AGROGALAXY

Earnings Release | 1Q23

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Summary

Results from the First Quarter of 2023

São Paulo, May 11, 2023 – AgroGalaxy Participações S.A. ("AgroGalaxy" or "Company") (B3: AGXY3) discloses its results for the 1Q23. The comments included in this release refer to the consolidated results prepared according to the CVM (Brazilian Securities and Exchange Commission) and the CPC (Brazilian Accounting Pronouncements Committee) regulations and follow the International Accounting Standards (IFRS) issued by the International Accounting Standards Board ("IASB"). The financial information is presented in thousands of Brazilian reais, except whenever informed otherwise. The comparisons refer to the 1Q22 and LTM1Q22.

Highlights 1Q23 (vs. 1Q22)

- ✓ **4 new stores**, amounting to **167** in **14 Brazilian states (+1 state operating: PI (Piauí)**
- ✓ **A new AgroGalaxy Technological Center (CTA) opened**, amounting **to 9** in all the regions the Company is operating

- ✓ **Net revenue: R$ 2.8 bi** (-11.4%). **Input revenue: R$ 1.6 bi** (-6.8%)
- ✓ **Gross profit: R$ 257.4 mi** (-20.6%), mg. of **9.2%.** Gross profit from input: R$ 237.7 mi (-23,1%), mg. of 15.1%
- ✓ **Adjusted EBITDA: R$ 58.6 mi** (-55%), mg. of 2.1%
- ✓ **Same store sales: -6.7%**
- ✓ **ROIC: 21.3%** (-0.9 p.p.)

- ✓ **Specialties: 8.2% of input revenue mix (+2.9 p.p.). Bioinputs R$ 65 mi (+72%).**

- ✓ **Impact from fertilizers price decrease** (-30%) and delay on soybean crop (22/23), impacting corn winter crop.

- ✓ **29,294 active customers** (+28%)

R$ 570 mi of digital-enabled revenue, or 55% of input revenue for the period.

April: Release of the [3rd AgroGalaxy Annual Report] **(English version will be available by the end of May) and approval of the Statutory Audit Committee**

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Videoconference

May 12, 2023 (Friday)

10h (Brasília time) | 9h (EST)

Portuguese with simultaneous translation into English
Click here to subscribe to the videoconference

Message of the CEO

During the first quarter of 2023, we implemented our expansion plan, **opening four new stores** and extending our operation to **Piauí**. We now **have 167 stores operating in 14 Brazilian states**. We also opened one more CTA, so now we have **80 hectares** for research to find the best solutions for Brazilian producers. Our **9 CTAs** can be found in **all biomes and regions we are operating**. The Company now has more than **29 thousand active customers**, a **28% growth** in relation to March 2022.

During the period, we had a total **net revenue of R$ 2.8 billion, an 11% decrease**. The **input revenue also decreased by 7%**, amounting to **R$ 1.6 billion**. During the period, the organic same stores sales reached -6.7%.

The **Adjusted Gross Profit reached R$ 257 million**, a 21% decrease with a margin of 9.2%. The **Adjusted EBITDA totaled R$ 59 million (-55%)**, with a **margin of 2.1%**. **The Net Result amounted to -R$ 97 million**, and the high Selic rate kept impacting the financial result. However, the financial result decrease was offset by passing through the costs to our customers, according to a strategy we had developed for the year. **The Return on Invested Capital (ROIC) reached 21.3%** in March. We remain focused on **projects to improve our cost structure and reduce the working capital, such as implementing SAP and improving the operating network**.

During the disclosure of the results in 2022, less than two months ago, I informed you in advance that we would face a challenging scenario in the industry once 2023 started. Two main events impacted the first quarter of 2023: (i) the fertilizers price decrease (-30%), as we still had many volumes of those products; and (ii) the delay in the soybean harvest and trade compared to the last four cycles. The first event resulted in less segment billing and a margin decrease. The second one resulted in the increase if corn planted out of the planting window and a **delay in grain billing**, leading to a subsequent delay in the collection of input revenue, expected to happen in 2Q23.

Despite this challenging scenario, AgroGalaxy **reduced the PDD percentage over the input revenue from 1.2% in 1Q22 to 0.3% in 1Q23** — the Company made an effort to ensure the customers would pay us in time.

The **segment of specialties, presenting the higher gross margin**, had an impressive increase, **reaching 8.2%** of the input mix given the reduced prices for fertilizers and less seeds volumes. **The bioinputs increased by 72%, reaching R$ 65 million in the quarter**.

The **order portfolio totaled R$ 2 billion** in March 2023, a 41% reduction in relation to the same period in 2022. The **reduction resulted from a price decrease of fertilizers and herbicides**, the producers submitting orders in advance to enjoy the price decrease trend in some input segments.

We achieved **new milestones in the digital area** — for instance, the number of digital customers increased from 64% in March 2022 to 71% this year. The **digital revenue totaled R$ 570 million**, or **55% of the input revenue**. The app had 8.4 thousand registered producers, covering more than 8.8 million hectares on March 31, 2023. From its inception in November 2021, the **AgroKea precision agriculture tool has reached 256 thousand hectares registered for coverage**.

In April, the Company released its **3rd Annual Report** with information about our **social and environmental, operating and financial performance** during the fiscal year of 2022. This report highlighted significant advances supported by the ESG practices and Sustainable Development Goals (SDGs) identified as priority ones, reported as Communications on Progress to Global Compact, of which AgroGalaxy is a signatory.

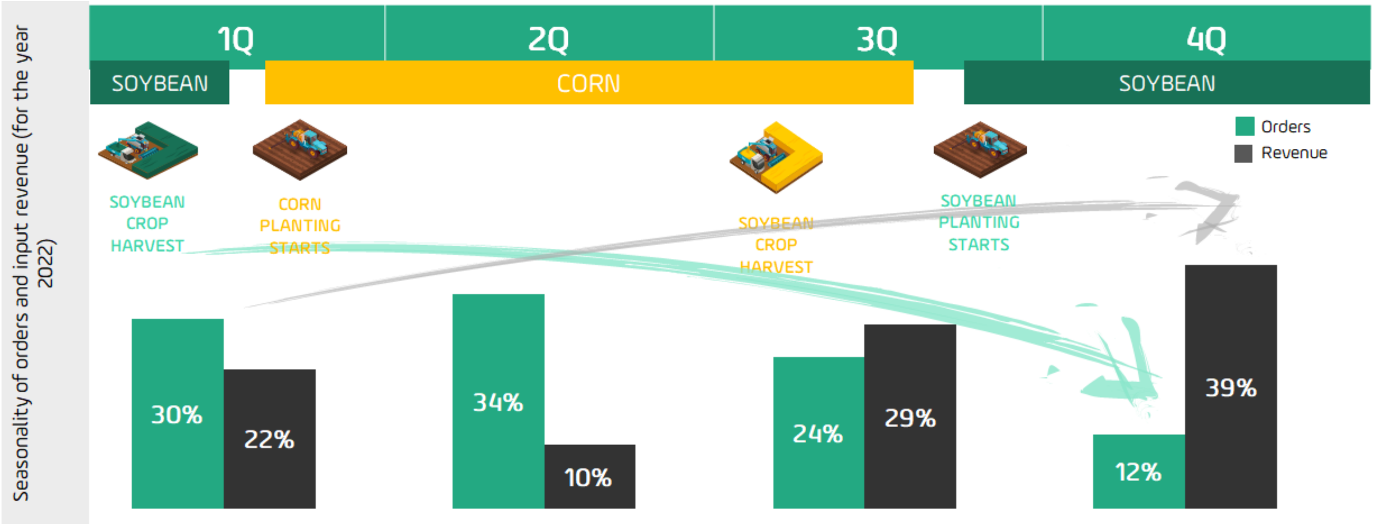
During April 2023, the Annual and Extraordinary Shareholders Meeting approved, among other resolutions: (i) the election of the Board of Directors; (ii) the Financial Statements from the fiscal year ended in December 2022; (iii) the distribution of dividends, amounting to R$ 6,639,794.91, equivalent to R$ 0,039657303/share; and (iv) the **transformation of the Audit Committee into a Statutory one**.

For the rest of this year, we have the challenge to keep implementing the **plan to expand our stores, with 11 to 16 new stores, in addition to the 4 opened in 1Q23, ramp up the almost 60 stores** we opened since the IPO and achieve a higher volume of input, all according to our approach on the use of working capital. We will also focus on finishing the **implementation of the ERP and CRM** throughout AgroGalaxy, seeking to establish a synergy between the business companies we have acquired since 2021. Our commitment is to focus on consolidating AgroGalaxy as **the best and most sustainable retail of agricultural input and services to Brazilian producers**. We will achieve this goal by setting up new partnerships and providing unique solutions.

Sheilla Albuquerque, CEO AgroGalaxy

Seasonality (Input)

The agribusiness industry is subject to significant seasonality over the year, especially given the crop cycles that depend on specific climate conditions. Brazil has unique climate conditions compared with other countries producing agricultural commodities, contributing to the plantation of two to three crops in the same area per year. The seasonality of the orders and the Company's input billing are explained below:



* Reference from 2022. It considers a full-year revenue from Boa Vista and Ferrari Zagatto. It may vary according to the region.

Therefore, considering that the activities of the Company's customers are directly related to the cycles of the crops, which are subject to seasonality issues, the revenues from inputs are also subject to significant seasonality.

The seasonality of the crops also implies the seasonality of the gross profit, calculated at different bases for the fiscal year, which may cause a significant seasonal effect on the operating results calculated during the separate quarters of the fiscal year, as shown above.

Historical Seasonality (Input)

The seasonality of the Company's inputs orders and billing may vary according to the plantation periods of different crops each year.

	Seasonality | Input	1Q	2Q	3Q	4Q
2020	Billing	16%	10%	24%	50%
	Orders	40%	30%	15%	15%
2021	Billing*	19%	8%	29%	44%
	Orders	47%	22%	19%	12%
2022	Billing	22%	10%	29%	39%
	Orders	30%	34%	24%	12%
Average	**Billing**	**19%**	**10%**	**27%**	**44%**
	Orders	**39%**	**29%**	**19%**	**13%**

* It considers a full-year billing from Boa Vista and Ferrari Zagatto.

