



**CerradinhoBio**

Parent company and consolidated interim financial  
statements at June 30, 2023 and report on review





## **Management Report**

### **Interim financial statements at June 30, 2023**

Cerradinho Bioenergia S.A. ("CerradinhoBio" or the "Company") was incorporated on September 18, 2006 and is headquartered in the municipality of Chapadão do Céu, in the State of Goiás. It is owned by Cerradinho Participações S.A. ("Parent company"). The Group includes CerradinhoBio, which operates in the biofuels and bioelectricity sector, and Neomille S.A. ("Neomille" or "Subsidiary"), a wholly-owned subsidiary operating in the corn ethanol and by-products sector (the "Group").

#### **Cerradinho Bioenergia S.A.**

The Company's main activity is the production and sale of hydrated fuel ethanol from sugarcane, its by-products, import and export activities, and the generation and sale of electricity. Sugarcane is cultivated on third-party land, through lease and agricultural partnership agreements, for use as a raw material in its production process.

CerradinhoBio became operational on June 26, 2009, producing ethanol and generating energy for the Brazilian market.

#### **Neomille S.A.**

Neomille became operational in November 2019 producing ethanol from corn and animal feed products. Being located adjacent to the CerradinhoBio complex, it provides proximity for the origination of raw material (corn) and product flow (ethanol).

These individual parent company and consolidated interim financial statements for the three-month period beginning on April 1, 2023 and ending on June 30, 2023 were prepared in accordance with the Technical Pronouncement CPC 21 (R1) - Interim Financial Reporting and with the International Accounting Standard IAS 34 - Interim Financial Reporting, as issued by the International Accounting Standards Board (IASB), and presented in accordance with the standards issued by the Brazilian Securities Commission (CVM). They are supplemented by the Management Report and accompanied by the Independent Auditor's Review Report.



## OPERATING DATA

The first quarter of the 2023/24 harvest (1Q23/24) closed with a crushing of 1.6 million metric tons of sugarcane by CerradinhoBio, 9.0% lower than that recorded in the same period of the previous harvest. The corn grinding volume of 205 thousand metric tons crushed in the period was 36% higher than that in the same period of the previous harvest (1Q22/23).

A total of 182 thousand m<sup>3</sup> of ethanol were produced, a volume 13% lower compared to the previous harvest.

As a result of the higher corn grinding volume, the total production of ethanol, which includes anhydrous ethanol, increased by 29% compared to the same period of the previous harvest, totaling 86 thousand m<sup>3</sup>. In addition, the production of DDG increased by 35% and oil by 57%; these are used as ingredients for animal nutrition products.

As to electricity generation, 130 GWh was produced and transferred to the grid, including the equivalent of 38.6 GWh (steam and electricity) used by the corn plant, a volume 13% higher than the same period of the previous harvest.

During 1Q23/24, 284 thousand CBIOS (Decarbonization Credits) were sold, and at June 30, 2023 the Company and its Subsidiary held 227 thousand CBIOS issued and not yet traded.

OPERATING DATA	1Q 23/24	1Q 22/23	VAR. %
Total sugarcane grinding (thousand metric tons)	1.645	1.805	(9%)
% Own sugarcane	33%	42%	(9p.p.)
Corn grinding (thousand metric tons)	205	151	36%
Agricultural Productivity	98,1	93,11	5%
ATR (kg/t)	128,1	125,4	2%
ATR (kg/ha)	12.560	11.675	8%
Total ethanol production (thousand m <sup>3</sup> )	225	212	6%
DDG production (thousand metric tons)	55	40	35%
Oil production (thousand metric tons)	2,7	1,7	57%
Energy export (GWh)	130	114	13%
Sale of CBIOS (thousand)	284	166	71%

*\*Does not consider sales of own sugarcane made to third parties for the periods.*



## FINANCIAL DATA

FINANCIAL DATA	1Q 23/24	1Q 22/23	VAR. %
Revenue (R\$ thousand)	649.842	733.192	(11%)
Sugarcane ethanol	327.493	431.062	(24%)
Corn ethanol	184.580	183.204	1%
Electric power	29.563	31.426	(6%)
DDG + Oil	73.390	68.696	7%
CBIOs	23.788	17.501	36%
Other	11.027	2.175	407%
Consolidated Adjusted EBITDA (R\$ thousand)	110.578	307.910	(64%)
<i>Adjusted EBITDA Margin (R\$ thousand)</i>	<i>17%</i>	<i>42%</i>	<i>(25p.p.)</i>
Profit (loss) (R\$ thousand)	(11.288)	137.475	(108%)

When comparing the quarters, the Group's consolidated net revenue decreased by 11%, totaling R\$ 649.8 million. The reduction in net revenue mainly reflects the lower average prices for ethanol and the lower volume sold in the period.

The Group presents its EBITDA in accordance with CVM Resolution 156; its Adjusted EBITDA excludes the non-cash and non-recurring impacts from the adoption of IFRS 16, fair value of biological assets, amortization of crop treatments of harvested biological assets and amortization of inter-crop expenses, and is presented as a proxy for its operating cash generation. Consolidated Adjusted EBITDA was R\$ 110.6 million in the first three months of the 2023/24 harvest, 64% lower than in the same period of the previous harvest, with a margin of 17%, reconciled as below:



BREAKDOWN OF EBITDA (in R\$ thousand)	1Q 23/24	1Q 22/23	VAR. %
<b>Adjusted EBITDA</b>	<b>110.578</b>	<b>307.910</b>	<b>(64%)</b>
<i>Adjusted EBITDA margin</i>	<i>17%</i>	<i>42%</i>	<i>(25p.p.)</i>
Reversal of agrarian contracts (Non-cash effect of IFRS 16)	22.060	22.274	(1%)
Non-recurring income (expenses)	0	0	n.a.
Biological assets	(4.815)	(18.922)	(75%)
Amortization of crop treatment (includes harvested biological assets)	(37.906)	(24.649)	54%
Amortization of inter-crop expenses	(21.992)	(16.310)	35%
<b>EBITDA</b>	<b>67.925</b>	<b>270.304</b>	<b>(75%)</b>
<i>EBITDA Margin</i>	<i>10%</i>	<i>37%</i>	<i>(26p.p.)</i>
(-) Depreciation and amortization	(62.259)	(52.588)	18%
(-) Net finance costs	(58.162)	(56.207)	3%
<b>(=) Profit (Loss) before income tax and social contribution</b>	<b>(52.496)</b>	<b>161.509</b>	<b>(133%)</b>

Net debt was virtually unchanged. Adjusted working capital fell by 25%. The debt leverage ratio, measured by net debt/EBITDA, increased by 33%, to 2.59x

FINANCIAL DATA	jun/23	mar/23	VAR. %
Net Debt (R\$ thousand)	1.555.034	1.558.777	(0%)
Adjusted Working Capital (x)	2,20	2,93	(25%)
LTM Leverage (x)	2,59	1,95	33%





The Consolidated Adjusted Working Capital ratio, which excludes the effects of CPC 06 (R2), was 2.20x in June 2023, 25% lower than in March 2023.

BREAKDOWN OF WORKING CAPITAL (in R\$ thousand)	jun/23	mar/23	VAR. %
Current assets	2.008.892	2.216.387	(9%)
Current liabilities	1.070.823	907.879	18%
Accounting Working Capital	1,88	2,44	(23%)
(-) Leases receivable - Current	(9.574)	(9.822)	(3%)
(-) Leases payable - Current	(50.803)	(40.998)	24%
(-) Agricultural partnerships payable - Current	(113.112)	(114.025)	(1%)
Adjusted Working Capital	2,20	2,93	(25%)



## INVESTMENTS

As shown below, the Group's consolidated CAPEX in the first quarter of 2023 increase by 50% compared to the same period of the previous harvest.

CAPEX COMPOSITION (in R\$ thousand) - Consolidated	1Q 23/24	1Q 22/23	VAR. %
<b>Maintenance</b>			
Planting - Renovation	13.864	21.177	(35%)
Inter-crop maintenance (Industrial/Agricultural)	318	382	(17%)
Crop treatments	31.450	34.909	(10%)
<b>Total</b>	<b>45.632</b>	<b>56.468</b>	<b>(19%)</b>
<b>Operational improvements</b>			
Equipment/ Replacements	2.873	3.203	(10%)
Environmental/Legal	117	0	n.a.
<b>Total</b>	<b>2.990</b>	<b>3.203</b>	<b>(7%)</b>
<b>Modernization/Expansion</b>			
Planting - Expansion / Biological Assets	9.330	7.283	28%
Eucalyptus	15.406	9.121	69%
Projects (Industrial/Agricultural)	220.526	120.362	83%
<b>Total</b>	<b>245.261</b>	<b>136.765</b>	<b>79%</b>
<b>Grand Total</b>	<b>293.882</b>	<b>196.437</b>	<b>50%</b>

As shown below, the Company's consolidated CAPEX in the first quarter of 2023/24 harvest increased by 50% compared to the same period of the previous harvest, explained mainly by expansion investments.

Maintenance expense fell by 19% between the quarters basically due to a lower volume of sugarcane field renovation.

Modernization/Expansion expense increased mainly due to:

- a) Sugarcane business: construction of a fertilizer plant (R\$ 1.0 million in 1Q 23/24 harvest and R\$ 32.5 million in YTD) in addition to sugarcane and eucalyptus planting; and

Corn business: the Greenfield project (R\$ 181.0 in 1Q 23/24 harvest and R\$ 738.0 million in YTD): construction of a new corn ethanol plant in Mato Grosso do Sul, with a corn milling capacity of 600 thousand metric tons per harvest and completion estimated for the second half of 2023.



## SHAREHOLDERS' REMUNERATION

The Company distributes an annual mandatory minimum dividend of 25% of net profit (harvest year), after legal adjustments (Article 30 of the Bylaws) excluding the gain with ICMS Tax Incentives reflected in profit or loss. As an alternative to proposing dividends, Management may distribute interest on capital which will also be considered for purposes of mandatory minimum dividend, pursuant to Article 9 of Law 9,249/1995, as amended, and regulatory standards. Management has proposed that the remaining balance of profits be allocated to the retention reserve, being available for resolution at the General Meeting.

In the quarter ended June 30, 2023, no resolution had been passed on the distribution of interim dividends or interest on capital.





## RELATIONSHIP WITH INDEPENDENT AUDITORS

Pursuant to CVM Instruction 381/03, we inform that the Company's financial statements are audited by PricewaterhouseCoopers Auditores Independentes Ltda. (PwC), which was also contracted to audit the annual financial statements. When contracting non-audit services from the independent auditor, management assesses whether a possible conflict of interest may arise, as directed by the following premises: the auditors should not (i) audit their own work; (ii) exercise managerial functions for their client or (iii) promote their client's interests.

In the period ended June 30, 2023, PwC and its related firms were not contracted for consulting or non-audit services.

The Company's management and our independent auditors believe that their independence is not impaired, and there is no evidence of conflicts of interest that could prejudice their activities as independent auditors of the Company.



## **Report on review of parent company and consolidated interim financial statements**

To the Board of Directors and Shareholders  
Cerradinho Bioenergia S.A.

### **Introduction**

We have reviewed the accompanying interim balance sheet of Cerradinho Bioenergia S.A. ("Company") as at June 30, 2023 and the related statements of income, comprehensive income, changes in equity and cash flows for the three-month period then ended, as well as the accompanying consolidated interim balance sheet of Cerradinho Bioenergia S.A. and its subsidiary ("Consolidated") as at June 30, 2023 and the related consolidated statements of income, comprehensive income, changes in equity and cash flows for the three-month period then ended, and notes, comprising significant accounting policies and other explanatory information.

Management is responsible for the preparation and fair presentation of these parent company and consolidated interim financial statements in accordance with the accounting standard CPC 21 - "Interim Financial Reporting", of the Brazilian Accounting Pronouncements Committee (CPC), and International Accounting Standard (IAS) 34 - "Interim Financial Reporting", of the International Accounting Standards Board (IASB). Our responsibility is to express a conclusion on these interim financial statements based on our review.

