,220	16,632	17,852

			Consolidated
	Consumable cattle	**Production cattle**	**Total**
At June 30, 2022	3,154	18,014	21,168
At June 30, 2023	5,101	17,604	22,705

(In thousands of reais, except as stated otherwise)

Fair value hierarchy at June 30, 2023

	Company	Consolidated	
	Amount	Amount	Fair value
Sugarcane	36,251	112,423	Level 3
Cattle	40,944	53,484	Level 2
Grains	37,815	47,226	Level 3
Cotton	35,860	41,096	Level 3

The significant non-observable inputs used in the measurement of the fair value of sugarcane, grains and cotton classified as Level 3 in the fair value hierarchy, along with an analysis of quantitative sensitivity on June 30, 2023, are as follows:

Description	Evaluation method	Significant non-observable inputs	Rate %	Variation of non-observable inputs	Increase in inputs	Decrease in inputs
Biological asset - sugarcane	Discounted cash flow	- Yield	16.09	Average yield: 83.17 tons per hectare.	An increase in yield generates a positive result in the fair value of biological assets.	A decrease in yield generates a negative result in the fair value of biological assets.
		- TRS (Kg of sugar per ton of sugarcane)	16.09	Total recoverable sugar: TRS 115 to 145 per ton of cane	An increase in TRS generates a positive result in the fair value of biological assets.	A decrease in TRS generates a negative result in the fair value of biological assets.
Corn	Discounted cash flow	- Yield	16.09	Average yield: 101.60 bags per hectare.	An increase in yield generates a positive result in the fair value of biological assets.	A decrease in yield generates a negative result in the fair value of biological assets.
Cotton	Discounted cash flow	- Yield	16.09	Average yield: 3.11 tons per hectare.	An increase in yield generates a positive result in the fair value of biological assets.	A decrease in yield generates a negative result in the fair value of biological assets.

Changes in fair value in profit or loss

	Company		Consolidated	
	6/30/2023	6/30/2022	6/30/2023	6/30/2022
Grains	58,970	237,182	102,596	313,957
Cotton	(6,788)	5,089	(3,631)	7,122
Sugarcane	3,144	50,426	(6,903)	227,717
Cattle	(13,128)	(4,302)	(13,824)	968
	42,198	288,395	78,238	549,764

(In thousands of reais, except as stated otherwise)

11. Investment properties – noncurrent

						Company
	Land – Farms	Buildings and improvements	Opening of area	Total in operation	Construction in progress	6/30/2023
At June 30, 2023						
Opening balance	23,266	36,503	63,241	123,010	36,056	159,066
Acquisitions	-	222	6,123	6,345	103,368	109,713
Write-offs	-	(3,194)	(4,516)	(7,710)	(3)	(7,713)
Transfers	-	1,386	45,611	46,997	(49,942)	(2,945)
(-) Depreciation / amortization	-	(2,137)	(11,810)	(13,947)	-	(13,947)
Net book balance	23,266	32,780	98,649	154,695	89,479	244,174
At June 30, 2023						
Total cost	23,266	39,448	167,520	230,234	89,479	319,713
Accumulated depreciation	-	(6,668)	(68,871)	(75,539)	-	(75,539)
Net book balance	23,266	32,780	98,649	154,695	89,479	244,174
Annual depreciation rates (weighted average) - %		4-20	5-20			

						Company
	Land – Farms	Buildings and improvements	Opening of area	Total in operation	Construction in progress	6/30/2022
At June 30, 2022						
Opening balance	22,493	26,701	43,727	92,921	28,564	121,485
Acquisitions	773	7,849	1,716	10,338	35,161	45,499
Write-offs	-	(935)	(15)	(950)	(32)	(982)
Transfers	-	3,742	23,895	27,637	(27,637)	-
(-) Depreciation / amortization	-	(854)	(6,082)	(6,936)	-	(6,936)
Net book balance	23,266	36,503	63,241	123,010	36,056	159,066
At June 30, 2022						
Total cost	23,266	43,453	121,465	188,184	36,056	224,240
Accumulated depreciation	-	(6,950)	(58,224)	(65,174)	-	(65,174)
Net book balance	23,266	36,503	63,241	123,010	36,056	159,066
Annual depreciation rates (weighted average) - %		3	5			

						Consolidated
	Land – Farms	Buildings and improvements	Opening of area	Total in operation	Construction in progress	6/30/2023
At June 30, 2023						
Opening balance	741,380	72,371	133,324	947,075	57,305	1,004,380
Acquisitions (*)	272,154	299	6,130	278,583	110,286	388,869
Write-offs	(59,400)	(5,541)	(14,018)	(78,959)	(3)	(78,962)
Transfers	-	2,842	54,136	56,978	(66,685)	(9,707)
(-) Depreciation / amortization	-	(3,673)	(17,206)	(20,879)	-	(20,879)
Effect from conversion	(24,621)	(2,164)	(4,574)	(31,359)	370	(30,989)
Net book balance	929,513	64,134	157,792	1,151,439	101,273	1,252,712
At June 30, 2023						
Total cost	929,513	77,161	252,146	1,258,820	101,273	1,360,093
Accumulated depreciation	-	(13,027)	(94,354)	(107,381)	-	(107,381)
Net book balance	929,513	64,134	157,792	1,151,439	101,273	1,252,712
Annual depreciation rates (weighted average) - %		4-20	5-20			

(In thousands of reais, except as stated otherwise)

	Land – Farms	Buildings and improvements	Opening of area	Total in operation	Construction in progress	Consolidated 6/30/2022
At June 30, 2022						
Opening balance	781,251	66,614	100,781	948,646	48,454	997,100
Acquisitions	1,243	7,849	1,909	11,001	50,077	61,078
Write-offs	(55,514)	(7,850)	(15)	(63,379)	(31)	(63,410)
Transfers	-	7,641	38,695	46,336	(46,336)	-
(-) Depreciation / amortization	-	(3,153)	(10,249)	(13,402)	-	(13,402)
Effect from conversion	14,400	1,270	2,203	17,873	5,141	23,014
Net book balance	741,380	72,371	133,324	947,075	57,305	1,004,380
At June 30, 2022						
Total cost	741,380	85,588	221,743	1,048,711	57,305	1,106,016
Accumulated depreciation	-	(13,217)	(88,419)	(101,636)	-	(101,636)
Net book balance	741,380	72,371	133,324	947,075	57,305	1,004,380
Annual depreciation rates (weighted average) - %		3	5			

(*) The transaction amount for acquisition of the Panamby Farm is R$290,347 (R$283,300 for the land and R$2,300 for property plant and equipment - Note 13) and R$4,747 for other costs directly attributable to the transaction. This total was discounted at present value and recorded at R$274,172. Part of the payment is outstanding and is due in August 2023 (Note 19).

The table below shows the fair value of investment properties compared to their book values:

Farm	State	Hectares 6/30/2023	Hectares 6/30/2022	Real estate	Acquisition	Fair Value* 6/30/2023	Fair Value* 6/30/2022	Cost Value** 6/30/2023	Cost Value** 6/30/2022
Jatobá Farm	Bahia	8,868	13,276	Jaborandi Ltda	Mar-07	304,870	429,713	13,681	28,971
Alto Taquari Farm	Mato Grosso	1,380	1,380	Mogno Ltda	Aug-07	31,035	30,574	17,311	17,273
Araucária Farm	Goiás	-	5,517	Araucária Ltda	Apr-07	-	333,360	-	46,269
Chaparral Farm	Bahia	37,182	37,182	Cajueiro Ltda	Nov-07	1,017,454	796,111	111,266	102,313
Nova Buriti Farm	Minas Gerais	24,212	24,212	Flamboyant Ltda	Dec-07	44,192	49,787	24,295	24,298
Preferência Farm	Bahia	17,799	17,799	Cajueiro Ltda	Sep-08	157,870	136,262	34,411	32,849
São José Farm	Maranhão	17,566	17,566	Ceibo Ltda	Feb-17	475,124	464,248	114,435	114,448
Marangatu y Udra Farm	Boqueron - Paraguay	58,722	59,585	Agropecuaria Moroti S/A	Feb-18	500,509	337,786	239,837	263,858
Arrojadinho Farm	Bahia	16,642	16,642	Agrifirma Bahia Ltda	Jan-20	350,363	256,921	125,402	100,808
Rio do Meio Farm	Bahia	5,750	7,715	Agrifirma Bahia Ltda	Jan-20	168,507	201,908	66,263	79,245
Serra Grande Farm	Piauí	4,489	4,489	Imobiliaria Cremaq	Apr-20	82,410	82,558	42,413	42,149
Acres del Sud Farm	Bolivia	9,875	9,875	Acres Del Sud	Feb-21	196,659	189,490	120,436	137,934
Panamby Farm	Mato Grosso	10,844	-	Mogno Ltda	Sep-22	311,879	-	288,991	-
		213,329	**215,238**			**3,640,872**	**3,308,718**	**1,198,741**	**990,415**

(*) On June 30, 2023, the properties were appraised by an independent company. The comparable sales value of investment properties is adjusted considering the specific aspects of each property, where the price per hectare is the most relevant assumption. The fair value presented is considered as level 3 in the fair value hierarchy and there were no reclassifications among levels in the year.

(**) At June 30, 2023 the cost value of R$1,198,741 (R$990,415 at June 30, 2022) is not comparable to that disclosed in the “Investment properties” note, since the note contemplates investments made in certain leased farms, which are not an integral part of the Company’s portfolio of owned farms.

(**) The cost values presented for the Alto Taquari and Rio do Meio farms include the areas of 1,157 and 852 hectares sold, respectively, on which the Company will continue to operate until the date such areas are delivered (see Note 1 - General information).