Highlights

Operating Highlights	March/23	March/22	Var. % mar/23 x mar/22	Dec/22	Var. % Mar/23 x Dec/22
# stores	167	145	15.2%	163	2,5%
# launches, year-to-date	4	0	n.m.	18	-77.8%
# of technical sales consultants (CTV)	643	508	26.6%	625	2.9%
# silos	28	28	-	28	-
bags received - accrued for the year (million)	12.6	7.2	75.0%	27.3	-53.8%
# seed processing units *	13	13	-	13	-
# CTAs**	9	3	200.0%	8	12.5%
# customers	29,294	22,912	27.9%	27,461	6.7%
Input revenue/customers (R$ thousands)***	258	239	7.9%	279	-7.5%
# employees	2,490	2,403	3.6%	2,566	-3.0%

* 3 own and 10 tooling
** AgroGalaxy Technological Centers
*** The amounts consider the last 12 months

Financial Highlights (R$ million)	1Q23	1Q22	Var. %	LTM 1Q23	LTM 1Q22	Var.%
Total Net revenue	**2,785.3**	**3,145.3**	**-11.4%**	**11,232.5**	**8,521.0**	**31.8%**
Input revenue	1,577.3	1,692.1	-6.8%	7,547.2	5,479.0	37.7%
Grain revenue	1,208.0	1,453.2	-16.9%	3,685.4	3,042.1	21.1%
Growth indicators						
Same Store Sales[1]	-6.7%	82.9%	-89.6 p.p.	39.5%	41.7%	-2.2 p.p.
Volume variation[1]	-6.0%	22.2%	-28.2 p.p.	1.5%	26.5%	-25.0 p.p.
Price variation[1]	-0.8%	69.7%	-70.5 p.p.	20.4%	27.7%	-7.3 p.p.
Input revenue/CTV[2]	2.5	2.9	-13.8%	11.2	11.0	1.8%
Digital Revenue						
Digital enabled revenue	570.1	613.3	-7.0%	3,066.1	2,612.6	17.4%
% of organic net input revenue	**55.1%**	**51.1%**	**+4.0 p.p.**	**56.3%**	**57.8%**	**-1.5 p.p.**
Adjusted Gross Profit[3]	**257.4**	**324.0**	**-20.6%**	**1,492.1**	**1,105.1**	**35.0%**
% net revenue	9.2%	10.3%	-1.1 p.p.	13.3%	13.0%	+0.3 p.p.
Input margin	15.1%	18.3%	-3.2 p.p.	18.7%	18.9%	-0.2 p.p.
Grain margin	1.6%	1.0%	+0.6 p.p.	2.1%	2.4%	-0.3 p.p.
Adjusted EBITDA [4]	**58.6**	**130.3**	**-55.0%**	**632.8**	**495.8**	**27.6%**
Adjusted EBITDA Margin	2.1%	4.1%	-2.0 p.p.	5.6%	5.8%	-0.2 p.p.
Adjusted Net Profit (Loss)	**-96.6**	**-44.7**	**116.1%**	**2.0**	**125.2**	**-98.4%**
Adjusted Profit (loss) Margin	-3.5%	-1.4%	-2.1 p.p.	0.0	1.5%	-1.5 p.p.
Net Debt	-	-	-	**1,847.0**	**1,145.8**	**61.2%**
Net Debt/Adjusted EBITDA LTM	-	-	-	2.9x	2.3x	+0.6x
ROIC[6]	-	-	-	**21.3%**	**22.2%**	**-0.9 p.p.**

1 Same Store Sales considers the sales from stores operating for more than 12 months.

2 It considers the average number of CTVs during the assessed periods. It excludes the CTVs and the revenue from the Boa Vista, Ferrari Zagatto and Agrocat companies while they were still not consolidated into the group.

3 Adjusted Gross Profit: It disregards gains or losses from variation in the fair value of commodities. To calculate the margin, it considers the gains or losses from exchange variation concerning the adjusted EBITDA.

4 Adjusted EBITDA and Profit: The Exhibit II table presents the adjustments made.

5 Net Debt: according to the Net Debt reconciliation section.

6 It considers the adjusted EBIT, i.e., excluding the effect of IFRS 16, amortization of capital gains (business combination) and IRPJ/CSLL (Income Tax on Legal Entities/Social Contribution on Net Income) and the Adjusted Net Debt described in the item above. It disregards the Adjusted LTM EBIT from the acquisitions.

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Adjustments to the results

The **Adjusted EBITDA** is impacted by the cash generated from payments made for the real estate leasing (stores) during the period and disregards: (i) MTM commodities: gains or losses from the variation of the fair value of the commodities, as the fair value on the closing of each fiscal year does not impact the cash and does not reflect the results from purchase and sale; (ii) exchange variation of hedge operations carried out to protect revenue or cost of products; (iii) non-recurring items (e.g., extemporaneous credits and strategic consultancy); and (iv) commercial and financial results: interest expense, interest-earning assets and discounts granted and obtained.

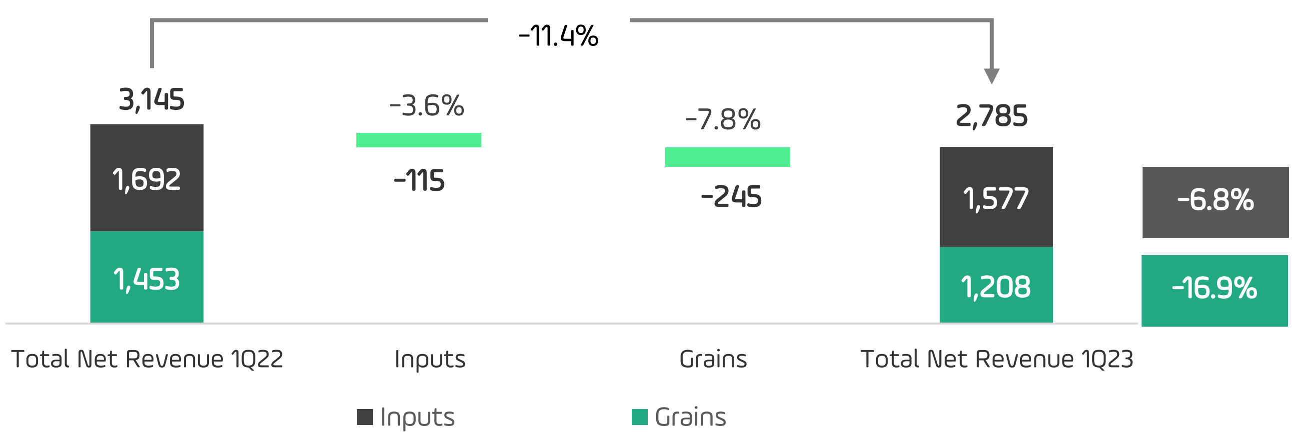
Besides the items mentioned above (i), (ii) and (iii), the **adjusted net profit** also excludes the following from the calculation: (iv) amortization of capital gains from business combinations; (v) unsettled exchange variation (accrual and MTM); (vi) the effects from CPC 06/IFRS 16 vehicles and others; and (vii) the impact from deferred IR/CS (Income Tax/Social Contribution).

Check the IR website for further details on the adjustments..

Earnings 1Q23 vs. 1Q22

Net Revenue

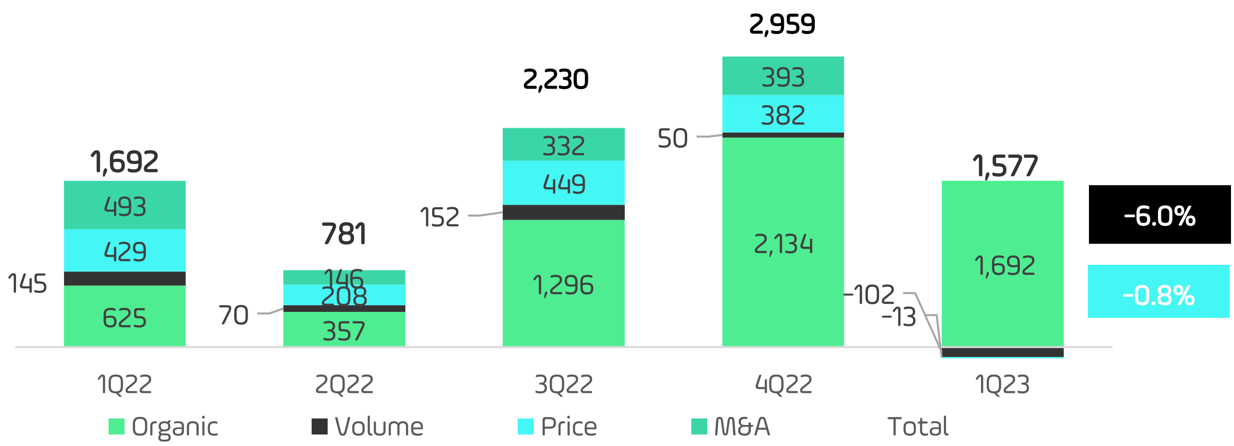
Net Revenue Evolution (R$ million)



The net revenue for the period decreased 11.4%, totaling R$ 2.8 billion. The input segment decreased by 6.8%, while the grain one decreased by 16.9% compared to 1Q22. The input revenue decrease resulted from a 0.8% price reduction and a 6.0% reduction in volume. The prices from the fertilizers segment also decreased by about 30%, only reaching a steady level after a threat of shortage in 2022. The decrease in the seed volume by 35% mainly resulted from reducing the area for corn plantation in some regions. Given those effects and events, the same store sales for the period reached -6.7%.

The decrease in grain revenue mainly resulted from a delay in the soybean crop (2022/23) and the consequent trade delay.

Net Revenue Evolution of Inputs per quarter (R$ million)



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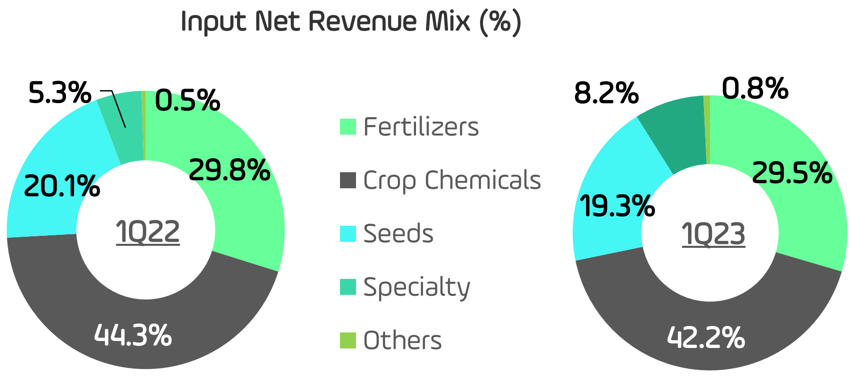
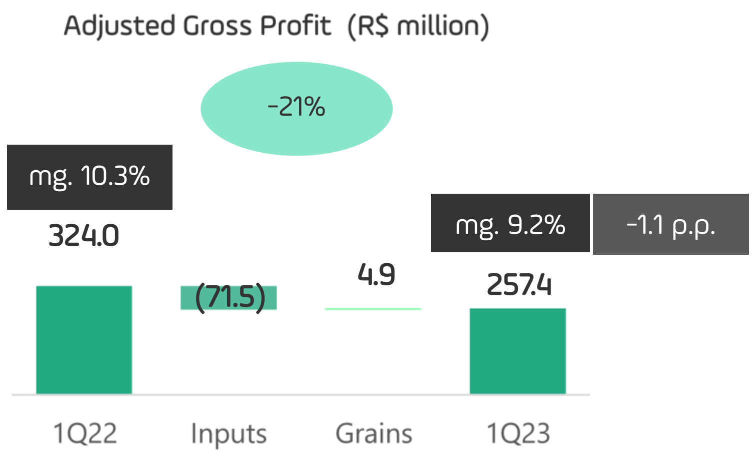
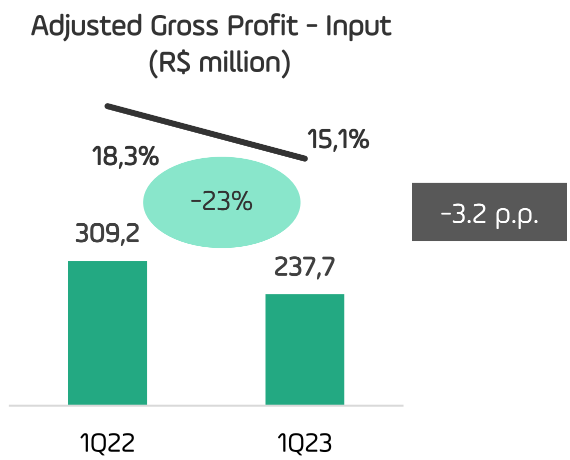
As the prices and volumes of the input mix increased, the same occurred to the segment of specialties, which increased its volume in the mix during 1Q23. The bioinputs — including biological products — totaled R$ 65 million during 1Q23 (or 4.1% of the input revenue), an increase of 72% compared to 1Q22.