### **Scope of review**

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

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company and consolidated interim financial statements referred to above do not present fairly, in all material respects, the financial position of Cerradinho Bioenergia S.A. and of Cerradinho



Cerradinho Bioenergia S.A.

Bioenergia S.A. and its subsidiary as at June 30, 2023, and the parent company financial performance and its cash flows for the three-month period then ended, as well as the consolidated financial performance and the consolidated cash flows for the three-month period then ended, in accordance with CPC 21 and IAS 34.

### **Other matters**

#### **Statements of value added**

The interim financial statements referred to above include the parent company and consolidated statements of value added for the three-month period ended June 30, 2023. These statements are the responsibility of the Company's management and are presented as supplementary information. These statements have been subjected to review procedures performed together with the review of the interim financial statements for the purpose of concluding whether they are reconciled with the interim financial statements and accounting records, as applicable, and if their form and content are in accordance with the criteria defined in the accounting standard CPC 09 - "Statement of Value Added". Based on our review, nothing has come to our attention that causes us to believe that these statements of value added have not been properly prepared, in all material respects, in accordance with the criteria established in this accounting standard, and that they are consistent with the parent company and consolidated interim financial statements taken as a whole.

Ribeirão Preto, August 14, 2023

A handwritten signature in black ink, appearing to read "Rodrigo de Camargo", written over the printed name.

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

DocuSigned by:  
Signed By: RODRIGO DE CAMARGO:15840851850  
CPF: 15840851850  
Signing Time: 10 September 2023 | 17:52 BRT

ICP-Brasil logo, a green circular emblem with a white 'B' and the text "ICP-Brasil" and "GOVERNOS E CIDADÃOS".  
Rodrigo de Camargo  
Contador CRC 1SP219767/O-1





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Cerradinho Bioenergia S.A.

Balance sheet  
All amounts in thousands of reais

Assets	Note	Parent company		Consolidated		Liabilities and equity	Note	Parent company		Consolidated	
		June 30, 2023	March 31, 2023	June 30, 2023	March 31, 2023			June 30, 2023	March 31, 2023	June 30, 2023	March 31, 2023
Current assets						Current liabilities					
Cash and cash equivalents	5	800.454	785.282	1.144.919	1.219.772	Trade payables	17	156.209	90.710	255.179	160.415
Financial investments		4.199	3.605	8.332	3.605	Lease liabilities	18	49.366	39.581	50.803	40.998
Derivative financial instruments	9	3.474	6.809	3.474	6.809	Agricultural partnerships payable	18	105.934	106.920	113.112	114.025
Trade receivables	6	27.952	13.162	71.150	55.699	Borrowings	19	109.303	103.807	237.477	220.479
Inventories	8	140.392	113.532	348.595	511.801	Debentures	20	150.185	145.201	231.728	163.406
Lease receivables	10	9.574	9.822	9.574	9.822	Derivative financial instruments	9	30.035	29.475	93.562	96.145
Biological assets	11	177.211	202.642	177.211	202.642	Salaries and payroll charges		34.910	34.293	43.307	41.262
Taxes recoverable	12	31.356	42.050	183.606	179.874	Taxes payable		8.702	5.557	15.372	14.159
Interest on capital and dividends receivable	7	-	25.814	-	-	Interest on capital and dividends payable	7 / 23 (c)	-	26.728	-	26.728
Other receivables		19.159	9.430	60.876	25.184	Provision for contingencies	22	15.576	15.859	19.122	18.749
						Other payables		9.679	10.407	11.161	11.513
		1.213.771	1.212.148	2.007.737	2.215.208	Total current liabilities		669.899	608.538	1.070.823	907.879
Non-current assets held for sale		1.155	1.179	1.155	1.179	Non-current liabilities					
Total current assets		1.214.926	1.213.327	2.008.892	2.216.387	Lease liabilities	18	120.501	102.272	128.313	110.010
Non-current assets						Agricultural partnerships payable	18	302.874	315.700	361.875	375.532
Long-term receivables						Borrowings	19	295.699	306.770	688.291	697.966
Financial investments		14.590	14.742	14.590	14.742	Debentures	20	554.141	588.942	1.697.490	1.778.162
Derivative financial instruments	9	98.184	74.976	222.199	152.464	Derivative financial instruments	9	-	11	-	11
Lease receivables	10	16.168	16.452	16.168	16.452	Salaries and payroll charges		7.402	12.888	8.943	14.979
Biological assets	11	19.371	19.108	48.627	41.368	Taxes payable	21	85.042	80.370	90.887	86.578
Taxes recoverable	12	5.228	5.168	99.672	94.312	Provision for contingencies	22	2.926	1.934	9.681	8.678
Judicial deposits		4.221	4.893	19.714	16.500	Total non-current liabilities		1.368.585	1.408.887	2.985.480	3.071.916
Deferred income tax and social contribution	13	86.524	65.283	155.488	132.554	Total liabilities		2.038.484	2.017.425	4.056.303	3.979.795
Other receivables		29	31	25.949	22.727						
		244.315	200.653	602.407	491.119	Equity	23				
Investment in subsidiary	14	566.031	548.262	-	-	Share capital		472.588	472.588	472.588	472.588
Property, plant and equipment	15	874.200	900.768	2.231.162	2.042.588	Carrying value adjustments		24.724	(10.747)	24.724	(10.747)
Right-of-use assets	16	491.127	482.183	565.455	556.927	Revenue reserves		855.656	866.944	855.656	866.944
Intangible assets		853	1.017	1.355	1.559	Total equity		1.352.968	1.328.785	1.352.968	1.328.785
Total non-current assets		2.176.526	2.132.883	3.400.379	3.092.193	Total liabilities and equity		3.391.452	3.346.210	5.409.271	5.308.580
Total assets		3.391.452	3.346.210	5.409.271	5.308.580						

The accompanying notes are an integral part of these interim financial statements.

# Cerradinho Bioenergia S.A.

## Statement of income

### Quarters ended June 30, 2023 and 2022

All amounts in thousands of reais unless otherwise stated

	Note	Parent company		Consolidated	
		June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
			(Restated - Note 2.2)		(Restated - Note 2.2)
Revenue from contracts with customers	25	396.598	487.800	649.842	733.192
Cost of sales and services	26	(366.005)	(306.945)	(587.883)	(454.626)
Changes in fair value of biological assets	11	(4.815)	(18.922)	(4.815)	(18.922)
<b>Gross profit</b>		<b>25.778</b>	<b>161.933</b>	<b>57.144</b>	<b>259.644</b>
Selling expenses	26	(19.721)	(19.083)	(33.795)	(30.749)
General and administrative expenses	26	(13.123)	(8.106)	(18.594)	(10.528)
Other income (expenses), net		(340)	(1.462)	912	(651)
Equity in the earnings (loss) of subsidiaries	14	(2.235)	46.968	-	-
<b>Operating income (expenses)</b>		<b>(35.419)</b>	<b>18.317</b>	<b>(51.477)</b>	<b>(41.928)</b>
<b>Profit (loss) before finance result</b>		<b>(9.641)</b>	<b>180.250</b>	<b>5.667</b>	<b>217.716</b>
Finance costs	27	(71.055)	(53.006)	(154.173)	(142.075)
Finance income	27	40.197	24.590	96.011	85.868
<b>Finance result</b>		<b>(30.858)</b>	<b>(28.416)</b>	<b>(58.162)</b>	<b>(56.207)</b>
<b>Profit (loss) before income tax and social contribution</b>		<b>(40.499)</b>	<b>151.834</b>	<b>(52.495)</b>	<b>161.509</b>
Income tax and social contribution					
Current	13	-	(15.058)	-	(23.292)
Deferred	13	29.211	699	41.207	(742)
<b>Profit (loss) for the period</b>		<b>(11.288)</b>	<b>137.475</b>	<b>(11.288)</b>	<b>137.475</b>
<b>Basic and diluted earnings (loss) per share (in reais)</b>	23 (b)			<b>(0,0246)</b>	<b>0,3000</b>

The accompanying notes are an integral part of these interim financial statements.



**Cerradinho Bioenergia S.A.**  
**Statement of comprehensive income**  
**Quarters ended June 30, 2023 and 2022**  
**All amounts in thousands of reais**

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Parent company and consolidated	Note	June 30, 2023	June 30, 2022
			(Restated - Note 2.2)
Profit (loss) for the period		(11.288)	137.475
Other comprehensive income			
Items that will be reclassified to profit or loss:			
Hedge accounting, net of tax effects	23 (e)	<u>35.471</u>	<u>(18.077)</u>
Total comprehensive income for the period		<u><u>24.183</u></u>	<u><u>119.398</u></u>

The accompanying notes are an integral part of these interim financial statements.

Cerradinho Bioenergia S.A.

Statement of changes in equity  
Quarters ended June 30, 2023 and 2022  
All amounts in thousands of reais

				Revenue reserves			Retained earnings (accumulated deficit)	Total
	Note	Share capital	Carrying value adjustments	Legal	Tax incentives reserve	Retention reserve		
At March 31, 2022		472.588	-	58.691	349.152	247.737	-	1.128.168
Comprehensive income for the period								
Profit for the period (restated - Note 2.2)		-	-	-	-	-	137.475	137.475
Gains (losses) on derivatives - Hedge accounting (restated - Note 2.2)	23 (e)	-	(18.077)	-	-	-	-	(18.077)
Total comprehensive income for the period (restated - Note 2.2)		-	(18.077)	-	-	-	137.475	119.398
Contributions by and distributions to owners of the Parent company								
Interest on capital	23 (c)	-	-	-	-	-	(23.039)	(23.039)
Appropriation to reserves	23 (d)	-	-	-	32.963	-	(32.963)	-
Total contributions by and distributions to owners of the Parent company		-	-	-	32.963	-	(56.002)	(23.039)
At June 30, 2022 (restated - Note 2.2)		472.588	(18.077)	58.691	382.115	247.737	81.473	1.224.527
At March 31, 2023		472.588	(10.747)	70.831	472.893	323.220	-	1.328.785
Comprehensive income for the period								
Loss for the period		-	-	-	-	-	(11.288)	(11.288)
Gains (losses) on derivatives - Hedge accounting	23 (e)	-	35.471	-	-	-	-	35.471
Total comprehensive income for the period		-	35.471	-	-	-	(11.288)	24.183
Contributions by and distributions to owners of the Parent company								
Appropriation to reserves	23 (d)	-	-	-	19.990	(19.990)	-	-
Loss absorption	23 (d)	-	-	-	-	(11.288)	11.288	-
Total contributions by and distributions to owners of the Parent company		-	-	-	19.990	(31.278)	11.288	-
At June 30, 2023		472.588	24.724	70.831	492.883	291.942	-	1.352.968

The accompanying notes are an integral part of these interim financial statements.