(In thousands of reais, except as stated otherwise)

12. Investments

The breakdown of total investments is as follows:

	Company		Consolidated	
	6/30/2023	**6/30/2022**	**6/30/2023**	**6/30/2022**
Investments	1,747,272	1,597,120	2,591	7,642
Goodwill	47	47	-	-
	1,747,319	1,597,167	2,591	7,642

									Equity pickup	
	Thousands of shares or units of interest held by the Company	**Thousands of shares or units of interest held by the Company**	**Total assets**	**Total liabilities**	**Equity**	**IFRS adjustments 16/CPC 06 (*)**	**Percentage of interest in equity**	**Percentage of interest in equity**	**IFRS adjustments 16/CPC 06 (*)**	**Equity pickup**
	6/30/2023	**6/30/2023**	**6/30/2023**	**6/30/2023**	**6/30/2023**					
Subsidiaries										
Araucária	69,301	100.00	331,513	37,088	294,425	1,141	295,566	243,118	107	243,225
Cremaq	26,489	100.00	33,528	422	33,106	(242)	32,864	1,938	108	2,046
Engenho de Maracaju (**)	-	-	-	-	-	-	-	(4)	-	(4)
Imobiliária Jaborandi	44,445	100.00	290,264	10,341	279,923	10,239	290,162	52,569	21	52,590
Cajueiro	59,219	100.00	61,223	503	60,720	2,382	63,102	11,225	(4,788)	6,437
Mogno	179,676	100.00	422,021	157,235	264,786	9,563	274,349	(25,781)	8,932	(16,849)
Ceibo	103,945	100.00	116,260	903	115,357	(3,400)	111,957	9,468	(5,608)	3,860
Flamboyant	843	100.00	645	-	645	-	645	(6)	-	(6)
Palmeiras	52,146	100.00	107,202	70,462	36,740	-	36,740	(4,625)	-	(4,625)
Moroti	68,962	100.00	212,449	12,500	199,949	-	199,949	(1,167)	-	(1,167)
Agrifirma	256,616	100.00	633,507	334,890	298,617	2,474	301,091	14,803	716	15,519
Acres	902	100.00	136,819	88,736	48,083	-	48,083	113	-	113
Ombú	484	100.00	90,816	56,228	34,588	-	34,588	1,816	-	1,816
Yuchán	97	100.00	54,834	56,778	(1,944)	-	(1,944)	(3,202)	-	(3,202)
Yatay	282	100.00	60,082	2,553	57,529	-	57,529	680	-	680
Investment at cost:										
Joint Venture and other investments										
Cresca	-	50.00	-	(1,335)	1,335	-	1,335	(70)	-	(70)
Agrofy	-	-	-	-	1,256	-	1,256	-	-	-
			2,551,163	**827,304**	**1,725,115**	**22,157**	**1,747,272**	**300,875**	**(512)**	**300,363**

(*) The Company has land lease agreements with its subsidiaries. The adoption of IFRS 16 resulted in differences between the profit or loss of the company and the consolidated position that were adjusted in the equity pickup of the parent company, so that the profit or loss of the company and the consolidated position remain equal, in accordance with ICPC 09 (R2) – Individual Accounting Statements, Separate Statements, Consolidated Statements and Application of Equity Method.

(**) In connection with the strategic plan to maintain a streamlined corporate structure, the Company concluded the dissolution of the subsidiary Imobiliária Engenho de Maracaju on October 6, 2022, which did not have any economic effect on the consolidated financial statements of the Company.

(In thousands of reais, except as stated otherwise)

a) Changes in investments

	6/30/2022	Write-offs	Capital increase (reduction)	Dividends	Equity pickup	Effect from conversion	6/30/2023
Cremaq	23,050	-	7,767	-	2,047	-	32,864
Engenho	20	(16)	-	-	(4)	-	-
Imobiliária Jaborandi	250,072	-	-	(12,500)	52,590	-	290,162
Araucária	71,733	-	-	(19,390)	243,223	-	295,566
Mogno	149,746	-	144,542	(3,089)	(16,850)	-	274,349
Cajueiro	68,666	-	-	(12,000)	6,436	-	63,102
Ceibo	124,596	-	-	(16,500)	3,861	-	111,957
Flamboyant	652	-	-	-	(7)	-	645
Palmeiras	20,344	-	24,354	-	(4,624)	(3,334)	36,740
Moroti	218,494	-	-	-	(1,165)	(17,380)	199,949
Agrifirma	510,019	-	-	(224,446)	15,518	-	301,091
Acres	52,580	-	-	-	114	(4,611)	48,083
Ombú	36,125	-	-	-	1,817	(3,354)	34,588
Yatay	62,289	-	-	-	679	(5,439)	57,529
Cresca	1,521	-	-	-	(70)	(116)	1,335
Agrofy	6,121	(4,865)	-	-	-	-	1,256
	1,596,028	(4,881)	176,663	(287,925)	303,565	(34,234)	1,749,216
Goodwill Agrifirma	47	-	-	-	-	-	47
	1,596,075	(4,881)	176,663	(287,925)	303,565	(34,234)	1,749,263
Losses from investments							
Yuchán	1,092	-	-	-	(3,202)	166	(1,944)
	1,092	-	-	-	(3,202)	166	(1,944)
	1,597,167	**(4,881)**	**176,663**	**(287,925)**	**300,363**	**(34,068)**	**1,747,319**

	6/30/2021	Write-off	Capital increase	Dividends	Equity pickup	Effect from conversion	6/30/2022
Cremaq	14,618	-	6,520	-	1,912	-	23,050
Engenho	64	-	-	-	(44)	-	20
Imobiliária Jaborandi	314,141	-	-	(85,000)	20,931	-	250,072
Araucária	86,696	-	-	(26,733)	11,770	-	71,733
Mogno	49,830	-	-	(100,827)	200,743	-	149,746
Cajueiro	68,536	-	-	(23,962)	24,092	-	68,666
Ceibo	108,398	-	-	-	16,198	-	124,596
Flamboyant	648	-	10	-	(6)	-	652
Palmeiras	22,591	-	2,614	-	(5,536)	675	20,344
Moroti	210,447	-	-	-	(1,872)	9,919	218,494
Agrifirma	415,693	-	-	(100,000)	194,326	-	510,019
Acres	47,561	-	-	-	2,421	2,598	52,580
Ombú	29,833	-	-	-	4,723	1,569	36,125
Yuchán	5,334	-	-	-	(4,454)	212	1,092
Yatay	59,073	-	-	-	(6)	3,222	62,289
Cresca	1,482	-	-	-	(31)	70	1,521
Agrofy	4,127	-	1,994	-	-	-	6,121
	1,439,072	-	11,138	(336,522)	465,167	18,265	1,597,120
		-					
Goodwill Agrifirma	47	-	-	-	-	-	47
	1,439,119	-	11,138	(336,522)	465,167	18,265	1,597,167
Losses from investments							
Avante	10	916	-	-	(926)	-	-
	10	916	-	-	(926)	-	-
	1,439,129	**916**	**11,138**	**(336,522)**	**464,241**	**18,265**	**1,597,167**

(In thousands of reais, except as stated otherwise)

b) Indirectly controlled company

The Company holds indirect interest in Agrifirma Bahia Agropecuária through its subsidiary Agrifirma. The table below shows the assets, liabilities and profit or loss of Agrifirma Group consolidated on June 30, 2023:

	Interest (%)	Assets	Liabilities	Equity	Profit for the year
Agrifirma Bahia Agropecuária Ltda.	99.99	132,878	928	131,950	41,228

To simplify the group's corporate structure and create synergies for capturing operating efficiency gains, on July 23, 2022, the partners approved the merger of the I.A. Agro Ltda. by the subsidiary Agrifirma Bahia Agropecuária ("Agrifirma Bahia"), both indirectly controlled by BrasilAgro on the date of the event. As a result of the merger, Agrifirma Bahia inherited all rights and obligations of I.A. Agro without any impact on the consolidated financial statements of BrasilAgro.

The table below shows the equity of I.A. Agro on the merger date:

	Assets	Liabilities	Equity	Profit for the year
I.A. Agro Ltda.	252	10	242	-

c) Interest in joint venture

The Company holds interest in a joint venture of Cresca S.A., which trades in agricultural and livestock products. The summarized information, based on the financial statements prepared in accordance with the accounting practices adopted in Brazil and with IFRS, and the reconciliation with the book value of the investment in the consolidated financial statements are presented below at fair value on the acquisition date up to June 30, 2023:

	6/30/2023	6/30/2022
Assets	**2,901**	**3,291**
Current	**2,863**	**3,248**
Cash and cash equivalents	121	134
Accounts receivable, inventories and other receivables	2,742	3,114
Non-current	**38**	**43**
Other non-current assets	38	43
Liabilities	**231**	**249**
Current	**231**	**249**
Trade payables, taxes and loans	231	249
Total net assets	**2,670**	**3,042**
Company's interest – 50%	**1,335**	**1,521**

	6/30/2023	6/30/2022
Selling expenses	48	-
Administrative expenses	(11)	(7)
Other income/expenses	1	(10)
Financial expenses	(178)	(45)
Loss in the period/year	**(140)**	**(62)**
Company's interest – 50%	**(70)**	**(31)**

(In thousands of reais, except as stated otherwise)

13. Property, plant and equipment

Company

	Buildings and improvements	Equipment and facilities	Agricultural vehicles and machinery	Furniture and fixtures	Total in operation	Property, plant and equipment in progress	Sugarcane	Total property, plant and equipment
At June 30, 2023								
Opening balance	216	16,111	3,307	1,122	20,756	-	22,609	43,365
Acquisitions	311	2,536	8,843	891	12,581	7,245	9,028	28,854
Write-offs	(10)	(1,224)	(280)	(14)	(1,528)	-	(5,867)	(7,395)
Transfers	(333)	4,018	10	-	3,695	(750)	-	2,945
Depreciation	(110)	(954)	(721)	(202)	(1,987)	-	(6,423)	(8,410)
Accounting balance, net	74	20,487	11,159	1,797	33,517	6,495	19,347	59,359
At June 30, 2023								
Total cost	853	26,842	13,424	2,941	44,060	6,495	67,924	118,479
Accumulated depreciation	(779)	(6,355)	(2,265)	(1,144)	(10,543)	-	(48,577)	(59,120)
Accounting balance, net	74	20,487	11,159	1,797	33,517	6,495	19,347	59,359
Annual depreciation rates (weighted average) - %	3	7	7	10			20	

Company

	Buildings and improvements	Equipment and facilities	Agricultural vehicles and machinery	Furniture and fixtures	Total in operation	Property, plant and equipment in progress	Sugarcane	Total property, plant and equipment
At June 30, 2022								
Opening balance	136	6,033	2,315	912	9,396	-	20,980	30,376
Acquisitions	-	1,786	1,563	364	3,713	8,581	10,397	22,691
Write-offs	-	(15)	(126)	-	(141)	-	(185)	(326)
Transfers	200	8,594	-	-	8,794	(8,581)	(213)	-
Depreciation	(120)	(287)	(445)	(154)	(1,006)	-	(8,370)	(9,376)
Accounting balance, net	216	16,111	3,307	1,122	20,756	-	22,609	43,365
At June 30, 2022								
Total cost	1,241	21,617	5,995	2,112	30,965	-	79,952	110,917
Accumulated depreciation	(1,025)	(5,506)	(2,688)	(990)	(10,209)	-	(57,343)	(67,552)
Accounting balance, net	216	16,111	3,307	1,122	20,756	-	22,609	43,365
Annual depreciation rates (weighted average) - %	3	7	7	10			20	