Adjusted Gross Profit*



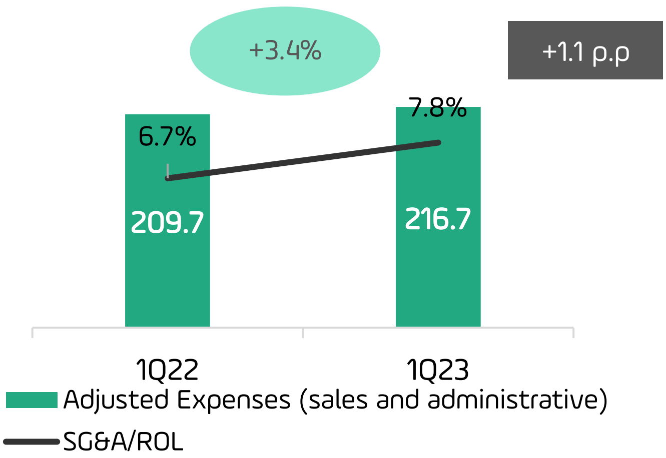


The adjusted gross profit totaled R$ 257.4 million in 1Q23 compared to R$ 324 million in 1Q22, with a margin of 9.2% (-1.1 p.p.). The gross profit reduction reflects the decreased revenue and the lower margins from the segments of fertilizers and herbicides, which represent that the supply has reached a steady level again and that there is a high volume of stock in the chain, as described in the revenue section.

The adjusted gross profit from input reached R$ 237.7 million in 1Q23, a 23% decrease, with a 15.1% margin resulting from a decline of 3.2 p.p. in relation to the 1Q22. The net revenue reduction (-6.8% in relation to the 1Q22) and lower margin of fertilizers and crop chemicals, especially herbicides, resulted in the variation. The mix of specialties partially offset the reduction with its gross margin (the highest one in any segment) of 8.2 p.p. during 1Q23 compared to 5.3 p.p. during 1Q22.

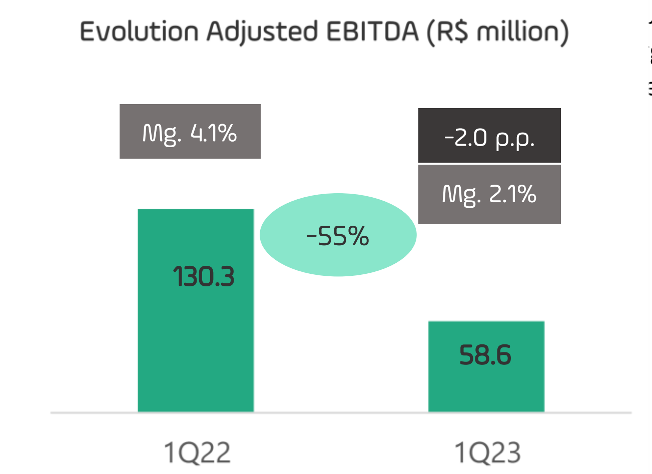
** Adjusted Gross Profit: It disregards gains or losses from variation in the fair value of commodities. To calculate the margin, it considers the or losses from exchange variation concerning the adjusted EBITDA.*

SALES, ADMINISTRATIVE AND GENERAL EXPENSES



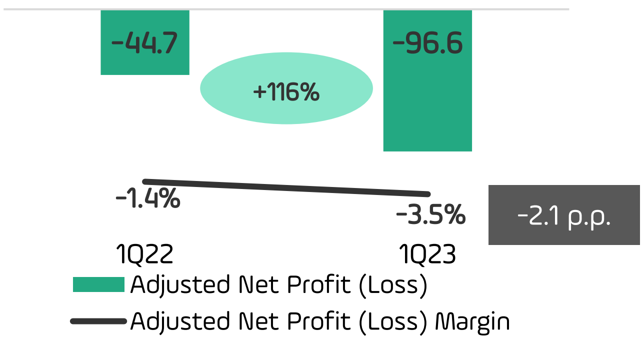
The expenses increased R$ 7 million, or 3.4%, in relation to 1Q23. These were the main variations experienced: (i) the sales expenses increased 22% because the number of CTVs increased (27%) and 22 new stores were opened during the period and are still undergoing the maturity stage; and (ii) on the other hand, the PCDA expenses decreased 78%, as described in the PCDA section. The net revenue percentage increased by 1.1 p.p. after the net revenue decrease resulting from the maintenance of fixed costs.

Adjusted EBITDA



ısted EBITDA reached R$ 58.6 million in 1Q23, a 55% decrease. The gin of Adjusted EBITDA reached 2.1%, a reduction of 2.0 p.p. ɜriod last year because of the lower gross profit, as described in

Adjusted Net Profit (Loss)



The adjusted net loss totaled -R$ 96.6 million, an increase of 116%. The variation reflects the Adjusted EBITDA reduction and the average Selic rate increase to 13.7% per year in 1Q23 compared to the rate of 10.5% per year during 1Q22. The improved adjustment to the present value on the financial result partially offset those effects. The Company achieved it by passing through the costs to our customers as described in the Financial Results section.

Financial Result

Financial result, net (in R$ million)	1Q23	1Q22	Var. (%)
Adjustment to present value	-206.3	-180.1	14.5%
Interest on loans and financing	-74.1	-51.4	44.2%
Interest Expense (CRA, renegotiation interest and/or delay)	-49.2	-29.5	66.8%
Discounts granted and other expenses	-14.8	-12.9	14.7%
Sub-total financial expenses	**-344.4**	**-273.9**	**25.7%**
Adjustment to present value	170.8	85.0	100.9%
Interest-earning assets	7.6	8.6	-11,6%
Discounts for advanced payments	9.3	6.4	45.3%
Income earned from financial investment and other financial income	24.7	9.0	174.4%
Sub-total financial revenue	**212.4**	**109.0**	**94.9%**
Adjustments			
exchange rate variations	37.2	60.5	-38.5%
Fair value forward contract - agricultural commodities	-1.6	0.0	n.m.
Financial instruments derivatives/IFRS 16/Others	-31.3	-47.9	-34.7%
Total adjustment	**4.3**	**12.5**	**-65.9%**
Financial result, net	**-127.6**	**-152.3**	**-16.2%**

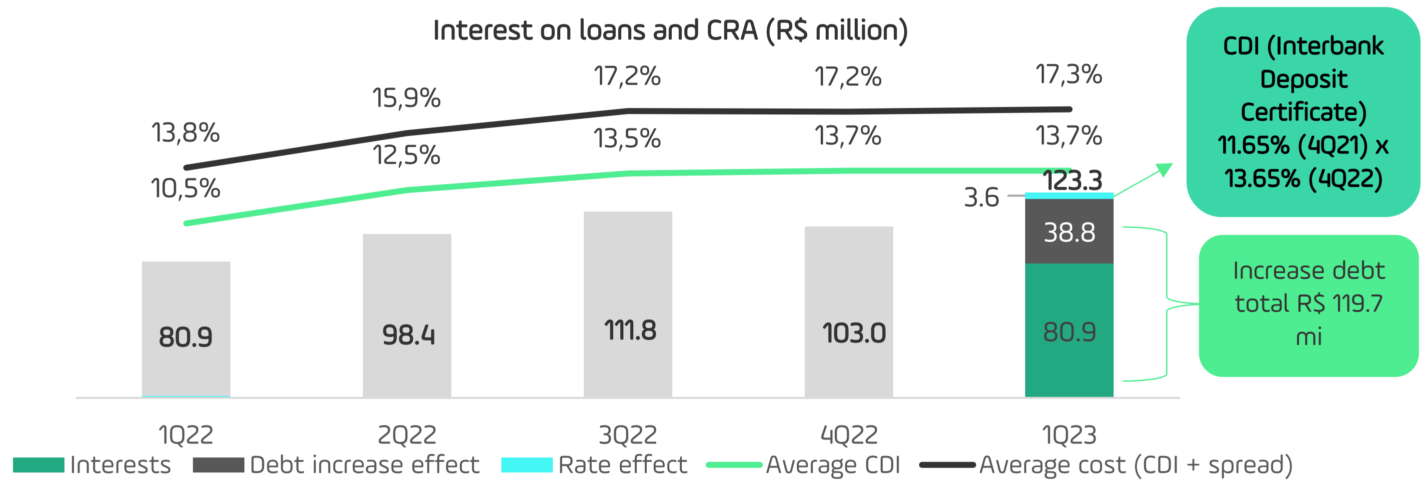
The main variations in financial expenses were:

- ✓ Increase in interest paid for loans, financings and CRAs (Agribusiness Receivables Certificates) because the Company needed more working capital. The need for more capital resulted from the Company's growth and M&As during the period as well as the increase of the average Selic rate from 10.5% per year during 1Q22 to 13.7% per year during 1Q23;
- ✓ An increase of about R$ 800 million in gross debt resulted in R$ 38.8 million more in financial expenses. The CDI increase also resulted in costs amounting to R$ 3.6 million, despite the fact that the spread was steady.

Regarding financial revenues:

- ✓ Increase of the revenue with AVP thanks to the Company's efforts to pass through the economic costs from term sales to the customers;
- ✓ Increase in revenue and financial investments thanks to more cash availability and the impact from the CDI increase over the investments.

However, the CDI banking debt spread was maintained at + 3.7%.



Earnings LTM1Q23 vs. LTM1Q22

Net Revenue

(R$ million)	LTM 1Q23	LTM 1Q22	Var. %
Total Net Revenue	**11,232.5**	**8,521.1**	**31.8%**
Total grain net revenue	7,547.2	5,479.0	37.7%
Total input net revenue	3,685.4	3,042.1	21.1%

Mix of Input Revenue

(% Input Revenue)	LTM 1Q23	LTM 1Q22	Var. %
Fertilizers	34.8%	33.9%	+0.9 p.p.
Crop Protection	36.8%	37.7%	-0.9 p.p.
Seeds	20.7%	22.0%	-1.3 p.p.
Specialties	7.2%	6.2%	+1.0 p.p.
Other	0.4%	0.2%	+0.2 p.p.

Adjusted Gross Profit*

(R$ million)	LTM 1Q23	LTM 1Q22	Var.%
Adjusted Gross Profit	**1,492.1**	**1,105.1**	**35.0%**
% net revenue	13.3%	13.0%	+0.3 p.p.
Input margin	18.7%	18.9%	-0.2 p.p.
Grain margin	2.1%	2.4%	-0.3 p.p.

* Adjusted Gross Profit: It disregards gains or losses from variation in the fair value of commodities. To calculate the margin, it considers the gains or losses from exchange variation concerning the adjusted EBITDA.