# Cerradinho Bioenergia S.A.

## Statement of cash flows Quarters ended June 30, 2023 and 2022 All amounts in thousands of reais

	Note	Parent company		Consolidated	
		June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
			(Restated - Note 2.2)		(Restated - Note 2.2)
<b>Cash flows from operating activities</b>					
Profit before income tax and social contribution		(40.499)	151.834	(52.495)	161.509
Adjustments for:					
Changes in fair value of biological assets	11.2 / 26	4.815	18.922	4.815	18.922
Changes in fair value of agricultural products		(803)	(2.855)	(803)	(2.855)
Amortization of crop treatment (includes harvested biological assets)	26	37.906	24.649	37.906	24.649
Provision for payment of surety		628	803	891	910
Depreciation and amortization	26	77.696	65.900	84.251	68.898
Loss (gain) on property, plant and equipment disposals	29 (a)	(946)	(85)	(946)	(85)
Derivative financial instruments	29 (c)	(292)	(6.670)	6.172	2.229
Interest and indexation accruals of borrowings, debentures and financial investments, net	29 (c)	32.656	27.002	63.764	54.770
Adjustment to present value - leases and agricultural partnerships payable and receivable	28 / 29 (c)	15.547	15.193	17.099	20.285
Interest and indexation accruals of judicial deposits		(14)	(95)	(16)	(202)
Provision for bonus to employees (ILP and PPAR)		533	3.471	1.216	3.699
Provision for contingencies	22	4.957	1.485	5.653	1.421
Provision for obsolescence	8	1.373	(22)	1.373	(22)
Recognition of credits - PIS/COFINS/Presumed IPI		-	-	(569)	-
Equity in the earnings of subsidiaries	14	2.235	(46.968)	-	-
Adjustment to net realizable value of inventories	26	6.912	-	(4.987)	-
		142.704	252.564	163.324	354.128
Decrease (increase) in operating assets:					
Trade receivables		(14.790)	4.296	(12.945)	16.824
Advances to suppliers		-	-	(25.918)	-
Inventories		(8.555)	(54.150)	194.863	(21.399)
Biological assets		(31.781)	(34.992)	(31.781)	(34.992)
Taxes recoverable		10.634	(1.555)	(8.523)	(3.608)
Judicial deposits		686	934	(3.198)	1.403
Other receivables		(9.726)	(3.795)	(11.823)	(39.175)
Increase (decrease) in operating liabilities:					
Trade payables		65.499	76.300	92.257	129.849
Salaries and payroll charges		(5.402)	(8.679)	(5.207)	(9.093)
Taxes payable		7.817	4.957	5.522	(1.449)
Payment of contingencies		(4.248)	(1.836)	(4.277)	(2.440)
Other payables		(1.358)	(3.337)	(2.413)	(7.939)
<b>Cash from operations</b>		151.480	230.707	349.881	382.109
Financial charges paid	29 (c)	(17.927)	(17.350)	(37.301)	(18.859)
Financial charges paid - leases and agricultural partnerships payable	29 (c)	14.154	(10.210)	15.349	(14.967)
Income tax and social contribution paid		-	(529)	-	(10.107)
<b>Net cash provided by operating activities</b>		147.707	202.618	327.929	338.176
<b>Cash flows from investing activities</b>					
Financial investments (redemption of financial investments)	29 (c)	133	(3.615)	(3.966)	(5.518)
Dividends received	9 (c)	15.399	-	-	-
Interest on capital received		10.415	6.341	-	-
Proceeds from sale of property, plant and equipment	29 (a)	1.142	243	1.142	243
Purchases of property, plant and equipment and intangible assets (includes sugarcane crops)	29 (b)	(33.780)	(33.859)	(239.679)	(146.700)
<b>Net cash used in investing activities</b>		(6.691)	(30.890)	(242.503)	(151.975)
<b>Cash flows from financing activities</b>					
Borrowings - payments	29 (c)	(9.738)	(9.760)	(13.895)	(13.927)
Debentures - proceeds	29 (c)	-	-	-	600.000
Debentures - payments	29 (c)	(40.958)	(42.977)	(40.958)	(176.970)
Leases and agricultural partnerships payable - payments	29 (c)	(52.826)	(24.609)	(57.274)	(25.177)
Settlement of derivative financial instruments	29 (c)	4.408	4.008	(21.422)	1.137
Interest on capital paid	23 (c) / 29 (c)	(26.678)	(23.335)	(26.678)	(23.335)
Dividends paid	23 (c) / 29 (c)	(52)	-	(52)	-
<b>Net cash used in (provided by) financing activities</b>		(125.844)	(96.673)	(160.279)	361.728
<b>Decrease (increase) in cash and cash equivalents, net</b>		15.172	75.055	(74.853)	547.929
<b>Cash and cash equivalents at the beginning of the period</b>	5	785.282	344.370	1.219.772	1.144.378
<b>Cash and cash equivalents at the end of the period</b>	5	800.454	419.425	1.144.919	1.692.307

Non-cash investing and financing activities (Note 28).

The accompanying notes are an integral part of these interim financial statements.



# Cerradinho Bioenergia S.A.

## Statement of value added Quarters ended June 30, 2023 and 2022 All amounts in thousands of reais

	Note	Parent company		Consolidated	
		June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
			(Restated - Note 2.2)		(Restated - Note 2.2)
<b>Revenue</b>					
Gross sales and services		447.093	561.609	716.462	835.581
Changes in the fair value of biological assets	11.2	(5.392)	(18.922)	(5.392)	(18.922)
Revenue from construction of own assets		26.938	25.049	294.664	138.369
Other revenues		221	244	226	246
		<u>468.860</u>	<u>567.980</u>	<u>1.005.960</u>	<u>955.274</u>
<b>Inputs acquired from third parties</b>					
Cost of sales and services		(250.680)	(213.301)	(633.596)	(430.520)
Materials, energy, outsourced services, and other		(77.149)	(62.200)	(177.999)	(116.348)
Other expenses		(1.278)	(1.112)	(7.919)	(3.616)
		<u>(329.107)</u>	<u>(276.613)</u>	<u>(819.514)</u>	<u>(550.484)</u>
<b>Gross value added</b>		139.753	291.367	186.446	404.790
Depreciation, amortization and depletion		<u>(78.309)</u>	<u>(66.519)</u>	<u>(85.941)</u>	<u>(69.517)</u>
<b>Net value added generated by the entity</b>		<u>61.444</u>	<u>224.848</u>	<u>100.505</u>	<u>335.273</u>
<b>Value added received through transfer</b>					
Equity in the earnings of subsidiaries	14	(2.235)	46.968	-	-
Finance income	27	40.197	23.506	96.011	85.868
Other		2	1	2	1
		<u>37.964</u>	<u>70.475</u>	<u>96.013</u>	<u>85.869</u>
<b>Total value added to distribute</b>		<u>99.408</u>	<u>295.323</u>	<u>196.518</u>	<u>421.142</u>
<b>Distribution of value added</b>					
Personnel - direct compensation		(21.270)	(20.512)	(32.030)	(26.386)
Personnel - benefits		(6.602)	(4.584)	(8.020)	(5.210)
Personnel - Government Severance Indemnity Fund for Employees (FGTS)		(1.824)	(1.368)	(2.540)	(1.686)
Taxes and contributions					
Federal		9.171	(48.711)	10.952	(64.344)
State		(18.572)	(30.222)	(22.700)	(44.252)
Municipal		(31)	(25)	1.205	(25)
Interest and other finance costs	27	(71.055)	(51.922)	(154.173)	(142.075)
Other		(512)	(504)	(500)	311
Interest on capital	23 (c)	-	(23.039)	-	(23.039)
Retained earnings for the period		<u>11.288</u>	<u>(114.436)</u>	<u>11.288</u>	<u>(114.436)</u>
<b>Value added distributed</b>		<u>(99.408)</u>	<u>(295.323)</u>	<u>(196.518)</u>	<u>(421.142)</u>

The accompanying notes are an integral part of these interim financial statements.

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**1 Operations**

**1.1 General information**

Cerradinho Bioenergia S.A. (the "Company"), incorporated on September 18, 2006, is headquartered in the city of Chapadão do Céu, State of Goiás and owned by Cerradinho Participações S.A. ("Parent company"). The Company's main activity is the cultivation of sugarcane, the production and sale of hydrated fuel ethanol from sugarcane and its by-products, and the generation and sale of electricity. Sugarcane is cultivated on third-party land, through lease and agricultural partnership agreements, for use as a raw material in its production process.

The Company became operational on June 26, 2009, producing ethanol and generating energy for the Brazilian market. It currently has an installed grinding capacity of 6.1 million metric tons of sugarcane, production of 515 thousand m<sup>3</sup> of ethanol and an installed capacity of 160 MW of energy generation per harvest/fiscal year.

Neomille S.A. is a wholly-owned subsidiary of the Company ("Subsidiary" or "Neomille" and, together with the Company, the "Group"). The Group as a whole, controlled by Cerradinho Participações S.A., also has other related parties (Note 7) that are members of the same economic group (Cerradinho Logística Ltda., Cerradinho Terras Ltda. and W7 Energia Ltda.), with which the Company and its subsidiary carry out transactions and have outstanding balances.

The Subsidiary became operational in November 2019, engaged in cultivating corn ethanol and animal feed products, and is installed adjacent to the Company's industrial complex, in the municipality of Chapadão do Céu - GO, close to the region that produces the raw material (corn). Neomille S.A. has an annual grinding capacity of 820 thousand metric tons of corn, production of 386 thousand m<sup>3</sup> of ethanol, 238 thousand metric tons of DDG ("Distillers Dried Grain") and 11 thousand metric tons of oil.

In April 2023, after completing the expansion project and obtaining the regulatory licenses, the Subsidiary started to produce anhydrous ethanol, increasing the production capacity to 1,600 thousand m<sup>3</sup>/day of hydrated ethanol, of which, 800 m<sup>3</sup>/day can be transformed in anhydrous ethanol.

Most of the ethanol production of the Company and the Subsidiary is transported by rail, contracted from third parties, using the logistics terminal of Cerradinho Logística Ltda. (a related party), corresponding to 64.7% of the total volume sold up to June 30, 2023 - 2023-2024 harvest (69.7% - in the same period of the 2022-2023 harvest).

The Group has a storage capacity of 260 thousand m<sup>3</sup> of ethanol and has historically sold a substantial part of its production at the end of the harvest, taking advantage of more favorable market prices.

The Group's accounting year begins on April 1 of each year ending on March 31 of the following year, coinciding with the sugarcane production cycle (harvest), the main raw material used in the Company's production of ethanol. The harvest and industrial processing begin in mid-February and end in mid-December of each year. The "inter-crop" period runs from December to mid-February when the harvest again resumes.

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The Company and the Subsidiary enjoy a tax incentive through the reduction of Value-added Tax on Sales and Services (ICMS) (the "Goiás Industrial Development Program - Produzir"), providing for partial reduction of ICMS up to 2032. The use of the benefit is conditional on the fulfillment of all program obligations; these conditions are under the control of the Group. The benefit is calculated on the unadjusted balance payable for each computation period, applying the percentage of discount granted by the tax incentive. The tax incentive is recorded in the statement of income under "Revenue from contracts with customers" (Note 25) reducing "Taxes payable".

## **1.2 Construction of a new industrial complex (greenfield) for corn processing**

The December 22, 2021 Board of Directors' meeting approved the investment of R\$ 1.4 billion for the construction and to supplement working capital needs of the first phase of the new corn ethanol plant of Neomille S.A., to be installed in the Municipality of Maracaju, in the Southwest region of the State of Mato Grosso do Sul.

The new unit will be constructed in two phases. Once it is at full operating capacity it will be capable of processing up to 1.2 million metric tons of corn per year, an input for 550 million liters of ethanol, 330 thousand metric tons of DDGs (Dried Distillers Grains with Solubles), 105 GWh of electricity and 22 thousand metric tons of oil.

The works of the first phase started in March 2022, with R\$ 738 million invested up to June 30, 2023 (R\$ 181 million in the quarter); production is estimated to begin in the second half of 2023.

On November 22, 2022, the BNDES' Credit and Operations Committee approved a financing for the Company and its Subsidiary, via Finame Direto, in the amount of up to R\$ 200 million with a tenure of up to 16 years, conditioned on collateral of a statutory lien over the Subsidiary's industrial unit located in Chapadão do Céu - GO and guarantees from the parent company Cerradinho Participações S.A. The financing will be used to purchase machinery, equipment, industrial systems and components, particularly for the Greenfield project. Up to June 30, 2023, R\$ 43,947 had been drawn down.

BNDES and Banco do Brasil approved a line of credit financing through the "Program for Construction and Expansion of Warehouses (PCA)" in the total amount of up to R\$ 47.9 million and a 12-year term, which will be used for the construction of the corn warehouse. Up to June 30, 2023, R\$ 33,243 had been raised.