Consolidated

	Buildings and improvements	Equipment and facilities	Agricultural vehicles and machinery	Furniture and fixtures	Total in operation	Property, plant and equipment in progress	Sugarcane	Total property, plant and equipmen t
At June 30, 2023								
Opening balance	188	29,038	28,983	2,377	60,586	-	67,545	128,131
Acquisitions	311	5,401	10,725	1,283	17,720	7,386	36,495	61,601
Write-offs	(11)	(1,481)	(2,094)	(64)	(3,650)	-	(8,487)	(12,137)
Transfers	(305)	5,927	(1,748)	-	3,874	(891)	6,724	9,707
Depreciation	(109)	(2,764)	(5,322)	(393)	(8,588)	-	(22,729)	(31,317)
Effect from conversion	-	(95)	(275)	(25)	(395)	-	(482)	(877)
Accounting balance, net	74	36,026	30,269	3,178	69,547	6,495	79,066	155,108
At June 30, 2023								
Total cost	853	71,017	36,516	5,709	114,095	6,495	212,877	333,467
Accumulated depreciation	(779)	(34,991)	(6,247)	(2,531)	(44,548)	-	(133,811)	(178,359)
Accounting balance, net	74	36,026	30,269	3,178	69,547	6,495	79,066	155,108
Annual depreciation rates (weighted average) - %	3	7	7	10			20	

(In thousands of reais, except as stated otherwise)

								Consolidated
	Buildings and improvements	Equipment and facilities	Agricultural vehicles and machinery	Furniture and fixtures	Total in operation	Property, plant and equipment in progress	Sugarcane	Total property, plant and equipment
At June 30, 2022								
Opening balance	108	16,887	20,157	2,350	39,502	-	70,888	110,390
Acquisitions	-	2,111	11,266	506	13,883	13,400	23,502	50,785
Write-offs	-	(774)	(627)	-	(1,401)	-	(185)	(1,586)
Transfers	200	13,413	-	-	13,613	(13,400)	(213)	-
Depreciation	(120)	(2,673)	(1,944)	(489)	(5,226)	-	(26,136)	(31,362)
Effect from conversion	-	74	131	10	215	-	(311)	(96)
Accounting balance, net	188	29,038	28,983	2,377	60,586	-	67,545	128,131
At June 30, 2022								
Total cost	1,241	41,022	60,791	4,843	107,897	-	195,214	303,111
Accumulated depreciation	(1,053)	(11,984)	(31,808)	(2,466)	(47,311)	-	(127,669)	(174,980)
Accounting balance, net	188	29,038	28,983	2,377	60,586	-	67,545	128,131
Annual depreciation rates (weighted average) - %	3	7	7	10			20	

14. Right-of-use asset

				Company
	Land – Farms	Buildings and improvements	Vehicles and agricultural machinery	Right-of-use Total
At June 30, 2023				
Opening balance	186,442	1,058	2,450	189,950
New contracts	122,749	-	797	123,546
Adjustments	16,011	-	-	16,011
(-) Depreciation / Amortization	(46,413)	(438)	(836)	(47,687)
Book value, net	278,789	620	2,411	281,820
At June 30, 2023				
Total cost	423,882	2,234	4,847	430,963
Cumulative depreciation	(145,093)	(1,614)	(2,436)	(149,143)
Book balance, net	278,789	620	2,411	281,820
Rate % (weighted average)	10	3	7	

				Company
	Land – Farms	Buildings and improvements	Vehicles and agricultural machinery	Right-of-use Total
At June 30, 2022				
Opening balance	170,004	1,113	2,598	173,715
New contracts	52,907	411	472	53,790
(-) Depreciation / Amortization	(36,469)	(466)	(620)	(37,555)
Book value, net	186,442	1,058	2,450	189,950
At June 30, 2022				
Total cost	285,122	2,234	4,050	291,406
Cumulative depreciation	(98,680)	(1,176)	(1,600)	(101,456)
Book balance, net	186,442	1,058	2,450	189,950

(In thousands of reais, except as stated otherwise)

				Consolidated
	Land – Farms	Buildings and improvements	Vehicles and Agricultural Machinery	Right-of-use Total
At June 30, 2023				
Opening balance	113,743	1,100	3,111	117,954
New contracts	75,069	371	2,692	78,132
(-) Depreciation / Amortization	(31,413)	(512)	(2,174)	(34,099)
Effect from conversion	(737)	(8)	(11)	(756)
Book value, net	156,662	951	3,618	161,231
At June 30, 2023				
Total cost	255,520	2,834	11,189	269,543
Cumulative depreciation	(98,858)	(1,883)	(7,571)	(108,312)
Book balance, net	156,662	951	3,618	161,231
Rate % (weighted average)	10	3	7	

				Consolidated
	Land – Farms	Buildings and improvements	Vehicles and Agricultural Machinery	Right-of-use Total
At June 30, 2022				
Opening balance	75,876	1,225	2,931	80,032
New contracts	61,594	411	1,942	63,947
(-) Depreciation / Amortization	(24,368)	(539)	(1,776)	(26,683)
Effect from conversion	641	3	14	658
Book value, net	113,743	1,100	3,111	117,954
At June 30, 2022				
Total cost	181,188	2,471	8,508	192,167
Cumulative depreciation	(67,445)	(1,371)	(5,397)	(74,213)
Book balance, net	113,743	1,100	3,111	117,954
Rate % (weighted average)	10	3	7	

15. Leases payable and related obligations

	Company		Consolidated	
	6/30/2023	6/30/2022	6/30/2023	6/30/2022
Operating leases - IFRS 16	76,455	37,541	55,502	18,581
	76,455	37,541	55,502	18,581
Financial lease of sugarcane fields	-	-	108,566	111,717
Operating leases - IFRS 16	268,815	187,331	153,265	118,853
	268,815	187,331	261,831	230,570
	345,270	224,872	317,333	249,151

Changes in leases and related obligations

						Company
	6/30/2022	Interest	Payments	New contracts	Remeasurement	6/30/2023
Operating leases - IFRS 16	224,872	37,284	(56,443)	123,546	16,011	345,270
	224,872	**37,284**	**(56,443)**	**123,546**	**16,011**	**345,270**

					Company
	6/30/2021	Update	Payments	New contracts	6/30/2022
Operating leases - IFRS 16	216,538	2,663	(48,119)	53,790	224,872
	216,538	**2,663**	**(48,119)**	**53,790**	**224,872**

(In thousands of reais, except as stated otherwise)

							Consolidated
	6/30/2022	**Interest**	**Exchange variation**	**Change**	**Payments**	**New contracts**	**6/30/2023**
Costs with recovery of sugarcane fields – Partnership IV	111,717	-	-	(3,151)	-	-	108,566
Operating leases – IFRS 16	137,434	23,750	(868)	(35)	(29,646)	78,132	208,767
	249,151	**23,750**	**(868)**	**(3,186)**	**(29,646)**	**78,132**	**317,333**

						Consolidated
	6/30/2021	**Exchange variation**	**Update**	**Payments**	**New contracts**	**6/30/2022**
Costs with recovery of sugarcane fields – Partnership IV	97,223	-	14,494	-	-	111,717
Operating leases – IFRS 16	101,772	658	1,777	(30,720)	63,947	137,434
	198,995	**658**	**16,271**	**(30,720)**	**63,947**	**249,151**

Today, the Company’s main contracts subject to IFRS 16/CPC 06 (R2) are related to agricultural partnership and land lease operations, as well as other less relevant contracts that involve leases of machinery, vehicles and properties.

The Company has an agricultural partnership agreement for the planting of sugarcane (Parceria IV) covering 15,000 arable hectares, which establishes an obligation of recovering the sugarcane field upon delivery of the agreement. The term of the agreement is 15 years, with delivery estimated for 2032, and may be extended for the same period.

Write-offs will occur upon effective payment of the lease as well as periodic restatement by variation in the soybean or sugarcane price. The impacts from adjustment to present value are recognized under Financial Income (Loss), net.

On June 30, 2023, the Company and its subsidiaries held the following agreements for leases from third parties and of buildings:

			Company (under IFRS 16)
Description	**Location**	**Currency**	
Avarandado Farm (Partnership II)	Ribeiro Gonçalves - PI	R$	3,843
ETH Farm (Partnership III)	Alto Taquari - MT	R$	20,543
Xingu Farm (Partnership V)	Xingu region - MT	R$	61,420
Regalito Farm (Partnership V)	Xingu region - MT	R$	58,001
Serra Grande II Farm (Partnership VII)	Baixa Grande do Ribeiro - PI	R$	24,399
São Domingos Farm (Partnership IX)	Comodoro - MT	R$	25,374
Intercompany leases	N.A	R$	148,242
Vehicle leases	N.A	R$	874
Services with identified assets	N.A	R$	1,816
Land - Other	N.A	R$	758
		R$	**345,270**

(In thousands of reais, except as stated otherwise)

			Consolidated (under IFRS 16)
Description	**Location**	**Currency**	
Avarandado Farm (Partnership II)	Ribeiro Gonçalves - PI	R$	3,843
ETHFarm (Partnership III)	Alto Taquari - MT	R$	20,543
Agro-Serra Farm (Partnership IV)	São Raimundo de Mangabeira - MA	R$	108,566
Xingu Farm (Partnership V)	Xingu region - MT	R$	61,420
RegalitoFarm (Partnership V)	Xingu region - MT	R$	58,001
Serra Grande II Farm (Partnership VII)	Baixa Grande do Ribeiro - PI	R$	24,399
Unagro Farm (Partnership VIII)	Santa Cruz - Bolivia	R$	9,120
São Domingos Farm (Partnership IX)	Comodoro - MT	R$	25,374
Vehicle leases	N.A.	R$	2,828
Services with identified assets	N.A.	R$	1,816
Land - Other	N.A.	R$	757
Lease of vehicles and office in Paraguay	Asunción - Paraguay	R$	666
		R$	**317,333**

The above lease liabilities, which are under IFRS 16, represent a discount rate that ranges from 6.56% to 16.76%.

The lease agreements with third parties of the Company are indexed to the price of the soybean bag in the region where each unit is located, except for ETH Farm (Parceria III), where the price is determined via Consecana. For the cases where payments are indexed to the soybean bag, future minimum payments are estimated in number of soybean bags and translated into local currency using the soybean price of each region, on the base date of first-time adoption of IFRS 16 / CPC 06, and adjusted to the current price at time of payment. Meanwhile, payments indexed to Consecana are stipulated in tons of cane and translated into local currency based on the Consecana price in effect at the time.

