



AGRO GALAXY

Earnings Release | 4Q22 and 2022

# Earnings Release | 4Q22 and 2022

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## Results for the 4th Quarter and 2022

São Paulo, March 29, 2022 – AgroGalaxy Participações S.A. (“AgroGalaxy” or “Company”) (B3: AGXY3) herein discloses its 4Q22 and annual results for the fiscal year ended December 31, 2022. The comments included herein concern the consolidated results prepared according to the rules of the CVM (Brazilian Securities and Exchanges Commission) and CPCs, in accordance with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”). The financial information, unless otherwise stated, is presented in thousands of reais, and the comparisons refer to 4Q21 and 2021.

## 4Q22 (vs. 4Q21) Highlights

### Impressive results:

- 13 new stores.
- +35% in net revenue: R\$ 3.4 bn. Input revenue: R\$ 2.9 bn, +39%.
- + 44% in the Adjusted EBITDA: R\$ 353 mi, margin of 10.4%.
- +18 % in the adjusted net profit: R\$ 187 mi.
- *Same store sales* (organic): 16.3%.
- Input revenue (+39%): +2% volume, +18% price, and +18% inorganic (Agrocat).



R\$ 1.2 bn of Digital enabled revenue.

### IR Contac



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**AGXY**

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## 2022 (vs. 2021) Highlights



Addition of 29 stores: 18 opened and 11 acquired from Agrocat, concluded in January 2022, amounting to 163 AgroGalaxy stores in 13 states.

Record high results in the:

- Net revenue: R\$ 11.6 bn (+76% vs. 2021). Input revenue: R\$ 7.7 bn (+74%).
- Adjusted EBITDA: R\$ 705 mi (+79% vs. 2021), margin of de 6.1% (+0.1 p.p.).
- Adjusted net profit: R\$ 54 mi (-64% vs. 2021).
- Same store sales (organic): 40.7% (vs. 30.7% in 2021).
- Input revenue (+74%): +7% volume, +36% price, and +31% inorganic.
- +43.8% in the productivity of technical sales consultants (CTVs).



Digital enabled revenue: R\$ 3.1 bn, or 49.3% of total organic input. There are 8.4 thousand producers logged in to the app, covering 5.6 mi ha.



ROIC: 25.8% in December 2022, + 4.9 p.p. vs. 2021.



ESG Goals: Attainment of all of the 10 goals set for 2022.



Expansion plan for 2023: between 15 and 20 stores in 2023, four open until March and the other nine with teams generating demand.



Dividends: distribution of R\$ 6.6 million, equivalent to approximately R\$ 0.04 per share, subject to shareholders' approval at the General Ordinary and Extraordinary Meeting (AGOE) held on April 28.



Net Debt/Adjusted EBITDA = 2.1x (vs. 2.0x proforma\* in 2021). Steady leverage maintained even with accelerated growth.

\* Considering the last 12 months for the Adjusted EBITDA of Boa Vista (closing in 04/2021) and Ferrari Zagatto (closing in 09/2021).



## Videoconference

March 30, 2023 (Thursday)

11:00 a.m. (Brasilia Time) | 10:00 a.m. (EST)

In Portuguese with simultaneous translation into English

Click [here](#) to subscribe to the Video Conference

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## Message from the CEO

More than 6 months acting as CEO, after almost two years acting as Business VP, I am proud to announce record high results achieved in the **4th quarter and fiscal year**. Despite the challenging scenario of volatile prices and the threat of scarcity of some inputs, especially fertilizers and crop chemicals, we managed to make our supply strategy meet the demand from more than **27 thousand customers-farmers**.

We achieved robust results with **organic and inorganic growth** thanks to our expansion efforts in the existing stores, the new stores opened, and the acquisition of Agrocat. **Since our IPO in July 2021, we opened 55 stores (+51%), of which three M&As acquired 32 and 23 organically opened, 18 of which were in 2022.**

The **11 stores acquired** with the Agrocat M&A totaled **29 stores in 2022**. We opened **5 AgroGalaxy Technological Centers (CTAs)**, essential in our focus on innovation and to provide the best solution to the Brazilian farmers. The CTAs test and handle products and develop protocols. So far, we have **163 stores, 8 CTAs, 28 siloes, and 13 seed plants in 13 Brazilian states**, more than 1 thousand cities, covering **20 million ha**.

AgroGalaxy achieved **124% of its goal with revenue and orders in stores opened in 2022**. For **2023**, we intend to **open between 15 and 20 stores, 4 of which are already opened** by March 2023, and **9** of them have **teams already generating demand** ahead of the physical opening, something usual in our business.

It is important to highlight that our business presents a relevant seasonality when we analyze each quarter individually. These were the quarterly results for input revenue in 2022: **1Q (22%), 2Q (10%), 3Q (29%), and 4Q (39%)**. The average results for input revenue in the last three fiscal years were the following: **1Q (19%), 2Q (10%), 3Q (27%), and 4Q (44%)**.

In 2022, **the total net revenue reached R\$ 11.6 billion, a 76% growth**. We must highlight the **input performance**, which **expanded by 74%, totaling R\$ 7.7 billion**. The growth resulted from an increase of 36% in prices, 7% in volume, and 31% with the acquisitions of Boa Vista, Ferrari Zagatto, and Agrocat. **The same store sales (organic) reached 40.7%** in the year.

The **Gross Profit** was **R\$ 1.6 billion, a 73% growth**, with a **margin of 13.4%**. The **adjusted EBITDA** totaled **R\$ 705 million (+79%)**, with a **6.1% of margin expansion**. The **Net Profit** totaled **R\$ 54 million**, and the **Return on Invested Capital (ROIC) increased by 4.9 p.p.** and reached **25.8%** in December. The increase of the Selic rate between 2021 and 2022 impacted the financial result during the year. We

are developing projects to reduce the working capital, such as improving our operations.

AgroGalaxy achieved relevant **operational gains in 2022**, resulting both from the **increase in input prices** and the **improved efficiency of our sales force: the input revenue per CTV increased by 43.8% and per customer, 44.5%** when we compare 2021 to 2022. The **specialties**, segment with the higher gross margin, **reached 6.5% in the input mix**. The increase in prices in the fertilizers and crop chemicals segments also positively impacted the input revenue during the year.

By December 2022, the **Orders Portfolio** totaled **R\$ 1.4 billion**, a reduction of 32% compared to the same period in 2021 — the decrease resulted from the lower prices of fertilizers and some defensives from the 2022/23 harvest and farmers postponing their orders, given the downward trend of prices in some input segments.

We reached new milestones in the **digital** area, increasing our number of digital customers from 59% in 2021 to 66%. The **Digital Enabled Revenue** totaled **R\$ 3.1 billion**, an increase of 34.4%. The Company has maintained its focus on the app; now, the tool has **28 new functionalities**. By December 31, 2022, the app had more than **8.4 thousand farmers registered, covering more than 5.6 million ha**. Since its creation in November 2021, the AgroKea, the precision agriculture tool, has been used in a total of **119.4 thousand ha**.

We maintained our focus on concluding projects for higher operational efficiency and reduction of working capital, such as the **New Operational Model**, to implement a single **ERP** to be used by the whole group. We planned a new wave of implementation by July 2023. This is a crucial stage of integrating the recent acquisitions. The first stage of implementation of SAP in AgroFerrari was completed on August 2022.

There was some relevant progress in the ESG area as well: **all of our ten goals for the year were reached**, mainly the increase in **billing bioinputs by 44%, which represented 7% of our input revenue** (the goal was +33%), **reduction of 26% in trading products prohibited by the World Health Organization** (the plan was -20%) and the adherence to the GHG Protocol. The quarterly progress with our goals is provided on our [ESG webpage](#). We also **launched two challenges** from [Instituto AgroGalaxy](#) to bring **innovative and more sustainable solutions** to the farmers. We answered the Climate Change questionnaire for the first time, receiving a **"B" score**, the third highest grade on [the CDP scale](#).

Thanks to our reach in the field, we developed the [GreenGalaxy Program](#), which started with a transition CRA, externally assessed by [Nint](#), to foster the regenerative agriculture model.



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2022 saw many achievements for AgroGalaxy: the [GPTW](#) seal; **the 1st SuperAgro**, our fair attended by thousands of farmers, was held, already using the AgroGalaxy brand; Gold and Silver awards in the **Smart Customer Success 2022**; and we managed to be classified as one of the **30 best Brazilian agribusiness companies by Forbes** and one of the **150 biggest companies by Valor Econômico**.

We also had our [1st AgroGalaxy Day](#) after the IPO. During the event, essential to show our strategic alignment with the market, I reinforced that we will keep up the excellent work started with Welles Pascoal, focusing on becoming Brazil's best agricultural retail platform. For the following years, we will focus on (i) **increasing commercial productivity**, (ii) **increasing operational efficiency**, (iii) **market growth and consolidation**, and (iv) **convergence and integration**.

I must highlight that **we had many achievements in 2022** despite the many challenges faces in the supply chains for fertilizers and glyphosate, the integrations, the partial implementation of the SAP, the expansions, ESG goals and so many other areas I mentioned earlier.

We will face a challenging scenario again in 2023. The industry will be impacted by the delays in harvest and trade of soybean during the current cycle in comparison to the last four. This postponement will lead to a reduction in the potential area for corn crops to be harvested earlier, by approximately 20%. Another issue is the chemical fertilizers: their prices substantially increased in 2022 but have decreased almost 50% compared to the peak prices in 2022, showing that they will reach a steady point. The market has a large volume of inputs available for sale in the market, with tendency of reestablishing regular volume levels. There is also a large volume of crop chemicals available in the market, which will lead to a price decrease.

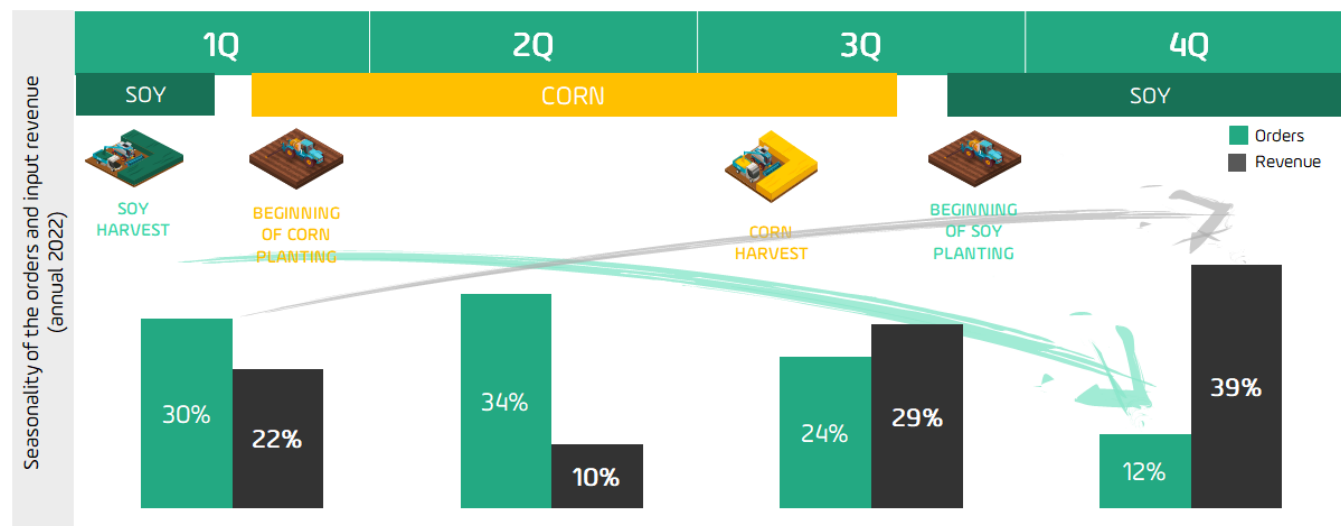
AgroGalaxy will keep working to consolidate itself as the **best and most sustainable retail company for agricultural inputs and services to Brazilian farmers**, making partnerships and offering unique solutions.

**Sheilla Albuquerque, AgroGalaxy CEO**

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## Seasonality (Input)

Agribusiness presents relevant seasonality over the year, primarily due to crop cycles that depend on specific weather conditions. Brazil has unique weather conditions compared to other countries that produce agricultural commodities, enabling the planting of two to three crops in the same area per year. See below the seasonality of the orders and revenue of inputs of the Company:



\* Based on 2022, considering a full-year revenue for 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 crop cycles and have seasonal nature, the revenues of inputs also present significant seasonality.

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

## Historical Seasonality (Input)

The seasonality of orders and revenue of inputs of the Company may present fluctuations according to the planting periods of the different crops each year.

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

\* Considering a full-year revenue for Boa Vista and Ferrari Zagatto.

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## Highlights

Operational Highlights	Dec/22	Dec/21	Var. % Dec/22 x Dec/21	Sept/22	Var. % Dec/22 x Sept/22
# stores	163	134	21.6%	150	8.7%
# launches, year-to-date (organic)	18	21	-14.3%	5	260.0%
# stores acquired year-to-date (inorganic)*	11	20	-45.0%	11	-
# technical sales consultants (CTV)	625	468	33.5%	556	12.4%
# silos	28	27	3.7%	28	-
bags received - accrued for the year (million)	27.3	21.0	29.8%	27.2	0.4%
# seed processing units **	13	8	62.5%	13	-
# CTAs***	8	3	166.7%	8	-
# customers	27,461	22,820	20.3%	23,511	16.8%
Input revenue/customer (R\$ thousands)	279	193	44.5%	94.8	194.6%
# employees	2,566	2,098	22.3%	2,535	1.2%

\* Acquisition of Agrocat, concluded in January 2022.

\*\* 3 managed by the company and 10 used for tooling operations.

\*\*\* Centro Tecnológico AgroGalaxy



## Earnings Release | 4Q22 and 2022

Financial Highlights (R\$ million)	4Q22	4Q21	Var. %	2022	2021	Var.%
<b>Total net revenue</b>	<b>3,405.9</b>	<b>2,517.8</b>	<b>35.3%</b>	<b>11,592.5</b>	<b>6,580.6</b>	<b>76.2%</b>
Input revenue	2,959.5	2,134.0	38.7%	7,671.5	4,411.6	73.9%
Grain revenue	446.4	383.8	16.3%	3,921.0	2,169.0	80.8%
<b>Net revenue breakdown</b>	<b>3,405.9</b>	<b>2,517.8</b>	<b>35.3%</b>	<b>11,592.5</b>	<b>6,580.6</b>	<b>76.2%</b>
Organic net revenue	3,005.2	2,206.1	36.2%	9,712.5	6,036.7	60.9%
Net revenue M&A <sup>1</sup>	400.7	311.7	28.6%	1,880.0	543.9	245.6%
<b>Growth indicators</b>						
Same Store Sales <sup>2</sup>	16.3%	24.0%	-7.7 p.p.	40.7%	30.7%	+10.0 p.p.
Organic volume variation <sup>2</sup>	2.4%	21.8%	-19.4 p.p.	7.0%	28.4%	-21.4 p.p.
Organic price variation <sup>2</sup>	17.9%	15.2%	+2.7 p.p.	35.8%	14.5%	+21.3 p.p.
Inorganic addition <sup>1</sup>	18.4%	18.3%	+0.1 p.p.	31.1%	16.8%	+14.3 p.p.
Input revenue/CTV <sup>3</sup>	4.7	4.6	2.2%	13.8	9.6	43.8%
<b>Digital Revenue</b>						
Digital enabled revenue	1,213.9	1,124.3	8.0%	3,109.3	2,312.8	34.4%
<b>% of organic net input revenue</b>	<b>47.3%</b>	<b>59.7%</b>	<b>-12.4 p.p.</b>	<b>49.3%</b>	<b>58.6%</b>	<b>-9.3 p.p.</b>
<b>Adjusted gross profit<sup>4</sup></b>	<b>642.7</b>	<b>426.4</b>	<b>50.7%</b>	<b>1,558.7</b>	<b>901.4</b>	<b>72.9%</b>
% net revenue	18.9%	16.9%	+2.0 p.p.	13.4%	13.7%	-0.3 p.p.
Input margin	21.0%	19.6%	+1.4 p.p.	19.5%	18.9%	+0.6 p.p.
Grain margin	4.6%	2.2%	+2.4 p.p.	1.6%	3.0%	-1.4 p.p.
<b>Adjusted EBITDA<sup>5</sup></b>	<b>352.7</b>	<b>245.7</b>	<b>43.6%</b>	<b>704.5</b>	<b>394.1</b>	<b>78.8%</b>
Adjusted EBITDA Margin	10.4%	9.8%	+0.6 p.p.	6.1%	6.0%	+0.1 p.p.
<b>Adjusted Net Profit (Loss)</b>	<b>186.9</b>	<b>158.7</b>	<b>17.8%</b>	<b>53.9</b>	<b>150.6</b>	<b>-64.2%</b>
Adjusted Profit Margin	5.5%	6.3%	-0.8 p.p.	0.5%	2.3%	-1.8 p.p.
<b>Net Debt<sup>6</sup></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,475.1</b>	<b>654.3</b>	<b>125.4%</b>
(Net Debt/Adjusted EBITDA LTM) <sup>6</sup>	-	-	-	2.1x	1.7x	+0.4x
(Net Debt/Adjusted EBITDA LTM) – proforma <sup>7</sup>	-	-	-	2.1x	2.0x	+0.1x
<b>ROIC<sup>8</sup></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25.8%</b>	<b>20.9%</b>	<b>+4.9 p.p.</b>

<sup>1</sup> Considers 3 months of Boa Vista, 8 months of Ferrari Zagatto, and a full year of Agrocat.