## **1.3 Conflict between Russia and Ukraine**

On February 24, 2022, an armed conflict began between Russia and Ukraine. The economic sanctions and embargoes imposed on Russia and its ally Belarus may, in the future, affect the Company's supply chain as Russia and Belarus are among the main suppliers of NPK fertilizers (nitrogen (N), phosphate (P) and potassium (K)). Brazil is highly dependent on imports from these countries.

The Company had made advanced purchases of fertilizers for the 2022/2023 sugarcane harvest and, therefore, there were no material impacts on that harvest. It also invested in a biofertilizer plant, which began operations in July 2023. The Company expects to decrease by 20% the volume of fertilizers acquired for the ratoon cane treatments. The Company continues to monitor supply chains, even though management believes that the situation has already returned to normal.

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**1.4 Changes in taxation of fuel**

**Supplementary Law 194 of June 23, 2022**

Published in the official gazette on June 23, 2022, LC - Supplementary Law 194 (Supplementary Bill 194) introduces changes to the taxation of fuels by altering taxes and contributions, including ICMS, PIS, COFINS and CIDE, aimed at reducing fuel prices to the consumer, effective for the period from June 23 to December 31, 2022. The Provisional Measure 1,157 published in an extraordinary edition of the official gazette of January 1, 2023, extended this until February 28, 2023 for the effects of Supplementary Law 194 for PIS and COFINS, maintaining the zero rated taxes on operations using biofuels and fossil fuels.

**Constitutional Amendment 123 of July 14, 2022**

Published in the official gazette on July 14, 2022, Constitutional Amendment 123 differentiated the tax regime for biofuels in relation to fossil fuels, through taxes and contributions, such as ICMS, PIS, COFINS.

Hence, the ICMS rate in the state of Goiás for the hydrated fuel ethanol was reduced from 17%, established by LC 194 (topic (a)) to 14.17%, and for gasoline the rate was decreased from 25% to 17%, generating a reduction in the sales price. The rates for other taxes and contributions levied on hydrated fuel ethanol and gasoline did not change in relation to those established by LC 194.

**Impacts of Provisional Measure 1,157, of January 1, 2023**

Published in an extraordinary edition of the official gazette on January 1, 2023, Provisional Measure 1,157 extended until February 28, 2023 the effects of Supplementary Law 194 for PIS and COFINS, maintaining the zero rated taxes on operations using biofuels and fossil fuels. No financial compensation by the Federal Government to the companies producing these fuels is expected.

**Impacts of Provisional Measure 1,163, of March 1, 2023**

Published in the official gazette on March 1, 2023, Provisional Measure 1,163 partially re-established the taxes on gasoline and ethanol fuels up to June 28, 2023, R\$ 470 per m<sup>3</sup> and R\$ 20 per m<sup>3</sup>, respectively.

**Effects of the tax changes on the expected price of fuel alcohol (EHC)**

Provisional Measure 1,163/2023, of March 1, 2023, partially re-established the taxation of PIS and COFINS contributions of R\$ 3.6 and R\$ 16.4, respectively, and Normative Instruction 2,154/2023 fully re-established the taxation of the contributions then effective up to June 30, 2022, to R\$ 130.90 per m<sup>3</sup>, as shown in the Comparative summary of the effects below.



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**Changes in ICMS rates for gasoline and anhydrous ethanol**

Published in the federal official gazette on April 6, 2023, Agreement 15, of March 31, 2023, addresses the ICMS one-time tax system to be applied on gasoline and anhydrous ethanol operations as from June 1, 2023, pursuant to Supplementary Law 192, of March 11, 2022.

The ICMS rates were established and fixed, pursuant to item IV of § 4 of art.155 of the Brazilian Federal Constitution, at R\$ 1.22 per liter, for gasoline and anhydrous ethanol fuel.

**Comparative summary of the effects**

The changes in taxation of hydrated fuel ethanol are as below:

Tax/Contribution	Coverage	Effective period	Factor	Taxation
PIS/COFINS - HYDRATED   ANHYDROUS ETHANOL	Federal	Up to June/22	[R\$ M³]	130,9
PIS/COFINS - HYDRATED   ANHYDROUS ETHANOL	Federal	From July/22 to February/23	[R\$ M³]	-
PIS/COFINS - HYDRATED   ANHYDROUS ETHANOL	Federal	From March/23 to June 28/23	[R\$ M³]	20,0
PIS/COFINS - HYDRATED   ANHYDROUS ETHANOL	Federal	After June 28/23	[R\$ M³]	130,9
ICMS - HYDRATED   ANHYDROUS ETHANOL	Goiás	Up to June/22	[%]	25%
ICMS - HYDRATED   ANHYDROUS ETHANOL	Goiás	From July/22 to February/23	[%]	17%
ICMS - HYDRATED ETHANOL	Goiás	After February/23	[%]	14,17%
ICMS - ANHYDROUS ETHANOL	Goiás	From February/23 to June/23	[%]	14,17%
ICMS - ANHYDROUS ETHANOL	Goiás	After June/23	[R\$ M³]	122,0

For gasoline, the changes in taxation are as follows:

Tax/Contribution	Coverage	Effective period	Factor	Taxation
Social Integration Program (PIS) / Social Contribution on Revenues (COFINS)	Federal	Up to June/22	[R\$ M³]	792,5
Social Integration Program (PIS) / Social Contribution on Revenues (COFINS)	Federal	From July/22 to February/23	[R\$ M³]	-
Social Integration Program (PIS) / Social Contribution on Revenues (COFINS)	Federal	From March/23 to June 28, 2023	[R\$ M³]	470,0
Social Integration Program (PIS) / Social Contribution on Revenues (COFINS)	Federal	After June 28, 2023	[R\$ M³]	792,5
Value-added Tax on Sales and Services (ICMS)	Goiás	Up to June/22	[%]	30%
Value-added Tax on Sales and Services (ICMS)	Goiás	After to June/22	[%]	18%
Economic Domain Intervention Contribution (CIDE)	Federal	Up to June/22	[R\$ M³]	100,0
Economic Domain Intervention Contribution (CIDE)	Federal	From July/22 to June 28/23	[R\$ M³]	-
Economic Domain Intervention Contribution (CIDE)	Federal	After June 28, 2023	[R\$ M³]	100,0

**1.5 Change in the Petrobras fuel pricing policy**

On May 15, 2023, the Executive Board of Petrobras changed its commercial pricing strategy for diesel and gasoline ending the import parity price and switching to a market reference for the customer's alternative cost as priority and the marginal value for Petrobras. Thos caused a drop in the prices for gasoline, regardless of the parity with international prices, directly impacting the sales prices of hydrated fuel ethanol.

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**2 Presentation of interim financial statements**

**2.1 Basis of preparation**

The parent company and consolidated interim financial statements were prepared in accordance with technical pronouncement CPC 21 (R1) - Interim Financial Reporting of the Brazilian Accounting Pronouncements Committee (CPC), and with international accounting standard IAS 34 - Interim Financial Reporting, as issued by the International Accounting Standards Board (IASB), and are presented in accordance with the standards issued by the Brazilian Securities Commission (CVM). The interim financial statements are consistent with both the accounting practices adopted in Brazil (BR GAAP) and the International Financial Reporting Standards (IFRS) as issued by the IASB.

These parent company and consolidated interim financial statements are prepared in a manner consistent with the accounting policies in the financial statements for the year ended March 31, 2023, and should be read together with the annual financial statements. Where explanatory notes are not significantly different from those at March 31, 2023 these have not been repeated in these interim financial statements. Supplemental information has been added to explain the main events and transactions to enable the understanding of changes in the financial position and performance of the Group's operations since the publication of the financial statements for the year ended March 31, 2023.

Management is responsible for the preparation and fair presentation of these financial statements, as defined in the bylaws.

These interim financial statements were reviewed and authorized for issue by the Board of Directors on August 14, 2023.

**2.2 Restatement of comparative figures**

**Derivative financial instruments**

Derivatives are measured at fair value, with changes recorded in the statement of income, with the exception of derivatives designated as hedge accounting.

The Group adopted cash flow and fair value hedge accounting for its interest rate swap contracts linked to borrowing and financing agreements from April 1, 2022. The hedge instruments are contracted as part of the risk management for hedged items in line with the Group's strategy for hedge operations.

The comparative financial information presented for the base date June 30, 2022 is being restated to take account of the mark-to-market adjustments for the derivative financial instruments (swaps), totaling R\$ 28,279, and the presentation of the effects of the adoption of the cash flow and fair value hedge accounting policy for the Group's interest rate swap contracts linked to borrowings, as from April 1, 2022, amounting to R\$ 18,077. The net impact on the profit or loss for the period, of R\$ 10,202 (loss/expense), comprises R\$ 15,458 (loss/expense) in finance result and R\$ 5,256 (gain/revenue) in deferred taxes. The counter entry was to derivative financial instruments (R\$ 42,846 asset) and deferred taxes (R\$ 14,567 liability) in the balance sheet. These June 30, 2022 adjustments at had already been disclosed upon the issue of the financial information at December 31, 2022.

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There were no effects on the balance sheet at March 31, 2023, presented for comparison purposes, since the mark-to-market of the derivative financial instruments (swaps) and adoption of the hedge accounting policy as from April 1, 2022 had already been adjusted in the quarter ended December 31, 2022.

All the restatement adjustments, were made pursuant to the requirements of CPC 23/ IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, and reflected in the financial information. The effects of the restatement are presented below:

- Statement of income

Parent company			
Statement of income for the quarter ended June 30, 2022			
	Originally presented	Impacts of hedge accounting adoption	Restated
Gross profit	161.933	-	161.933
Equity in the earnings of subsidiaries	57.885	(10.917)	46.968
Profit before finance result	191.167	(10.917)	180.250
Finance result	(29.500)	1.084	(28.416)
Profit before income tax and social contribution	161.667	(9.833)	151.834
Income tax and social contribution			
Deferred	1.068	(369)	699
Profit for the period	147.677	(10.202)	137.475

  

Consolidated			
Statement of income for the quarter ended June 30, 2022			
	Originally presented	Impacts of hedge accounting adoption	Restated
Gross profit	259.644	-	259.644
Profit before finance result	217.716	-	217.716
Finance result	(40.749)	(15.458)	(56.207)
Profit before income tax and social contribution	176.967	(15.458)	161.509
Income tax and social contribution			
Deferred	(5.998)	5.256	(742)
Profit for the period	147.677	(10.202)	137.475
Basic and diluted earnings per share (in reais)	0,3222	(0,0223)	0,3000

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- Statement of comprehensive income

	Parent company and consolidated		
	Statement of comprehensive income for the quarter ended June 30, 2022		
	Originally presented	Impacts of hedge accounting adoption	Restated
Profit for the period	147.677	(10.202)	137.475
Other comprehensive income	-	(18.077)	(18.077)
Total comprehensive income for the period	147.677	(28.279)	119.398

- Statement of changes in equity

	Parent company and consolidated		
	Statement of changes in equity for the quarter ended June 30, 2022		
	Originally presented	Impacts of hedge accounting adoption	Restated
Balance of equity at March 31, 2022	1.128.168	-	1.128.168
Net changes in			
Share capital	-	-	-
Carrying value adjustments	-	(18.077)	(18.077)
Retained earnings	91.675	(10.202)	81.473
Revenue reserves	32.963	-	32.963
Balance of equity at June 30, 2022	1.252.806	(28.279)	1.224.527