The Company also reports that:

(i) they contain no contingent payment clause; the lease agreements of Avarandado and Regalito Farms (Partnerships II and V) are, for the most part, indexed to the variation in the soybean bag price, and, in the case of Avarandado Farm (Partnership II), there is a clause for adjustment of payment for yield bonus; there are no restrictions imposed, such as those related to dividends and interest on equity, additional debt or any other that requires additional disclosure.

The Company also has land lease agreements with its subsidiaries (intercompany leases) for an average term of 14 years. These leases are described in Note 30.

The payment realization flow of the aforementioned leases shown below:

	Company	Consolidated
1 year	76,455	55,502
2 years	65,697	56,976
3 years	59,093	52,615
4 years	41,104	34,653
5 years	25,825	27,624
Above 5 years	77,096	89,963
	345,270	317,333

(In thousands of reais, except as stated otherwise)

16. Accounts payable and other liabilities

		Company		Consolidated	
	Note	**6/30/2023**	**6/30/2022**	**6/30/2023**	**6/30/2022**
Trade accounts payable		27,971	41,147	61,972	80,426
Taxes payable	16.1	1,974	8,616	26,321	25,894
Dividends payable		63,818	123,540	63,818	123,540
Advances to clients		8,741	17,327	21,802	21,953
Other liabilities		638	241	2,202	1,627
Total current		103,142	190,871	176,115	253,440
Taxes payable	16.1	-	-	28,140	17,742
Other payables		-	-	3,284	6,091
Total non-current		-	-	31,424	23,833

16.1. Taxes payable

	Company		Consolidated	
	6/30/2023	**6/30/2022**	**6/30/2023**	**6/30/2022**
ISS payable	653	537	996	681
Withholding taxes	852	234	1,320	368
FUNRURAL payable	-	36	-	36
PIS and COFINS payable	-	-	9,223	3,988
IRPJ and CSLL payable	-	7,352	10,881	15,456
IVA (Paraguay/Bolivia)	-	-	3,254	4,743
Other taxes payable	469	457	647	622
Total - current	**1,974**	**8,616**	**26,321**	**25,894**
PIS and COFINS payable	-	-	10,405	4,213
IRPJ and CSLL payable	-	-	8,781	3,556
IVA/IRAGRO (Paraguay/Bolivia)	-	-	8,954	9,973
Total – non-current	**-**	**-**	**28,140**	**17,742**

(In thousands of reais, except as stated otherwise)

17. Loans, financing and debentures

		Annual interest rates and charges - %		Company		Consolidated	
	Index	6/30/2023	6/30/2022	6/30/2023	6/30/2022	6/30/2023	6/30/2022
Financing for agricultural costs							
	Fixed rate	9.40	-	25,663	-	25,663	-
	Fixed rate	9.53	-	-	-	87,695	-
	Fixed rate	9.54	-	-	-	8,764	-
	Fixed rate	-	4.26	-	3,057	-	6,106
	Fixed rate	6.34	6.34	-	-	378	1,493
	Fixed rate	7.64	7.64	5,752	7,930	5,752	7,930
	Fixed rate	9.53	-	868	-	868	-
	Fixed rate	12.99	-	10,128	-	10,128	-
	Fixed rate	16.00	-	10,156	-	10,156	-
	Fixed rate	-	9.85	-	2,085	-	4,147
				52,567	13,072	149,404	19,676
Financing for agricultural costs (USD)							
	Fixed rate	3.66	-	-	-	11,566	-
				-	-	11,566	-
Financing for agricultural costs (PYG)							
	Fixed rate	-	9.60	-	-	-	16,628
	Fixed rate	9.50	9.50	-	-	5,380	6,815
	Fixed rate	8.75	8.75	-	-	7,210	9,206
				-	-	12,590	32,649
Bahia project financing							
	Fixed rate	3.50	3.50	-	-	8,885	9,661
	Fixed rate	9.05	-	19,849	-	19,849	-
				19,849	-	28,734	9,661
Financing of working capital (USD)							
	Fixed rate	8.72	4.40	-	-	5,008	10,840
	Fixed rate	7.93	-	-	-	2,482	-
	Fixed rate	8.71	-	-	-	17,281	-
				-	-	24,771	10,840
FINAME							
	Fixed rate	9.05	-	2,808	-	2,808	-
				2,808	-	2,808	-
Financing of sugarcane							
	Fixed rate	6.76	6.76	744	1,230	744	1,230
	Fixed rate	6.34	6.34	-	-	27,537	32,694
				744	1,230	28,281	33,924
Debentures							
	CDI	-	106.50	-	30,897	-	30,897
	CDI	110.00	110.00	16,197	31,096	16,197	31,096
	Fixed rate + IPCA	100.00+5.37	100.00+5.37	285,570	274,396	285,570	274,396
				301,767	336,389	301,767	336,389
(-) Transaction costs				(5,283)	(6,858)	(5,283)	(6,858)
				372,452	343,833	554,638	453,041
Current				67,529	57,453	198,213	123,411
Non-current				304,923	286,380	356,425	329,630

Legend:
USD – U.S. currency (dollar)
PYG – Paraguayan currency (Guarani)
IPCA – National consumer price index
CDI – Interbank certificate of deposit

Breakdown of debt by index

	Company		Consolidated	
	6/30/2023	6/30/2022	6/30/2023	6/30/2022
Fixed rate	70,686	7,444	252,872	116,652
CDI and Fixed rate + CDI	16,197	61,993	16,197	61,993
Fixed rate + IPCA (*)	285,569	274,396	285,569	274,396
	372,452	343,833	554,638	453,041

(*) The Company maintains R$135,000 of the nominal balance of debentures, backed by swaps indexed to the CDI, per Note 7.

(In thousands of reais, except as stated otherwise)

Maturities of current and non-current loans, financing and debentures are broken down as follows:

	Company		Consolidated	
	6/30/2023	6/30/2022	6/30/2023	6/30/2022
1 year	67,529	57,453	198,213	123,411
2 years	17,293	22,340	45,796	33,571
3 years	21,390	7,712	33,026	18,568
4 years	134,750	4,957	142,530	15,813
5 years	129,681	125,069	130,577	131,735
Above 5 years	1,809	126,302	4,496	129,943
	372,452	343,833	554,638	453,041

Changes in loans, financing and debentures

	Company					
	6/30/2022	Contracting	Payment of principal	Payment Interest	Appropriation of interest	6/30/2023
Agricultural cost financing	13,072	63,207	(25,258)	(2,479)	4,025	52,567
Bahia project financing	-	18,974	-	-	875	19,849
Financing of machinery and equipment – FINAME	-	2,660	-	-	148	2,808
Financing of sugarcane	1,230	-	(256)	(265)	35	744
Debentures	336,389	-	(42,651)	(20,704)	28,733	301,767
Transaction costs	(6,858)	-	-	-	1,575	(5,283)
At June 30, 2023	**343,833**	**84,841**	**(68,165)**	**(23,448)**	**35,391**	**372,452**

	Company						
	6/30/2021	Contracting	Payment of principal	Payment of interest	Appropriation of interest	Foreign exchange variation	6/30/2022
Agricultural cost financing	190,724	5,000	(172,133)	(18,279)	7,760	-	13,072
Financing of working capital	23,230	-	(24,421)	(325)	142	1,374	-
Financing of sugarcane	1,963	-	(687)	(137)	91	-	1,230
Debentures	346,327	-	(42,651)	(16,081)	48,794	-	336,389
Transaction costs	(8,812)	-	-	-	1,954	-	(6,858)
At June 30, 2022	**553,432**	**5,000**	**(239,892)**	**(34,822)**	**58,741**	**1,374**	**343,833**

	Consolidated						
	6/30/2022	Contracting	Payment of principal	Payment of interest	Appropriation of interest	Foreign exchange variation	6/30/2023
Agricultural cost financing	19,676	174,929	(51,701)	(4,523)	11,023	-	149,404
Agricultural cost financing abroad	49,409	-	(20,968)	(3,456)	3,152	(3,981)	24,156
Bahia project financing	9,661	18,974	(1,045)	(46)	1,190	-	28,734
Financing of working capital (USD)	10,840	21,020	(5,159)	(508)	1,022	(2,444)	24,771
Financing of machinery and equipment – FINAME	-	2,660	-	-	148	-	2,808
Financing of sugarcane	33,924	-	(6,457)	(1,447)	2,261	-	28,281
Debentures	336,389	-	(42,651)	(20,704)	28,733	-	301,767
Transaction costs	(6,858)	-	-	-	1,575	-	(5,283)
At June 30, 2023	**453,041**	**217,583**	**(127,981)**	**(30,684)**	**49,104**	**(6,425)**	**554,638**

	Consolidated						
	6/30/2021	Contracting	Payment of principal	Payment of interest	Appropriation of interest	Foreign exchange variation	6/30/2022
Agricultural cost financing	201,215	10,000	(180,929)	(18,767)	8,157	-	19,676
Agricultural cost financing abroad	28,856	32,282	(11,032)	(3,856)	3,626	(467)	49,409
Bahia project financing	10,373	-	(912)	(141)	341	-	9,661
Financing of working capital	23,230	-	(24,421)	(325)	142	1,374	-
Financing of working capital (USD)	-	9,971	-	-	109	760	10,840
Financing of sugarcane	61,992	8,183	(36,610)	(2,527)	2,886	-	33,924
Debentures	346,327	-	(42,651)	(16,081)	48,794	-	336,389
Transaction costs	(8,812)	-	-	-	1,954	-	(6,858)
At June 30, 2022	**663,181**	**60,436**	**(296,555)**	**(41,697)**	**66,009**	**1,667**	**453,041**

(a) Loans and Financing

Covenants

All loans and financing contracts above are in Reais and have specific terms and conditions defined in the respective contracts with governmental economic and development agencies that directly or indirectly grant those loans. At June 30, 2023 and 2022, the Company's financing had no financial covenants, but rather only operating clauses, on which the Company is not in default.

(b) Debentures

1st Issue

On May 25, 2018, one hundred forty-two thousand, two hundred (142,200) non-convertible debentures were subscribed to and paid in, with security interest, in the total of R$142,200 (R$85,200 for the first series and R$57,000 for the second).

On August 1, 2022, the Company paid the final installment of the first series. Compensatory interest corresponding to one hundred six point five percent (106.50%) of the DI rate will be accrued on the unit face value of first-series debentures, which will be paid on July 30 of each year or on the maturity date of the first series. The maturity date of the second-series debentures is July 31, 2023 ("maturity date of the second series") and their unit face value will be paid in four (4) annual installments, the first on July 30, 2020 and the final on the maturity date of the second series. Compensatory interest corresponding to one hundred ten percent (110.00%) of the overnight DI rate will be accrued on the unit face value of second-series debentures, which will be paid on July 30 of each year or on the maturity date of the second series.