Adjusted SG&A – Sales, Administrative and General Expenses

(R$ million)	LTM 1Q23	LTM 1Q22	Var. %
Adjusted Expenses (sales and administrative)	-920.7	-664.2	38.6%
SG&A/ROL	-8.2%	-7.8%	-0.4 p.p.

Adjusted EBITDA

(R$ million)	LTM 1Q23	LTM 1Q22	Var. %
Adjusted EBITDA	**632.8**	**495.8**	**27.6%**
Adjusted EBITDA Margin	5.6%	5.8%	-0.2 p.p.

** As described in the highlights item.*

Adjusted Net Profit (Loss)

(R$ million)	LTM 1Q23	LTM 1Q22	Var. %
Adjusted Net profit for the year	**2.0**	**125.2**	**-98.4%**
% Adjusted Profit Margin	0.0%	1.5%	-1,5 p.p.

** Adjusted EBITDA and Profit: The Exhibit II table shows the adjustments made.*

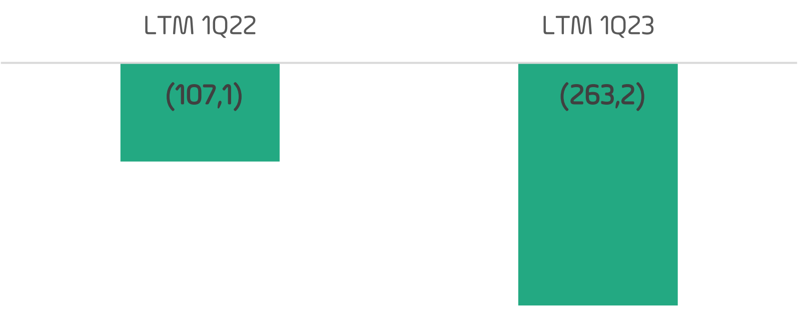
Investments (1Q23)

The operating investments in PP&E, intangible assets and right to use totaled R$ 58.1 million, compared to R$ 157.4 million in the same period last year, which also encompassed the Agrocat acquisition.

The most relevant investments made during 1Q23 were: (i) R$ 15.7 million to implement a new ERP, the process systems and software; (ii) R$ 14 million in improvements, premises and furniture for the new stores; (iii) R$ 6.2 million in Digital development and investments; (iv) R$ 1.3 million in computers and peripherals; and (v) R$ 18.9 million with IFRS 16, out of which R$ 11.3 million for real estate, R$ 1.1 million for vehicles and R$ 6.5 million for machinery and equipment.

Generation of Operating Cash and Indebtedness (R$ million)

Generation of Operating Cash (R$ million)

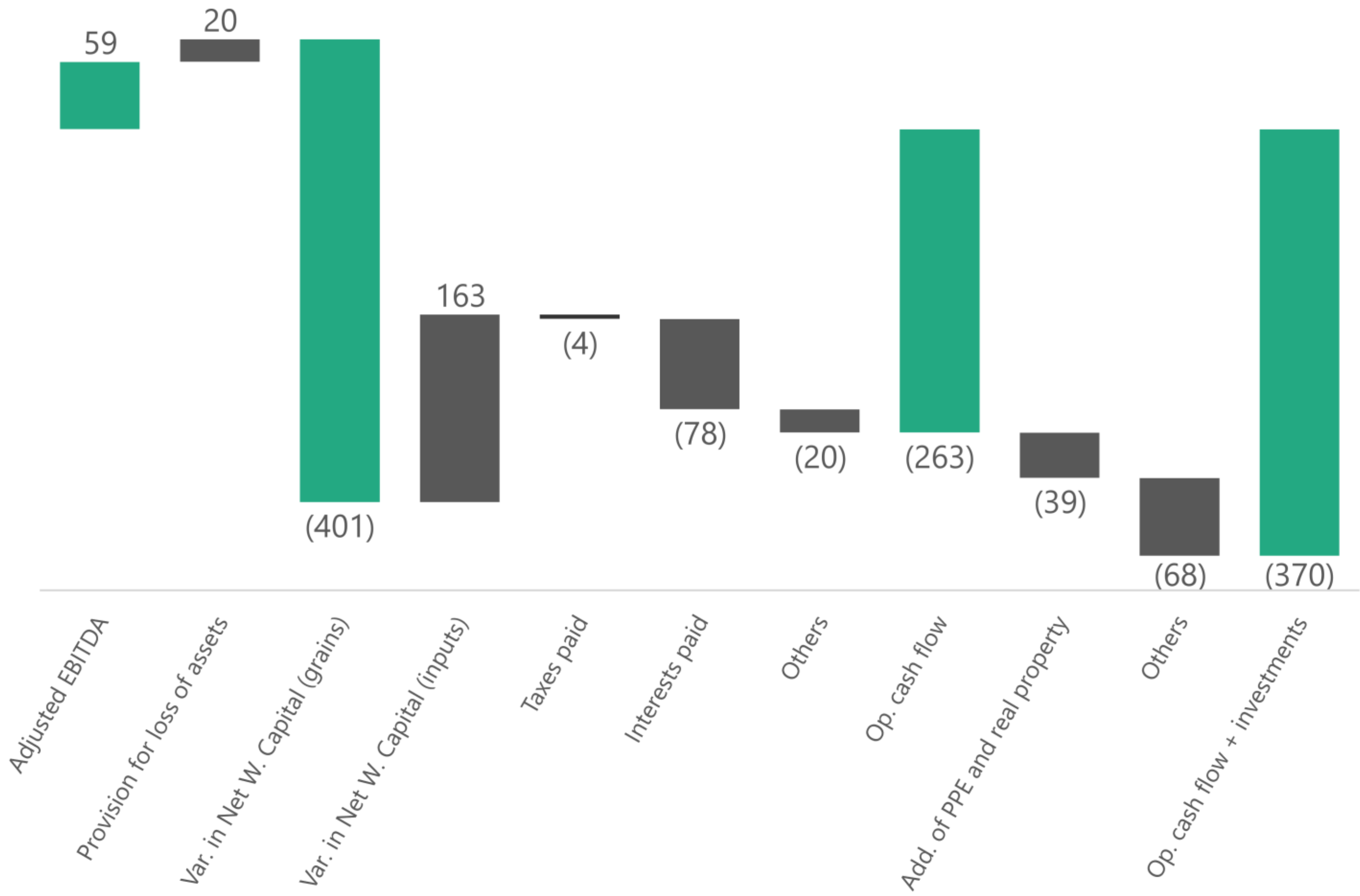


An operating cash consumption of R$ 263 million during 1Q23 compared to R$ 107 million in 1Q22, i.e., an additional consumption of R$ 156 million. The variation mainly resulted from a worsened profit level after a non-cash adjustment amounting to R$ 100.4 million, an increase of interest paid up to R$ 78.4 million, partially offset by the working capital increase of R$ 10.4 million.

Working capital variation - in days	**LTM 1Q23**	**LTM 1Q22**	Δ
Asset			
Average term of receipt	241	194	47
Average term of Storage	73	111	-38
Operating Cycle	314	305	9
Liabilities			
Payment Term	289	278	11
Working Capital Days	25	27	-2

The average term of working capital decreased from 27 days in LTM 1Q22 to 25 days in LTM 1Q23, a reduction of 2 days. The variation in working capital days mainly resulted from (i) an extended average term for payment from the suppliers, especially fertilizers; (ii) a reduction in the inventory by changing the mix, increasing the number of non-stockable products; and (iii) on the other hand, the average term for collection increased because of the receivables from the 2022/23 crops, which prices were higher compared to the 2021/22 crop, besides the lower predisposition of producers to pay during the first quarter, which is explained by the decrease in the price of the commodities in 2023.

Consolidated General DFC (Corporate Financial Performance)



The operating cash consumption increased by R$ 156 million due to the operating margin reduction (-R$ 108 million compared to 1Q22) and the increase in the payment of interest for loans and financings (+R$ 50 million vs. 1Q22).

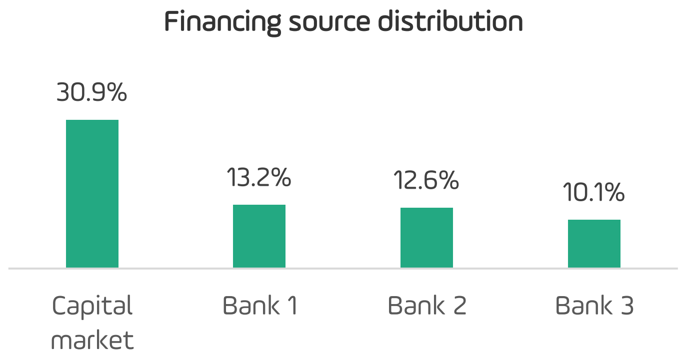
Debt Profile and Capital Structure

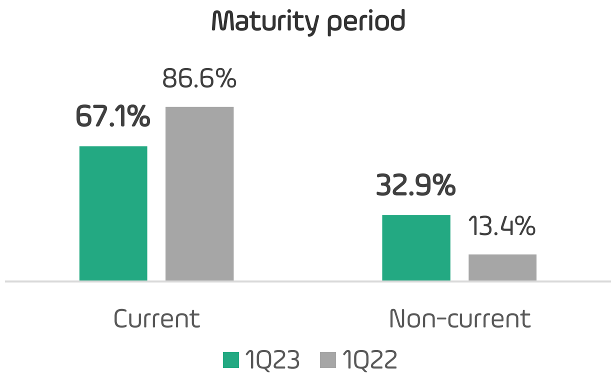
As of March 31, 2023, the total gross debt amounted to R$ 2.7 billion, including the Company's CRAs.

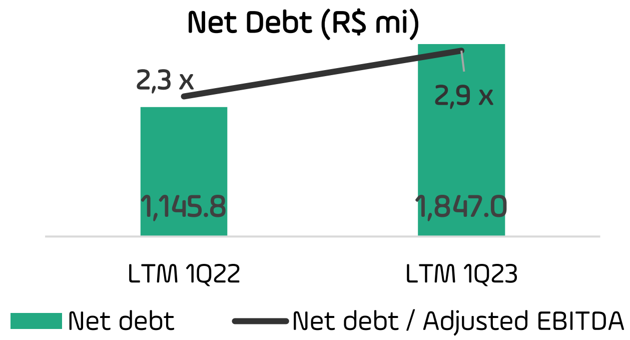
In 2022, the Company obtained R$ 500 million in funds by issuing a CRA guaranteed by grain purchase agreements signed with rural producers in September. AgroGalaxy's controlled companies supported the operation with their guarantees, which have a total term of 5 years and an average term of 3 and a half years.

The fundraising structure is part of the Company's strategy to access the capital market, seeking to improve the debt term and to have cash available for its growth plan during the subsequent periods.

On the same date, these were the debt profile and maturity terms:







The Net Debt* totaled R$ 1.8 billion in March 2023, an increase of 61% compared to March 2022. During most of the compared interval, the input prices were high, with the consequent increase in the volume of paid inventory. As described before, the Adjusted EBITDA reduction caused a negative impact that, along with the extension in the average collection term informed in the Generation of Operating Cash section, increased the Company's leverage from 2.3x to 2.9x.