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- Statement of cash flows

Parent company			
Statement of cash flows for the quarter ended June 30, 2022			
	Originally presented	Impacts of hedge accounting adoption	Restated
<b>Cash flows from operating activities</b>			
Profit before income tax and social contribution	161.667	(9.833)	151.834
Adjustments for:			
Derivative financial instruments	(5.586)	(1.084)	(6.670)
Equity in the earnings of subsidiaries	(57.885)	10.917	(46.968)
Depreciation and amortization	65.900	-	65.900
Changes in fair value of biological assets	18.922	-	18.922
Interest and indexation accruals, net	27.002	-	27.002
Amortization of crop treatment (includes harvested biological assets)	24.649	-	24.649
Other adjustments	17.895	-	17.895
	252.564	-	252.564
Decrease (increase) in operating assets	(89.262)	-	(89.262)
Increase (decrease) in operating liabilities	67.405	-	67.405
Financial charges and IRPJ/CSLL paid	(28.089)	-	(28.089)
<b>Net cash provided by operating activities</b>	202.618	-	202.618
Purchases of property, plant and equipment and intangible assets (includes sugarcane crops)	(33.859)	-	(33.859)
Other amounts provided by (used in) investing activities	2.969	-	2.969
<b>Net cash provided by (used in) investing activities</b>	(30.890)	-	(30.890)
Debentures and borrowings - payments	(52.737)	-	(52.737)
Leases and agricultural partnerships payable - payments	(24.609)	-	(24.609)
Other amounts used in (provided by) financing activities	(19.327)	-	(19.327)
<b>Net cash used in (provided by) financing activities</b>	(96.673)	-	(96.673)
<b>Increase (decrease) in cash and cash equivalents, net</b>	75.055	-	75.055
<b>Cash and cash equivalents at the beginning of the period</b>	344.370	-	344.370
<b>Cash and cash equivalents at the end of the period</b>	419.425	-	419.425



**Cerradinho Bioenergia S.A.**  
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Consolidated			
Statement of cash flows for the quarter ended June 30, 2022			
	Originally presented	Impacts of hedge accounting adoption	Restated
<b>Cash flows from operating activities</b>			
Profit before income tax and social contribution	176.967	(15.458)	161.509
Adjustments for:			
Derivative financial instruments	(13.229)	15.458	2.229
Depreciation and amortization	68.898	-	68.898
Changes in fair value of agricultural products	(2.855)	-	(2.855)
Interest and indexation accruals, net	54.770	-	54.770
Amortization of crop treatment (includes harvested biological assets)	24.649	-	24.649
Other adjustments	44.928	-	44.928
	354.128	-	354.128
Decrease (increase) in operating assets	(80.947)	-	(80.947)
Increase (decrease) in operating liabilities	108.928	-	108.928
Financial charges and IRPJ/CSLL paid	(43.933)	-	(43.933)
<b>Net cash provided by operating activities</b>	338.176	-	338.176
Purchases of property, plant and equipment and intangible assets (includes sugarcane crops)	(146.700)	-	(146.700)
Other amounts provided by (used in) investing activities	(5.275)	-	(5.275)
<b>Net cash provided by (used in) investing activities</b>	(151.975)	-	(151.975)
Debentures and borrowings - payments	(190.897)	-	(190.897)
Debentures - proceeds	600.000	-	600.000
Leases and agricultural partnerships payable - payments	(25.177)	-	(25.177)
Other amounts used in (provided by) financing activities	(22.198)	-	(22.198)
<b>Net cash used in (provided by) financing activities</b>	361.728	-	361.728
<b>Increase (decrease) in cash and cash equivalents, net</b>	547.929	-	547.929
<b>Cash and cash equivalents at the beginning of the period</b>	1.144.378	-	1.144.378
<b>Cash and cash equivalents at the end of the period</b>	1.692.307	-	1.692.307

**Cerradinho Bioenergia S.A.**  
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- Statement of value added

Parent company			
Statement of value added for the quarter ended June 30, 2022			
	Originally presented	Impacts of hedge accounting adoption	Restated
<b>Revenue</b>	567.980	-	567.980
<b>Inputs acquired from third parties</b>	(276.613)	-	(276.613)
<b>Gross value added</b>	<u>291.367</u>	-	<u>291.367</u>
Depreciation, amortization and depletion	<u>(66.519)</u>	-	<u>(66.519)</u>
<b>Net value added generated by the entity</b>	<u>224.848</u>	-	<u>224.848</u>
<b>Value added received through transfer</b>			
Equity in the earnings of subsidiaries	57.885	(10.917)	46.968
Other	<u>23.507</u>	-	<u>23.507</u>
	81.392	(10.917)	70.475
<b>Total value added to distribute</b>	<u>306.240</u>	<u>(10.917)</u>	<u>295.323</u>
<b>Distribution of value added</b>			
Personnel	(26.464)	-	(26.464)
Taxes and contributions			-
Federal	(48.342)	(369)	(48.711)
State and municipal	(30.247)	-	(30.247)
Interest and other finance costs	(53.006)	1.084	(51.922)
Other	(23.543)	-	(23.543)
Retained earnings for the period	<u>(124.638)</u>	<u>10.202</u>	<u>(114.436)</u>
<b>Value added distributed</b>	<u>(306.240)</u>	<u>10.917</u>	<u>(295.323)</u>

**Cerradinho Bioenergia S.A.**  
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Consolidated			
Statement of value added for the quarter ended June 30, 2022			
	Originally presented	Impacts of hedge accounting adoption	Restated
<b>Revenue</b>	955.274	-	955.274
<b>Inputs acquired from third parties</b>	(550.484)	-	(550.484)
<b>Gross value added</b>	<u>404.790</u>	<u>-</u>	<u>404.790</u>
Depreciation, amortization and depletion	<u>(69.517)</u>	<u>-</u>	<u>(69.517)</u>
<b>Net value added generated by the entity</b>	<u>335.273</u>	<u>-</u>	<u>335.273</u>
<b>Value added received through transfer</b>			
Finance income	85.868	-	85.868
Other	<u>1</u>	<u>-</u>	<u>1</u>
	85.869	-	85.869
<b>Total value added to distribute</b>	<u>421.142</u>	<u>-</u>	<u>421.142</u>
<b>Distribution of value added</b>			
Personnel	(33.282)	-	(33.282)
Taxes and contributions			-
Federal	(69.600)	5.256	(64.344)
State and municipal	(44.277)	-	(44.277)
Interest and other finance costs	(126.617)	(15.458)	(142.075)
Other	(22.728)	-	(22.728)
Retained earnings for the period	<u>(124.638)</u>	<u>10.202</u>	<u>(114.436)</u>
<b>Value added distributed</b>	<u><b>(421.142)</b></u>	<u><b>-</b></u>	<u><b>(421.142)</b></u>

## 2.3 Statement of Value Added (DVA)

The presentation of the parent company and consolidated statements of value added is required by the Brazilian corporate legislation and the accounting practices adopted in Brazil for listed companies, though not required by IFRS. The Statement of Value Added was prepared in accordance with the criteria defined in Technical Pronouncement CPC 09 - "Statement of Value Added". Therefore, under IFRS, the presentation of such statements is considered supplementary information, and not as a part of the set of these interim financial statements.

## 2.4 Changes in accounting practices and disclosures

There are no new CPC/IFRS or OCPC/ICPC/IFRIC interpretations, or CVM standards that are not yet effective or that became effective in the quarter ended June 30, 2023, which would be expected to have or had a material impact on the Group's interim financial statements.

**Cerradinho Bioenergia S.A.**  
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### 3 Critical accounting estimates and judgments

In the preparation of these interim financial statements, Management applied its judgment, estimates and assumptions, as disclosed in the financial statements for the year ended March 31, 2023. There were no significant changes in critical estimates and judgments.

## 4 Financial risk management

### 4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks, mainly: market risk, credit risk and liquidity risk.

The Group continuously monitors each of these risks and may contract hedging financial instruments, as provided by policies approved by the Board of Directors for the sole purpose of hedging against price fluctuations or interest rates. No leveraged operation or exotic derivative instruments are used.

Except for changes in taxation and the Petrobras fuel pricing policy of (Notes 1.4 and 1.5), which affect the competitiveness of ethanol in relation to gasoline and thus market risk, there were no significant changes in the other financial risk factors (credit risk; liquidity risk; operational risk) affecting the sensitivity analysis disclosures in the financial statements as at and for the year ended March 31, 2023.

The table below presents the Group's financial liabilities by maturity groupings; these are undiscounted cash flows amounts and therefore include future financial charges, and thus will not agree directly with the amounts disclosed in the balance sheet for borrowings, leases and agricultural partnerships payable:

	Parent company					
	June 30, 2023					
	less than 1 year	between 1 and 2 years	between 2 and 5 years	Over 5 years	Total balance payable	Carrying amount
Lease liabilities	51.261	47.394	79.646	70.375	248.676	169.867
Agricultural partnerships payable	110.933	104.815	223.015	141.810	580.573	408.808
Trade payables	156.209	-	-	-	156.209	156.209
Borrowings*	356.283	313.434	280.130	406.327	1.356.174	1.037.705
Other payables	9.679	-	-	-	9.679	9.679
	<u>684.365</u>	<u>465.643</u>	<u>582.791</u>	<u>618.512</u>	<u>2.351.311</u>	<u>1.782.268</u>

	Parent company					
	March 31, 2023					
	less than 1 year	between 1 and 2 years	between 2 and 5 years	Over 5 years	Total balance payable	Carrying amount
Lease liabilities	41.462	37.831	68.420	52.001	199.714	141.853
Agricultural partnerships payable	111.853	104.873	230.508	156.439	603.673	422.620
Trade payables	90.710	-	-	-	90.710	90.710
Borrowings*	352.827	385.894	303.551	416.189	1.458.461	1.092.421
Interest on capital and dividends payable	26.728	-	-	-	26.728	26.728
Other payables	10.407	-	-	-	10.407	10.407
	<u>633.987</u>	<u>528.598</u>	<u>602.479</u>	<u>624.629</u>	<u>2.389.693</u>	<u>1.784.739</u>

**Cerradinho Bioenergia S.A.**  
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	Consolidated					
	June 30, 2023					
	less than 1 year	between 1 and 2 years	between 2 and 5 years	Over 5 years	Total balance payable	Carrying amount
Lease liabilities	52.766	48.899	84.175	82.029	267.869	179.116
Agricultural partnerships payable	118.460	112.293	245.448	200.632	676.833	474.987
Trade payables	255.179	-	-	-	255.179	255.179
Borrowings*	698.752	774.165	1.330.935	765.089	3.568.940	2.722.875
Other payables	11.162	-	-	-	11.162	11.162
	<u>1.136.319</u>	<u>935.357</u>	<u>1.660.558</u>	<u>1.047.750</u>	<u>4.779.983</u>	<u>3.643.319</u>

	Consolidated					
	March 31, 2023					
	less than 1 year	between 1 and 2 years	between 2 and 5 years	over 5 years	Total balance payable	Carrying amount
Lease liabilities	42.946	39.315	72.624	63.832	218.717	151.008
Agricultural partnerships payable	119.221	112.237	252.126	217.090	700.674	489.557
Trade payables	160.415	-	-	-	160.415	160.415
Borrowings*	598.156	946.246	1.154.158	1.043.894	3.742.454	2.796.896
Interest on capital and dividends payable	26.728	-	-	-	26.728	26.728
Other payables	11.513	-	-	-	11.513	11.513
	<u>958.979</u>	<u>1.097.798</u>	<u>1.478.908</u>	<u>1.324.816</u>	<u>4.860.501</u>	<u>3.636.117</u>

\* Including debentures and derivative financial instruments

## 4.2 Capital management

The Group monitors capital on the basis of its gearing ratio, in common with other companies in the sector. This ratio is calculated as net debt expressed as a percentage of total capitalization. The net debt corresponds to the total borrowings, debentures and derivative financial instruments, less cash and cash equivalents and financial investments amount, and does not consider the leases and agricultural partnerships payable, since they have different characteristics from borrowings or debt securities. Total capitalization is calculated as equity plus net debt.