The Debentures were linked to a securitization transaction, serving as guarantee for the issue of Certificates of Agribusiness Receivables ("CRA") pursuant to Law 11,076/2004 and CVM Instruction 414/2004, which were the object of a public distribution offer with restricted efforts, under CVM Instruction 476/2009 ("Restricted Offer").

The Debentures are backed by security interest in the form of fiduciary sale of properties owned by the Company and registered under no. 6,254, 6,267 and 13,458, all of them at the Property Records Office of Correntina in the state of Bahia.

2nd Issue

On May 5, 2021, the Company issued two hundred forty thousand (240,000) non-convertible debentures in the aggregate amount of R$240,000, in a single series, with total duration of seven (7) years.
The debentures will be amortized in two (2) equal installments due on April 13, 2027 and April 12, 2028, with compensatory interest on the amount of principal corresponding to the Broad

National Consumer Price Index (IPCA) plus 5.3658% p.a., to be paid in seven (7) annual instalments.

The Debentures were linked to a securitization transaction and backed by the issue of Certificates of Agribusiness Receivables ("CRA"), pursuant to CVM Instruction 400/03 and CVM Instruction 600/18. The Debentures are backed by security interest in the form of fiduciary sale of the properties owned by the Company and registered under numbers 6,257, 6,377, 6,405 and 6,462, all at the Real Estate Registry Office of Correntina, Bahia.

Covenants

The debentures have covenants based on the ratio of net debt to fair value of investment properties. Required ratios should not be below 30% over the duration of the agreement and are adjusted according to the respective covenants. Failure by the Company to attain these indicators during the term of the debentures may entail advance maturity of the debt.

On June 30, 2023, and during the effectiveness of the debentures, the Company is in compliance with the covenants described above.

18. Income and social contribution taxes

18.1. Deferred taxes

Deferred income and social contribution tax assets and liabilities are offset when there is a legal right to offset tax credits against tax liabilities, and provided that they refer to the same tax authority and the same legal entity.

The fiscal year for income tax and social contribution calculation purposes is different from that adopted by the Company, which ends June 30 of each year.

Deferred income and social contribution tax assets and liabilities as of June 30, 2023 and 2022 are as follows:

(In thousands of reais, except as stated otherwise)

	Company		Consolidated	
	6/30/2023	6/30/2022	6/30/2023	6/30/2022
Assets				
Non-current				
Tax losses	40,597	39,479	48,594	43,362
Biological assets	-	-	3,136	3,966
Leases payable (CPC 06/IFRS 16)	21,548	11,849	26,676	19,299
Present value adjustments and other provisions	6,741	4,104	35,614	33,737
Hedge	-	2,917	-	2,917
Expected losses	289	289	726	759
Difference in cost of farms	170	170	170	170
Other accounts payable	673	2,582	977	2,732
Impairment of investment	1,654	-	1,654	-
Fair value of other significant liabilities	675	4,475	675	4,475
	72,347	65,865	118,222	111,417
Liabilities				
Non-current				
Biological assets	17,769	41,322	19,983	61,764
Hedge	8,810	-	8,810	-
Goodwill on investment	1,733	1,733	1,733	1,733
Transaction costs	1,796	2,332	1,796	2,332
Temporary differences related to PPE	1,789	1,277	5,450	5,017
Accelerated depreciation of assets for rural activity	25,239	24,541	52,524	50,514
Deferred taxes on goodwill of PPE and investment property – Acquisition of Agrifirma	-	-	18,440	20,567
Indemnity assets	-	55	-	55
	57,136	71,260	108,736	141,982

The balances are presented in the balance sheet as follows:

	Company		Consolidated	
	6/30/2023	6/30/2022	6/30/2023	6/30/2022
Net deferred assets	15,211	-	30,140	4,360
Net deferred liabilities	-	(5,395)	(20,654)	(34,925)
Net balance	15,211	(5,395)	9,486	(30,565)

The net change in deferred income tax is as follows:

(In thousands of reais, except as stated otherwise)

	Company	Consolidated
At June 30, 2021	**12,722**	**45,629**
Tax losses	(30,034)	(98,498)
Biological assets	24,703	27,970
Leases payable (CPC 06/IFRS 16)	(2,686)	(5,521)
Present value adjustment and other provisions	1,456	7,028
Hedge	(4,850)	(4,850)
Transaction costs	664	664
Expected losses	(16)	(16)
Other accounts payable	509	550
Accelerated depreciation of assets for rural activity	(6,862)	(6,998)
Fair value of other significant liabilities	(190)	(190)
Deferred taxes on goodwill	-	6,147
Share-based incentive plan (ILPA)	(756)	(2,425)
Indemnity assets	(55)	(55)
At June 30, 2022	**(5,395)**	**(30,565)**
Tax losses	1,118	5,232
Biological assets	23,553	40,951
Leases payable (CPC 06/IFRS 16)	9,699	7,377
Present value adjustment and other provisions	2,637	1,877
Hedge	(11,727)	(11,727)
Transaction costs	536	536
Expected losses	-	(33)
Other accounts payable	(1,909)	(1,755)
Accelerated depreciation of assets for rural activity	(698)	(2,010)
Fair value of other significant liabilities	(3,800)	(3,800)
Deferred taxes on goodwill	-	2,127
Share-based incentive plan (ILPA)	(512)	(433)
Indemnity assets	55	55
Impairment of investment	1,654	1,654
At June 30, 2023	**15,211**	**9,486**

The estimated years of realization of deferred tax assets are as follows:

	6/30/2023	
	Company	**Consolidated**
2024	18,054	50,255
2025	13,541	21,866
2026	20,541	20,869
2027	7,210	7,492
2028 to 2033	13,001	17,740
	72,347	118,222

On September 5, 2023, the Audit Board approved the estimate that confirms the expected realization of deferred tax assets.

(In thousands of reais, except as stated otherwise)

18.2. Income and social contribution expenses

	Company		Consolidated	
	6/30/2023	6/30/2022	6/30/2023	6/30/2022
Income before income and social contribution taxes	258,436	550,699	281,709	637,317
Combined nominal rate of income and social contribution taxes – %	34%	34%	34%	34%
	(87,868)	(187,238)	(95,781)	(216,688)
Equity pickup/Investment losses	102,122	157,842	(24)	(11)
Management bonuses	(639)	(2,805)	(639)	(2,805)
Fair value variation of accounts receivable from sale of farms	-	-	5,821	(1,322)
Net effect of profit taxed abroad	(1,459)	-	(1,459)	-
Net effect of subsidiaries taxed whose profit is computed as a percentage of gross revenue (*)	-	-	81,133	92,226
Other	(2,056)	1,602	(2,224)	11,383
Income and social contribution taxes on P&L for the period	10,100	(30,599)	(13,173)	(117,217)
Current	(10,506)	(12,482)	(53,224)	(41,023)
Deferred	20,606	(18,117)	40,051	(76,194)
	10,100	(30,599)	(13,173)	(117,217)
Effective rate	4%	-6%	-5%	-18%

(*) For some of our real estate agencies, income tax is measured based on the regime whereby profit is computed as a percentage of gross revenue, i.e., income tax is determined on a simplified base to calculate the taxable profit (32% for lease revenues, 8% from sale of farms and 100% for other earnings). This results effectively in taxing the profit of subsidiaries at a lower rate than if taxable profit were based on accounting records.

19. Acquisitions payable

	Company		Consolidated	
	6/30/2023	6/30/2022	6/30/2023	6/30/2022
Serra Grande Farm	-	-	-	8,159
Agrifirma (a)	13,681	33,089	13,681	33,089
Panamby Farm (b)	-	-	142,985	-
	13,681	33,089	156,666	41,248
Current	13,681	20,687	156,666	28,846
Non-current	-	12,402	-	12,402

a) The consideration transferred in exchange for control of Agrifirma was divided into three classes, classified in the financial statement in accordance with their characteristics. Restricted shares and warrants, given their variation factor, are registered under liabilities and measured at fair value through profit or loss (Note 25).

b) The second installment for the acquisition of the Panamby Farm is scheduled for August 21, 2023. The Company recorded this obligation at present value and the difference from the nominal value will be booked as financial result during the term of maturity.

20. Equity

a) Capital (number of shares)

	Number of shares			
	6/30/2023		6/30/2022	
Cresud	37,480,425	36.6%	39,159,930	38.3%
Charles River Capital	7,767,653	7.6%	7,829,726	7.6%
Elie Horn	5,998,269	5.9%	6,098,269	6.0%
Officers	309,303	0.3%	439,353	0.4%
Treasury	3,571,179	3.5%	3,533,499	3.5%
Other	47,250,179	46.2%	45,316,231	44.3%
Total shares of paid-up capital	102,377,008	100%	102,377,008	100%
Total outstanding shares	61,016,101		59,244,226	

(In thousands of reais, except as stated otherwise)

The amount shown in “Total outstanding shares” is net of treasury shares and Management shares (shares and vehicles held by members of the Board of Directors, Fiscal Council, Audit Committee and Statutory Board of Executive Officers).

The Company is authorized to increase its capital, regardless of the statutory reform, up to the limit of R$3,000,000, as decided by the Board of Directors. At June 30, 2023 and 2022, the Company’s subscribed and paid-up capital amounted to R$1,587,985.

b) Capital reserve

Capital Reserves are composed of amounts received by the company that are not registered under profit or loss as revenue, since they refer to amounts allocated to capital reinforcement, which did not involve any effort from the company in delivering the goods or services.

Goodwill on share issue

The reserve of goodwill from the issue of shares was created upon the acquisition of the subsidiary Agrifirma on January 27, 2020. The transaction was conducted via transfer of shares and generated a difference between capital increase and equity increase that gave rise to the reserve. Such accounting reserve was created because the capital increase was calculated based on the shareholders' equity of Agrifirma Holding (company merged in the process) as at June 30, 2019, while the equity increase considered only one of the three share classes involved in the agreement (Unrestricted shares). The other two classes of shares that compose the price were classified under liabilities (Note 19).

The following table shows the breakdown of the reserve:

	Number of shares	**Amount (R$)**
Unrestricted shares	4,402,404	97,569
Restricted shares	812,981	18,018
Shares issued in the initial exchange ratio / Capital increase	**5,215,385**	**115,587**
Unrestricted shares (final exchange ratio) / Capital increase	**4,044,654**	**82,021**
Reserve of goodwill on share issue		**(33,566)**
Transfer/return of shares under business combination agreement		20,257
		(13,309)

In addition, the agreement for acquisition of Agrifirma envisages the possibility of price adjustment if certain contingencies, identified on the transaction date, come to occur and cause losses for the Company or the selling shareholders. The agreement ensures the parties the possibility of settling the obligation in cash or in shares in the Company. For such, a certain number of shares that are the object of the agreement remains blocked as guarantee.