<sup>2</sup> Same Store Sales considers the sales from the stores operating in their 2nd year.

<sup>3</sup> Considers average CTVs in the periods analyzed in 2021. It excludes the CTVs of Boa Vista and Ferrari Zagatto as they began to be consolidated as of April 1 and September 1, respectively, and not for the whole period.

<sup>4</sup> Adjusted gross profit: excludes gains or losses with fluctuations in the fair value of commodities and considers exchange gains or losses adjusted in the EBITDA to calculate margin.

<sup>5</sup> Adjusted EBITDA and Profit: the adjustments made are shown in the table of Exhibit II.

<sup>6</sup> Net Debt: the adjustment made is shown in the section Capital Structure.

<sup>7</sup> Considers the last 12 months with fully Adjusted EBITDA from Boa Vista (closing in 04/21) and Ferrari Zagato (closing in 09/21).

<sup>8</sup> Considers the adjusted EBITA, excluding the effect of IFRS 16, amortization of capital gain (business combination) and IRPJ/CSLL, and adjusted Net Debt described in the item above. Excludes adjusted EBIT LTM of the acquisitions.

## Adjustments to the results

The Company understands that the adjusted EBITDA more closely represents operating cash generation, allowing us to measure and evaluate the operating capacity more assertively. Adjustments to EBITDA do not include: (i) gains or losses with fluctuations in the fair value of commodities, since the marking of fair value at the end of each year does not affect cash and does not represent the result of purchases and sales; (ii) exchange rate fluctuations on hedging transactions carried out to protect the revenue or cost of products; (iii) considerations paid for property leases (CPC 06(R2)/IFRS16); (iv) non-recurring items (such as extemporaneous credits, restructuring consultancy fees, shared expenses, Agrocát's inventory capital gains and exclusion of the stock option plan and the phantom option of the balance of non-recurring items, impacting the Company's results as of 4Q22); and (v) non-cash items, in which the adjusted EBITDA margin is calculated as the ratio between adjusted EBITDA to operating revenues.

In the adjusted net profit, the following are excluded from the calculation: (i) gains or losses with fluctuations in the fair value of commodities and forward agreements; (ii) Unrealized exchange variation (accrual and MTM); (iii) the amortization of capital gains in the business combination; (iv) effects from CPC 06/IFRS 16 on properties; (v) non-recurring expenses and revenues; and (vi) impact from deferred income tax/social contribution and/or extemporaneous credits.

Check the [IR website](#) for further details on the adjustments.

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## 2022 vs. 2021 Result and 2021 Proforma\*

The Company shows below the main entries for the 2022 results compared to the 2021 ones and the proforma\* results for 2021. The independent auditors did not assess the proforma numbers in a consolidated and individual manner.

(in R\$ thousands)	2022	2021	Var. %	2022	Proforma 2021 *	Var. %
<b>Net revenue for the period</b>	<b>11,592.5</b>	<b>6,580.6</b>	<b>76.2%</b>	<b>11,592.5</b>	<b>8,151.1</b>	<b>42.2%</b>
<i>Input</i>	7,671.5	4,411.6	73.9%	7,671.5	5,428.5	41.3%
<i>Grain</i>	3,921.0	2,169.0	80.8%	3,921.0	2,722.6	44.0%
<b>(-) Cost of products sold</b>	<b>-10,033.8</b>	<b>-5679.2</b>	<b>76.7%</b>	<b>-10,033.8</b>	<b>-7,038.6</b>	<b>42.6%</b>
<i>Input</i>	-6,175.5	-3576.2	72.7%	-6,175.5	-4,392.8	40.6%
<i>Grain</i>	-3,858.3	-2103.0	83.5%	-3,858.3	-2,645.8	45.8%
<b>Adjusted Gross profit for the year</b>	<b>1,558.7</b>	<b>901.4</b>	<b>72.9%</b>	<b>1,558.7</b>	<b>1,112.5</b>	<b>40.1%</b>
<b>% net revenue</b>	<b>13.4%</b>	<b>13.7%</b>	<b>-0.3 p.p.</b>	<b>13.4%</b>	<b>13.6%</b>	<b>-0.2 p.p.</b>
<i>% net revenue - Input</i>	19.5%	18.9%	+0.6 p.p.	19.5%	19.1%	+0.4 p.p.
<i>% net revenue - Grain</i>	1.6%	3.0%	-1.4 p.p.	1.6%	2.8%	-1.2 p.p.
(-) sales expenses	-465.0	-275.5	68.8%	-465.0	-350.1	32.8%
(-) administrative expenses	-403.1	-225.7	78.6%	-403.1	-251	60.6%
(-) other operating revenues and expenses	13.8	-6.1	n.m.	13.8	-6.1	-326.8%
(-) depreciation and amortization (b)	-59.3	-46.4	28.0%	-59.3	-51	16.3%
<b>Total expenses (SG&amp;A)</b>	<b>-913.6</b>	<b>-553.6</b>	<b>65.0%</b>	<b>-913.6</b>	<b>-658.3</b>	<b>38.8%</b>
<b>Profit before financial income (a)</b>	<b>645.1</b>	<b>347.7</b>	<b>85.5%</b>	<b>645.1</b>	<b>454.2</b>	<b>42.0%</b>
<i>% net revenue</i>	5.6%	5.3%	+0.3 p.p.	5.6%	5.6%	-
(-) Financial result	-581.8	-207.5	180.4%	-581.8	-256.8	126.6%
(-) Income tax and social contribution	-9.4	10.3	n.m.	-9.4	5.7	n.m.
<b>(=) Adjusted net result for the period</b>	<b>53.9</b>	<b>150.6</b>	<b>-64.2%</b>	<b>53.9</b>	<b>203.1</b>	<b>-73.4%</b>
<i>% net revenue</i>	0.5%	2.3%	-1.8 p.p.	0.5%	2.5%	-2.0 p.p.
(+) Depreciation and amortization (b)	59.3	46.4	28.0%	59.3	51.0	n.m.
<b>Adjusted EBITDA (a) + (b)</b>	<b>704.5</b>	<b>394.1</b>	<b>78.8%</b>	<b>704.5</b>	<b>505.2</b>	<b>39.4%</b>
<i>% net revenue</i>	6.1%	6.0%	+0.1 p.p.	6.1%	6.2%	-0.1 p.p.
Net debit**	1,475.1	654.3	125.4%	1,475.1	1,028.1	43.5%
Leverage (multiple EBITDA)	2.1	1.7	+0.4 p.p.	2.1	2.0 x	+0.1 p.p.

\* Summing the results from Boa Vista (January to March), Ferrari Zagatto (January to July), and Agrocat (January to December) of the fiscal year ended on December 31, 2021.

\*\* Adjusted Net Debt: The net debt reconciliation chapter shows the calculation.

## Earnings Release | 4Q22 and 2022

### Evolution of Net revenue

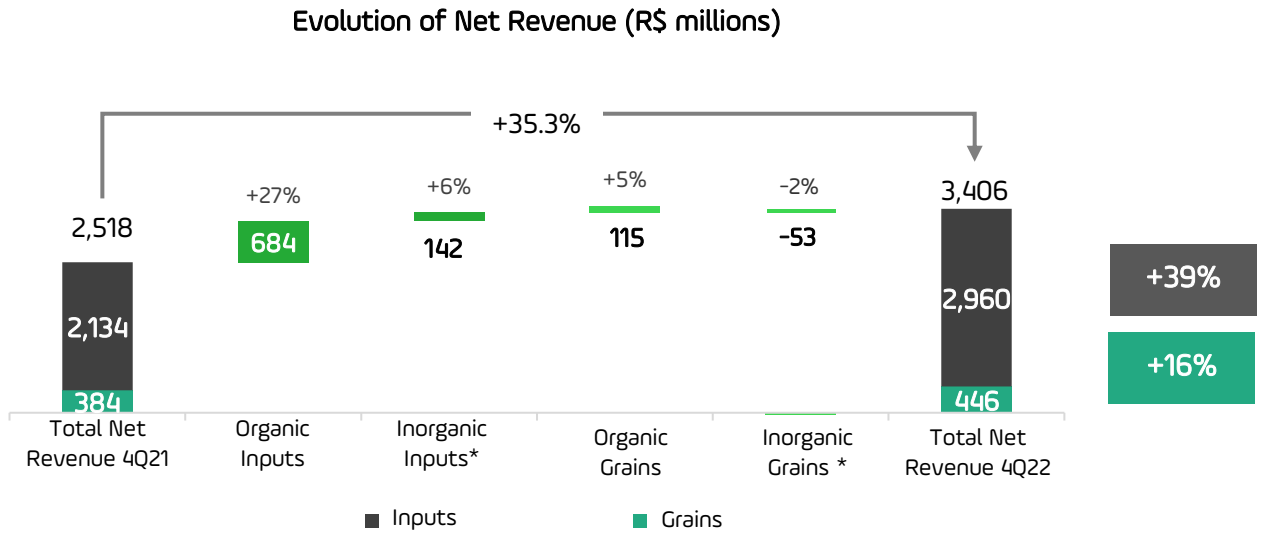
Financial Highlights (R\$ million)	4Q22	4Q21	Var. %	2022	2021	Var. %
<b>Total net revenue</b>	<b>3,405.9</b>	<b>2,517.8</b>	<b>35.3%</b>	<b>11,592.5</b>	<b>6,580.6</b>	<b>76.2%</b>
<i>Organic net revenue</i>	3,005.2	2,206.1	36.2%	9,712.5	6,036.7	60.9%
<i>M&amp;A Net revenue*</i>	400.7	311.7	28.6%	1,880.0	543.9	245.6%
<b>Input revenue</b>	<b>2,959.5</b>	<b>2,134.0</b>	<b>38.7%</b>	<b>7,671.5</b>	<b>4,411.6</b>	<b>73.9%</b>
<i>Organic input revenue</i>	2,566.8	1,883.0	36.3%	6,306.9	3,946.9	59.8%
<i>M&amp;A Input revenue*</i>	392.7	251.0	56.4%	1,364.6	464.7	193.7%
<b>Grain revenue</b>	<b>446.4</b>	<b>383.8</b>	<b>16.3%</b>	<b>3,921.0</b>	<b>2,169.0</b>	<b>80.8%</b>
<i>Organic grain revenue</i>	438.4	323.1	35.7%	3,405.5	2,089.8	63.0%
<i>M&amp;A Grain revenue*</i>	8.0	60.7	-86.7%	515.5	79.3	550.2%

\* The 4Q22 and 2022 include Agrocat, while 4Q21 and 2021 include Boa Vista and Ferrari Zagatto, all entered as of their closing dates.

# Earnings Release | 4Q22 and 2022

## 4Q22 vs. 4Q21 Results

### Net revenue



\*\* Includes full year for Agrocát, 3 months of Boa Vista, and 8 months of Ferrari Zagatto.

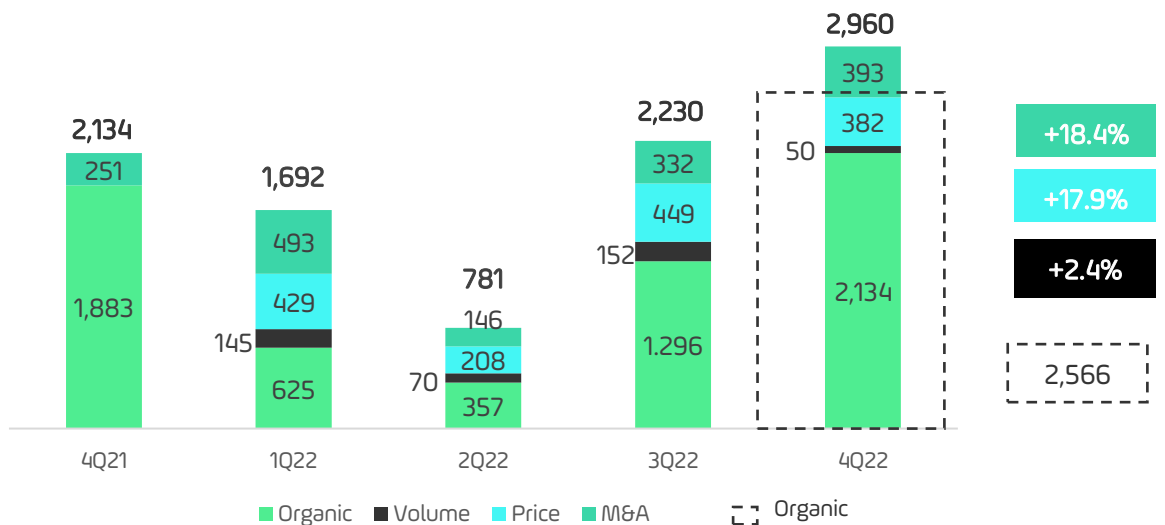
The net revenue grew 35% in the period, reaching R\$ 3.4 billion. The inputs segment grew by +39%; the grains by 16% compared to 4Q21. The growth of the input revenue can be broken down as follows: 17.9% from the price, 2.4% from the volume increase, and 18.4% as a result of the inorganic growth (Agrocát).

In 4Q22, the same store sales were 16.3%, disregarding the Boa Vista, Ferrari Zagatto, and Agrocát stores.

The grain revenue grew by 16.3% due to the material impact of the *commodities* prices during the periods.