**Net Debt - Adjusted net debt, considering loans and financing, deducted from cash and cash equivalents and financial investments, Marketable securities as well as obligations with securitized securities CRA - Agribusiness Receivables Certificates – which are entered as debt in Current Liabilities and refer to transactions involving bonds from clients placed on the market to finance rural producers. The Net Debt reconciliation is available in the next section.*

Net Debt Reconciliation

Net Debt - Adjusted net debt, considering loans and financing, deducted from cash and cash equivalents and financial investments, as well as obligations with securitized securities CRA - Agribusiness Receivables Certificates – which are entered as debt in Current Liabilities and refer to transactions involving bonds from clients placed on the market to finance rural producers. This item is also adjusted based on: (i) liabilities from lease (IFRS16); and (ii) marketable securities.

Invested Capital	LTM 1Q23	LTM 1Q22
(+) Loans and financings	1,852,648	1,488,581
(+) Obligations with credit assignment - CRA	827,197	305,278
(+) Lease liability from vehicles and others	58,481	16,750
Sub-total	**2,738,326**	**1,810,609**
(-) Cash and equivalents	-624,267	-510,312
(-) Financial Investments	-212,575	-107,845
(-) Marketable securities	-54,472	-46,611
Sub-total cash	**-891,314**	**-664,768**
(=)Net Debt	**1,847,012**	**1,145,841**

Default

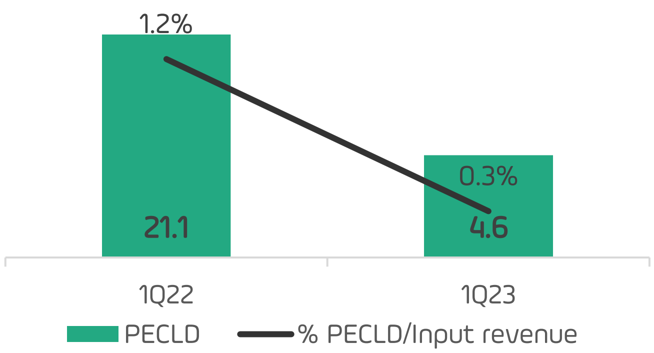
The main default variation occurred during the 30-day overdue range and can be explained by the producers' delay with the 2022/23 soybean harvest and trade. No extreme climate events impacted the production and productivity in the regions we are operating.

The Provision for Estimated Losses of Credit to Doubtful Accounts (PCDA) covers all the overdue accounts over 180 days and is based on the individual risk of each overdue customer and the history of loss over receivable accounts.

	March 31, 2023	December 31, 2022	March 31, 2022
Coming due	**5,579,829**	4,666,062	3,851,065
Between 1 to 60 days	534,713	68,447	520,862
overdue from 61 to 180 days	39,000	50,423	81,924
Between 181 and 365 days	69,715	64,257	90,178
Over 365 days	192,573	175,056	99,926
(-) PCDA	-290,374	-285,779	-178,127
Overdue	**545,627**	72,404	614,763
Balance	**6,125,456**	4,738,466	4,465,828

PCDA

The billing significantly increased in 2022, leading to a higher PCDA during the fiscal year ending on December 31, 2022, while considering the risk evaluation criteria described above. The provisions had a temporary increase in 1Q23 compared to the billing, given the satisfactory coverage of provision required to cover any losses.



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Exposure of agricultural commodities and foreign currency

The Company carries out foreign currency and agricultural commodities operations, mainly in acquiring agricultural inputs, such as fertilizers, selling grains, and loan operations for working capital. These operations, as defined in the Credit Policy, are protected from such variations through the contracting of Non-Deliverable Forward (NDF) operations, foreign exchange swaps, futures market (Chicago, B3), and barter (exchange of inputs for grains through natural hedge).

The outstanding positions as of March 31, 2023, have shown the following exposures:

(i) Commodities (quotation R$/sc of 60kg)

Positions / Products	Soybean	Corn	Wheat	Coffee
Physical inventory	368,454	5,944	7,116	18
Sales positions to be set	141,342	48,953	0	0
Purchase positions to be set	-472,958	-106,805	-2,279	0
Physical Position	**36,838**	**-51,908**	**4,837**	**18**
Purchase Agreements	404,987	193,732	509	1,618
Sales Agreements	-439,507	-138,211	-2,994	-1,488
Future Agreements Positions	**-34,520**	**55,521**	**-2,485**	**130**
Net Balance	**-2.318**	**3,613**	**2,352**	**148**

Exposure, sensitivity analysis if there are price variations of 5%, 25% or 50%. Considering call or put options, we would have an increase of 5% in the price of commodities, an estimated gain of R$ 867 thousand.

	Tons	Position	Current Risk	Current Market	+5% Increase		+25% Increase		+50% Increase	
Position				Price	Price	Effect	Price	Effect	Price	Effect
Soybean	914,783	Purchase	2,378,436	156	164	-121,971	195	-579,609	234	-1,189,218
Soybean	-912,465	Sold	-2,418,032	159	167	121,662	199	608,310	239	1,216,620
Corn	248,629	Purchase	323,218	78	82	-16,575	98	-82,876	117	-161,609
Corn	-245,016	Sold	-330,772	81	85	16,334	101	81,672	122	167,428
Wheat	7,625	Purchase	12,835	101	106	-635	126	-3,177	152	-6,481
Wheat	-5,273	Sold	-9,140	104	109	439	130	2,285	156	4,570
Coffee	1,636	Purchase	26,449	970	1,019	-1,336	1,213	-6,626	1,455	-13,224
Coffee	-1,488	Sold	-24,056	970	1,019	1,215	1,213	6,026	1,455	12,028
Net exposure			**-41,062**			**-867**		**11,005**		**30,114**

(ii) Exchange rate (thousands of US Dollars)

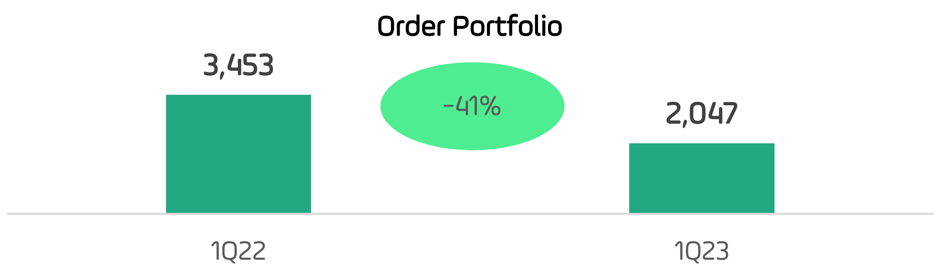
	March 31, 2023
Loans and financings	145,072
Purchase Agreements in US Dollars	-21,640
Exchange SWAP agreement	-145,072
NDFs purchase forward agreement	-1,380
NDFs sales forward agreement	11,040
Sales Agreements in US Dollars	15,600
Export Agreements	**3,620**

Exposure, sensitivity analysis if there are price variations of 5%, 25% or 50%. If the US Dollar quotation increased by 5%, we would have an increase of 5% in the price of commodities, an estimated gain of R$ 918 thousand.

Position	Risk	Closing Balance "BRL"	Current Market Price	+5% Increase Price	+25% Increase Effect	+50% Increase Price	Effect	Price	Effect
Loans and financings	Exchange rate / USD	737,025	5.08	5.33	-36,848	6.35	-184,329	7.62	-368,513
Purchase Agreements in US Dollar	Exchange rate / USD	-109,940	5.08	5.33	5,497	6.35	27,496	7.62	54,970
Exchange SWAP agreement	Exchange rate / USD	-737,025	5.08	5.33	36,848	6.35	184,329	7.62	368.513
NDFs purchase forward agreement	Exchange rate / USD	-7,011	5.08	5.33	351	6.35	1,753	7.62	3.505
NDFs sales forward agreement	Exchange rate / USD	56,088	5.08	5.33	-2,804	6.35	-14,028	7.62	-28,044
Sales Agreements in US Dollar	Exchange rate / USD	79,254	5.08	5.33	-3,962	6.35	-19,821	7.62	-39,627
Net exposure		**18,391**			**-918**		**-4,600**		**-9,196**

Order portfolio

The order portfolio totaled R$ 2 billion in March 2023 compared to R$ 3.4 billion in March 2022, reflecting a 41% reduction. The reduction mainly resulted from a price decrease of fertilizers and herbicides and the producers postponing orders due to decreasing prices trend in some inputs.



2023 Organic Expansion Plan

The Company plans to open 15 to 20 new stores in 2023. Fifteen of these new stores already have their defined and contracted commercial locations — their lease agreements are already duly signed —and four opened during the first quarter of 2023. The Company has hired about 55 professionals to comprise the teams of 15 of these stores.

ESG

Agrogalaxy's Sustainability Committee recommended to the Board of Directors a review of the ESG Goals for 2023, maintaining the Positioning and Key Commitments for 2030.

In this sense, priority initiatives were listed to contribute to the AgroGalaxy strategy in order to:

Commitment 1* Sustainable offer

Goal 1: increase revenue with bioinputs (R$ 320 million), a 40% growth vs. 2022.

Goal 2: reduce the trade of products authorized in Brazil but considered by the WHO as highly hazardous products by 25%
(expectation to stop trading those products by 2025).

Commitment 2 Biodiversity Preservation

Goal 3: improve the geomonitoring of clients' properties, focused on priority biomes:

2023 – Brazil's Legal Amazon (85%); Cerrado Region (50%).
2024 – Brazil's Legal Amazon (100%); Cerrado Region (80%).
2025 – All biomes (100%).

Goal 4: release and implement the Carbon Program for the clients.

Commitment 3 ESG in the Enterprise Culture

Goal 5: train 80% of the employees in ESG content.

Goal 6: have 17% of the women working in a leadership position

- ✓ Strengthen the Company's position as a relevant actor in the fight against climate change, engaging with the entire agribusiness chain (industry, trading companies, producers, suppliers, organized civil society, academia and the financial market);
- ✓ Foster the engagement of internal teams in the sustainability agenda, including Diversity & Inclusion and Integrity in agribusiness, contributing to an increased sense of belonging;
- ✓ Ensure the management of ESG risks identified in all areas within AgroGalaxy, especially in monitoring rural properties, producers and suppliers.

These are the ESG 2023 goals, emphasizing goals 1 and 2, which are part of the corporate goals that influence the variable compensation of all employees.

Agrogalaxy Institute

Instituto AgroGalaxy (IA) completed its first year this February, focusing on delivering positive socio-environmental impacts in society through innovation with sustainability in the field.

In the first quarter of 2023, the three winning startups had their field tests results presented by the AgroGalaxy technical team in the first challenge. With solutions that contribute to the transition to Regenerative Agriculture, DanaAgro and Solusolo showed different impacts in the tests carried out at the AgroGalaxy Technology Centers (CTAs). The solution developed by Tarvos was tested in three AgroGalaxy hub areas and at the Research Center. Everyone could bring their innovations and test their technologies directly in the field to contribute to an increasingly sustainable agriculture.

> *"For our CTA team, it is a great pleasure to be part of the Instituto AgroGalaxy journey, having the opportunity to work with startups and test products and services of the highest quality in the field. Taking socio-environmental impacts into account in our work brings an extra sense of purpose to what we do on a daily basis." Erich Duarte – AgroGalaxy R&D Manager*

Digital

In 1Q23, AgroGalaxy maintained our progress in digital transformation, focusing on integrated physical and digital journeys, agility and efficiency to generate business and improve customer service. The Company continued to increase customer engagement on digital channels, social networks, specialized services, and the Super App. In the period, billing originating from digital means reached **R$ 570 million** (-7.0% over 1Q22).