The amount blocked has been written off and is currently R$13,309, partially due to the end of the blocking period and partially due to the agreements signed later, which permitted early release. This early release has an indemnity nature as it refers to unrealized contingencies. The gain in the fiscal year was R$6,126 (Note 25).

Share-based payment

At June 30, 2023, the compensation plan has an accrued balance of R$10,917, which includes a strictly book value left from the previous plan (R$726), while the accumulated value of R$11,643 refers to the plan ended on June 30, 2023 (Note 24.a).

Capital transactions between partners

On February 4, 2021, the Company assumed control of the acquired companies “Acres del Sud” (indirectly controlled by Cresud S.A.C.I.F.Y.A), with the parties negotiating an initial payment of R$160,399 based on the preliminary equity assessed at June 30, 2020. The agreement envisaged a price adjustment to reflect the equity variation of the Bolivian companies between June 30, 2020 and the reference date of the transaction. In accordance with the criteria established by the parties, the difference assessed at R$11,031 between the net assets of the companies acquired and the consideration transferred was recognized directly under shareholders' equity, given that the transaction involves the combination of businesses under shared control.

c) Profit reserves

Legal reserve

Pursuant to article 193 of Law No. 6404/76 and article 36, item (a), 5% (five per cent) of the Company’s net income at the end of each year, before any other allocation, shall be used to set up a legal reserve, which shall not exceed 20% (twenty percent) of share capital.

The Company may not constitute the legal reserve in the fiscal year in which the balance of reserve, plus the amount of capital reserve set forth in item 1, of article 182, of Law No. 6404/76, exceeds 30% (thirty per cent) of the share capital. The legal reserve aims at assuring the integrity of the Company’s share capital and may only be used to offset loss and increase capital.

Reserve for investment and expansion

According to article 36, subparagraph (c), of its articles of incorporation and article 196 of Law No. 6404/76, the Company may allocate the remaining portion of adjusted net income for the year ended to the reserve for investment and expansion, based on the capital budget to be approved at the Shareholders Meeting.

d) Dividends

On October 27, 2022, the Company approved the payment of dividends at the Annual and Extraordinary Shareholders Meeting based on the financial statements of June 30, 2022. The amount of R$123,524 refers to the minimum mandatory dividend and R$196,476 to the additional dividends proposed. The dividends declared were paid on November 16, 2022. In accordance with article 40 of the Bylaws, dividends not received or claimed will be time-barred within three (3) years from the date they were made available to the shareholder, and will inure to the Company.

Pursuant to article 36, of the Company’s Bylaws, income for the year shall be allocated as follows after accrual of the legal reserve: (i) 25% (twenty five percent) of adjusted net income will be allocated to the payment of mandatory dividends; (ii) the remaining portion may be allocated to payments of additional dividends approved at the Shareholders Meeting; and (iii) the reserve for investment and expansion, in compliance with Federal Law 6,404/76.

(In thousands of reais, except as stated otherwise)

The proposal for allocation of net income for the year as of June 30, 2023 is as follows:

	6/30/2023	6/30/2022
Net income for the year	268,536	520,100
(-) Constitution of legal reserve (5% of net income)	(13,427)	(26,005)
Adjusted net income	**255,109**	**494,095**
(-) Minimum mandatory dividends - 25% of adjusted net income	(63,777)	(123,524)
(-) Proposed additional dividends – 75% of adjusted net income	(191,332)	(96,476)
Dividends proposed on net income	**(255,109)**	**(320,000)**
(-) Additional dividends proposed on profit reserve	(64,891)	-
Total dividends	**(320,000)**	**(320,000)**
Constitution of reserve for investments and expansion	**-**	**174,095**
Total paid-in capital (per thousand shares)	102,377	102,377
(-) Treasury shares (per thousand shares)	(3,571)	(3,533)
(=) Free float (per thousand shares)	**98,806**	**98,844**
Dividend per share (R$)	3.24	3.24

e) Other comprehensive income

At June 30, 2023, the effects from foreign exchange rate variation arising from the translation of the financial statements of companies located abroad amounted to a negative effect of R$34,068 (R$18,265) at June 30, 2022, and the accumulated effect reached R$63,619 (R$97,687 at June 30, 2022).

f) Treasury shares

Under article 20, item XII of the Bylaws of the Company, the Board of Directors is responsible, among others established in the law or the Bylaws, for deliberating on the acquisition by the Company of shares issued by itself, to be held in treasury and/or later cancellation or sale.

	Number of shares	Amount (R$)
At June 30, 2021	3,185,087	40,085
Transfer of shares – Acquisition of Agrifirma	348,411	9,676
At June 30, 2022	3,533,498	49,761
Transfer of shares – Acquisition of Agrifirma	37,681	1,046
At June 30, 2023	3,571,179	50,807

21. Segment information

The segment information is presented consistently with the internal report provided by the main operating decision maker that is the Executive Board, responsible for allocating resources, assessing the performance of the operating segments, and for making the Company's strategic decisions.

(In thousands of reais, except as stated otherwise)

The segment information is based on information used by BrasilAgro management to assess the performance of the operating segments and to make decisions on the investment of funds. The Company has six segments, namely: (i) real estate, (ii) grains, (iii) sugarcane, (iv) cattle, (v) cotton and (vi) other, basically represented by insignificant services and crops. The operating assets related to these segments are located in Brazil, Paraguay and Bolivia.

The main activity of the grains segment is the production and sale of soybean, corn and bean.

The sugarcane segment includes the sale of the raw product.

The real estate segment presents the P&L from operations carried out in the Company's subsidiaries.

The cattle raising segment consists of producing and selling beef calves after weaning, which characterizes the activity as breeding and fattening of cattle.

The cotton segment is engaged primarily in the production and sale of cotton lint and seed.

The selected P&L and assets information by segment, which were measured in accordance with the same accounting practices used in the preparation of the financial statements, are as follows:

								Consolidated
								6/30/2023
			Agricultural activity					**Not allocated**
	Total	**Real estate**	**Cattle raising**	**Gains**	**Cotton**	**Sugarcane**	**Other**	
Net revenue	903,372	14,893	24,807	579,018	38,195	244,830	1,629	-
Gain from sale of farm	346,065	346,065	-	-	-	-	-	-
Changes in fair value of biological assets	78,238	-	(13,824)	111,304	(3,631)	(6,903)	(8,708)	-
Reversal of provision for agricultural products after harvest	(47,708)	-	-	(47,168)	(509)	-	(31)	-
Cost of sales	(886,225)	(6,190)	(25,536)	(556,554)	(34,565)	(242,165)	(21,215)	-
Gross profit (loss)	393,742	354,768	(14,553)	86,600	(510)	(4,238)	(28,325)	-
Operating income (expenses)								
Selling expenses	(41,008)	(2,190)	(553)	(33,633)	(3,394)	(1,068)	(170)	-
General and administrative expenses	(65,792)	-	-	-	-	-	-	(65,792)
Other operating income	(11,049)	-	-	-	-	-	-	(11,049)
Equity pickup	(70)	-	-	-	-	-	-	(70)
Operating income (loss)	275,823	352,578	(15,106)	52,967	(3,904)	(5,306)	(28,495)	(76,911)
Financial income	330,491	67,985	2,470	54,009	759	9,690	-	195,578
Financial expenses	(324,605)	(116,861)	(642)	(46,777)	(1,440)	(158)	-	(158,727)
Net income (loss) before taxes	281,709	303,702	(13,278)	60,199	(4,585)	4,226	(28,495)	(40,060)
Income and social contribution taxes	(13,173)	(5,912)	4,515	(20,468)	1,559	(1,437)	9,689	(1,119)
Net income (loss) for the year	**268,536**	**297,790**	**(8,763)**	**39,731**	**(3,026)**	**2,789**	**(18,806)**	**(41,179)**
Total assets	3,508,075	1,418,129	54,271	259,859	34,347	97,393	106,479	1,537,597
Total liabilities	1,310,933	473,999	-	86,120	8	555,081	-	195,725

(In thousands of reais, except as stated otherwise)

								Consolidated 6/30/2022
			Agricultural activity					
	Total	**Real estate**	**Cattle raising**	**Grains**	**Cotton**	**Sugarcane**	**Other**	**Not allocated**
Net revenue	1,168,137	6,450	31,507	720,883	25,242	378,919	5,136	-
Gain from sale of farm	251,534	251,534	-	-	-	-	-	-
Changes in fair value of biological assets	549,764	-	968	313,944	7,122	227,717	13	-
Reversal of provision for agricultural products after harvest	(50,822)	-	-	(49,244)	(1,576)	-	(2)	-
Cost of sales	(1,142,688)	(4,536)	(27,948)	(720,236)	(24,967)	(352,519)	(12,482)	-
Gross profit (loss)	775,925	253,448	4,527	265,347	5,821	254,117	(7,335)	-
Operating income (expenses)								
Selling expenses	(43,578)	-	(970)	(33,359)	(794)	(1,260)	(7,195)	-
General and administrative expenses	(55,968)	-	-	-	-	-	-	(55,968)
Other operating income	13,829	-	-	-	-	-	-	13,829
Equity pickup	(31)	-	-	-	-	-	-	(31)
Operating income (loss)	690,177	253,448	3,557	231,988	5,027	252,857	(14,530)	(42,170)
Financial income	320,177	72,498	478	36,370	1,178	587	-	209,066
Financial expenses	(373,037)	(55,669)	(239)	(111,335)	(8,516)	(393)	-	(196,885)
Net income (loss) before taxes	637,317	270,277	3,796	157,023	(2,311)	253,051	(14,530)	(29,989)
Income and social contribution taxes	(117,217)	(18,277)	(1,314)	(53,981)	1,158	(87,072)	4,940	37,329
Net income (loss) for the year	**520,100**	**252,000**	**2,482**	**103,042**	**(1,153)**	**165,979**	**(9,590)**	**7,340**
Total assets	3,345,263	1,691,599	69,749	402,120	38,625	274,605	144,916	723,649
Total liabilities	1,129,215	290,399	-	101,239	1,393	35,093	-	701,091

The balance sheet accounts are mainly represented by "Accounts receivable and other credits," "Biological assets", "Inventories of agricultural products" and "Investment properties".