	Parent company		Consolidated	
	June 30, 2023	March 31, 2023	June 30, 2023	March 31, 2023
Total borrowings*	1.037.705	1.092.421	2.722.875	2.796.896
Less: cash and cash equivalents	(800.454)	(785.282)	(1.144.919)	(1.219.772)
Less: financial investments	<u>(18.789)</u>	<u>(18.347)</u>	<u>(22.922)</u>	<u>(18.347)</u>
Net debt	218.462	288.792	1.555.034	1.558.777
Total equity	<u>1.352.968</u>	<u>1.328.785</u>	<u>1.352.968</u>	<u>1.328.785</u>
Total capitalization	<u>1.571.430</u>	<u>1.617.577</u>	<u>2.908.002</u>	<u>2.887.562</u>
Gearing ratio	<u>13,90%</u>	<u>17,85%</u>	<u>53,47%</u>	<u>53,98%</u>

\* Including debentures and derivative financial instruments



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**5 Cash and cash equivalents**

	Parent company		Consolidated	
	June 30, 2023	March 31, 2023	June 30, 2023	March 31, 2023
Cash	159	140	263	224
Bank deposits	7.351	3.699	9.296	3.857
Financial investments:				
Bank Deposit Certificates - CDB	792.634	781.418	1.135.023	1.215.640
Financial investments/repurchase agreements	310	25	337	51
	<u>800.454</u>	<u>785.282</u>	<u>1.144.919</u>	<u>1.219.772</u>

**6 Trade receivables**

	Parent company		Consolidated	
	June 30, 2023	March 31, 2023	June 30, 2023	March 31, 2023
Trade receivables - third parties	24.776	10.655	71.150	55.699
Trade receivables - subsidiary	3.176	2.507	-	-
	<u>27.952</u>	<u>13.162</u>	<u>71.150</u>	<u>55.699</u>

The analysis and aging list of trade receivables is as follows:

	Parent company		Consolidated	
	June 30, 2023	March 31, 2023	June 30, 2023	March 31, 2023
Falling due	25.801	9.233	65.762	52.886
Overdue up to 30 days	1.882	3.002	4.898	2.152
Overdue from 31 to 90 days	269	768	269	338
Overdue from 90 to 360 days	-	159	221	323
	<u>27.952</u>	<u>13.162</u>	<u>71.150</u>	<u>55.699</u>

Balances that were overdue and not provided for at June 30 and March 31, 2023 had mostly been received by July and April 2023, respectively.

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**7 Related parties**

**(a) Current assets**

	Parent company		Consolidated	
	June 30, 2023	March 31, 2023	June 30, 2023	March 31, 2023
Other receivables (reimbursement of administrative expenses) - (i)				
Neomille S.A.	1.473	1.171	-	-
Other related parties	<u>841</u>	<u>693</u>	<u>842</u>	<u>693</u>
	<u>2.314</u>	<u>1.864</u>	<u>842</u>	<u>693</u>
Trade receivables - (v)				
Neomille S.A.	<u>3.176</u>	<u>2.507</u>	-	-
Interest on capital receivable				
Neomille S.A. - (vii)	-	<u>10.415</u>	-	-
Dividends receivable				
Neomille S.A. - (vii)	-	<u>15.399</u>	-	-

**(b) Current liabilities**

	Parent company		Consolidated	
	June 30, 2023	March 31, 2023	June 30, 2023	March 31, 2023
Trade payables - transshipment service - (vi)				
Cerradinho Logística Ltda.	<u>525</u>	<u>135</u>	<u>860</u>	<u>439</u>
Other liabilities (shareholder's surety and aircraft expenses) - (ii)/(iii)				
Cerradinho Participações S.A.	1.051	1.002	1.314	1.434
Cerradinho Terra Ltda.	<u>16</u>	<u>20</u>	<u>16</u>	<u>20</u>
	<u>1.067</u>	<u>493</u>	<u>1.330</u>	<u>520</u>
Interest on capital and dividends payable				
Cerradinho Participações S.A. - Note 23 (c)	-	<u>26.728</u>	-	<u>26.728</u>

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**(c) Transactions in the period**

	Parent company		Consolidated	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Reimbursement of administrative expenses - (i)				
Neomille S.A.	1.473	965	-	-
Other related parties	579	801	579	801
	<u>2.052</u>	<u>1.766</u>	<u>579</u>	<u>801</u>
Surety expense - (ii)				
Cerradinho Participações S.A.	(423)	(477)	(552)	(502)
Cerradinho Terra Ltda.	(16)	(24)	(16)	(24)
	<u>(439)</u>	<u>(501)</u>	<u>(568)</u>	<u>(526)</u>
Aircraft expense - (iii)				
Cerradinho Participações S.A.	(366)	(297)	(501)	(380)
Rental expense - (iv)				
Cerradinho Participações S.A.	(44)	(42)	(44)	(42)
Revenue from sales and services				
Neomille S.A. - (v)	10.206	8.356	-	-
Transshipment expenses - (vi)				
Cerradinho Logística Ltda.	(1.498)	(1.647)	(2.278)	(233)
Interest on capital and dividends				
Neomille S.A. - (vii)	-	10.415	-	-
Cerradinho Participações S.A. - Note 23 (c)	-	(23.039)	-	(23.039)

- (i) Apportionment of administrative expenses related to services provided to other companies controlled by Cerradinho Participações S.A. and other related parties members of the same group, which are settled on a quarterly basis.
- (ii) Compensation paid to Cerradinho Participações S.A. and Cerradinho Terra S.A., for guarantees, classified in net finance results as it is comparable to a bank surety. Balances are settled quarterly. No fee is charged for the provision of guarantees by the Company to the Subsidiary.
- (iii) Shared expenses with Cerradinho Participações S.A. for the use of its aircraft, which are settled quarterly.
- (iv) Lease of the Catanduva administrative office and a space in a property owned by Cerradinho Participações S.A. in São Paulo, which is settled monthly.
- (v) Revenue from the sale of steam, water, electricity, provision of ethanol loading service, and rental of tanks, which are settled annually, and from the sale of corn (planted as a rotary crop by the Company), settled in the subsequent harvest.
- (vi) Transshipment of ethanol from the terminal in Chapadão do Sul - MS to Paulínia - SP, made by Cerradinho Logística Ltda., which are settled on average within 10 days from the date of service provision.
- (vii) At March 31 and June 30, 2022, the Extraordinary General Meetings approved the distribution of dividends and interest on capital of R\$ 15,399 and R\$ 10,415, fully settled on June 29, 2023.

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**(d) Key management compensation**

Key management includes the Executive Board and Board of Directors' members. The compensation paid and payable is as below:

	Parent company		Consolidated	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Salaries and fees	1.719	1.677	2.051	1.833
Variable short-term compensation	612	584	761	654
Variable long-term compensation	383	370	508	428
Social security contributions	525	509	639	563
	<u>3.239</u>	<u>3.140</u>	<u>3.959</u>	<u>3.477</u>

**8 Inventories**

	Parent company		Consolidated	
	June 30, 2023	March 31, 2023	June 30, 2023	March 31, 2023
Finished products:				
Hydrated ethanol (a)	74.178	39.223	154.356	78.233
Anhydrous ethanol (b)	-	-	35.943	-
Decarbonization Credits - CBIOS (c)	18.007	27.112	18.117	28.642
Other	-	-	473	428
Maintenance supplies	15.831	15.108	21.904	21.348
Agricultural inputs	22.574	26.305	27.504	27.620
Chemicals	2.541	2.148	6.974	5.387
Corn (d)	-	-	81.370	339.944
Wood chip	1.080	4.865	1.111	4.865
Other	7.554	7.056	17.818	17.322
Provision for obsolescence	(1.373)	(1.373)	(1.603)	(1.603)
Adjustment to net realizable value	-	(6.912)	(15.372)	(10.385)
	<u>140.392</u>	<u>113.532</u>	<u>348.595</u>	<u>511.801</u>

- (a) Increase in the hydrated ethanol inventory due to the sales strategy. Ethanol inventories at June 30, 2023 totaled 47.2 thousand m3 (March 31, 2023 - 23.9 thousand m3).
- (b) In April 2023, after completing the expansion project and obtaining the regulatory licenses, the Subsidiary began the production of anhydrous ethanol (Note 1.1). Inventories at June 30, 2023 totaled 20.2 thousand m3.
- (c) At June 30, 2023, the Group held in inventory 226.5 thousand (March 31, 2023 -162.8 thousand) decarbonization credits (CBIOS) issued and not yet traded. In the quarter ended June 30, 2023, 115.8 thousand CBIOS were issued.
- (d) The Subsidiary makes advance purchase of its raw material to fix the price of corn to mitigate the effects of volatility of future corn prices. Corn inventories at June 30, 2023 were 64.2 thousand metric tons (March 31, 2023: (217.1 thousand metric tons). At June 30, 2023, the Subsidiary has advances to corn suppliers in the amount of R\$ 27,764 (March 31, 2023 - R\$ 10,000) recorded under "Other assets".

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**9 Derivative financial instruments**

The Group uses derivatives only for economic hedging purposes and not as speculative investments.

At June 30, 2023, Neomille contracted currency forwards with a notional amount of US\$ 1,549 thousand (March 31, 2023 - notional amount of US\$ 2,325 thousand) generating a mark-to-market adjustment of R\$ 711 of losses (March 31, 2023 - losses of R\$ 478), represented by US Dollar NDFs to hedge the purchase of imported equipment and services. The Group does not use hedge accounting for these contracts.

At June 30, 2023, the Company had interest rate swap contracts with a mark-to-market adjustment of R\$ 101,658 (March 31, 2023 - R\$ 81,785) in assets and R\$ 30,035 (March 31, 2023 - R\$ 29,486) in liabilities, and Neomille of R\$ 124,006 (March 31, 2023 - R\$ 77,488) in assets and R\$ 62,801 (March 31, 2023 - R\$ 66,192) in liabilities. These contracts have a long position in IPCA, CDI or fixed rate and short position in CDI or fixed rate, as per the strategy adopted at the time of the operation, adjusted by marked to market as assets or liabilities depending on the relative behavior of each of the indexes. Since April 1, 2022, the Group has adopted cash flow and fair value hedge accounting policies for these swap contracts (Note 2.2).

At June 30, 2023, the outstanding fair values of derivative transactions are as follows:

		Parent company		Consolidated	
		June 30, 2023	March 31, 2023	June 30, 2023	March 31, 2023
	Assets				
Level 2	Swap contracts - Interest	101.658	81.785	225.673	159.273
		101.658	81.785	225.673	159.273
	Current	(3.474)	(6.809)	(3.474)	(6.809)
	Non-current	98.184	74.976	222.199	152.464
	Liabilities				
Level 1	Currency forward contracts - US Dollar/Euro	-	-	711	478
Level 2	Swap contracts - Interest	30.035	29.486	92.836	95.678
		30.035	29.486	93.562	96.156
	Current	(30.035)	(29.475)	(93.562)	(96.145)
	Non-current	-	11	-	11



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**10 Lease receivables**

The right-of-use assets were substantially transferred to a third party through a sublease agreement, and registered as lease receivables, with a lease liability as a corresponding entry.