Communication Initiatives

AgroGalaxy prioritizes digital communication processes with customers since we recognize how important it is for rural producers to access relevant content. There were improvements in customer experience with customized journeys on digital channels, with offers of products and services for segmented bases. Thus, the responsible CTV promptly receives information about a producer's interest, generating added value to the traditional model of input marketing with just one click. The Company sends satisfaction surveys to understand our customers better and capture their sensitivity.

In 6 months, important partnerships were achieved for the media kit (or retail media) service with five major input industries using the AgroGalaxy digital platforms to publicize content and commercial campaigns in partnership with the Company.

Social Media

We had significant growth in social media since the SuperAgro held in early 2023 and the unification of our social networks. In 1Q23, LinkedIn followers grew by 195.5%, reaching 62,703 users on the platform over 1Q22. On Instagram, the increase was 192.8%, reaching 15,270 followers.

Efforts to increase the digital presence of the AgroGalaxy brand resulted in a 683.4% increase in Google search impressions. In 1Q22, there were 182,611,000 impressions, over 1,248,010 impressions in 1Q23. The Universo AgroGalaxy blog also increased its guidelines and content, with 10,044 active users until March 2023, an increase of 129.5% over the 1Q22 (7.753).

AgroGalaxy Super APP

Over 7,000 orders were placed through the APP during 1Q23, with over 900,000 bags negotiated via digital barter in the same period, consolidating the AgroGalaxy APP as an essential tool for the relationship between CTV and customers. More than 9,500 producers had their area mapped, amounting to 5.9 million hectares.

New features were launched in the application, emphasizing the consultation of income tax reports integrated into the APP, facilitating access to income tax returns information.

The use of digital tools positively impacted productivity and operational efficiency: the CTV most engaged in using[1] the APP earned 62% more than a non-user, while the CTV frequent user[2] earned 73% more than a non-user.

[1]*Most engaged sales consultant (frequency of use from 1 to 4 times per month)*
[2]*Frequent user sales consultant (frequency of use more than four times a month)*

Digital Services

Improvements were added to monitoring contracted insurance and claims filed in the digital environment, expanding to 24,320 hectares of insurance covered (+52% Agrokea).

In 1Q23, 29,635 hectares were billed (+636% vs. 1Q22). Partnerships were established with (i) Laboratório Exata Brasil in the regions of GO (Goiás), Triângulo MG (Minas Gerais) and MT (Mato Gross) to reduce service times and return of results to customers; and (ii) Doroth Laboratory: AgroKea's first partnership in the microbiological analysis segment using DNA extraction, to expand the services portfolio, seek differentiation in the services market in Precision Agriculture and achieve continued sales growth.

Exhibit I – DRE, BP and DFC

Adjusted Income Statement (In R$ thousands)

	1Q23	1Q22	%	LTM 1Q23	LTM 1Q22	%
Net revenue for the period	**2,785,290**	**3,145,293**	**-11,4%**	**11,232,507**	**8.521.042**	**31,8%**
Input"	1,577,295	1,692,080	-6.8%	7,547,155	5.478.952	37,7%
Grain	1,207,995	1,453,213	-16.9%	3,685,352	3.042.090	21,1%
(-) Cost of products sold	**-2.527,883**	**-2,821,277**	**-10.4%**	**-9,740,411**	**-7.415.933**	**31,3%**
Input"	-1,339,563	-1,382,878	-3.1%	-6,132,177	-4.446.110	37,9%
Grain	-1,188,320	-1,438,399	-17.4%	-3,608,234	-2.969.823	21,5%
Net profit for the year	**257,407**	**324,016**	**-20.6%**	**1,492,096**	**1,105,109**	**35.0%**
% net revenue	9.2%	10.3%	-1.1 p.p.	13.3%	13.0%	+0.3 p.p.
% net revenue Input	15.1%	18.3%	-3.2 p.p.	18.7%	18.9%	-0.1 p.p.
% net revenue Grain	1.6%	1.0%	+0.6 p.p.	2.1%	2.4%	-0.3 p.p.
(-) sales expenses	-127,050	-104,415	21.7%	-487,612	-339,859	43.5%
(-) administrative expenses	-82,279	-93,560	-2.0%	-391,827	-268,190	46.1%
(-) other operating revenues and expenses	10,528	4,248	147.8%	20,116	-1,236	-1,728.2%
(-) Depreciation and amortization (b)	-17,944	-15,926	12.7%	-61,349	-54,959	11.6%
Total expenses (SG&A)	**-216,745**	**-209,653**	**3.4%**	**-920,672**	**-664,243**	**38.6%**
Profit before financial income	**40,662**	**114,363**	**-64.4%**	**571,423**	**440,866**	**29.6%**
% net revenue	1.5%	3.6%	-2.2 p.p.	5.1%	5.2%	-0.1 p.p.
(-) Financial result	-127,599	-152,291	-16.2%	-557,138	-319,091	74.6%
(-) Income tax and social contribution	-9,702	-6,798	42.7%	-12,257	3,411	-459.4%
(=) Adjusted net result for the period	**-96,639**	**-44,727**	**116.1%**	**2,028**	**125,185**	**-98.4%**
% net revenue	-3.5%	-1.4%	-2.0 p.p.	0.0%	1.5%	-1.5 p.p.
Depreciation and Amortization;	17,944	15,926	12.7%	61,349	54,959	11.6%
Adjusted EBITDA (a) + (b)	**58,606**	**130,288**	**-55.0%**	**632,772**	**495,825**	**27.6%**
% net revenue	2.1%	4.1%	-2.0 p.p.	5.6%	5.8%	-0.2 p.p.

Balance Sheets (In R$ thousands)

Consolidated

Asset	March 31, 2023	December 31, 2022
Current		
Cash and equivalents	624,267	1.077.875
Financial Investments	174,932	101.050
Marketable securities		
Accounts receivable from customers	5,965,782	4.660.062
Inventories	2,112,809	1.698.512
Taxes recoverable	159,663	148.393
Financial instruments derivatives	76,762	61.017
Advances to suppliers	204,609	393.874
Other receivables	52,551	66.819
Total current assets	**9,371,375**	**8.207.602**
Non-current		
Long-term receivables		
Financial Investments	37,643	49,188
Accounts receivable from customers	159,674	78,404
Marketable securities	54,472	47,382
Financial instruments derivatives	348	863
Taxes recoverable	6,802	5,608
Judicial Deposits	6,718	7,372
Related Party Transactions.	0	1,810
Deferred income tax and social contribution	6,606	71,891
Other receivables	47,685	46,649
	319,948	**309,167**
Investments in subsidiaries		
Other investments	4,438	4,082
Fixed assets	175,757	165,731
Intangible assets	1,066,356	1,057,356
Asset of right of use	167,615	166,555
Total non-current assets	**1,734,114**	**1,702,891**
Total assets	**11,105,489**	**9,910,493**

		Consolidated
Liabilities and Net Equity	March 31, 2023	December 31, 2022
Current		
Suppliers	6,238,149	4,870,220
Loans and financings	1,473,906	1,559,255
Lease liabilities	58,448	57,820
Financial instruments derivatives	16,697	17,832
Obligations on credit assignment	323,795	180,048
Social and labor obligations;	112,156	133,845
Taxes and contributions payable	30,520	14,598
Advances from customers	176,233	288,243
Acquisition of equity interest payable	9,494	9,337
Payable dividend	6,777	6,777
Related Party Transactions.	0	0
Other accounts payable	52,835	52,695
Total liability current	**8,499,010**	**7,190,670**
Non-current		
Suppliers	6,046	9,911
Loans and financings	378,742	343,378
Lease liabilities	102,369	99,040
Financial instruments derivatives	435	4
Obligations on credit assignment	503,402	610,407
Acquisition of equity interest payable	44,853	44,110
Contingency provisions	16,932	16,393
Related Party Transactions.	0	0
Taxes and contributions payable	4,572	4,507
Income tax and social contributions deferred	79,106	87,080
Other accounts payable	3,544	3,527
Total liability non-current	**1,140,001**	**1,218,357**
Total liability	**9,639,011**	**8,409,027**
Net Equity		
Capital stock	789,221	789,221
Capital reserves	490,944	490,944
Treasury shares	-34,037	-34,037
Valuation Adjustments	20,734	19,496
Profit reserves	219,408	219,408
Accumulated losses	-43,605	-
Equity attributable to controlling shareholders	1,442,665	1,485,032
Equity attributable to non-controlling shareholders	23,813	16,434
Total net equity	**1,466,478**	**1,501,466**
Total liability and net equity	**11,105,489**	**9,910,493**

Cash Flow Statements – Indirect Method

(in R$ million)

	1Q23	1Q22
OPERATING ACTIVITIES		
INCOME BEFORE INCOME TAX AND SOCIAL CONTRIBUTION	**31,115**	**(33,800)**
Adjustments to reconcile the result in the period with resources from operating activities:		
Depreciation and amortization	33,496	26,451
Surplus Amortization of inventories	0	289
Adjustment at present value	772	48,580
Appropriation of lease financial charges	8,668	5,882
Result on the sale and write-off of fixed assets, net	703	921
Provision for inventory losses, net	14,995	(2,098)
Equity accounting results	0	0
Variation at fair value de agricultural commodities	(173,123)	17,894
Variation at fair value	(8,974)	(25,019)
Derivative losses, net	34,161	20,223
Expenses with interest on loans and financings, net	74,063	59,599
Expenses with interest on obligations on credit assignments, net	0	0
Exchange rate variations on loans and financings	11,309	(9,137)
Share-based payment	1,238	2,536
Provision (reversal) for estimated losses with doubtful credit settlement, net	4,595	21,124
	33,018	**133,445**
Decrease (increase) in asset	**(1,368,573)**	**(1,667,545)**
Related parties	(5,333)	2,325
Accounts receivable from customers	(1,320,550)	(1,401,440)
Inventories	(233,020)	(317,650)
Advances to suppliers	189,265	73,638
Taxes recoverable	(12,464)	4,298
Other assets	13,529	(28,716)
Increase (decrease) in liabilities	**1,154,654**	**1,454,475**
Related parties	6,246	6,708
TRADE AND OTHER PAYABLES	1,267,807	1,455,024
Taxes recoverable	(21,689)	13,922
Salary and social charges	9,833	10,997
Advance from customers and other liabilities	(116,543)	(32,176)
Cash generated from operations	**(180,901)**	**(79,625)**
Expenses on Income Tax and Social Contribution	(3,877)	(93)
Payment of interest	(78,399)	(27,336)
Net cash generated by operating activities0}	**(263,177)**	**(107,054)**

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INVESTMENT ACTIVITIES		
Additions of Fixed assets	(17,264)	(13,047)
Additions of Intangible Assets	(21,899)	(15,767)
Receivables by the sale of fixed assets	0	239
Acquisition of investment, incorporated net cash	0	(130,435)
Investments, net	(62,337)	53,304
Investments in marketable securities, net	(7,090)	(260)
Related Party Transactions.	1,810	(412)
Acquisition of non-controlling interest	0	0
Net Cash Used in Investing Activities	**(106,780)**	**(106,378)**
FINANCINGS ACTIVITIES		
Loans financings funded	263,245	281,265
Loans and financing – secured resources	52,644	305,278
Loans and financing – related parties	0	0
Payment of loans and financings	(347,696)	(247,456)
Payment of secured resources	(30,527)	(243,644)
Payment of lease agreements	(21,317)	(15,262)
Full payment of capital stock net of the issuance cost	0	0
Dividends	0	0
Net cash from financing activities	**(83,651)**	**80,181**
EFFECT OF EXCHANGE VARIATION IN CASH AND CASH EQUIVALENTS		
Increase (reduction) net of cash and cash equivalents		
At the beginning of the year	1,077,875	643,563
At the end of the year	**624,267**	**510,312**
Increase (reduction) net of cash and cash equivalents	**(453,608)**	**(133,251)**