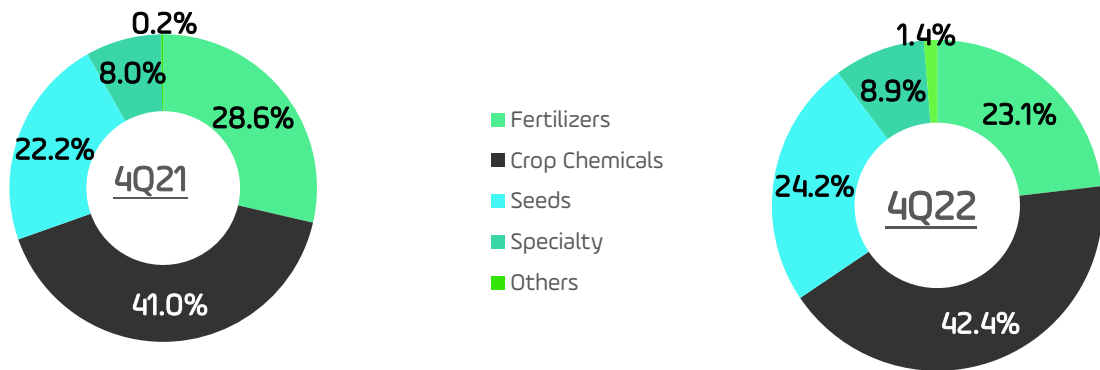
In 4Q22 there was an increase in input revenue, mainly thanks to segments of crop chemicals and seeds. The lesser volume of fertilizers and crop chemicals was offset by the increasing prices in these categories and the higher volume of seeds acquired for the soybean plantation, which took place later than in the past cycle.

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

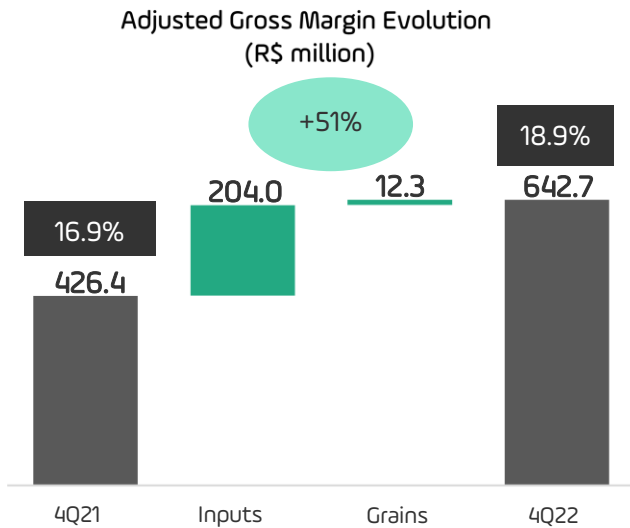


# Earnings Release | 4Q22 and 2022

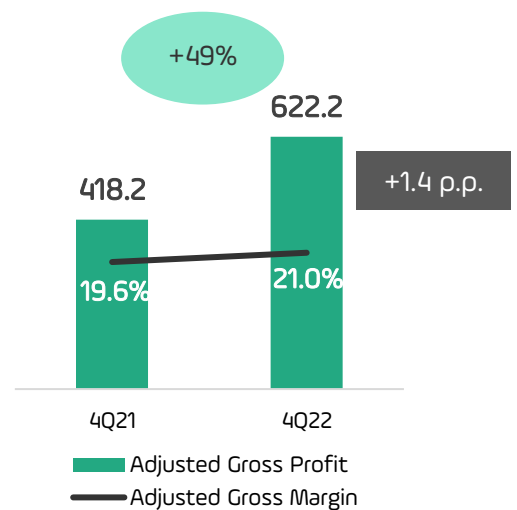
The segments of seeds and crop chemicals earned more out of the participation of the input mix in the 4Q22 with the increasing price and the higher volume of seeds. The bioinputs, including organic-mineral fertilizers and biological products, totaled R\$ 206 million in 4Q22 (+117% vs. 4Q21) or 7% of the input revenue for the period.



## Adjusted gross profit\*



Adjusted Gross Profit - Input (R\$ million)



The adjusted gross profit reached R\$ 642.7 million in 4Q22 vs. R\$ 426.4 million in 4Q21, a margin of 18.9% (+2.0 p.p.). The gross profit increase resulted from the acquisition of Agrocát (+R\$ 56.7 million) and a higher portion of the input segment in the mix comprising the net revenue (87% 4Q22 vs. 85% 4Q21), showing a higher gross margin than the grain segment.

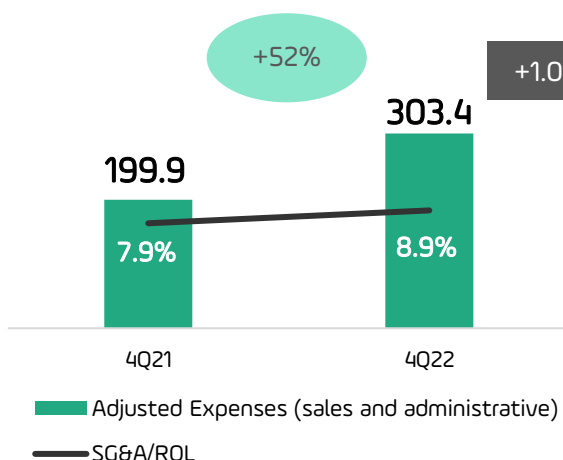
The adjusted gross profit for input reached R\$ 622.2 million in 4Q22, an increase of 49%, with a margin of 21.0%, and a rise of 1.4 p.p. compared to 4Q21. This fluctuation mainly resulted from the crop chemicals having a higher participation in the quarterly margin, a higher margin of fertilizers, and an increase in the mix of seeds.

\* Adjusted gross profit: excludes gains or losses on fluctuations in the fair value of commodities and cons. exchange gains or losses adjusted in the EBITDA to calculate margin.



# Earnings Release | 4Q22 and 2022

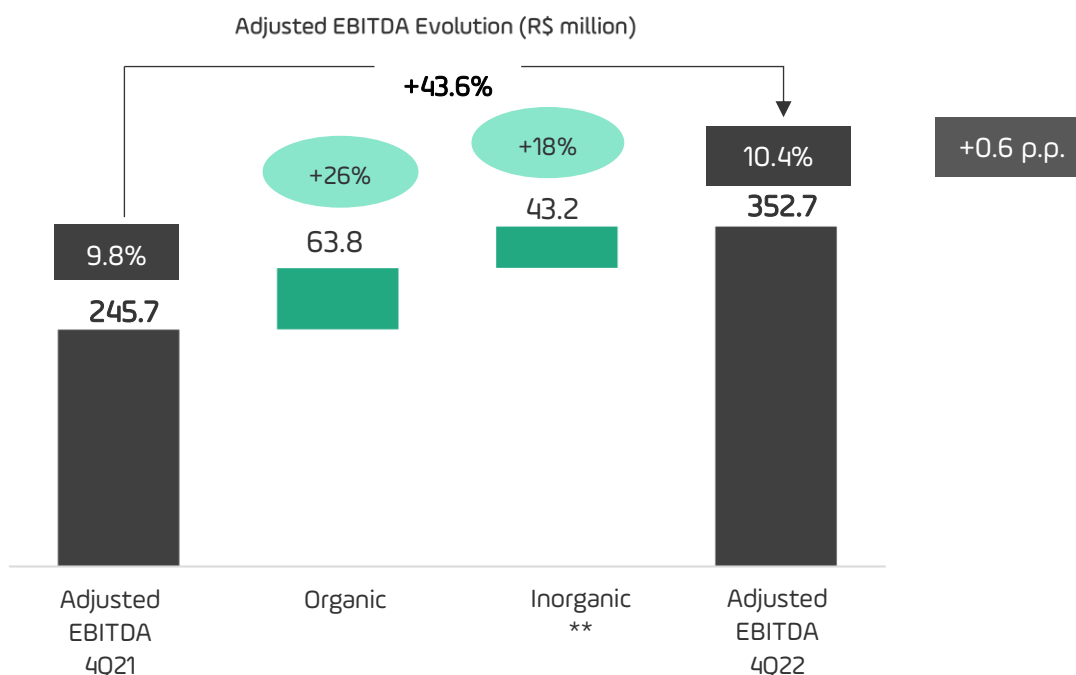
## SG&A - Sales, Administrative and General Expenses



The expenses grew R\$ 103.5 million, or 52%, compared to 4Q21. This increase resulted from: (i) 29 new stores (18 of them already open and 11 from the acquisition of Agrocat) between the compared periods; (ii) reinforcement of the commercial and administrative back-office to support AgroGalaxy's growth; (iii) Agrocat's expenses, which were not consolidated in the 4Q21; and (v) higher commission for the sales forces thanks to the higher revenue. It is an increase of 1.0 p.p. in the net revenue. However, as shown in the annual results section, there was dilution. The New operational Model was developed to increase operating efficiency and improve the G&A structure.

## Adjusted EBITDA \*

(In R\$ million)	4Q22	4Q21	Var. %
<b>Adjusted EBITDA</b>	<b>352.7</b>	<b>245.7</b>	<b>43.6%</b>
<i>Adjusted EBITDA Margin</i>	10.4%	9.8%	+0.6 p.p.



The adjusted EBITDA reached R\$ 352.7 million in 4Q22, an increase of 43.6%. The adjusted EBITDA margin reached 10.4%, an increase of 0.6 p.p. compared to the same period last year, thanks to the increase in the margin of crop chemicals and volume of seeds, as described in the previous section.

In 4Q22 Agrocat acquisition resulted in a growth of R\$ 43.2 million in the Adjusted EBITDA. Organic growth was R\$ 63.8 million (or +26% compared to 4Q21).

\* As described in the highlights item.

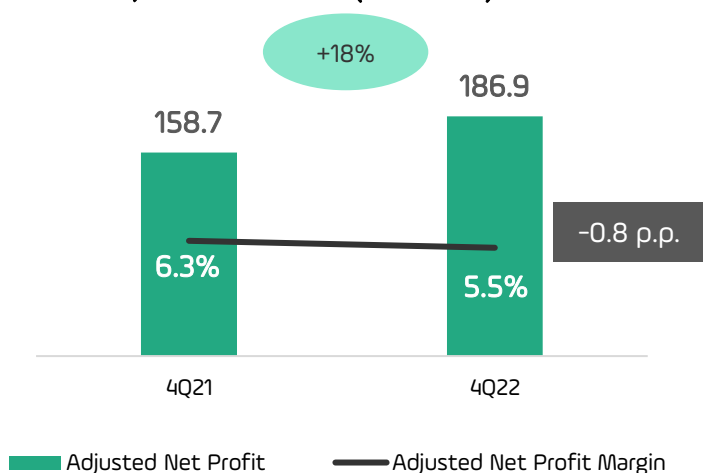
\*\* Agrocat.

# Earnings Release | 4Q22 and 2022

## Adjusted Net Profit (Loss)

Summary of the Result for the period (in R\$ thousands)	4Q22	4Q21	Var. %
<b>Adjusted Net Profit for the period</b>	<b>186.9</b>	<b>158.7</b>	<b>17.8%</b>
% Adjusted Profit Margin	5.5%	6.3%	-0.8 p.p.

### Adjusted Net Profit (R\$ million)



The adjusted net profit reached R\$ 186.9 million, a growth of 18%. The growth reflects the increase of the Adjusted EBITDA between the compared period. The mentioned increase partially offset the impact of the increase of the Selic rate (8.25% a.a.) from 4Q21 to 13.75% a.a. in 4Q22, negatively impacting the financial result.

The adjusted profit margin reached 5.5% over the revenue compared to 6.3% in 4Q21, impacted by the same effect described above.

## Financial result

Adjusted Net Financial Result (In R\$ million)	4Q22	4Q21	Var. (%)
Interest on loans and financing	-70.4	-33.6	109.9%
Interest liabilities with suppliers and other liabilities	-32.6	-17.9	81.7%
Discounts granted to customers	-18.0	-8.1	121.1%
Adjustment at the present value of suppliers	-152.7	-77.8	96.2%
Adjustment to present value - lease	-11.3	-6.3	80.9%
Other financial expenses	1.7	-8.1	-121.2%
<b>Sub-total financial expenses</b>	<b>-283.3</b>	<b>-151.8</b>	<b>86.6%</b>
Discounts for early payment	11.4	4.2	168.7%
Adjustment at the present value of customers	125.1	49.2	154.5%
Interest income on customers and other assets	-5.7	12.7	-144.8%
Income from investments	24.8	7.8	215.5%
Other financial revenues	1.1	-0.6	-276.3%
<b>Sub-total financial revenue</b>	<b>156.7</b>	<b>73.3</b>	<b>113.7%</b>
<b>Adjusted net financial result</b>	<b>-126.6</b>	<b>-78.5</b>	<b>61.3%</b>

# Earnings Release | 4Q22 and 2022

The principal fluctuation with financial expenses was:

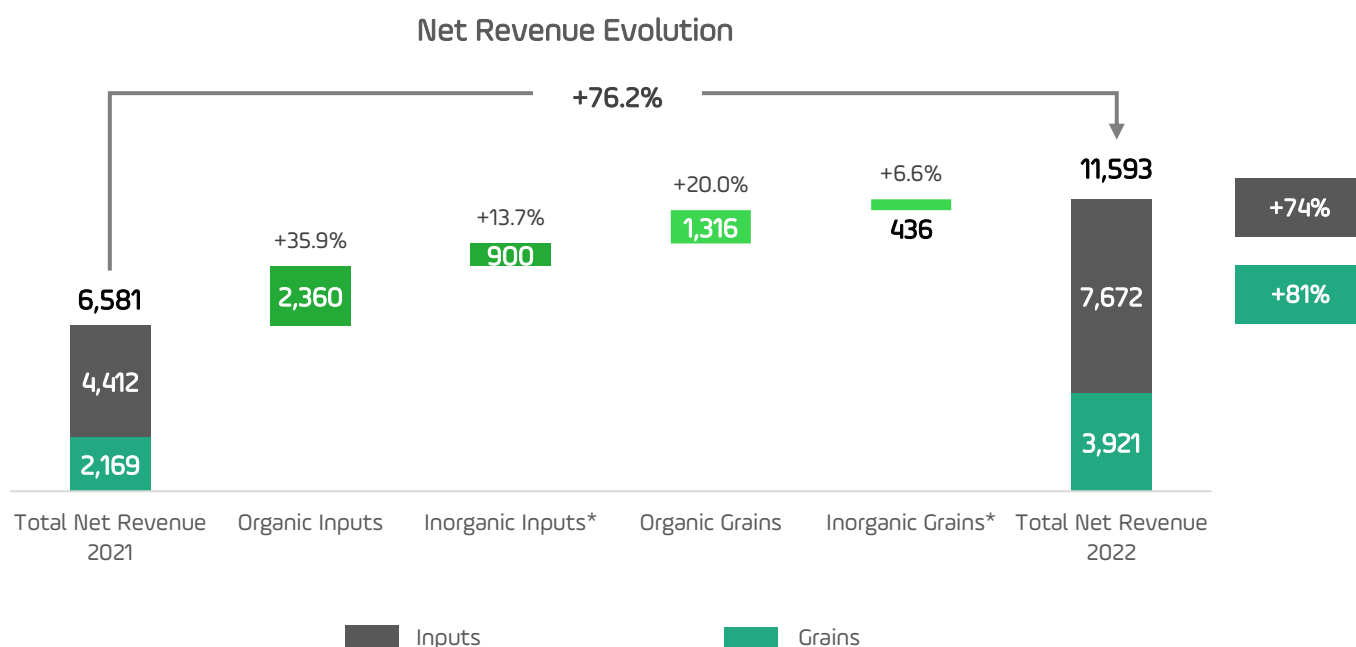
- The increase of interest on loans, financings, and CRAs resulted from the need for working capital, which resulted from the Company's growth and the M&As during the year and the increase of the average Selic rate from 8.25% a.a. in the 4Q21 to 13.75% in the 4Q22.
- The growth of the gross indebtedness to about R\$ 1.2 billion resulted in R\$ 120.6 million more in financial expenses. Despite maintaining the spread levels, the CDI increase also amounted to R\$ 124.8 million.

Among the financial revenues, we must highlight the following:

- Increased revenue and investments thanks to the higher availability of cash and the CDI growth impacting the investments.