a) Information on concentration of clients

In the year ended June 30, 2023, the Company has three clients individually representing 10% or more of consolidated revenues, representing 45.8% of the total sales of the Company. Of these three clients, one accounts for 63.1% of the revenues from the sugarcane segment and two account for 42.0% of the revenues from the grain/cotton segments. There are no clients in other segments that represent 10% or more of revenue of total sales.

b) Consolidated geographic information

Revenues and non-current assets, excluding financial instruments, income tax and social contribution, deferred assets, post-employment benefits and rights arising from insurance contracts of the Consolidated, are distributed as follows:

		In Brazil		**Subsidiaries abroad**
	6/30/2023	**6/30/2022**	**6/30/2023**	**6/30/2022**
Net income	815,589	1,077,731	87,783	90,406

		In Brazil		**Subsidiaries abroad**
	6/30/2023	**6/30/2022**	**6/30/2023**	**6/30/2022**
Non-current assets	1,260,255	925,019	394,547	429,042

(In thousands of reais, except as stated otherwise)

22. Revenues

a) Operating sales

	Company		Consolidated	
	6/30/2023	**6/30/2022**	**6/30/2023**	**6/30/2022**
Sales of grains	442,612	553,841	593,787	727,875
Sales of cotton	34,137	26,109	39,600	26,109
Sales of sugarcane	77,640	120,306	247,260	379,242
Revenue from cattle raising	17,741	11,219	26,262	32,773
Revenue from leases	5,331	4,405	17,997	15,047
Other revenues	3,494	4,240	5,542	9,368
Gross operating revenue	580,955	720,120	930,448	1,190,414
Sales deductions				
Taxes on sales	(11,775)	(9,695)	(27,076)	(22,277)
Net revenue	569,180	710,425	903,372	1,168,137

b) Sale of farms

	Rio do Meio I*	Rio do Meio II	Marangatú I	Araucária VI	Araucária VII	Jatobá VII	Consolidated 6/30/2023
Sale of farm	1,999	38,177	7,927	7,684	370,445	118,763	544,995
Adjustment to present value	(518)	(4,642)	(141)	(1,369)	(63,417)	(29,479)	(99,566)
Gross revenue from sale of farm	1,481	33,535	7,786	6,315	307,028	89,284	445,429
Sales taxes	-	-	(116)	(230)	(11,206)	(3,259)	(14,811)
Residual cost of sale of farm	(579)	(12,185)	(5,008)	(947)	(51,502)	(14,332)	(84,553)
Gain from sale of farm	**902**	**21,350**	**2,662**	**5,138**	**244,320**	**71,693**	**346,065**
Selling expenses	-	-	-	(189)	-	-	(189)
Taxes on profit	-	(4,857)	(233)	(194)	(9,456)	(2,750)	(17,490)
Net profit from sale of farm	**902**	**16,493**	**2,429**	**4,755**	**234,864**	**68,943**	**328,386**

	Rio do Meio I	Alto Taquari IV	Consolidated 6/30/2022
Sale of farm	131,951	329,663	461,614
Adjustment to present value	(34,203)	(111,237)	(145,440)
Gross revenue from sale of farm	97,748	218,426	316,174
Sales taxes	-	(7,973)	(7,973)
Residual cost of sale of farm	(40,056)	(16,611)	(56,667)
Gain from sale of farm	**57,692**	**193,842**	**251,534**
Selling expenses	-	(6,553)	(6,553)
Income tax and social contribution	(4,382)	(6,728)	(11,110)
Net profit from sale of farm	**53,310**	**180,561**	**233,871**

(*) In compliance with the obligations related to the sale of farms in previous years, the proceeds from the sale of a farm of R$902 was recognized in the fiscal year related to the official measurement of the Rio do Meio I Farm. This condition refers to the variable consideration concept established in CPC 47 – Revenue, mentioned in Note 4.c.

(In thousands of reais, except as stated otherwise)

23. Expenses by nature

	Company				Consolidated			
	Cost of goods sold	Selling expenses	General and administrative expenses	Total	Cost of goods sold	Selling expenses	General and administrative expenses	Total
Depreciation and amortization	54,492	-	929	55,421	87,363	-	1,128	88,491
Personnel expenses	20,889	4,596	39,952	65,437	36,170	4,884	46,205	87,259
Expenses with service providers	96,482	-	5,476	101,958	192,050	-	6,790	198,840
Leases and rentals (i)	11,764	-	236	12,000	32,274	-	562	32,836
Cost of raw material	274,015	-	-	274,015	370,222	-	-	370,222
Fair value of cost of agricultural products	90,221	-	-	90,221	148,260	-	-	148,260
Freight and storage	-	25,220	-	25,220	-	33,861	-	33,861
(Reversal) of allowance for doubtful accounts	-	-	-	-	-	2,093	-	2,093
Sale of farm	-	95	-	95	-	170	-	170
Maintenance, travel expenses and others	9,409	-	7,679	17,088	19,886	-	11,107	30,993
At June 30, 2023	**557,272**	**29,911**	**54,272**	**641,455**	**886,225**	**41,008**	**65,792**	**993,025**
Depreciation and amortization	54,584	-	1,070	55,654	81,324	-	1,290	82,614
Personnel expenses	22,415	2,968	32,593	57,976	56,924	3,240	39,257	99,421
Expenses with service providers	86,136	-	4,690	90,826	166,772	-	5,858	172,630
Leases and rentals	13,563	-	153	13,716	28,267	-	342	28,609
Cost of raw material	194,493	-	-	194,493	284,694	-	-	284,694
Fair value of cost of agricultural products	315,367	-	-	315,367	508,496	-	-	508,496
Freight and storage	-	24,841	-	24,841	-	33,123	-	33,123
(Reversal) of allowance for doubtful accounts	-	-	-	-	-	20	-	20
Sale of farm	-	249	-	249	-	7,195	-	7,195
Maintenance, travel expenses and other	6,460	-	6,993	13,453	16,211	-	9,221	25,432
At June 30, 2022	**693,018**	**28,058**	**45,499**	**766,575**	**1,142,688**	**43,578**	**55,968**	**1,242,234**

24. Share-based compensation

On October 2, 2017, the Shareholders Meeting approved the creation of a long-term share-based plan (“ILPA Plan”). As per the ILPA Plan, participants are entitled to a certain number of shares if they remain with the Company during the vesting period and achieve certain key performance indicators ("KPIs"). The ILPA Plan establishes that the Board of Directors will have broad powers to implement it. The shares to be granted under the ILPA Plan cannot exceed the cumulative limit of 2% of shares issued by the Company.

The shares are granted if participants remain with the Company until the end of the vesting period and achieve certain KPIs. Appreciation of the AGRO3 stock is one of the pillars of the program and if a minimum percentage is not reached, participants will not be entitled to receive any shares. If the stock appreciation KPI is achieved, the number of shares to be granted will be divided in three ranges based on the level of achievement of three other KPIs, and are adjusted by the dividends per share distributed during the vesting period. Apart from the AGRO3 stock price, performance indicators include operating profitability, sales of farms and capitalization of resources.

The tranche was approved on May 6, 2021 and the fair value of the benefit is estimated at R$25.23 and R$30.18, depending on the participant’s profile. The measurement of fair value of the benefit considered the AGRO3 stock price on the grant date and the probable range of the share price at the end of the vesting period was projected. The expense amount is adjusted due to this revision and the effects are recognized prospectively.

The ILPA Plan is booked in accordance with IFRS 2, since the Company receives services from the participants and, in exchange, undertakes to deliver its shares. The tranche was concluded on June 30, 2023, and the accumulated expenses of the plan totaled R$11,643 (R$6,958 pertaining to the compensation and R$4,685 pertaining to charges).

(In thousands of reais, except as stated otherwise)

25. Other operating (expenses) income, net

	Company		Consolidated	
	6/30/2023	6/30/2022	6/30/2023	6/30/2022
Gain/loss on sale of PPE	(156)	147	(3,605)	2,652
Expenses with acquisitions of new businesses (i)	(2,248)	(2,093)	(2,248)	(2,093)
Expenses with contingencies	(1,352)	(217)	(2,127)	(19)
Agricultural insurance claims (ii)	-	-	-	8,708
Agricultural losses (iii)	-	-	(2,525)	-
Donations to Brasilagro Institute (vii)	(8,500)	-	(8,500)	-
Gain from indemnities (iv)	7,526	7,763	7,526	7,763
Warrants and restricted shares (v)	6,232	(2,883)	6,232	(2,883)
Impairment on investments	(4,865)	-	(4,865)	-
Other (vi)	(2,368)	(325)	(937)	(299)
	(5,731)	**2,392**	**(11,049)**	**13,829**

(i) Refers to expenses with commission on lease agreements.

(ii) On October 13, 2021, the subsidiary Palmeiras S.A. received indemnification in the amount of R$8,708, corresponding to the multiple-risk agricultural policy for the 2020/21 crop year, which covers possible losses in soybean and corn production. The losses were caused by the severe drought that occurred in the first half of 2021, which affected the region of Mariscal Estigarribia, in Boquerón, where the company's farm is located. The indemnification was paid in full, with no amounts left to receive.

(iii) Basically, it refers to operating losses in sugarcane harvesting due to adverse climate conditions in the subsidiary Yuchan.

(iv) Indemnity received due to the early settlement under the Agrifirma agreement (Note 20.b).

(v) The gains and losses reflect the residual liabilities from the acquisition of Agrifirma, measured at fair value. The liabilities correspond to a number of warrants and restricted shares (Note 19), which may vary and, therefore, are classified as financial instruments, recognized as liabilities and measured at fair value based on the Company's share price.

(vi) Of the balance shown, R$1,950 refers to taxes (PIS and Cofins) on indemnity gains.

(vii) Non-profit organization of the Brasilagro group that coordinates all social initiatives of the Company.