Exhibit II – Reconciliation of EBITDA and Adjusted Net Profit and Gross Profit

Result of the period | (in thousands of R$)	1Q23	1Q22	Var. %	LTM 1Q23	LTM 1Q22	Var. %
Accounting EBITDA (a) + (b)	**202.123**	**143.170**	**41,2%**	**695.663**	**367.704**	**89,2%**
% net revenue	7,3%	4,6%	+2,7 p.p.	6,2%	4,3%	+1,9 p.p.
(+/-) Fair value commodities (1)	-139.362	-14.276	876,2%	-24.561	147.830	n.m.
(-) CPC 06(R2)/IFRS 16 properties (2)	-12.130	-10.798	12,3%	-48.684	-36.427	33,6%
(+/-) Operating exchange variation (3)	-11	7.204	n.m.	-18.814	1.901	n.m.
(+/-) Non-recurring revenue and expenses (4)	7.987	4.989	60,1%	29.168	14.818	96,8%
Adjusted EBITDA for the period	**58.606**	**130.288**	**-55,0%**	**632.772**	**495.825**	**27,6%**
Adjusted EBITDA Margin	2,1%	4,1%	-2,0 p.p.	5,6%	5,8%	-0,2 p.p.

Summary Net profit | (in thousands of R$)	1Q23	1Q22	Var. %	LTM 1Q23	LTM 1Q22	Var. %
Net profit for the year (loss)	**-36.225**	**-58.942**	**-38,5%**	**51.663**	**90.771**	**-43,1%**
(+/-) Fair value commodities	-149.983	-21.811	5,9%	-63.256	-60.199	0,1
CPC 06 (R2) / IFRS	292	193	0,5%	6.101	857	6,1
(+/-) Unrealized exchange variation	17.695	7.935	1,2%	22	198	-0,9
(-) Amortization of the surplus value business combination	5.957	4.566	30,5%	20.313	25.070	-19,0%
(+/-) Non-recurring revenue and expenses	7.987	4.989	60,1%	29.743	14.818	100,7%
(+/-) IR/CS - non-recurring and deferred	57.639	18.344	2,1%	-42.558	53.672	n.m.
Adjusted Net Profit (loss) for the period	**-96.639**	**-44.727**	**116,1%**	**2.028**	**125.185**	**-98,4%**
% Adjusted Profit Margin	-3,5%	-1,4%	-2,0 p.p.	0,0%	1,5%	-1,5 p.p.

Summary Gross profit | (in thousands of R$)	1Q23	1Q22	Var. %	LTM 1Q23	LTM 1Q22	Var. %
Gross profit for the period	**406.416**	**331.088**	**22,8%**	**1.526.807**	**955.379**	**59,8%**
(+/-) Fair value commodities and surplus (1)	-139.362	-14.276	876,2%	-24.561	147.830	n.m.
(+/-) Operating exchange variation (3)	-11	7.204	n.m.	-18.814	1.901	n.m.
(+/-) IFRS16 Silos and other Revenue/Expenses	-9.635	0	n.m.	8.664	0	n.m.
Adjusted Gross Margin	**257.407**	**324.016**	**-20,6%**	**1.492.096**	**1.105.109**	**35,0%**
% Adjusted Gross Margin	9,2%	10,3%	-1,1 p.p.	13,3%	13,0%	+0,3 p.p.

[1] Adjusted according to:
Variation of the fair value of commodities, classified as revenue or operating cost, but without the actual sale or purchase of inventories.
The impact of CPC06(R2)/IFRS16, which refers to real estate rental payments, which, as of the initial adoption in 2019, are no longer accounted for as operating expenses in the form of rent and are now part of the result through the depreciation/amortization of the right to use and the financial cost of interest accrued over the term of the contract.
Exchange rate variations refer to settled values classified in the financial results and originate from operating gain or loss.
Income and/or expenses considered to be of an unusual or occasional nature related to extemporaneous credit, restructuring fee and costs with M&A/public offering, payment in shares of subsidiaries.
[2] Excludes gains or losses from changes in the fair value of commodities and forward contracts, unsettled exchange rate changes (accrual and MTM), amortization of surplus from business combinations, effects of CPC 06/IFRS 16 properties and as non-recurring expenses and revenues, in addition to the impacts of deferred IR/CS and/or extemporaneous credits.

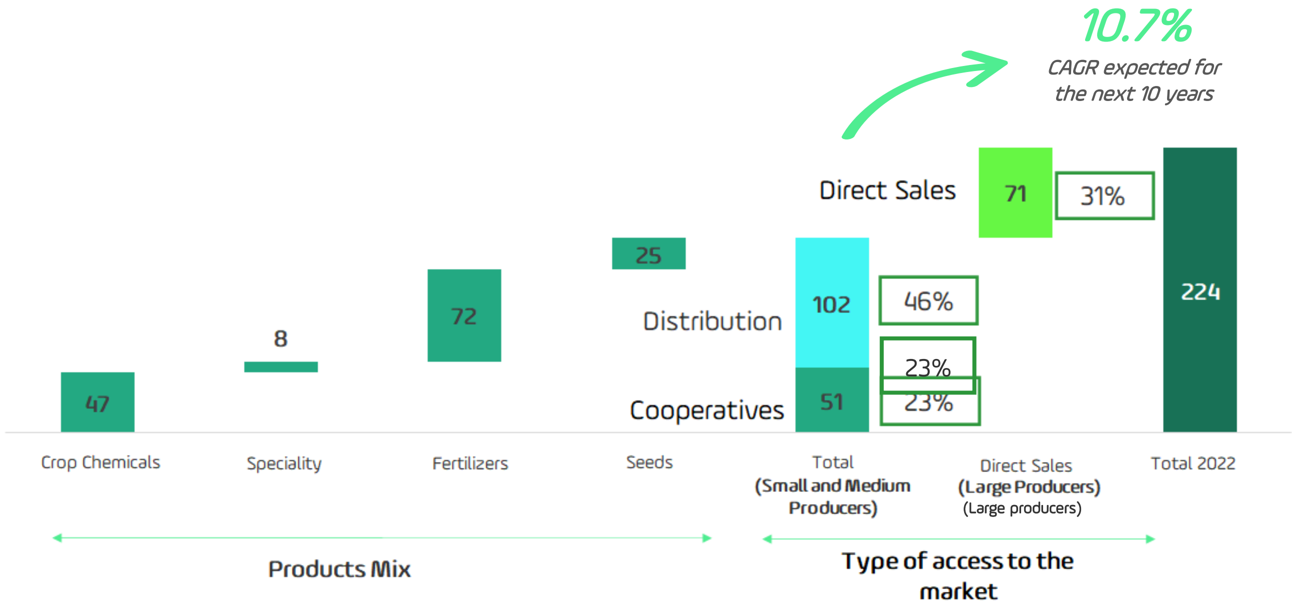
Exhibit III – Industry and Corporate Profile

Retail Industry of Agricultural Input

The Company has a robust input retail operation consisting of Fertilizers, Pesticides, seeds, specialties, among others.

The Brazilian agricultural input distribution and retail market, in which the Company operates, has grown significantly in value and volume in recent years. According to data from AgroGalaxy Market Intelligence, the market for fertilizers, chemicals and seeds will be worth R$ 224 billion as of the 2022/23 harvest.

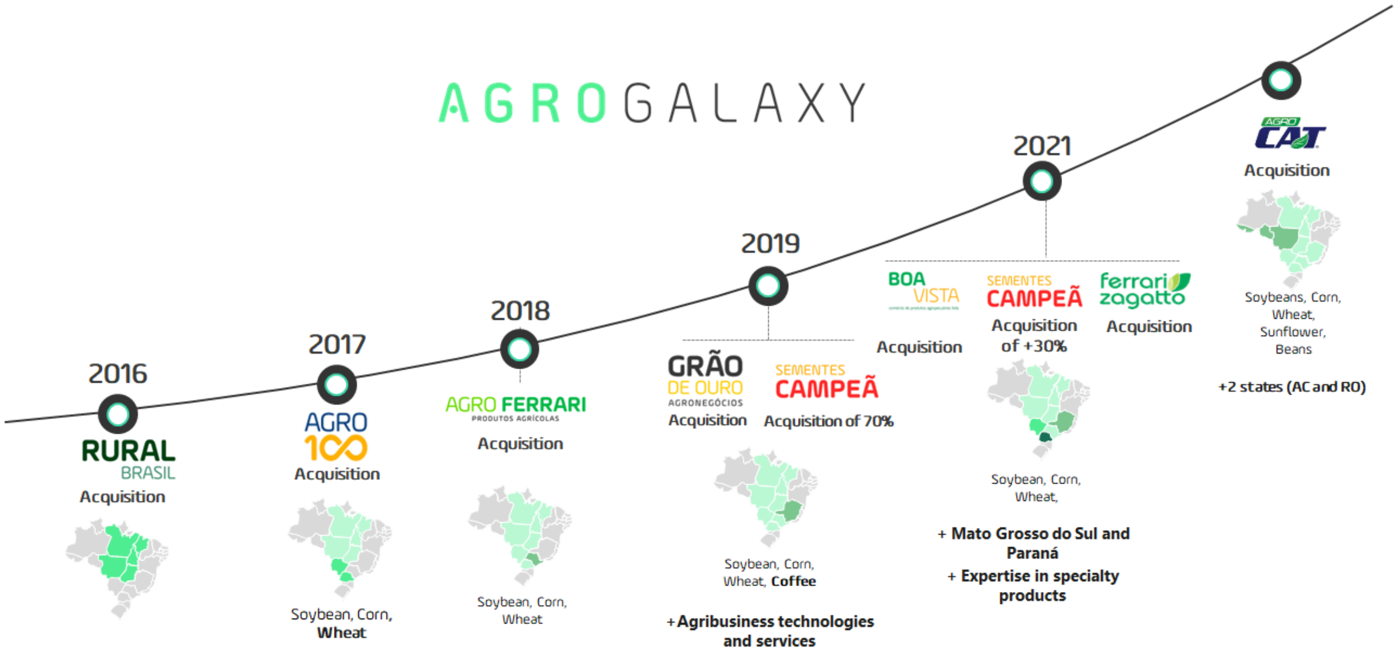
Billing of the agricultural input distribution and retail sector (2022/23) (in R$ bn)



Source: Data Consultoria How based on data from Spark, produced by Agrogalaxy Market Intelligence.