## Comparison of 2022 vs. 2021

### Net revenue



The net revenue for the period grew 76.2%, reaching R\$ 11.6 billion in 2022. The input segment grew +73.9%, and the grain one grew +80.8% compared to 2021. The input revenue expansion resulted from: a 35.8% price, a 7.0% growth of volume, and a 31.1% with inorganic expansion. We must highlight that the average application volume of fertilizers per hectare decreased by 10%-15% because the prices increased.

In 2022, the organic same store sales were 40.7%, i.e., disregarding the stores of Boa Vista, Ferrari Zagatto, and Agrocat.

The grain revenue increased by 81%, given the higher prices of soybean and corn, with 30% of volume growth.

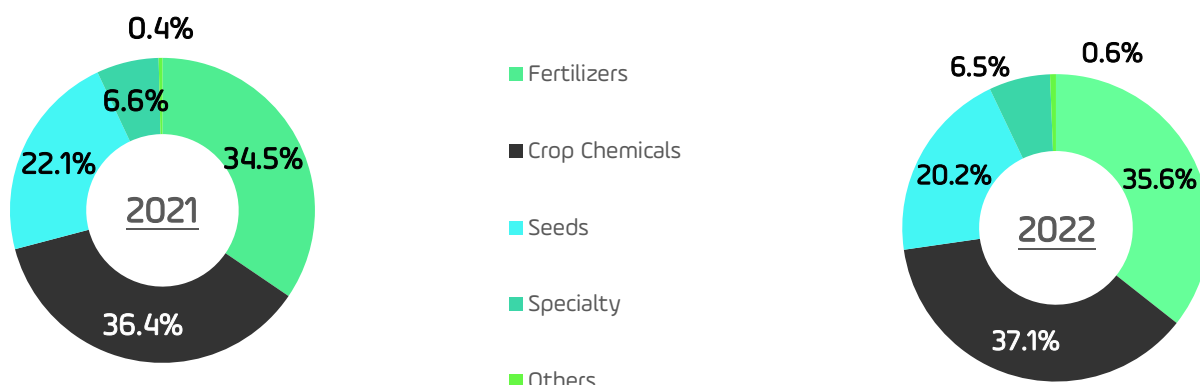
There was an increase in input revenue (+R\$ 2,4 billion from former M&As), especially in crop chemicals, fertilizers, and seeds, in 2022. The prices of crop chemicals and fertilizers increased during the year because of problems in the glyphosate supply chain and the Russia-Ukraine war. The increased volume of seeds because of the late planting compared to the past cycle also impacted those prices.

No material change was noticed in the input vs. grain relation in 2022 compared to 2021. The segments of fertilizers and crop chemicals earned more from the mix of inputs in 2022 because of the increased prices. The bioinputs — which include organic-mineral fertilizers and biological products — totaled R\$ 545 million in 2022 (+44% vs. 2021) or 7% of the input revenue for the period.

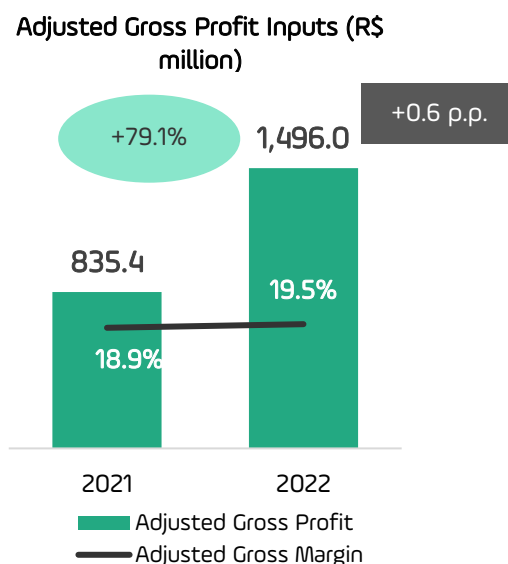
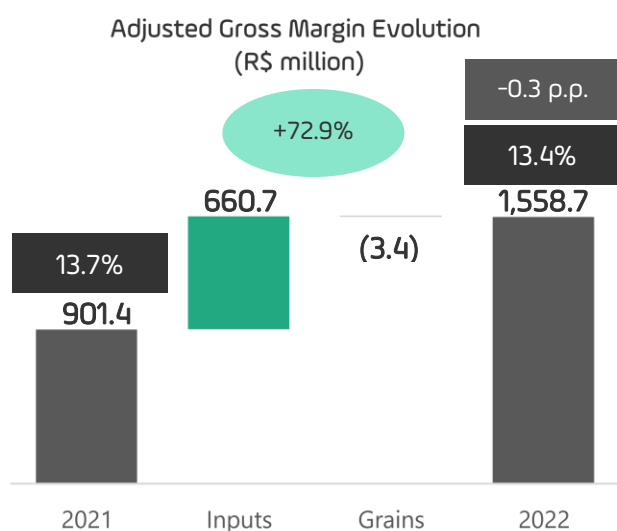
\*\* Includes full year for Agrocat, 3 months of Boa Vista, and 8 months of Ferrari Zagatto.

# Earnings Release | 4Q22 and 2022

Mix of Net Revenue – Input 2021 x 2022 (%)



## Adjusted gross profit\*



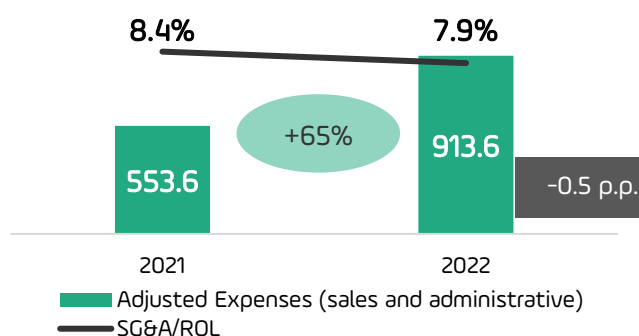
The adjusted gross profit reached R\$ 1.6 billion in 2022 vs. R\$ 901 million in 2021, a margin of 13.4% (-0.3 p.p.). The margin was impacted by the reduced earnings with input compared to the net revenue for the period (67% 2021 vs. 66% 2022), a decrease of 1.4 p.p. in the gross margin of grains.

\* Adjusted gross profit: excludes gains or losses on fluctuations in the fair value of commodities and considers exchange gains or losses adjusted in the EBITDA to calculate margin.

The adjusted gross profit for input reached R\$ 1.5 billion in 2022, an increase of 79%, with a margin of 19.5%, growing 0.6 p.p. This fluctuation resulted from the increased margins of fertilizers and the higher percentage of organic-mineral fertilizers, crop chemicals (glyphosate), and seeds. The high price of the commodities, especially soybean, led to the increased margin of seeds.

# Earnings Release | 4Q22 and 2022

## SG&A - Sales, Administrative and General Expenses

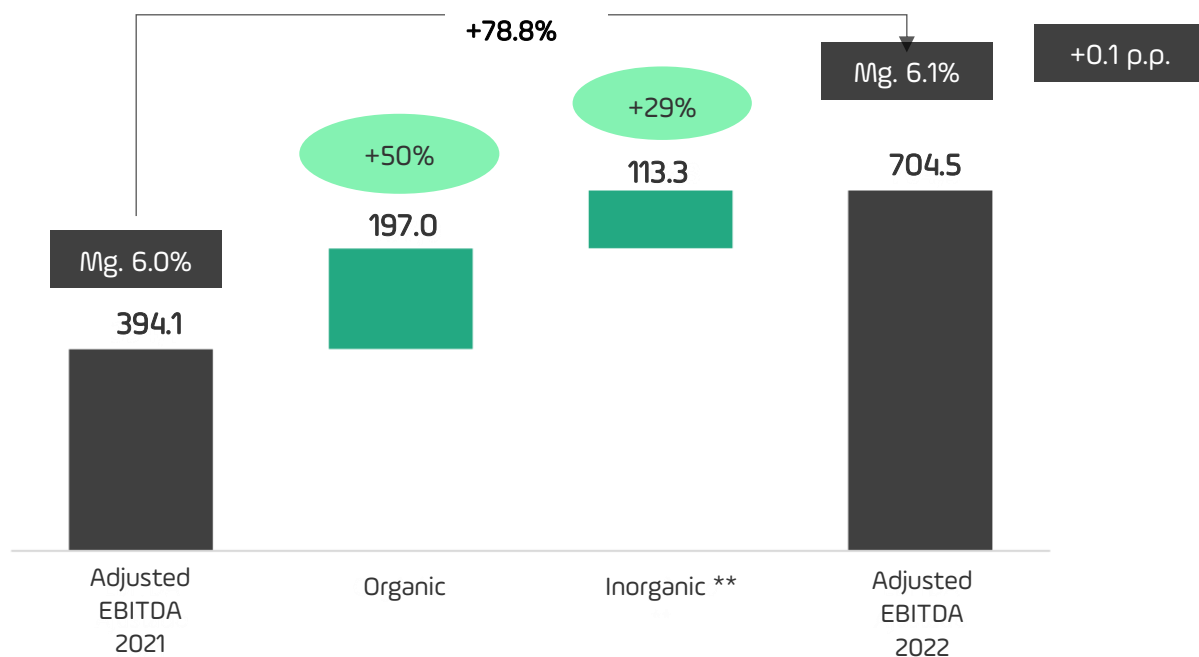


The expenses grew R\$ 360 million, or 65%, compared to 4Q21. This increase resulted from: (i) the new 18 stores open; (ii) reinforcement of the commercial and administrative back-office required to support AgroGalaxy's growth; (iii) consolidation of the full-year results of Boa Vista, Ferrari Zagatto, and Agrocat in 2022; and (iv) increased commissions to be paid to the sales forces related to the material growth achieved with the input revenue. This same growth also led to a drop of 0.5 p.p. in the net revenue. The New operational Model was developed to increase operating efficiency and improve the G&A structure.

## Adjusted EBITDA\*

	2022	2021	Var. %
Adjusted EBITDA	704.5	394.1	78.8%
Adjusted EBITDA Margin	6.1%	6.0%	+0.1 p.p.

### Adjusted EBITDA Evolution (R\$ million)



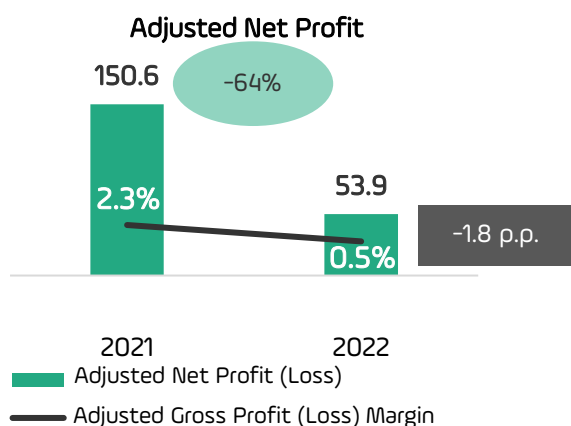
\* As described in the highlights item.

\*\* Includes full year for Agrocat, 3 months of Boa Vista, and 8 months of Ferrari Zagatto.

The adjusted EBITDA reached R\$ 704.5 million, an increase of 78.8%. The adjusted EBITDA margin was slightly better during the period. Despite the SG&A dilution, the grain gross margin decreased. The growth of the input revenue mainly impacted this result, both organic (R\$ 197 million in EBITDA) and the acquisitions in 2021 and 2022 (R\$ 113.3 million).

# Earnings Release | 4Q22 and 2022

## Adjusted net profit



The adjusted net profit reached R\$ 54 million, a decrease of 64% with a margin of 0.5% (-1.8 p.p.).

The increase of the average Selic rate from 4.8% a.a. in 2021 to 12.6% a.a. in 2022 negatively impacted the financial result, as described in the section below. There was also an increase of 80% in gross indebtedness between the periods.

## Financial result

Financial result, net (In R\$ million)	2022	2021	Var. (%)
Adjusted at present value - expenses(a)	-558.2	-236.0	136.5%
Adjusted at present value - lease (a)	-30.3	-17.8	70.1%
Interest on loans and financing (b)	-251.4	-94.2	166.9%
Interest liabilities (CRA, renegotiation, or delay interest) (a)	-142.9	-54.7	161.2%
Discounts granted (c)	-49.6	-21.7	129.0%
Other financial expenses (c)	-14.8	-13.8	7.1%
<b>Sub-total financial expenses</b>	<b>-1,047.2</b>	<b>-438.2</b>	<b>139.0%</b>
Adjusted at present value - revenue (a)	331.8	149.9	121.4%
Interest asset	33.9	38.5	-12.1%
Discounts for early payment	27.0	9.5	185.6%
Income from investments	53.6	15.6	242.9%
Other financial revenues	1.2	0.2	381.3%
<b>Sub-total financial revenue</b>	<b>447.5</b>	<b>213.8</b>	<b>109.3%</b>
<b>Adjusted financial result, net</b>	<b>-599.8</b>	<b>-224.5</b>	<b>167.2%</b>

\* As described in the net profit adjustments under the highlights item.

The principal fluctuation with financial expenses was:

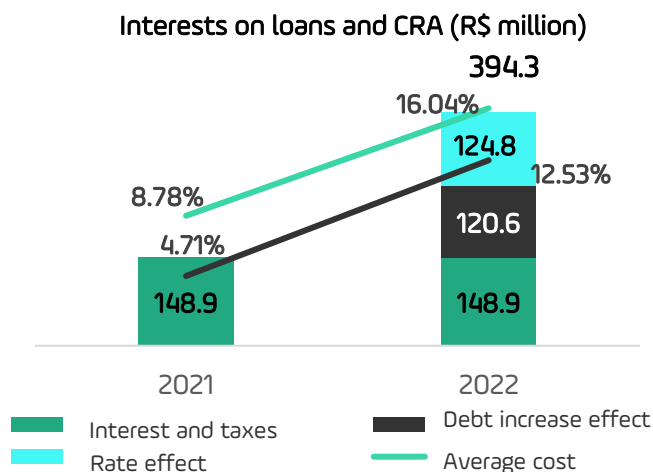
I. increase interest on transactions with CRAs, Loans, and Financings due to a gross debt 80% higher and the impact from the Selic rate, totaling R\$ 245.4 million of additional interest. The average Selic rate went from 4.8% a.a. in 2021 to 12.6% a.a. in 2022, with the spreads reducing from 4.1% a.a. in 2021 to 3.5% in 2022.

Among the financial revenues, we must highlight the following:

- II. the customers received more (AVP) despite the average payment term decrease.
- III. increase of the deductions obtained with suppliers by R\$ 17.6 million; and
- V. income from investments, especially over the net cash and increase of the Selic rate.



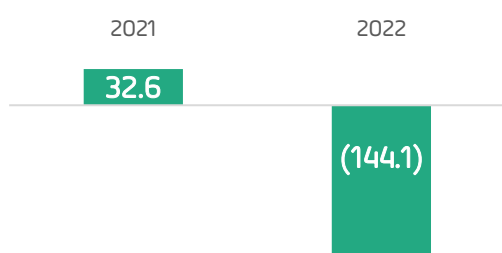
## Earnings Release | 4Q22 and 2022



### Investments (2022)

The operating investments in property, plant, equipment, and intangible assets (including investments due to business acquisition) totaled R\$ 337 million in 2022 compared to R\$ 336.7 million in 2021. These were the principal investments made in 12M22: (i) R\$ 120 million from the surplus and capital gain in the acquisition of Agrocat; (ii) R\$ 51.8 million in the implementation of the new ERP, process systems, and software; (iii) R\$ 32.4 million with IFRS 16 for leased property; (iv) R\$ 27.4 million in improvements, premises, machinery and equipment in stores; (v) R\$ 10.5 million in hardware; (vi) R\$ 6.4 million in seed plants; (vii) R\$ 27 million in Digital development and investments; and (viii) R\$ 5.6 million in improvements to the silos.