26. Financial income (expenses)

		Company		Consolidated	
	Notes	**6/30/2023**	**6/30/2022**	**6/30/2023**	**6/30/2022**
Financial income					
Short-term investment income		18,304	45,628	46,776	67,010
Interest receivable		1,097	455	3,497	2,730
Monetary variations (i)		316	-	1,815	-
Foreign exchange variation (ii)		41,125	26,903	44,710	31,717
Income in restatement of leases (iii)		-	-	2,887	-
Income in restatement of farm receivables/acquisitions (iv)		-	-	36,575	65,111
Realized profit from derivatives (v)	7	108,969	72,664	108,969	73,069
Unrealized profit from derivatives (vi)	7	85,262	80,562	85,262	80,540
		255,073	226,212	330,491	320,177
Financial expenses					
Short-term investment expenses		(902)	(2,142)	(2,054)	(2,900)
Bank charges		(2,870)	(1,624)	(3,929)	(1,999)
Interest payable		(35,706)	(58,739)	(51,526)	(68,044)
Monetary variations (i)		(143)	(173)	(140)	(732)
Foreign exchange variations (ii)		(36,206)	(25,645)	(41,354)	(29,096)
Income in restatement of leases (iii)		(37,284)	(15,738)	(23,751)	(22,247)
Income in restatement of farm receivables/acquisitions (iv)		-	-	(90,034)	(28,702)
Realized loss from derivatives (v)	7	(61,045)	(153,016)	(61,045)	(153,018)
Unrealized loss from derivatives (vi)	7	(50,772)	(66,298)	(50,772)	(66,299)
		(224,928)	(323,375)	(324,605)	(373,037)
		30,145	(97,163)	5,886	(52,860)

Net balances are as follows:

	Company		Consolidated	
	6/30/2023	**6/30/2022**	**6/30/2023**	**6/30/2022**
Inflation adjustments (i)	173	(173)	1,675	(732)
Foreign exchange variations (ii)	4,919	1,258	3,356	2,621
Restatement of leases (iii)	(37,284)	(15,738)	(20,864)	(22,247)
Restatement of farm receivables/acquisitions (iv)	-	-	(53,459)	36,409
Income from derivatives (v)	47,924	(80,352)	47,924	(79,949)
Unrealized income from derivatives (vi)	34,490	14,264	34,490	14,241

27. Earnings per share

	6/30/2023	**6/30/2022**
Profit attributed to controlling shareholders	268,536	520,100
Weighted average number of common shares issued	98,806	98,844
Effect from dilution – shares (in thousands)	550	513
Weighted average number of common shares issued adjusted by the dilution effect	99,356	99,357
Basic earnings per share	2.7178	5.2618
Diluted earnings per share – in Brazilian real	2.7028	5.2347

28. Provision for contingencies

The Company and its subsidiaries are involved in civil, labor, environmental and tax lawsuits. The provisions for probable losses of financial disbursements arising from these lawsuits are estimated and updated by management, supported by the opinion of the Company's internal and external legal advisors.

(In thousands of reais, except as stated otherwise)

Provisions for administrative proceedings by type are:

Labor

The Company is defendant in three labor lawsuits that involve employment relationships between the Company and service providers. In addition, there are administrative proceedings in which the parties discuss official notifications issued by the Ministry of Labor and Employment.

Tax

The Company is a party to administrative proceedings involving the additional levy of Rural Land Tax (ITR).

Environmental

The Company is a party to administrative proceedings on notices of violation issued by the Institute of the Environment and Water Resources (INEMA) related to alleged lack of adoption of preventive measures to avoid fire that occurred on the Bananal Farm and on the provision of information on the Rural and Environmental Registration.

Civil

The Company is a party to lawsuits on the protest of a promissory note pledged as guarantee, guarantees furnished to the Company as part of admission of debt by third parties and indemnities for pecuniary damages and pain and suffering.

Probable risks

			Company
	Labor	**Tax**	**Total**
At June 30, 2021	**174**	**-**	**174**
Additions	360	203	563
Inflation adjustments	13	2	15
Reversals	(157)	(205)	(362)
Payments	(178)	-	(178)
At June 30, 2022	**212**	**-**	**212**
Additions	111	1,452	1,563
Inflation adjustments	3	-	3
Reversals	(182)	-	(182)
Payments	(30)	(1,452)	(1,482)
At June 30, 2023	**114**	**-**	**114**

					Consolidated
	Labor	**Civil**	**Tax**	**Environmental**	**Total**
At June 30, 2021	**1,013**	**-**	**-**	**432**	**1,445**
Additions	407	-	533	20	960
Inflation adjustments	75	-	16	22	113
Reversals	(829)	-	(205)	(20)	(1,054)
Payments	(347)	-	-	-	(347)
At June 30, 2022	**319**	**-**	**344**	**454**	**1,117**
Additions	635	46	1,723	-	2,404
Inflation adjustments	4	-	72	32	108
Reversals	(332)	-	-	-	(332)
Payments	(507)	(46)	(1,452)	-	(2,005)
At June 30, 2023	**119**	**-**	**687**	**486**	**1,292**

(In thousands of reais, except as stated otherwise)

Possible risks

The Company and its subsidiaries are parties to civil, labor, environmental and tax legal suits, as well as administrative tax proceedings for which no provisions were set up, since they involve risk of loss classified as possible by the Company and its external legal advisors, as follows:

	Company		Consolidated	
	6/30/2023	6/30/2022	6/30/2023	6/30/2022
Civil	6,595	6,110	8,525	7,789
Tax	7,927	3,576	20,881	14,997
Labor	-	7	-	7
	14,522	9,693	29,406	22,793

Judicial deposits

	Company		Consolidated	
	6/30/2023	6/30/2022	6/30/2023	6/30/2022
Labor	-	-	47	320
Tax	-	1,250	-	1,250
Environmental	504	485	504	485
Civil	176	160	176	160
	680	1,895	727	2,215

29. Commitments

a) Sales agreements for future delivery

BrasilAgro and its subsidiaries have sales agreements for future delivery with some clients, as shown below:

						Company
Crop	Delivery date	Quantity	Agreements	Unit	Currency	Price
2022/23 crop year						
Cotton lint	Aug/23-Nov/23	5,125	9	ton	US$	1,920.51
Corn	May/23-Nov/23	292,271	8	bags	R$	42.17
Corn	May/23-Nov/23	668,761	9	bags	US$	7.79
Soybean	Jun/23-Aug/23	147,816	6	bags	R$	122.22
Soybean	Jun/23-Sep/23	370,250	8	bags	US$	24.72

						Consolidated
Crop	Delivery date	Quantity	Agreements	Unit	Currency	Price
2022/23 crop year						
Cotton lint	Aug/23-Nov/23	5,125	9	ton	US$	1,920.51
Corn	May/23-Nov23	292,271	8	bags	R$	42.17
Corn	May/23-Nov/23	668,817	11	bags	US$	7.79
Soybean	Jun/23-Aug/23	148,038	7	bags	R$	122.22
Soybean	Jun/23-Sep/23	370,266	9	bags	US$	24.72
Sugarcane	Apr/23-Dec/23	956,260	1	ton	R$	**

(In thousands of reais, except as stated otherwise)

30. Related parties

a) <u>Related-party transactions</u>

						Company
		Assets		Liabilities		Result
	6/30/2023	6/30/2022	6/30/2023	6/30/2022	6/30/2023	6/30/2022
Dividends receivable						
Imobiliária Jaborandi	-	31,735	-	-	-	-
Imobiliária Araucária	14,177	84,000	-	-	-	-
Imobiliária Mogno	-	18,000	-	-	-	-
Imobiliária Cajueiro	-	2,500	-	-	-	-
	14,177	136,235	-	-	-	-
Services and agricultural inputs					-	-
Agrifirma	-	-	54	482	285	1,526
	-	-	54	482	285	1,526
Compensation plans						
Management	1,838	1,680	-	-	-	-
Palmeiras	669	357	-	-	-	-
Agrifirma	1,202	295	-	-	-	-
	3,709	2,332	-	-	-	-
Shared expenses					-	-
Palmeiras	207	21	27	21	-	-
Moroti	219	266	578	628	-	-
Acres	4,929	1	13	14	-	-
Ombu	-	-	41	20	-	-
Cresud (b)	-	-	-	243	-	-
	5,355	288	659	926	-	-
Total – Related Parties	23,241	138,855	713	1,408	285	1,526
Current	**19,105**	**136,235**	**54**	**482**	**-**	**-**
Non-current	**4,136**	**2,620**	**659**	**926**	**-**	**-**
Land Lease						
Agrifirma Bahia	25,763	29,444	28,553	31,498	7,203	12,429
Imobiliária Cremaq	5,849	6,685	8,157	8,418	1,575	2,174
Imobiliária Araucária	7,730	9,276	8,873	10,312	3,930	8,635
Imobiliária Mogno	49,026	7,261	58,580	7,882	12,021	6,618
Imobiliária Cajueiro	42,123	30,054	44,079	40,755	9,459	27,475
	130,491	82,720	148,242	98,865	34,188	57,331

				Consolidated
		Assets		Liabilities
	6/30/2023	6/30/2022	6/30/2023	6/30/2022
Compensation plans				
Management	2,035	1,717	-	-
	2,035	1,717	-	-
Other				
Cresca (a)	122	122	1,471	1,642
Cresud (b)	-	-	58	312
Helmir (c)	-	-	5,040	5,518
	122	122	6,569	7,472
Total – Related Parties	2,157	1,839	6,569	7,472
Non-current	**2,157**	**1,839**	**6,569**	**7,472**

a) Acquisition of biological assets and other fixed assets by Palmeiras, during the spin-off of Cresca.
b) Expenses mainly refer to the implementation, development and maintenance of systems.
c) During the process of acquisition of the subsidiaries in Bolivia, the parties entered into an agreement to maintain the blocked contingency amount, aiming to protect the Company.

(In thousands of reais, except as stated otherwise)

b) Management compensation

The expenses for Management compensation were recorded under "General and administrative expenses", as follows:

	Consolidated	
	6/30/2023	**6/30/2022**
Board of directors and executive board compensation	10,665	4,208
Bonus	1,879	8,249
Overall compensation	12,544	12,457
Share grants	3,833	1,717
	16,377	**14,174**

On October 27, 2022, the overall compensation of the Company's managers for the current year, in the amount of R$16,110, was approved at the Annual and Extraordinary Shareholders Meeting.

31. Insurance

The Company and its subsidiaries maintain (i) civil liability insurance for all employees working at the farms, (ii) insurance for machinery, (iii) life insurance for all the employees, as well as (iv) insurance for Directors and Officers (D&O) and for other Board members. The coverage amount is considered sufficient by management to cover risks, if any, over its assets and/or liabilities. The Company assessed the risk of farm buildings and facilities owned by the Group, as well as its inventories and biological assets, concluding that there is no need for other types of insurance due to low likelihood of risks.

Below is the table of the liabilities covered by insurance and the related amounts at June 30, 2023:

Insurance type	**Coverage R$**
Civil liability (D&O)	50,000
Civil, professional and general liability	10,301
Machinery/Automobile	37,010
Completion guarantee	354
Fire/lightning/explosion/electrical damage (office)	12,188
Rural multi-risk	154,231

32. Subsequent events

Panamby Farm

On August 29, 2023, the Company paid the second installment of the Panamby farm, amounting to R$146,948. Acquired in August 2022, this transaction was important for the diversification and expansion of the Company's footprint in the state of Mato Grosso, one of the world's largest commodity producers, and ensure the growth of its production area, not to mention the real estate gains from the transformation of pastureland into agricultural areas.