	Parent company and consolidated		
	Leased asset	Adjustment to present value of leases	Lease receivables
<b>At March 31, 2022</b>	35.556	(3.037)	32.519
Remeasurements	1.444	-	1.444
Interest accruals	-	878	878
<b>At March 31, 2022</b>	<u>37.000</u>	<u>(2.159)</u>	<u>34.841</u>
<b>At March 31, 2023</b>	25.722	552	26.274
Remeasurements	(1.242)	-	(1.242)
Interest accruals	-	710	710
<b>At June 30, 2023</b>	<u>24.480</u>	<u>1.262</u>	<u>25.742</u>
Current			9.574
Non-current			16.168
			<u>25.742</u>

The table below presents the lease receivable maturities. These are undiscounted cash flows amounts and, therefore, do not agree directly with the balance sheet:

Parent company and consolidated	June 30, 2023	March 31, 2023
Carrying amount	25.742	26.274
less than 1 year	9.851	10.326
between 1 and 2 years	9.851	10.326
between 2 and 4 years	9.851	10.326

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**11 Biological assets**

**11.1 Significant assumptions utilized for the measurement of fair value- sugarcane**

Parent company and consolidated	June 30, 2023	March 31, 2023
<b>Sugarcane:</b>		
Total harvest estimated area (ha)	41.424,88	42.037,97
Expected productivity (metric ton/ha)	94,87	95,02
Quantity of ATR per metric ton of sugarcane (kg/metric ton)	132,00	129,97
Estimated average price per ATR (R\$/metric ton)	1,03	1,05
Cutting, transshipment and transport (R\$/metric ton)	51,03	50,77
Costs for sugarcane plantation development (R\$/ha)	13.496,14	13.496,14
Discount rate (in real terms after taxes) (% p.a.)	8,31%	7,08%
<b>Eucalyptus:</b>		
Total planted area (ha)	2.092,76	1.838,54
Planted area subject to fair value adjustment (ha)	686,12	671,99
Expected productivity (Average Annual Increase – AAI)	50,00	50,00
Average price (R\$ / m <sup>3</sup> )	329,34	314,57
Discount rate (in nominal terms after taxes) (% p.a.)	12,10%	11,90%

The Group estimates future cash flows by discounting these to present value using a rate compatible with the return on its investment. Changes in fair value are reflected in "Biological assets" with a corresponding entry to "Changes in the fair value of biological assets" in the statement of income.

The model and assumptions used to determine the fair value represent Management's best estimates at the reporting dates of the interim financial statements and annual financial statements.

The estimated fair value of the Group's biological asset may differ significantly from the actual results if the assumptions are not confirmed; the calculation is reviewed quarterly and, if necessary, adjusted.

The cultivation of soybean is considered a temporary crop (harvested in the short term) and, for this reason, is classified in current assets, and stated at fair value.

The eucalyptus forests mature over an average period of seven years between planting and harvesting, and are partially classified in non-current assets. Management intends to use the same bearer plant over two 7-year cycles, and estimates that approximately 60% of the initial planting cost (considered to be the most significant in the eucalyptus production costs before harvest) should be allocated to the cost of biological assets, and 40% to the bearer plant (classified in property, plant and equipment), which will be appropriated to the cost of biological assets from the second cycle.

At June 30, a significant part of the eucalyptus forests (an area of 1,406.64 hectares of forest still under formation - up to three years) was stated at cost, due to the marginal biological transformation through to the reporting date.

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**11.2 Changes in biological assets:**

Parent company and consolidated	Parent company		Consolidated	
	2023	2022	2023	2022
Historical cost - sugarcane standing	226.218	178.633	226.218	178.633
Historical cost - eucalyptus	15.915	-	38.175	-
Historical cost - corn	451	112	451	112
Historical cost - soy beans	8.792	-	8.792	-
Fair value - sugarcane standing	(32.242)	51.774	(32.242)	51.774
Fair value - soy beans	(578)	-	(578)	-
Fair value - eucalyptus	3.194	-	3.194	-
<b>Opening balance of biological assets at March 31</b>	<b>221.750</b>	<b>230.519</b>	<b>244.010</b>	<b>230.519</b>
Changes:				
Changes in fair value less estimated selling costs - sugarcane	(3.409)	(18.922)	(3.409)	(18.922)
Increase due to crop treatment - sugarcane	31.450	34.909	31.450	34.909
Changes in fair value less estimated selling costs - eucalyptus	(1.984)	-	(1.984)	-
Eucalyptus-related increase	2.246	-	9.242	-
Changes in fair value - soy beans	578	-	578	-
Increase due to corn crop development	332	82	332	82
Harvest-related reduction	(54.381)	(26.341)	(54.381)	(26.341)
	<b>196.582</b>	<b>220.248</b>	<b>225.838</b>	<b>220.248</b>
Comprising:				
Historical cost - sugarcane standing	212.079	187.202	212.078	187.202
Historical cost - eucalyptus	18.161	-	47.417	-
Historical cost - corn	783	194	783	194
Fair value - sugarcane standing	(35.651)	32.852	(35.651)	32.852
Fair value - eucalyptus	1.210	-	1.210	-
<b>Closing balance of biological assets at June 30</b>	<b>196.582</b>	<b>220.248</b>	<b>225.838</b>	<b>220.248</b>

The Company's plantations are exposed to risks of damage caused by climate change, disease, forest fires and other forces of nature. Measures are taken to monitor and mitigate these risks, including pest controls. No insurance cover is in place for these risks.

**Sensitivity analysis of fair value - sugarcane**

The Company assesses the potential effects of changes in fair value of biological assets at June 30, 2023 through a sensitivity analysis, using the following variables: (i) the price of the metric ton of sugarcane (which is subject, among others, to the relative parity between ethanol and gasoline prices) and (ii) the production volume of sugarcane. The remaining variables remain unchanged. The sensitivity analysis below considers three scenarios at different stress levels.

Changes	Unit	Parent company and consolidated		
		2,50%	5,00%	7,50%
Price	thousand R\$	11.653	23.300	3.409
Volume	thousand R\$	6.346	12.690	19.032

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**12 Taxes recoverable**

	Parent company		Consolidated	
	June 30, 2023	March 31, 2023	June 30, 2023	March 31, 2023
ICMS credit granted (i)	11.603	22.084	18.667	29.148
ICMS, including credits on purchases of property, plant and equipment	6.598	6.781	42.289	37.286
Income tax and social contribution	9.859	6.835	39.553	29.228
and equipment (ii)	6.703	9.208	154.674	149.904
PIS, including credits on purchases of property, plant and equipment (ii)	1.500	2.001	27.644	28.221
Excise Tax (IPI)	-	-	-	-
Other	321	309	451	399
	36.584	47.218	283.278	274.186
Current assets	(31.356)	(42.050)	(183.606)	(179.874)
Non-current assets	5.228	5.168	99.672	94.312

- (i) Credits granted to partially compensate for the negative effects on the ethanol sales price caused by LC 194, which was effective from June 23 to December 31, 2022 (Note 1.4). The accounting effects of credits granted of R\$ 40,030 for the Parent Company and of R\$ 24,029 for the Subsidiary were recorded against "Revenue from contracts with customers", in the quarter ended September 30, 2022, even though they lasted up to February 28, 2023.

They mainly comprise PIS and COFINS credits related to (i) the acquisition of property, plant and equipment items (Note 1.2); (ii) the effects of the exemption from PIS and COFINS on ethanol sales occurred up to February 28, 2023 and their decrease between March and June 2023 (Note 1.4); (iii) and PIS credits of R\$ 3,304 and COFINS credits of R\$35,796 related to the decision of the Federal Supreme Court (STF) of May 13, 2021, confirming the exclusion of the ICMS from the calculation basis of PIS and COFINS; these credits are being offset by the Group. The Company resumed the offset of PIS and COFINS balances due to the resumption of the ethanol taxation by these contributions, occurred as from June 28, 2023 (Note 1.4). It also performs administrative offsets against other federal taxes.

The tax credits are expected to be realized as follows:

	June 30, 2023	
	Parent company	Consolidated
from 07/01/2024 to 06/30/2025	2.884	14.741
from 07/01/2025 to 06/30/2026	1.284	9.440
from 07/01/2026 to 06/30/2027	883	19.608
from 07/01/2027 to 06/30/2028	114	16.041
July 2028 onwards	63	39.842
	5.228	99.672

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**13 Current and deferred taxes**

**(a) Balances of deferred tax assets and liabilities**

Parent company	March 31, 2023	Recognized in profit or loss	Recognized in other comprehensive income	June 30, 2023
<b>Deferred tax assets on:</b>				
Tax losses	38.028	14.775	-	52.803
Provision for contingencies	6.050	241	-	6.291
Provisions - sugarcane suppliers/ATR adjustment	-	19.023	-	19.023
Allowance for inventory losses	467	-	-	467
Accrued profit sharing	5.068	(1.703)	-	3.364
Provision for payment of surety	150	(1)	-	149
Adoption CPC 06 (R2) - Leases	45.855	5.981	-	51.835
Sundry provisions	4.807	(3.003)	-	1.805
Provision for INSS preliminary injunction	12.072	821	-	12.894
Provision for DIFAL preliminary injunction	6.454	493	-	6.947
Provision for PIS preliminary injunction	13	0	-	14
Provision for COFINS preliminary injunction	83	3	-	86
Cut-off / present value adjustment	533	(435)	-	98
Provision for CBIOS transactions	3.514	(1.576)	-	1.938
Changes in fair value of biological assets	12.423	(713)	-	11.710
<b>Total deferred tax assets</b>	<b>135.517</b>	<b>33.906</b>	<b>-</b>	<b>169.424</b>

<b>Deferred tax liabilities on:</b>				
Tax depreciation	(52.271)	(1.742)	-	(54.013)
Provision for preliminary injunction regarding income tax and	-	(4.748)	-	(4.748)
Gains on derivative transactions – hedge accounting	(17.963)	1.794	(7.970)	(24.139)
<b>Total deferred tax liabilities</b>	<b>(70.234)</b>	<b>(4.696)</b>	<b>(7.970)</b>	<b>(82.900)</b>
<b>Deferred income taxes balance</b>	<b>65.283</b>	<b>29.211</b>	<b>(7.970)</b>	<b>86.524</b>

Consolidated	March 31, 2023	Recognized in profit or loss	Recognized in other comprehensive income	June 30, 2023
<b>Deferred tax assets on:</b>				
Tax losses	110.488	30.727	-	141.215
Provision for contingencies	9.325	468	-	9.793
Provisions - sugarcane suppliers/ATR adjustment	-	19.023	-	19.023
Allowance for inventory losses	545	-	-	545
Accrued profit sharing	5.843	(1.851)	-	3.992
Provision for payment of surety	179	14	-	193
Adoption CPC 06 (R2) - Leases	49.974	6.875	-	56.849
Gains on derivative transactions – hedge accounting	6.143	-	(6.143)	-
Sundry provisions	5.480	(3.051)	-	2.429
Provision for INSS preliminary injunction	12.072	822	-	12.894
Provision for DIFAL preliminary injunction	6.454	492	-	6.946
Provision for PIS preliminary injunction	31	(0)	-	31
Provision for COFINS preliminary injunction	195	(2)	-	193
Cut-off / present value adjustment	1.588	3.170	-	4.758
Provision for CBIOS transactions	3.640	(1.135)	-	2.505
Changes in fair value of biological assets	12.423	(713)	-	11.710
<b>Total deferred tax assets</b>	<b>224.380</b>	<b>54.839</b>	<b>(6.143)</b>	<b>273.076</b>

<b>Deferred tax liabilities on:</b>				
Tax depreciation	(63.915)	(3.662)	-	(67.577)
Cut-off / present value adjustment	(126)	(441)	-	(567)
Provision for preliminary injunction regarding income tax and	-	(4.748)	-	(4.748)
Gains on derivative transactions – hedge accounting	(27.785)	(4.781)	(12.130)	(44.696)
<b>Total deferred tax liabilities</b>	<b>(91.826)</b>	<b>(13.632)</b>	<b>(12.130)</b>	<b>(117.588)</b>
<b>Deferred income taxes balance</b>	<b>132.554</b>	<b>41.207</b>	<b>(18.273)</b>	<b>155.488</b>



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- (i) The Group recognizes deferred tax assets to the extent Management expects to recover these credits through taxable profit projections and tax temporary difference reversals. Deferred tax assets are recognized only when it is probable that they will be used. The tax losses can be carried forward indefinitely, but are limited to offsetting 30% of the taxable profits in any single year.