### Generation of Operational Cash and Indebtedness (R\$ million)

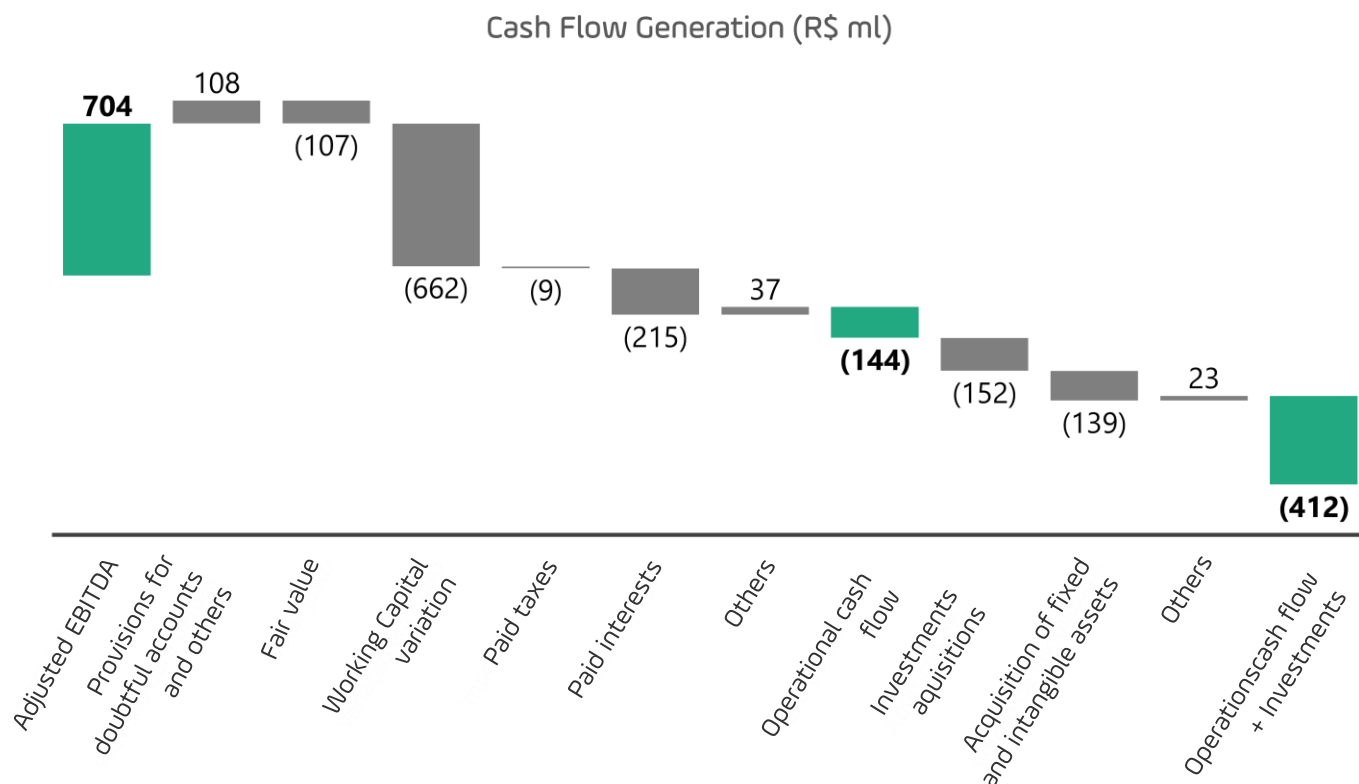


In 2022, cash consumption was R\$ 144.1 million vs. R\$ 32.6 million positive in 2021, a reduction of R\$ 176.7 million. The variation is mainly due to the variation of operational assets and liabilities, with emphasis on working capital at R\$ 239.9 million, influenced by the increase in receivables accompanied by the increase in revenue and the increase in interest paid by R\$ 145.8 million, fundamentally impacted by the increase in the Selic rate. On the other hand, there was an increase in profit after a non-cash adjustment of R\$ 304.7 million.

	2022	2021	Δ2022x2021
<b>Asset</b>			
Average Term of Receipt	185	185	-
Average Term of Storage	89	135	-46
Operational Cycle	274	320	-46
<b>Liability</b>			
Average Term of Payment	215	216	-1
<b>Working Capital Days</b>	<b>59</b>	<b>103</b>	<b>-44</b>

The average working capital term went from 103 days in 2021 to 59 days in 2022, a reduction of 44 days. The decrease in working capital days was mainly due to the reduction of the Average Term – Inventories, namely: a) Reduction in inventory through a change in the mix, increasing the representativeness of non-stock products (Fertilizers), and; (b) operational efficiency.

## Earnings Release | 4Q22 and 2022



In 2022, there was a relevant generation of adjusted EBITDA, of R\$704 million 2022, partially offset by the increased need for working capital, consistent with the Company's growth between periods (revenues from inputs +R\$3.2bn, or 74% vs. 2021).

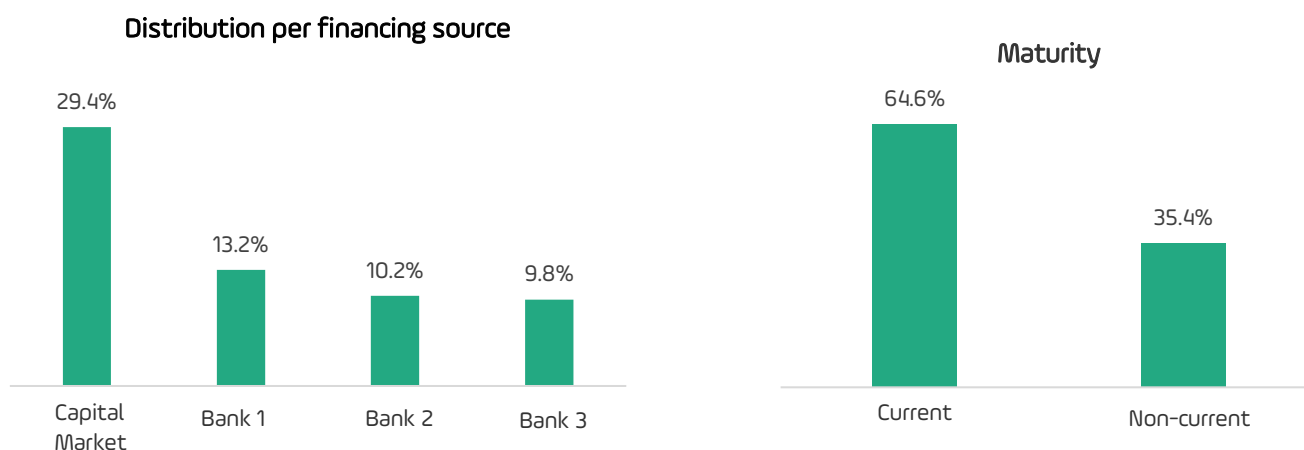
### Debt Profile and Capital Structure

The added gross indebtedness was R\$ 2.7 billion on December 31, 2022, considering the Company's CRAs.

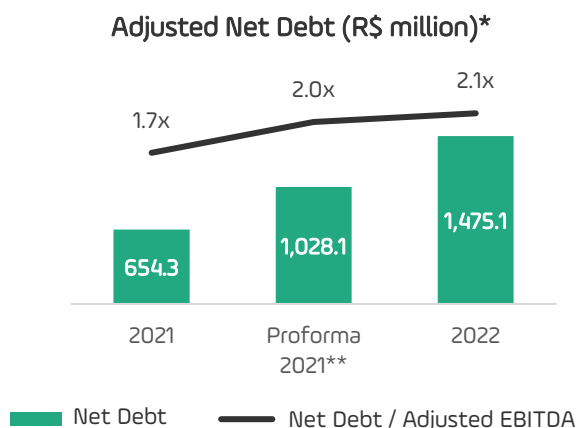
In 2022, the highlight was the funding of R\$ 500 million through a CRA issue backed by Purchase Agreements for grain with rural producers, which took place in September. The operation is backed by guarantees from the companies controlled by AgroGalaxy, with a total term of 5 years and an Average Term of 3.5 years.

The funding structure is part of the Company's strategy of accessing the capital market, seeking to improve its indebtedness period, and supporting the Company's cash in its growth plan for the coming periods.

On the same date, the maturity profile and terms were as follows:



## Earnings Release | 4Q22 and 2022



Net Debt\* totaled R\$ 1.5 billion on December 2022, an increase of 43% vs. 2021 proforma\*\*. Between the periods, there was a cash disbursement related to the acquisition of a stake in Agrocat and an increase in input prices, with a consequent increase in the volume of paid inventory.

The proforma\*\* leverage went from 2.0 times in 2021 to 2.1 times in 2022. There was a slight increase, even with the Company's significant growth between the compared periods.

\* Net Debt, considered loans and financings, deducted from cash and cash equivalents and investments, as well as obligations with securitized securities CRA – Agribusiness Receivables Certificates classified as debt in Liability Current and refer to customer securities transactions placed on the market to finance rural producers. The net debt reconciliation is available in the next section.

\*\* Considers the last full 12 months of Adjusted EBITDA for Boa Vista (closing on 04/21) and Ferrari Zagatto (closing on 09/21).

### Net Debt Reconciliation

Net Debt considers loans and financing, deducted from cash and cash equivalents and financial investments, as well as obligations with securitized securities of the CRA (Agribusiness Receivables Certificates) kind, 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 information is also adjusted according to: (i) lease liabilities (IFRS16); (ii) marketable securities; and (iii) Acquisition of equity interest payable. The calculation is shown in the net debt reconciliation chapter.

Reconciliation of the Net Debt	2022	2021
(+) Loans and financing	1,902,633	1,277,655
(-) Cash and cash equivalents	- 1,077,875	- 643,563
(-) Financial Investments	- 150,238	- 161,149
(+) Obligations with credit assignment - CRA	790,455	209,957
(+) Passive leasing of vehicles and others	57,524	17,800
(-) Marketable securities	- 47,382	- 46,351
<b>(=) Net Debt</b>	<b>1,475,117</b>	<b>654,349</b>

### Default

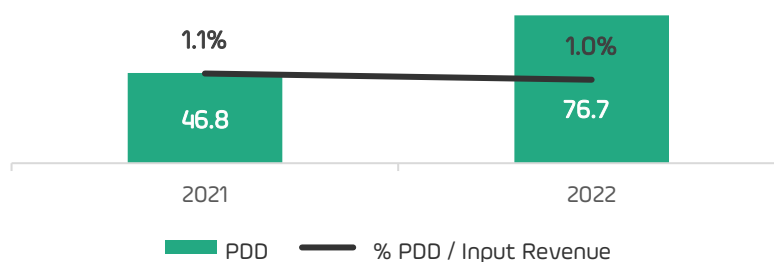
The increase in overdue securities between 181 and 365 days refers mainly to customer bonds impacted by the crop failure in some regions of Paraná, Mato Grosso do Sul, Minas Gerais, and Goiás, whose estimated losses were considered in the supplement to the provision made in the quarter.

In addition to the impact mentioned above, the increase in overdue securities over 365 days was due to the increase in Estimated Losses on Doubtful Accounts (PECLD), which take into account the application of the historical loss percentage on amounts due as a result of the substantial billing growth.

## Earnings Release | 4Q22 and 2022

R\$ thousand	12/31/2022	12/31/2021
<b>To be due</b>	<b>4,666,062</b>	<b>2,556,678</b>
From 1 to 60 days	68,447	78,289
overdue from 61 to 180 days	50,423	79,713
From 181 days and 365 days	64,257	12,499
Over 365 days	175,056	128,241
(-) PCLD	-285,779	-157,004
<b>Overdue</b>	<b>72,406</b>	<b>141,738</b>
<b>Balance</b>	<b>4,738,466</b>	<b>2,698,416</b>

The Bad Debt Provision ratio (PDD) over the Company's input net revenue (R\$ mln) showed a slight drop and remained close to 1%, as shown below:



As described in Explanatory Note No. 27, the PPD for the period comprises an expense of R\$ 128.8 million referring to Estimated Losses on Doubtful Accounts (PECLD) and revenue for the recovery of bad items of R\$ 52.0 million.

### Exposure to agricultural commodities and foreign currency

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

Outstanding positions as of December 31, 2022, demonstrate the following exposures:

- (i) Commodities

Positions / Products (in thousands of tons)	Soybean	Corn	Wheat	Coffee
Physical inventory	5,360	86,791	9,761	-
Sales positions to be fixed	14,452	85,257	0	-
Purchase positions to be fixed	-119,694	-174,187	-4,353	-
<b>Physical Position</b>	<b>-99,882</b>	<b>-2,139</b>	<b>5,408</b>	<b>-</b>
Purchase Agreements	320,496	152,805	545	1,442
Sale Agreements	-211,010	-145,140	-3,792	-1,488
<b>Future Agreements Positions</b>	<b>109,486</b>	<b>7,665</b>	<b>-3,247</b>	<b>-46</b>
<b>Net Balance</b>	<b>9,604</b>	<b>5,526</b>	<b>2,161</b>	<b>-46</b>

## Earnings Release | 4Q22 and 2022

Exposure and sensitivity analysis in case there are fluctuations of 5%, 25%, or 50% in prices. Given the long or short positions, in the case of a 5% increase in commodity prices, we would have an estimated loss of R\$ 3,826 thousand.

	Tons	Position	Current Risk	Current Market Price	+5% Increase Price	+25% Increase Price	+50% Increase Price	Effect	Effect	Effect
Soybean	340.308	Purchased	1.043.612	184	193	-52.181	230	-260.903	276	-521.806
Soybean	-330.704	Sold	-998.724	181	190	49.936	227	249.681	272	499.362
Corn	324.853	Purchased	484.572	90	94	-24.229	112	-121.143	134	-242.286
Corn	-319.327	Sold	-453.443	85	89	22.672	107	113.361	128	226.722
Wheat	10.306	Purchased	17.624	103	108	-881	128	-4.406	154	-8.812
Wheat	-8.145	Sold	-14.497	107	112	725	134	3.624	160	7.248
Coffee	1.442	Purchased	30.670	1.276	1.340	-1.534	1.595	-7.668	1.914	-15.335
Coffee	-1.488	Sold	-33.313	1.343	1.410	1.666	1.679	8.328	2.015	16.657
<b>Net exposure</b>			<b>76.501</b>			<b>-3.826</b>		<b>-19.126</b>		<b>-38.250</b>

(ii) Exchange rate (in million Dollars)

	12/31/2022
Loans and financings	-138,617
Purchase Agreements in dollar	-9,242
Exchange SWAP agreement	138,617
NDFs purchase forward agreement	0
NDFs sales forward agreement	-202
Sale Agreements in Dollar	9,664
Export contracts	0
	<b>220</b>

Exposure and sensitivity analysis in case there are fluctuations of 5%, 25%, or 50% in the dollar. If there is a 5% increase in the dollar price, we would have an estimated gain of R\$ 57 thousand.