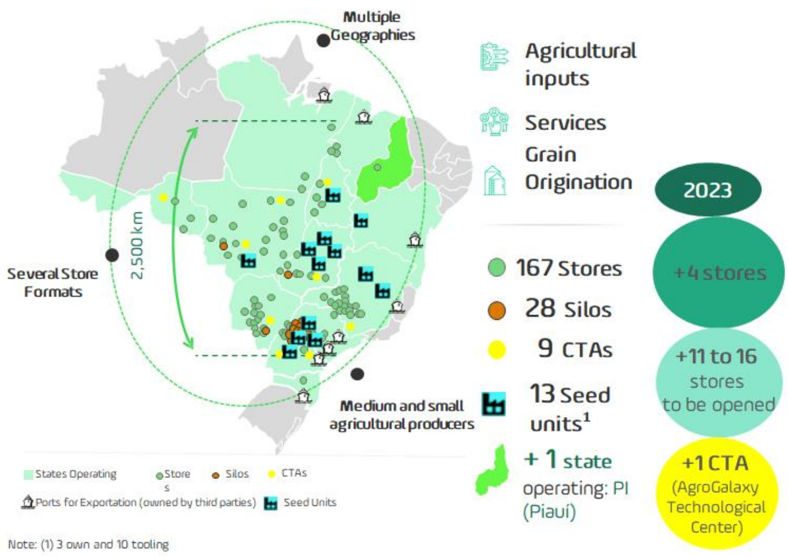
Profile and History

AgroGalaxy is a key retailer of agricultural inputs and services to the Brazilian agribusiness, selling agricultural inputs, seed production, origination, storage and commercialization of grains, and providing agricultural services. We operate across Brazil through an integrated platform, delivering products and offering unique solutions to meet the needs of rural producers. We are the result of a combination of acquisitions of leading platforms in different regions in Brazil, and we have benefited from their integration and maintained their original features and brands. We also have a history of proximity with farmers. The main milestones since the foundation of the Company are shown in the timeline below:



Notes: (1) Seeds produced in eight plants, including three company-operated plants and five tooling operations.
(2) Completion scheduled for January 2022, subject to fulfillment of conditions precedent.

The Company's stores, silos and seed units are strategically located in 14 Brazilian states, which allows us to reach different crops and producers with more than 20 covered hectares, mitigating weather risks inherent to agribusiness. As of March 31, 2023, these Company units were distributed as follows:



Our target audience comprises small- and medium-sized producers, with a planted area of up to 10,000 hectares individually, who seek high-quality inputs, supplier diversification, financing and credit solutions, technical assistance from planting to harvest, logistics services and high technology. We provide products for several types of cultivation, including soybeans, corn, coffee, wheat, etc. In the 2021/2022 harvest season, our clients owned a total of 20 million hectares of planted area.

Exhibit IV –AgroGalaxy Glossary

Financial leverage (measured as Net Debt/EBITDA) – Leverage is a technique used to multiply profitability based on indebtedness. The Company's leverage level may adversely affect our ability to refinance our existing indebtedness or raise additional resources to finance operations, limit our ability to react to changes in the economy or the agribusiness sector and prevent us from fulfilling our obligations established in our debt instruments.

Adjustment at present value (AVP) – Considers the time frames and fees embedded in sales and purchases on credit. For Supplier AVP (COGS Reducer) and Client AVP (Revenue Reducer), the impact on Gross Margin occurs at the time of merchandise sales. In the Supplier AVP, Financial Expenses are deferred from the moment of purchase until the moment of payment. In the Client AVP, Financial Revenues are deferred from the moment of Sales until the moment of Receipt.

Hub and side-by-side areas – Both are testing areas in producer-client plots of land. The hub area is different because it constitutes a complete management trial, while side-by-side areas are trials for isolated products.

Barter: this means the sale of inputs on credit in exchange for the delivery of commodities, mainly soy and corn, when harvesting comes. The exchange ratio between the amount owed in reais by the clients of the Company and the number of bags of soy and corn to be delivered to the Company is defined according to the commodity's market price, and transactions are formalized with clients in Barter agreements.

CAGR - Compound Annual Growth Rate: the constant percent growth rate during each period in a comparison, to calculate the growth result between the periods.

***Churn* -** a metric to calculate Company lost revenues or lost clients in a certain period.

Closing – completion of the acquisition of a company or asset.

COGS - Cost of Goods Sold, includes the amount paid for the goods that make up the inventory, in addition to expenses with transportation, taxes, storage, etc.

CRA (ARC) – Agribusiness receivables certificate: these are fixed-income securities backed by receivables from operations between rural producers and third parties, including financing or loans related to production, marketing, processing or industrialization of products, agricultural inputs or machinery and implements used in agricultural production. In these operations, companies assign their receivables to a securitization company, which will issue the CRAs and make them available for trading on the capital market, usually through a financial institution. Finally, this securitization company will pay the Company for the assigned receivables. In this way, the Company can obtain early payment of its receivables.

CTV (TSC) – Technical sales consultant: a field agronomist responsible for serving rural producers, including providing recommendations and prescriptions of agricultural inputs (fertilizers, pesticides, seeds, specialties, etc.), financial and agricultural services, crop planning, among others.

Pesticides – Among pesticides, Agrogalaxy works with fungicides, herbicides and insecticides, as oils and spreaders. Fungicides are one of the most used to control fungi in plantations, helping prevent, control and cure fungi.
Herbicides are used in the desiccation of crops for harvesting or in the formation of straw and the control of weeds. Insecticides are used in the prevention and control of insect pests. They are vital because the damage caused by pests can be very intense, quickly destroying plant tissue at any stage of crop development, with a precipitous drop in production being caused under inefficient control conditions.

Digital-Enabled – transactions through digital means, such as WhatsApp-based bots, apps and websites.

Net Debt - Considers loans and financing, deducted from cash and cash equivalents and financial investments, as well as obligations with securitized securities CRA - Agribusiness Receivables Certificates – which are entered as debt in Current Liabilities and refer to transactions involving bonds from clients placed on the market to finance rural producers. Just as there is a liability obligation upon the issuance of CRA securities, the Company acquired securities, entered in non-current assets, as subordinated quotas to support any possible unpaid securities from those obligations recorded in liabilities. Thus, the two ends are represented in accounting: assets and liabilities, as well as liabilities related to leasing vehicles and other items (machinery).

EBITDA - Earnings Before Interest, Taxes, Depreciation and Amortization: net profits plus income tax and social contribution expenses, financial earnings and depreciation. Adjested EBITDA is impacted by the cash generated from payments made for the real estate leasing (stores) during the period and disregards: (i) MTM commodities: gains or losses from the variation of the fair value of the commodities, as the fair value on the closing of each fiscal year does not impact the cash and does not reflect the results from purchase and sale; (ii) exchange variation of hedge operations carried out to protect revenue or cost of products; (iii) non-recurring items (e.g., extemporaneous credits and strategic consultancy); and (iv) commercial and financial results: interest expense, interest-earning assets and discounts granted and obtained.

ERP - *Enterprise Resource Planning* is a management system that allows easy, integrated and reliable access to business data. Information collected through the software enables in-depth diagnoses to base initiatives to reduce costs or increase productivity.

ESG - Environmental, Social and Corporate Governance: refers to the three central factors in measuring an investment's sustainability and social impact on a company or business.

Specialties – Agrogalaxy sells specialties whose production process is outsourced to trusted partners of the Company. One of the specialties of the soy crop is products that provide complete coverage of Copper (Cu), Sulfur (S) and Phosphorus (P) particles over the plant's leaf area. The synergistic action between the three elements (Copper, Sulfur and Phosphorus) has an antifungal and bacteriostatic effect, as it induces the production of phytoalexins (natural defense substances), protecting the plant against diseases caused by fungi and bacteria. In Corn Cultures, we offer natural organo-mineral fertilizers formulated from the fermentation of special yeasts.

KPI –*Key Performance Indicator* - these are indicators or quantitative values that can be measured and compared and followed to verify the performance of a process or strategy.

LTM – Last Twelve Months: values accumulated over the last twelve months. LTM is also known as the previous 12 months.

Gross profit and gross margin - the difference between a company's revenue concerning its variable costs and adjusted gross profit. It excludes gains or losses with variations in the fair value of commodities and includes gains or losses with exchange rate fluctuations adjusted in the EBITDA for margin calculation purposes. Gross margin is the difference between gross profit and net revenues.

Martech - companies whose scope of work combines marketing with technology.

M&A (Mergers and acquisitions) - M&A operations make it possible to expand the business and reach of one or more companies, taking advantage of what each one does best, joining efforts and building something much greater than the simple sum of the two operations. Agrogalaxy has already proven our ability to deliver organic growth combined with expansion via M&A, with a rapid process of professionalization of family businesses. The Company was formed from the acquisition of leading companies in their operating regions, notably two base companies, one in the Brazilian cerrado, which grew organically towards a solid presence in the region, and the other in the South/Southeast, which it grew organically and also significantly through acquisitions aimed to strengthen its presence in key regions. In addition, the Company also acquired companies to implement our vertical integration strategy for producing soy seeds.

NDF – Non-Deliverable Forward: a currency forward contract traded on the over-the-counter market; it is used to set an exchange rate in advance to be applied on a future date. On the maturity date, the settlement is calculated based on the difference between the contracted forward rate and the market rate defined as a reference.

NDVI (*Normalized Difference Vegetation Index*) - This vegetation status index indicates primary production (chlorophyll production) and local humidity through a numerical indicator obtained by remote sensing.

Grain origination - Origination is the soy and corn collection and sale service provided to producers. The main purpose of the grain origination system is to optimize demand during a new harvest cycle through management, with the main operations supported by the origination being:

- Purchase;
- Sales;
- Storage; and
- Logistics.

Therefore, the origination process attends to different stages of agricultural management, from planting and harvesting the crop to stocking and storage. Our sales are approximately 30% in barter; the remainder of the grain volume is from pure origination, harvest receipt, and purchase of lots in the available market.

PDD or PCDA: The Provision for Bad Debtors (PDD) or Provision for Credit to Doubtful Accounts (PCDA) refers to a cash reserve made by the Company for cases of default. Thus, the greater the risk of a client not paying what they owe, the greater must be the amount saved by the Company under PDD. Agrogalaxy has a timetable for the maturities of overdue and falling due notes, meaning that any accounts receivable from clients are written off when there is no reasonable expectation of recovery. Indications that there is no reasonable expectation of recovery include, among others, the debtor's inability to participate in a plan to renegotiate their debt with the Company or make contractual payments on overdue debts overdue for more than 180 days.

POC – *Proof of Concept*, the documented evidence that a piece of software can be successful.

PSA - Payments for environmental services.

ROIC - The return on invested capital, that is, AgroGalaxy states the profitability level the Company can generate from the entire invested capital, both our own (equity) and third parties (net debt).

Crop – Crop and/or Summer Crop refers to the soybean crop.

Interim Harvest (Safrinha) – Interim Harvest and/or Winter Harvest refers to the corn crop.

SG&A - Selling, General and Administrative Expenses: refers to selling, general and administrative expenses, one of the main non-production costs entered in the income statement.

SSS – Same-Store Sales: this metric measures the percentage change of 2-year-old stores or more, i.e., the performance of mature stores in the portfolio.

Foreign exchange swap – A swap is a derivative that serves to exchange positions – and indexations, according to the assessment and the investor's interest in the operation. The exchange rate swap is one type of swap and is, therefore, characterized by swapping exchange rate fluctuation for other financial market indexes.

UX – User Experience, that is, how users evaluate their relationship with and usability of a product or service.

***Washout* - the** *amount of contractual indemnity agreed between the parties in case of non-compliance or cancellation of grain or barter contracts.*