Position	Risk	Nominal Balance "USD"	Closing Balance "R\$"	Current Market Price	+5% Increase Price	+25% Increase Price	+50% Increase Price	+5% Increase Effect	+25% Increase Effect	+50% Increase Effect
Loans and financings	Exchange rate / USD	-138,617	629,100	5.22	5.48	-31,455	6.52	-157,275	7,83	-314,550
Purchase Agreements in Dollar	Exchange rate / USD	-9,242	-48,216	5.22	5.48	2,411	6.52	12,054	7,83	24,108
Exchange SWAP agreement	Exchange rate / USD	138,617	-629,100	5.22	5.48	31,455	6.52	157,275	7,83	314,550
NDFs sales forward agreement	Exchange rate / USD	-202	-1,054	5.22	5.48	53	6.52	263	7,83	527
Sale Agreements in Dollar	Exchange rate / USD	9,664	50,418	5.22	5.48	-2,521	6.52	-12,605	7,83	-25,209
<b>Net exposure</b>		<b>220</b>	<b>1,148</b>			<b>-57</b>		<b>-288</b>		<b>-574</b>

# Earnings Release | 4Q22 and 2022

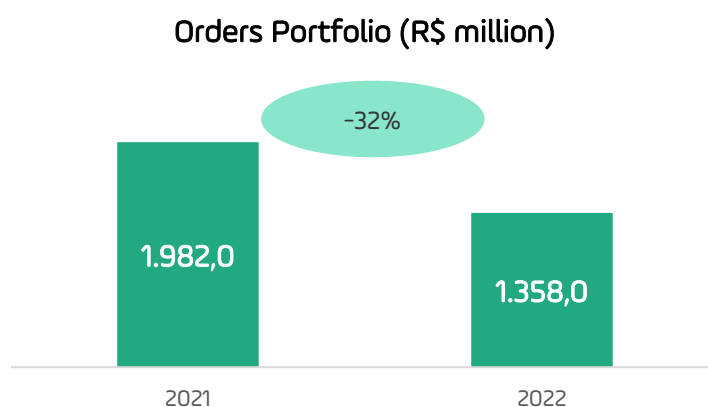
## Subsidiary Tax Benefits

The companies of the AgroGalaxy Group benefit from the investment subsidy for calculating the income tax and social contribution on profit, thereby reducing the basis for calculating the taxable profit applicable to the current tax. This benefit is the reduction of the ICMS calculation base on the output of agricultural inputs; thus, this benefit was established mainly by Agreement 100/97.

For deferred taxes, the group performs the analysis of each one of the companies constituting future obligations through the IR/CS deferred liability, and for the applicable cases where the subsidy benefit eliminates the tax base, limiting the constitution, if relevant, of the deferred IR/CS asset to the limit of liability.

## Orders Portfolio

On December 2022, the Orders Portfolio in the portfolio totaled R\$ 1,4 billion, versus R\$ 2,0 billion on December 2021, a decrease of 32%. The reduction was mainly due to the drop in prices of fertilizers and some crop chemicals and also to the postponement of orders from producers due to the downward price trend in some input segments.



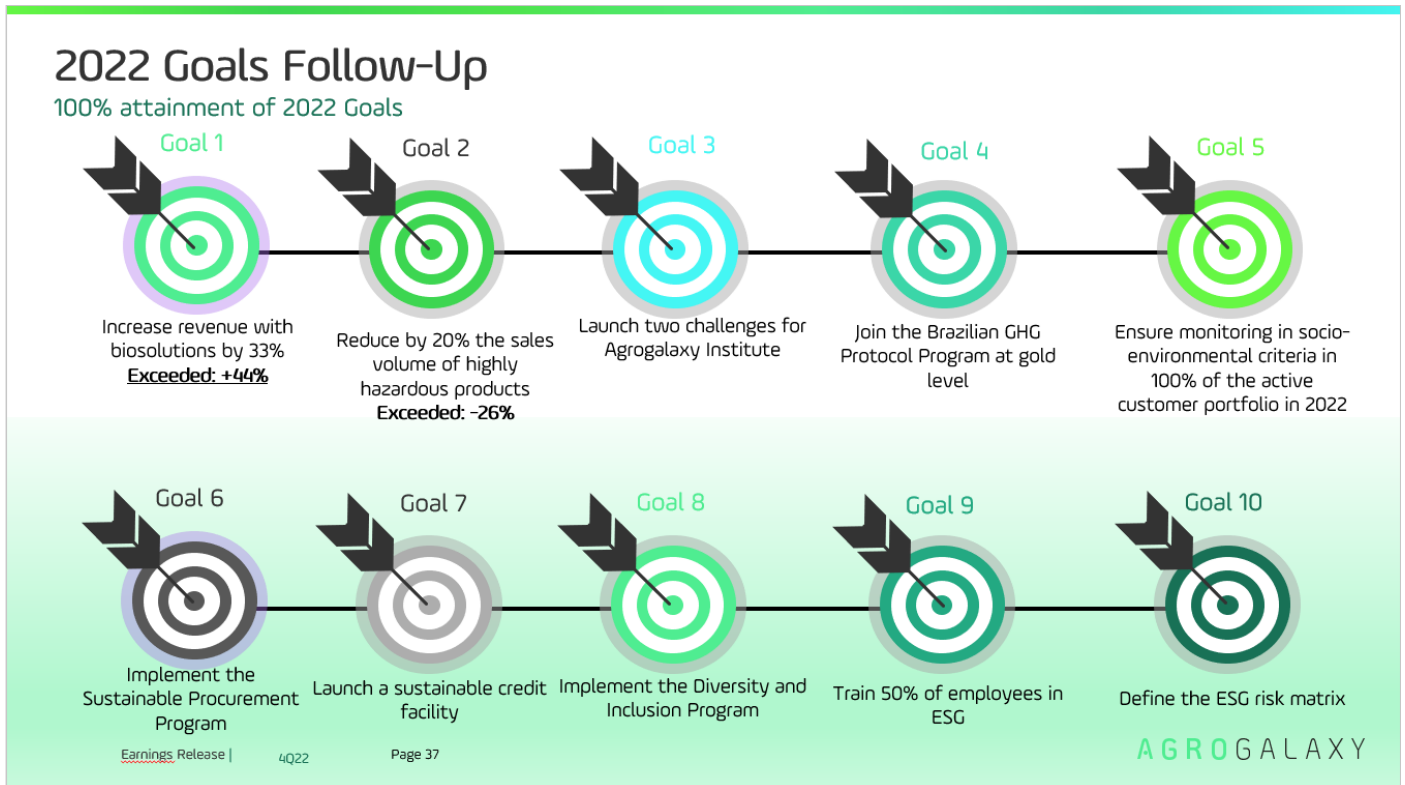
## Organic Expansion Plan 2023

Twenty-nine stores were added in 2022, 18 opened and 11 acquired by M&A (Agrocat). The established goal for open stores reached 124% for 2022, or R\$ 324 million. In 2023, we intend to open between 15 and 20 stores, of which 4 have already opened by March, and 9 have a team generating demand.

## ESG

To achieve 2030 ESG Positioning, AgroGalaxy discloses the evolution of its goals quarterly, related to key commitments and materiality issues and contributions with the ODS. **10 goals were launched in 2022, and AgroGalaxy reached 100% of them**, with the participation of different areas of the Company in its implementation and launching of innovative and very advanced initiatives in the sector, as set out below:





ESG Highlights



CDP is an international non-profit organization based in the United Kingdom, Japan, India, China, Germany, Brazil, and the United States of America that helps companies and cities disclose their environmental impact. In 2022, AgroGalaxy made its first participation in responding to the Climate Change questionnaire, for which it received a B score. It is the third highest score on the CDP scoring scale and two scores above the average of responding companies in the same sector of activity, from South America and globally.

Products banned by OMS, but authorized in Brazil | Goal 2

The Company has undertaken, since 2020, to eliminate by 2025 the sale of products authorized in Brazil but indicated as extremely or highly hazardous, according to the Recommended Classification of Pesticides of the World Health Organization (WHO).

On 2022, the proposal reduction of 20% was overcome, reaching 26%. For 2023, the goal is to advance in these reductions, focusing on seeking alternatives with suppliers for a feasible replacement, providing the necessary scale to banish the product from the sales portfolio completely.

*“Although these are products that are allowed to be sold in Brazil, we understand that the goal of AgroGalaxy goes beyond complying with legislation. The goal of discontinuing products considered extremely or highly hazardous by the WHO demonstrates the company’s commitment to offering its customers the best measures and most sustainable solutions. It fills us with pride to be able to experience sustainability in our daily actions and to be able to contribute, along with other areas, for this goal.”* Izabelli Zina, HSE Manager.

# Earnings Release | 4Q22 and 2022

## GreenGalaxy Program | Goal 7



Aligned with the commitment to offer innovative solutions for AgroGalaxy customers to embark on the journey towards a regenerative agriculture model, the Company structured the GreenGalaxy Program and brought in prominent partners from the financial market to launch a “transition CRA”, with external verification by Nint.

Having JGP as an anchor investor, structuring of VERT Securitizadora, and legal support from Tozzini Freire Advogados, the first issuance of GreenGalaxy, considered a pilot project, took place on December 29, 2022, providing R\$ 17 million in resources for 12 rural producers, AgroGalaxy customers, intended for the acquisition of management measures with more bioinputs (30%) and projects for recovery of degraded areas. The innovative operation is part of the initiative Inovação Financeira para Amazônia, Cerrado e Chaco (IFACC), with the key commitment to eliminate the deforestation of the financed area from January 2020. The producers involved are primarily in the Brazilian Cerrado and produce grain.

*“There is enormous potential to increase productivity in the field without deforesting a single ha through sustainable management. The GreenGalaxy is an innovative instrument that aims to support rural producers who want to make this transition, increasing the use of bioinputs and assuming commitments such as not deforesting or adopting recovery practices for degraded areas and sustainable management”.* Maurício Puliti, CFO and DRI

## Digital

In 2022, AgroGalaxy reached **R\$ 3.1 billion in billing, made possible by digital means** in 2022 (+34% vs. 2021). The year was marked by the **consolidation of the digital strategy**, with a strong presence of the digital team in the field, acting as facilitators and disseminators of knowledge about digital tools, such as the new functionalities of the APP, both for the AgroGalaxy teams in the field and rural producers.

**28 new functionalities were delivered to the APP**, serving more than **8.4 thousand registered producers** with **5.6 million mapped hectares**. APP access **increased by 65%** only in 4Q22 compared to 4Q21.

An important step forward was the vertical consolidation of the digital agriculture services: hiring field and geoprocessing teams and implementing the platform’s integrations and improvements. Thus, **Agrokea** delivers digital agronomic recommendations to 450 producers, totaling **119.4 thousand hectares contracted in the 8 states where the service is distributed**.

Data intelligence is present on all digital fronts and makes it possible to create automated and segmented recommendations by profile, crop period, and by crop, which generate a continuous process of opportunities in on and offline journeys and facilitate the daily work in the field.

## Social Networks

In 2022, AgroGalaxy’s Social Networks reached significant milestones. AgroGalaxy followers on LinkedIn grew 227% from January to December 2022, reaching 53.329 users on the platform. There was a 201% increase in the number of followers on Instagram, getting 11.570 followers in the same period, with more than 2.000 publications on the network with the brand’s hashtags.

In Social Networks, the engagement average is between 1% and 5%, and above 5% is considered very good. AgroGalaxy has engagement on social networks at 6.5%, with LinkedIn, 7.4%, and 5.7% with Instagram. Network data reflects AgroGalaxy’s digital presence as a brand. This scenario is evident with our increase in impressions on Google search results, from 33.120 thousand to 253.044 thousand impressions, an increase of 519% since the beginning of the year, a reflection of the constant work of expanding and creating new channels and points of contact of the brand with the public. On the Universo AgroGalaxy blog, 37.000 users accessed the content generated monthly.

# Earnings Release | 4Q22 and 2022

## Super Agrogalaxy APP

In 2022, AgroGalaxy developed new digital solutions integrated into the APP, allowing the tool to integrate digital agriculture and productivity, both for the producer and the CTV. Highlights: crop development, satellite images, climate information, crop planning, pests, quotations, and news, among others. At the end of 2022, there were 8.400 registered producers.

In 2022, more than 5.000 orders were placed through the APP, and in digital barter, more than 640.000 bags were traded through the tool. There was the automation of credit analysis and 100% digital agricultural insurance, from the price to the monitoring of the contract insurance and the POC of the CTV online store in the APP.

The use of digital tools positively impacted productivity and operational efficiency: the most involved CTV in the use<sup>1</sup> of the APP earned 29% more, and when we look at the very engaged CTV<sup>2</sup>, 98% more.

<sup>1</sup> Most engaged commercial consultant (frequency of use from 1 to 4 times per month) earns 29% more.

<sup>2</sup> Very engaged commercial consultant (frequency of use more than 4 times a month) invoices 98% more.

## Agrokea

The Agrokea vertical consists of precision agronomy services with a specialized team combined with the best recommendation map and satellite image technology. All this is in the palm of your hand through the APP and hosted in the cloud.

The vertical is responsible for soil, leaf, nematode, and geoprocessing activities with internal and external teams and laboratory analysis.

In 2022, many improvements were made to the platform, mainly in developing new data crossings and optimizing geoprocessing routines. This will allow for more agility and scalability in delivering results to the producer.

## Innovation

In July 2022, Agrogalaxy's first Alberta innovation program began – InovaGi in partnership with AgTech Garage. In this challenge, we seek solutions to six business problems: precision agriculture, IOT, artificial intelligence with satellite images, training, Crop ERP, and [news clippings](#).

More than 80 startups were prospected, 20 of which were selected for the Pitch Day, of which we signed contracts with three companies for commercial partnerships starting in 2023.

## Acknowledgment

In August, AgroGalaxy participated in the case Experience “Figital” – Connecting Producers and Agronomists at the Smart Customer event and won the **silver trophy**. This award represents market recognition of the AgroGalaxy customer-centricity strategy, one of the main pillars of the Company's strategy. In this same edition, Agrokea won the **gold trophy** at the 2022 Smart Customer Awards in the Innovation in the Relationship category.

*“The year 2022 was a very intense year for the Digital Transformation of AgroGalaxy, in addition to consolidating the team and bringing a series of innovations. It was the year to consolidate AgroGalaxy's thesis that the transformation would bring engagement, agility, and differential in services in the field. Thus, we created agile routines, which we will continue this year; however, already building the tribes and reinforcing the importance and autonomy of the squads with defined deliveries and even more OKR controls. These dynamics brought a series of functionalities that generated greater engagement of producers in their daily relations with AgroGalaxy and greater agility in on and offline information, both for the producer and the CTV. A consequence was the decrease in churn by a segment of APP and Agrokea user customers and a higher contribution margin in the group of engaged CTVs in the APP and Agrokea. In addition to generating engagement and productivity, we also became a source of revenue, with Agrokea bringing in more than 7 million reais in agronomic services and almost R\$ 1 million in insurance fees.*

*I will continue to pursue advances, improvements, and innovations focused on experience and viability in the field and on consistent and sustainable results in light of the strategy outlined for our company.”*

Maria Pilar Sepulveda, Digital Transformation Officer

# Earnings Release | 4Q22 and 2022

## Exhibit I – DRE, BP, and DFC

### Adjusted Income Statement (In R\$ thousands)

	4Q22	4Q21	%	2022	2021	%
<b>Net revenue for the period</b>	<b>3,405,883</b>	<b>2,517,817</b>	<b>35.3%</b>	<b>11,592,510</b>	<b>6,580,618</b>	<b>76.2%</b>
Input	2,959,480	2,134,044	38.7%	7,671,539	4,411,585	73.9%
Grain	446,403	383,773	16.3%	3,920,971	2,169,033	80.8%
<b>(-) Cost of products sold</b>	<b>-2,763,140</b>	<b>-2,091,370</b>	<b>32.1%</b>	<b>-10,033,806</b>	<b>-5,679,242</b>	<b>76.7%</b>
Input	-2,337,306	-1,715,892	36.2%	-6,175,493	-3,576,229	72.7%
Grain	-425,833	-375,479	13.4%	-3,858,313	-2,103,013	83.5%
<b>Adjusted Gross profit for the year</b>	<b>642,743</b>	<b>426,447</b>	<b>50.7%</b>	<b>1,558,704</b>	<b>901,376</b>	<b>72.9%</b>
% net revenue	18.9%	16.9%	+2.0 p.p.	13.4%	13.7%	-0.3 p.p.
% net revenue - Input	21.0%	19.6%	+1.4 p.p.	19.5%	18.9%	+0.6 p.p.
% net revenue - Grain	4.6%	2.2%	+2,4 p.p.	1.6%	3.0%	-1,4 p.p.
(-) sales expenses	-150,496	-124,336	21.0%	-464,977	-275,481	68.8%
(-) administrative expenses	-148,550	-51,172	190.3%	-403,109	-225,680	78.6%
(-) other operating revenues and expenses	9,013	-5,260	n.m.	13,836	-6,117	n.m.
Depreciation and amortization	-13,389	-19,092	-29.9%	-59,330	-46,358	28.0%
<b>Total expenses (SG&amp;A)</b>	<b>-303,423</b>	<b>-199,859</b>	<b>51.8%</b>	<b>-913,580</b>	<b>-553,635</b>	<b>65.0%</b>
<b>Profit before financial income</b>	<b>339,320</b>	<b>226,588</b>	<b>49.8%</b>	<b>645,124</b>	<b>347,741</b>	<b>85.5%</b>
% net revenue	10.0%	9.0%	+1.0 p.p.	5.6%	5.3%	+0,3 p.p.
(-) Financial result	-139,194	-71,072	95.8%	-581,830	-207,463	180.4%
(-) Income tax and social contribution	-13,251	3,171	-517.9%	-9,353	10,287	-190.9%
<b>(=) Adjusted net result for the period</b>	<b>186,875</b>	<b>158,686</b>	<b>17.8%</b>	<b>53,940</b>	<b>150,564</b>	<b>-64.2%</b>
% net revenue	5.5%	6.3%	-0.8 p.p.	0.5%	2.3%	-1.8 p.p.
(+) Depreciation and amortization (b)	13,389	19,092	-29.9%	59,330	46,358	28.0%
<b>Adjusted EBITDA (a) + (b)</b>	<b>352,710</b>	<b>245,680</b>	<b>43.6%</b>	<b>704,454</b>	<b>394,099</b>	<b>78.8%</b>
% net revenue	10.4%	9.8%	+0.6 p.p.	6.1%	6.0%	+0.1 p.p.

## Earnings Release | 4Q22 and 2022

### Balance Sheet (In R\$ thousands)

Asset	December 31, 2022	December 31, 2021
<b>Current</b>		
Cash and cash equivalents	1,077,875	643,563
Financial investments	101,050	112,398
Accounts receivable	4,660,062	2,640,037
Inventories	1,698,512	1,635,752
Taxes recoverable	148,393	87,988
Derivative financial instruments	61,017	32,402
Advances to suppliers	393,874	226,653
Other receivables	66,819	26,318
<b>Total current assets</b>	<b>8,207,602</b>	<b>5,405,111</b>
<b>Non-current</b>		
Long term assets		-
Financial investments	49,188	48,751
Accounts receivable	78,404	58,379
Marketable securities	47,382	46,351
Taxes recoverable	863	1,122
Derivative financial instruments	5,608	19,948
Judicial Deposits	7,372	1,992
Related party loans	1,810	5,625
Deferred income tax and social contribution	71,891	11,424
Other credits	46,649	15,894
	<b>309,167</b>	<b>209,486</b>
Other investments	4,082	468
PP&E	165,731	129,197
Intangible assets	1,057,356	912,542
Right of use assets	166,555	118,106
<b>Total non-current assets</b>	<b>1,702,891</b>	<b>1,369,799</b>
<b>Total assets</b>	<b>9,910,493</b>	<b>6,774,910</b>

## Earnings Release | 4Q22 and 2022

Liability and Net Equity	December 31, 2022	December 31, 2021
<b>Current</b>		
Suppliers	4,870,220	3,199,417
Loans and financings	1,559,255	1,010,227
Lease liabilities	57,820	35,033
Derivative financial instruments	17,832	2,040
Obligations on credit assignment	180,048	209,957
Social and labor obligations	133,845	83,371
Taxes and contributions payable	14,598	7,872
Advances from customers	288,243	256,656
Acquisition of equity interest payable	9,337	16,157
Payable dividend	6,777	28,105
Other accounts payable	52,695	11,495
<b>Total liability current</b>	<b>7,190,670</b>	<b>4,860,330</b>
<b>Non-current</b>		
Suppliers	9,911	-
Loans and financings	343,378	267,428
Obligations on credit assignment	610,407	77,796
Lease liabilities	99,040	-
Derivative financial instruments	4	-
Provision for contingencies	16,393	-
Acquisition of equity interest payable	44,110	1,555
Taxes and contributions payable	4,507	3,298
Income tax and social contributions deferred	87,080	90,315
Other accounts payable	3,527	-
<b>Total liability non-current</b>	<b>1,218,357</b>	<b>440,392</b>
<b>Total liability</b>	<b>8,409,027</b>	<b>5,300,722</b>
<b>Net equity</b>		
Capital stock	789,221	789,221
Capital reserves	490,944	490,944
Treasury shares	-34,037	-34,037
Valuation Adjustments	19,496	14,525
Profit reserves	219,408	198,091
Equity attributable to controlling shareholders	1,485,032	1,458,744
Equity attributable to non-controlling shareholders	16,434	15,444
<b>Total net equity</b>	<b>1,501,466</b>	<b>1,474,188</b>
<b>Total liability and net equity</b>	<b>9,910,493</b>	<b>6,774,910</b>

# Earnings Release | 4Q22 and 2022

## Cash Flow Statements – Indirect Method (In R\$ thousands)

	2022	2021
<b>Cash flow from operating activities</b>		
Income before income tax and social contribution	(43,553)	138,788
Adjustments to reconcile the result in the period with resources from operating activities:		
Depreciation and amortization (note 27)	108,911	89,356
Amortization of inventory surplus	18,321	4,405
Adjustment at present value	137,209	(32,112)
Appropriation of lease financial charges	30,329	17,830
Result on the sale and write-off of PP&E, net (note 27)	(222)	(1,181)
Provision for inventory losses, net (note 8)	30,991	7,701
Variation at fair value of commodities	106,856	16,127
Variation at fair value of fixed-term contracts	(15,701)	44,610
Derivative losses, net (note 28)	57,874	222
Expenses with interest on loans and financings, net (note 28)	251,407	94,190
Exchange variation on loans and financings	(22,050)	1,826
Share-based payment	5,024	8,944
Provision (reversal) for estimated losses with doubtful accounts, net (note 27)	76,738	46,800
Other		
	<b>742,134</b>	<b>437,506</b>
<b>Decrease (increase) in asset</b>	<b>(2,240,697)</b>	<b>(1,226,498)</b>
Related parties	(2,868)	(3,769)
Accounts receivable	(1,860,915)	(675,486)
Inventories	(143,074)	(404,571)
Advance to suppliers	(124,807)	(148,406)
Taxes recoverable	(45,721)	14,619
Other assets	(63,312)	(8,885)
<b>Increase (decrease) in liabilities</b>	<b>1,578,996</b>	<b>896,289</b>
Related parties	(10,924)	10,179
Trade and other payables	1,507,388	733,971
Taxes recoverable	48,955	(4,061)
Salary and social charges	2,486	32,408
Advance from customers and other liabilities	31,091	123,801
<b>Cash generated from operations</b>	<b>80,434</b>	<b>107,306</b>
Payment of Income Tax and Social Contribution	(9,068)	(5,046)
Payment of interest	(215,472)	(69,644)
<b>Net cash generated by operating activities</b>	<b>(144,106)</b>	<b>32,616</b>
<b>Investment activities</b>		
Additions of PP&E (note 11)	(60,174)	(42,248)
Additions of Intangible Assets (note 12)	(78,538)	(35,003)
Receivables by sale of PP&E	9,353	4,221

## Earnings Release | 4Q22 and 2022

Acquisition of investment incorporated net cash	(152,201)	(1,678)
Investments, net	10,911	(59,901)
Investments in marketable securities, net	(1,031)	4,775
Related Party Transactions.	3,815	(2,125)
<b>Net Cash Used in Investing Activities</b>	<b>(267,865)</b>	<b>(131,959)</b>
<b>Financings activities</b>		
Loans financings funded (note 30.2)	1,712,843	1,316,763
Loans and financing – secured resources (note 30.2)	785,352	209,957
Payment of loans and financings (note 30.2)	(1,287,550)	(1,074,096)
Payment of secured resources (note 30.2)	(267,490)	(269,307)
Payment of lease agreements (note 30.2)	(68,904)	(44,720)
Full payment of capital stock net of the issuance cost	-	303,203
Dividends	(27,968)	-
<b>Net cash from financing activities</b>	<b>846,283</b>	<b>441,800</b>
<b>Effect of Exchange Variation in Cash and Cash equivalents</b>	<b>-</b>	<b>-</b>
<b>Increase (reduction) net of cash and cash equivalents</b>	<b>434,312</b>	<b>342,457</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>643,563</b>	<b>301,106</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>1,077,875</b>	<b>643,563</b>



# Earnings Release | 4Q22 and 2022

## Exhibit II – Reconciliation of EBITDA, Net profit, and Adjusted gross profit

Result of the period (in R\$ thousands)	4Q22	4Q21	Var. %	2022	2021	Var. %
<b>Accounting EBITDA (a) + (b)</b>	<b>292,721</b>	<b>261,945</b>	<b>11.7%</b>	<b>636,710</b>	<b>414,240</b>	<b>53.7%</b>
% net revenue	8.6%	10.4%	-1.8 p.p.	5.5%	6.3%	-0.8 p.p.
(+/-) Fair value - commodities (1)	87,730	-3,199	n.m.	100,525	16,127	523.3%
( - ) CPC 06(R2)/IFRS 16 - properties (2)	-12,690	-10,353	22.6%	-47,352	-32,841	44.2%
(+/-) Operating exchange variation (3)	-19,532	-1,022	1,811.7%	-11,599	-16,692	-30.5%
(+/-) Non-recurring revenue and expenses(4)	4,480	-1,692	n.m.	26,170	13,264	97.3%
<b>Adjusted EBITDA</b>	<b>352,710</b>	<b>245,680</b>	<b>43.6%</b>	<b>704,454</b>	<b>394,098</b>	<b>78.8%</b>
Adjusted EBITDA Margin	10.4%	9.8%	+0.6 p.p.	6.1%	6.0%	+0.1 p.p.

Summary Net profit (in R\$ thousands)	4Q22	4Q21	Var. %	2022	2021	Var. %
<b>Net profit</b>	<b>212,523</b>	<b>117,976</b>	<b>80.1%</b>	<b>28,946</b>	<b>119,397</b>	<b>-75.8%</b>
(+/-) Fair value - commodities	57,794	-6,263	n.m.	64,916	-33,098	n.m.
(-) CPC 06 (R2)/IFRS 16 - properties	3,813	1,347	1,8%	6,003	352	16,1%
(+/-) Unrealized exchange variation	-23,449	8,428	n.m.	-9,739	-4,701	1,1%
( - ) Amortization of the surplus value business combination	-13,097	14,129	n.m.	18,922	25,673	-26.3%
(+/-)Non-recurring revenue and expenses	5,055	-1,692	n.m.	26,745	13,264	101.6%
(+/-) IR/CS – non-recurring and deferred	-55,764	24,761	n.m.	-81,853	29,678	n.m.
<b>Adjusted Net Profit (loss)</b>	<b>186,875</b>	<b>158,686</b>	<b>17.8%</b>	<b>53,940</b>	<b>150,564</b>	<b>-64.2%</b>
% Adjusted Profit Margin	5.5%	6.3%	-0.8 p.p.	0.5%	2.3%	-1.8 p.p.

Summary Growth profit (in R\$ thousands)	4Q22	4Q21	Var. %	2022	2021	Var. %
<b>Net profit for the year</b>	<b>545,431</b>	<b>430,667</b>	<b>26.6%</b>	<b>1,451,479</b>	<b>901,941</b>	<b>60.9%</b>
(+/-) Fair value - commodities and surplus <sup>(1)</sup>	87,730	-3,199	n.m.	100,525	16,127	523.3%
(+/-) Operating exchange variation <sup>(3)</sup>	-19,532	-1,022	1,811.7%	-11,599	-16,692	-30.5%
(+/-) IFRS16 Silos and Other Revenue/Expenses	29,114	-	n.m.	18,300	-	n.m.
<b>Adjusted Gross Margin</b>	<b>642,743</b>	<b>426,447</b>	<b>50.7%</b>	<b>1,558,704</b>	<b>901,376</b>	<b>72.9%</b>
% Adjusted Gross Margin	18.9%	16.9%	+2,0 p.p.	13.4%	13.7%	-0.3 p.p.

<sup>1</sup> Adjusted according to:

- (1) Variation in the fair value of commodities, classified as revenue or operating cost, but without the effective sale or purchase of inventories.
- (2) The impact of CPC06(R2)/IFRS16, which refers to the payments of property leases, which, as of the initial adoption in 2019, are no longer accounted for as operating expenses as lease and are now part of the result through the depreciation/amortization of the right to use and the financial expense of interest appropriated over the term of the contract.
- (3) Exchange variation refers to settled amounts classified in the financial result, originating from operating gain or loss.
- (4) Revenue and/or expenses considered of an unusual or occasional nature related to extemporaneous credit, restructuring consultancy, shared expenses/consulting fee and expenses with M&A/public offering, payment in shares of subsidiaries.

<sup>2</sup> Disregards gains or losses with variation at the fair value of commodities and forward contracts, Unrealized exchange variation (accrual and MTM), amortization of surplus in the business combination, effects of CPC 06/IFRS 16 - properties and the non-recurring expenses and revenues, in addition to the impacts of deferred IR/CS and/or extemporaneous credits.

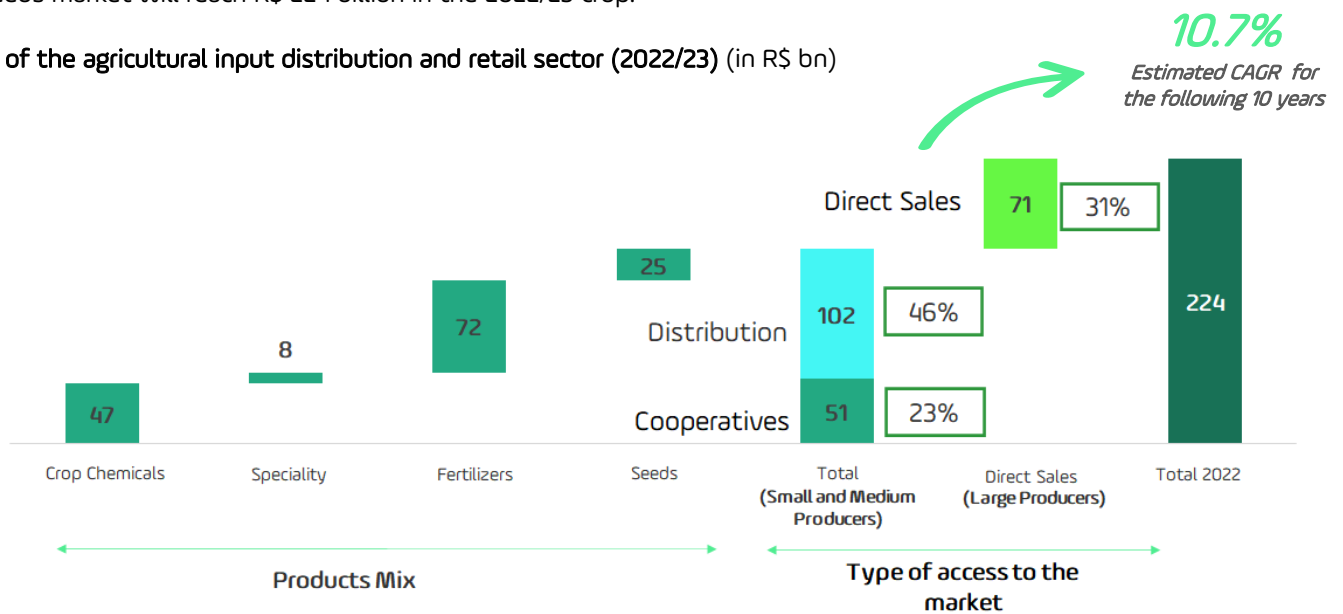
## Exhibit III – Industry and Corporate Profile

### Retail Industry and Agricultural Input

The Company has a robust input retail operation composed of Fertilizers, Crop chemicals, seeds, and 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 the AgroGalaxy Market Intelligence area, the fertilizers, Chemicals, and seeds market will reach R\$ 224 billion in the 2022/23 crop.

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

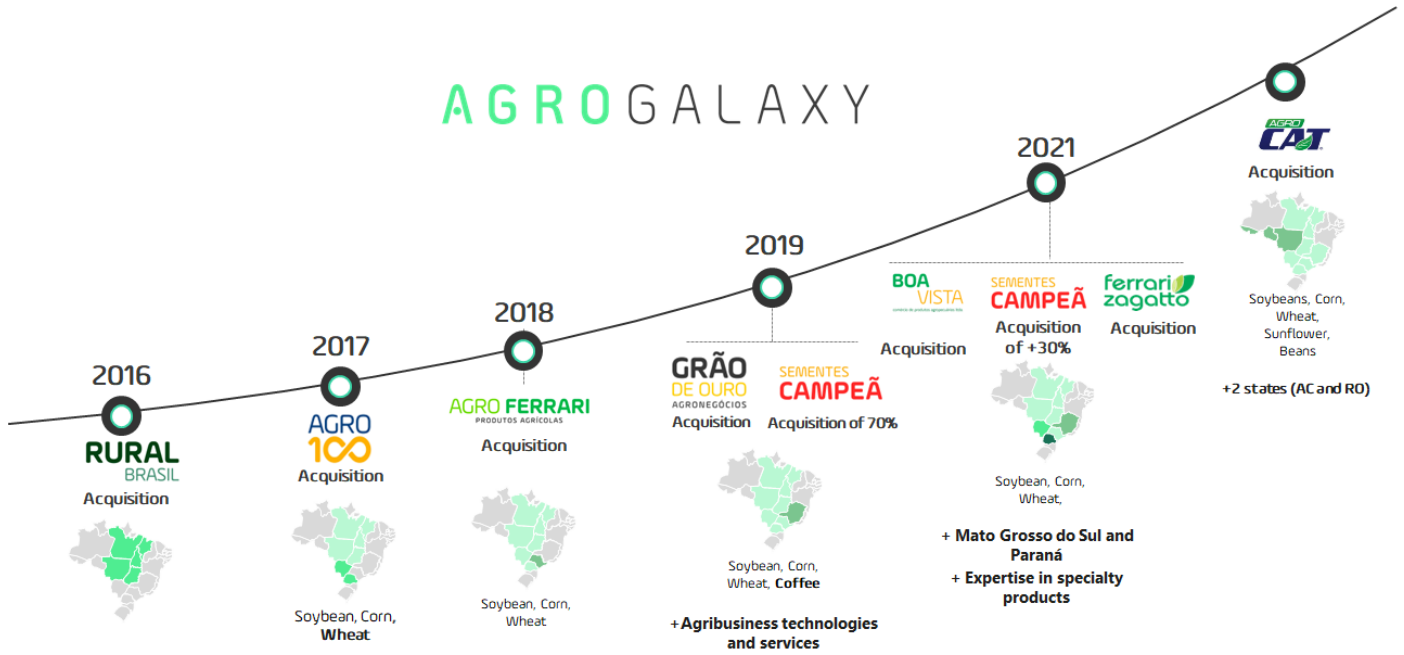


Source: How Consultancy data, based on data from Spark, designed by AgroGalaxy Market Intelligence.

### Profile and History

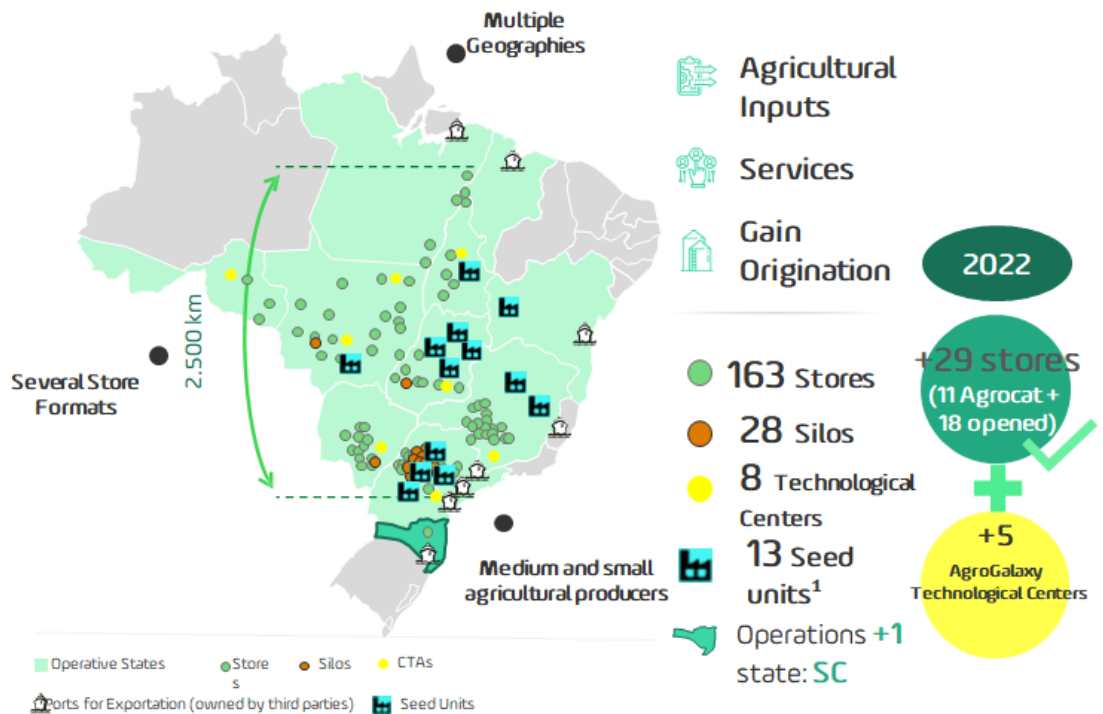
AgroGalaxy is one of the most relevant retail player for agricultural inputs and services aimed at Brazilian agribusiness, operating in the commercialization of farming inputs, seed production, origination, storage, and commercialization of grains, in addition to the provision of agricultural services. 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 to farmers. The timeline below shows the main milestones since the foundation of the Company:

# AGRO GALAXY



Notes: (1) Seeds produced in 8 factories, including 3 company-operated factories and 5 tooling operations.  
 (2) Completion scheduled for January 2022, subject to compliance with conditions precedent

The Company's stores, silos, and seed units are strategically located in 13 Brazilian states, allowing it to reach diverse crops and producers in more than 20 ha covered, also mitigating climate risk inherent to agribusiness. On December 31, 2022, the Company had the following composition:



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

## Exhibit IV – AgroGalaxy Glossary

**Adjustment at present value (AVP)** – Takes into account the terms and rates embedded in sales and purchases on credit. Both in the AVP of Suppliers (CMV Reducer) and Customers (Revenue Reducer), the impact on the Gross Margin occurs at the time of the Sale of the commodity. In the AVP of Suppliers, the Financial Expense is deferred from the moment of purchase until the moment of payment. In the AVP of Customers, Financial Revenue is deferred from the moment of the Sale until the moment of Receipt.

**Barter** – When inputs are sold in installments in exchange for delivery of commodities, mainly soybean and corn when harvesting the crop. The exchange ratio between the amount owed in Reais by the Company's customers and the quantity of soybean and corn bags to be delivered to the Company is defined by the price of the commodity in the market, and the operations are formalized with the customer through Barter contracts.

**CAGR** – Compound Annual Growth Rate is the constant percentage growth rate in each period to reach the final balance in the comparison.

**Churn** – a metric that indicates how much the company lost revenue or customers in a given period.

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

**COGS** – Sold Merchandise Cost, which includes the amount paid for the products that make up the inventory, in addition to expenses with transportation, taxes, and storage, among others.

**CRA** – Agribusiness receivables certificates are fixed-income securities backed by receivables originating from the business between rural producers and third parties, covering financings 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 CRAs and make them available for trading in the capital market, usually with the support of a financial institution. Finally, this securitization company will pay the company for the assigned receivables. In this way, the company will be able to anticipate the receipt of its receivables.

**CTV** – Technical sales consultant, is the field agronomist responsible for assisting the rural producer, including the recommendation and prescription of agricultural inputs (fertilizers, agricultural chemicals, seeds, specialty, etc.), financial and agricultural services, and crop planning, among others.

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

**Crop chemicals** – Among crop chemicals, AgroGalaxy works with fungicides, herbicides, insecticides, oils, and spreaders. Fungicides are one of the most used in the control of fungi in plantations; they act in the prevention, control, and cure of the action of fungi.

The herbicides act in the desiccation of crops for harvest or straw formation and in the control of weeds.

Insecticides act in the prevention and control of insect pests. They are critical because the damage caused is very intense, destroying plant tissue at high speed and, at all stages of crop development, with a sharp drop in production under conditions of inefficient control.

**Digital Enabled** – Transactions made possible through digital means, such as bots via WhatsApp, app, and website.

**EBITDA** – Earnings Before Interests, Taxes, Depreciation, and Amortization, net profit added from expenses with income tax and social contribution, financial result, and depreciation. EBITDA is the indicator closest to generating cash from the Company's operations since it does not consider the impact of the financial result and taxes. Furthermore, AgroGalaxy understands that Adjusted EBITDA represents operating cash generation more closely and, therefore, measures and evaluates operational capacity more assertively. Adjustments to EBITDA disregard: (i) gains or losses with variation at the fair value of commodities, since marking fair value at the end of each year does not affect cash and does not represent the result of purchase and sale; (ii) exchange variation of hedging operations carried out to protect revenue or the cost of products; (iii) consideration paid for property lease (CPC 06(R2)/IFRS16) and unusual revenues and/or expenses (such for example, extemporaneous credit, restructuring consulting, shared expenses, consulting fees and M&A expenses, public offering, share-based payment of subsidiary); (iv) non-recurring items and; (v) items that do not impact cash, in which the Adjusted EBITDA Margin is calculated as the ratio of Adjusted EBITDA to operating revenue.

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**ERP** – Enterprise Resource Planning is a management system that allows easy, integrated, and reliable access to a company's data. From the information collected by the software, it is possible to make in-depth diagnoses about the necessary measures to reduce costs and increase productivity.

**ESG** – Environmental, Social, and Corporate Governance, refers to the three core factors in measuring an investment's sustainability and social impact in a company or business.

**Financial leverage (measured by Net Debt/EBITDA)** –Leverage is a technique used to multiply profitability through indebtedness. Our indebtedness level may adversely affect our ability to refinance our existing debt or obtain additional funds for our operations, thus limiting our ability to react to changes in the economy or agribusiness sector and preventing us from meeting our obligations under our debt instruments.

**Foreign Exchange Swap** – The swap is a derivative that serves to exchange positions – and indexes according to the evaluation and interest of the investor for the operation. The foreign exchange swap is one of the types of swap and is characterized, therefore, by the exchange of exchange variation for other financial market indexes.

**Specialty** – Agrogalaxy carries out the specialty sale, whose production process is outsourced to trusted Company partners. One of the specialties of the soybean crop is products that promote total coverage of Copper (Cu), Sulfur (S), and Phosphorus (P) particles in the leaf area of the plant. Synergic action between the three elements (Copper, Sulfur, and Phosphorus). It 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 the corn crop, we have a natural organic-mineral fertilizer formulated from the fermentation of special yeasts.

**KPI** – means Key Performance Indicator and are measurable quantitative indicators or values that can be compared and monitored to verify the performance of some process or strategy.

**LTM** – Last Twelve Months, values accumulated in the last twelve months. The LTM is also known as the previous 12 months.

**Growth Profit and Gross Margin** – It is the difference between a company's revenue concerning its variable costs, the adjusted growth profit: it disregards the gains or losses with variation at the fair value of commodities and considers the gains or losses with exchange variation adjusted in the EBITDA for margin calculation purposes. Gross margin is the difference between growth profit and net revenue.

**Martech** –companies that combine marketing and technology in their scope of work.

**M&A (Merger & Acquisitions)** – Through M&A operations, it is 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 shown its proven ability to deliver organic growth combined with expansion via M&A, with a rapid process of professionalization of family businesses. We were formed by acquiring companies that were leaders in their regions and, most notably, two specific companies. One of these companies operated in the Cerrado region of Brazil, having grown organically and consolidated its presence in the Center-West region. The other company operates in Brazil's South and Southeast regions, having grown organically and significantly through acquisitions to strengthen its presence in key regions. We also entered into merger and acquisition transactions to implement our strategy of verticalization of the production of soybean seeds.

**Net Debt** – Net Debt, considered loans and financings, deducted from cash and cash equivalents and investments, as well as obligations with securitized securities CRA – Agribusiness Receivables Certificates – which are classified as debt in Liability current and refer to operations of customer securities placed on the market to finance the rural producer. Just as there is a liability obligation upon the issuance of CRA securities, the Company acquired marketable securities, classified as the non-current asset, as subordinated quotas that will support possible unpaid guarantees of the obligation registered in liability. In this way, the two ends are demonstrated: asset and liabilities and lease liabilities of vehicles and other (machines).

**NDF** –Non-Deliverable Forward is a currency forward contract traded in the over-the-counter market, which aims to establish, in advance, an exchange rate at a future date. On the maturity date, settlement is given by the difference between the contracted forward rate and the market rate defined as a reference.

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**NDVI (Normalize Difference Vegetation Index)** - It is a vegetation status index and indicates primary production (chlorophyll production) and local humidity by means of a numerical indicator obtained by remote sensing.

**Grain Origination** - Origination is the soybean and corn collection and sale service provided to producers. The main purpose of the grain origination system is to optimize demand during the new crop cycle through administration; the main operations supported by origination are:

- Purchase;
- Sale;
- Storage; and
- Logistics.

Therefore, the origination process serves different stages of agricultural management, from planting and harvesting the crop to inventory and storage. Our sales are approximately 30% in barter. The rest of the grain volume comprises pure origination, crop receipt, and purchase of lots in the available market.

**PDD or PCLD** - Provision for Doubtful Accounts (PDD), or Provision for Settlement of Doubtful Accounts (PCLD) refers to a cash reserve made by the company focusing on cases of default. Thus the greater the risk of the customer not paying what it owes, the greater the amount saved by the company through the PDD. Agrogalaxy has a schedule of terms for overdue and maturing securities; thus, accounts receivable from customers are written off when there is no reasonable expectation of recovery. Indications that there is no reasonable expectation of recovery include, among others: the inability of the debtor to participate in a plan to renegotiate its debt with the Company or to make contractual payments on debts overdue for more than 180 days.

**POC** - *Proof of Concept*, which represents the documented evidence that a software can be successful.

**Polo area and side-by-side** - Both are test plots in farmer-customer fields. The polo area differs in that it is a complete management test, while the side-by-side areas are tests of single products.

**PSA** - Payments for environmental services.

**ROIC** - It is the return on invested capital. That is, Agrogalaxy informs what profitability the company can generate due to all invested capital, both own (net equity) and third parties (net debt).

**Off-Season Crop** - Off-Season Crop and/or Winter Crop 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 in the income statement.

**SSS** - Sales in the same stores is a metric that measures the percentage variation of stores with 2 years or more; that is, it measures the performance of the mature stores of the portfolio.

**UX** - Refers to user experience, that is, how a user evaluates the relationship and usability of a product or service.

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