At June 30, 2023, Management expects to realize deferred tax assets, including tax carryforward losses and temporary differences, as follows:

	Parent company	Consolidated
	June 30, 2023	June 30, 2023
from 07/01/2023 to 03/31/2024	17.582	57.395
from 04/01/2024 to 03/31/2025	(10.061)	(28.330)
from 04/01/2025 to 03/31/2026	(4.420)	(28.022)
from 04/01/2026 to 03/31/2027	5.880	762
April 2027 onwards	(87.535)	(139.020)
Total realization of deferred taxes with effect on profit or loss	<u>(78.554)</u>	<u>(137.215)</u>
Deferred taxes recognized in other comprehensive income	<u>(7.970)</u>	<u>(18.273)</u>
Total deferred tax assets and liabilities	<u>(86.524)</u>	<u>(155.488)</u>

**(b) Reconciliation of the statutory to the effective income tax and social contribution rates**

	Parent company		Consolidated	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
		(Restated - Note 2.2)		(Restated - Note 2.2)
Profit (loss) before taxes	(40.499)	151.834	(52.495)	161.509
Income tax and social contribution at the statutory rates (34%)	<u>13.770</u>	<u>(51.624)</u>	<u>17.848</u>	<u>(54.913)</u>
Adjustments to the effective tax rate:				
Equity in the earnings of subsidiaries	(759)	15.969	-	-
Permanent exclusions/(additions), net:				
State grant (PRODUZIR)	6.796	11.208	12.368	16.036
Exclusions of revenue with CBIOS	7.462	7.462	8.490	7.855
Other	2.172	(815)	2.747	(781)
Tax benefit on interest on capital	-	7.833	-	12.205
Taxation on interest on capital	<u>-</u>	<u>(4.166)</u>	<u>-</u>	<u>(4.166)</u>
	<u>29.211</u>	<u>(14.359)</u>	<u>41.207</u>	<u>(24.034)</u>
Income tax and social contribution effective rate	-72,13%	-9,46%	-78,50%	-14,88%
Income tax and social contribution				
Current	-	(15.058)	-	(23.292)
Deferred	29.211	699	41.207	(742)

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**14 Investments in subsidiary**

<b>In subsidiary</b>		<b>NEOMILLE</b>	
Ownership percentage		100,00%	
Share capital		314.569	
Equity		566.031	
Loss for the period		(2.235)	
<b>Investments</b>		<b>2023</b>	<b>2022</b>
			<b>(Restated</b>
			<b>- Note 2.2)</b>
Opening balance of investments at March 31		548.262	488.690
Equity in the earnings of subsidiaries		(2.235)	46.968
Carrying value adjustments		20.004	(13.890)
Interest on capital		-	(12.253)
Closing balance of investments at June 30		566.031	509.515
		<b>NEOMILLE</b>	
<b>Balance sheet</b>		<b>June 30, 2023</b>	<b>March 31, 2023</b>
<b>Assets</b>			
Current		798.615	1.032.552
Non-current		1.789.884	1.507.572
Total assets		2.588.499	2.540.124
<b>Liabilities</b>			
Current		405.573	328.834
Non-current		1.616.895	1.663.029
Equity		566.031	548.261
Total liabilities and equity		2.588.499	2.540.124
<b>Statement of income</b>		<b>June 30, 2023</b>	<b>June 30, 2022</b>
			<b>(Restated</b>
			<b>- Note 2.2)</b>
Operating profit		13.073	84.434
Finance result		(27.304)	(27.790)
Profit (loss) before income tax and social contribution		(14.231)	56.644
Income tax and social contribution		11.996	(9.676)
Profit (loss) for the period		(2.235)	46.968

Additional information on the Subsidiary and its operations disclosed in Note 1.

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15 Property, plant and equipment

Parent company	Land	Buildings	Equipment and facilities	Vehicles and agricultural implements	Furniture and fixtures	IT equipment	Advances to suppliers (i)	Property, plant and equipment in progress (i)	Sugarcane crops (ii)	Forest formation (iii)	Total
At March 31, 2022	1.691	81.992	428.915	79.308	1.051	2.582	1.339	17.531	216.478	12.566	843.453
Additions	-	-	1.250	3.662	13	-	3.355	4.255	25.049	2.392	39.976
Write-offs	-	-	(63)	-	-	(2)	-	-	-	-	(65)
Transfers	-	-	5.649	1.225	-	-	(1.338)	(5.536)	-	-	-
Transfers to assets available for sale	-	-	-	(189)	-	-	-	-	-	-	(189)
Depreciation	-	(705)	(22.365)	(9.129)	(64)	(277)	-	-	(16.056)	-	(48.596)
At June 30, 2022	1.691	81.287	413.386	74.877	1.000	2.303	3.356	16.250	225.471	14.958	834.579
Total cost	1.691	107.365	800.522	185.634	3.154	19.066	3.356	16.250	416.506	14.958	1.568.502
Accumulated depreciation	-	(26.078)	(387.136)	(110.757)	(2.154)	(16.763)	-	-	(191.035)	-	(733.923)
Residual value	1.691	81.287	413.386	74.877	1.000	2.303	3.356	16.250	225.471	14.958	834.579
At March 31, 2023	1.691	80.400	435.849	92.619	888	2.458	-	32.884	243.369	10.610	900.768
Additions	-	-	2.534	8	3	58	-	4.239	23.193	3.745	33.780
Transfers to assets available for sale	-	-	-	(172)	-	-	-	-	-	-	(172)
Transfers to biological assets	-	-	-	-	-	-	-	-	-	(2.247)	(2.247)
Depreciation	-	(714)	(24.101)	(13.499)	(62)	(215)	-	-	(19.338)	-	(57.929)
At June 30, 2023	1.691	79.686	414.282	78.956	829	2.301	-	37.123	247.224	12.108	874.200
Total cost	1.691	108.610	880.922	224.922	3.234	19.700	-	37.123	510.908	12.108	1.799.218
Accumulated depreciation	-	(28.924)	(466.640)	(145.966)	(2.405)	(17.399)	-	-	(263.684)	-	(925.018)
Residual value	1.691	79.686	414.282	78.956	829	2.301	-	37.123	247.224	12.108	874.200
Average depreciation rate	-	2,2%	6,2%	8,5%	9,3%	18,9%	-	-	16,7%	-	

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Consolidated	Land	Buildings	Equipment and facilities	Vehicles and agricultural implements	Furniture and fixtures	IT equipment	Advances to suppliers (i)	Property, plant and equipment in progress (i)	Sugarcane crops (ii)	Forest formation (iii)	Total
At March 31, 2022	31.914	121.735	624.392	79.308	1.154	3.107	72.482	142.106	216.478	12.661	1.305.337
Additions	-	-	1.422	3.662	13	-	73.575	43.748	25.049	5.348	152.817
Capitalized interest	-	-	-	-	-	-	-	8.712	-	-	8.712
Write-offs	-	-	(63)	-	-	(2)	-	-	-	-	(65)
Transfers	-	-	15.449	1.225	-	-	(16.515)	(159)	-	-	-
Transfers to assets available for sale	-	-	-	(189)	-	-	-	-	-	-	(189)
Depreciation	-	(948)	(25.043)	(9.129)	(67)	(323)	-	-	(16.056)	-	(51.566)
At June 30, 2022	31.914	120.787	616.157	74.877	1.100	2.782	129.542	194.407	225.471	18.009	1.415.046
Total cost	31.914	149.523	1.030.346	185.634	3.278	19.981	129.542	194.407	416.506	18.009	2.179.140
Accumulated depreciation	-	(28.736)	(414.189)	(110.757)	(2.178)	(17.199)	-	-	(191.035)	-	(764.094)
Residual value	31.914	120.787	616.157	74.877	1.100	2.782	129.542	194.407	225.471	18.009	1.415.046
At March 31, 2023	31.914	159.836	899.451	92.619	1.083	2.977	145.172	442.666	243.369	23.501	2.042.588
Additions	-	-	2.579	8	3	65	47.641	150.785	23.193	15.405	239.679
Capitalized interest	-	-	-	-	-	-	-	22.754	-	-	22.754
Transfers	-	-	-	-	-	-	(64.726)	64.726	-	-	-
Transfers to assets available for sale	-	-	-	(172)	-	-	-	-	-	-	(172)
Transfers to biological assets	-	-	-	-	-	-	-	-	-	(9.243)	(9.243)
Depreciation	-	(1.161)	(30.112)	(13.499)	(68)	(266)	-	-	(19.338)	-	(64.444)
At June 30, 2023	31.914	158.675	871.918	78.956	1.018	2.776	128.087	680.931	247.224	29.663	2.231.162
Total cost	31.914	191.759	1.382.435	224.922	3.464	20.801	128.087	680.931	510.908	29.663	3.204.884
Accumulated depreciation	-	(33.084)	(510.517)	(145.966)	(2.446)	(18.025)	-	-	(263.684)	-	(973.722)
Residual value	31.914	158.675	871.918	78.956	1.018	2.776	128.087	680.931	247.224	29.663	2.231.162
Average depreciation rate	-	2,1%	6,0%	8,7%	9,3%	18,5%	-	-	16,7%	-	

- (i) Expansions and/or improvements of the industrial processes conducted by the Group: at June 30, 2023, the main ongoing projects relate to the Subsidiary for a new industrial plant (Note 1.2).
- (ii) Cost incurred by the Company in the planting of sugarcane (bearer plant), which after its maturation period (estimated at 12 to 18 months) is cut, hence the Company adjusts the depreciation to match future crop harvests. Up to March 2023, the estimated useful life of sugarcane crops was five years, but it was reassessed in the current period, and, as from April 1, 2023, became six years. The cost incurred in maintaining crops after planting is included as biological assets (Note 11).
- (iii) Costs incurred in eucalyptus plantation, which, after its first production cycle (estimated at seven years each), will be transferred to biological assets, and after its second production cycle is complete, will be transformed into raw material (wood chip) used as fuel for the steam boilers (Note 11).

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16 Right-of-use assets

Refer to land leases, agricultural partnership contracts and lease of vehicles and agricultural implements, as follows:

	Parent company				Consolidated			
	Land	Land - agricultural partnerships	Vehicles and agricultural implements	Total	Land	Land - agricultural partnerships	Vehicles and agricultural implements	Total
At March 31, 2022	89.563	424.540	13.163	527.266	94.017	427.446	13.163	534.626
Additions - Notes 18. a) and 18. b)	-	1.127	-	1.127	-	67.229	-	67.229
Remeasurements	4.230	11.759		15.989	4.162	11.759	-	15.921
Depreciation	(3.358)	(21.509)	(1.954)	(26.821)	(3.438)	(21.997)	(1.954)	(27.389)
At June 30, 2022	90.435	415.917	11.209	517.561	94.741	484.437	11.209	590.387
At March 31, 2023	76.860	384.657	20.666	482.183	85.734	450.527	20.666	556.927
Additions - Notes 18. a) and 18. b)	10.763	2.485	25.916	39.164	10.763	2.485	25.916	39.164
Remeasurements	(989)	3.115	(3.431)	(1.305)	(827)	3.990	(3.431)	(268)
Depreciation	(3.441)	(20.685)	(4.789)	(28.915)	(3.612)	(21.967)	(4.789)	(30.368)
At June 30, 2023	83.193	369.572	38.362	491.127	92.058	435.035	38.362	565.455
Total cost	117.705	653.439	69.540	840.684	127.215	724.479	69.540	921.234
Accumulated depreciation	(34.512)	(283.867)	(31.178)	(349.557)	(35.157)	(289.444)	(31.178)	(355.779)
Residual value	83.193	369.572	38.362	491.127	92.058	435.035	38.362	565.455

In the period, new land leases and lease agreements were signed (Note 18).

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**17 Trade payables**

	Parent company		Consolidated	
	June 30, 2023	March 31, 2023	June 30, 2023	March 31, 2023
Sugarcane suppliers (i)	87.471	23.156	87.471	23.156
Sundry suppliers (ii)	68.213	67.419	166.837	136.787
Corn suppliers	-	-	11	33
Suppliers - related parties - Note 7 (b)	525	135	860	439
	<u>156.209</u>	<u>90.710</u>	<u>255.179</u>	<u>160.415</u>

- (i) Amounts payable to sugarcane suppliers for sugarcane delivered and not yet paid, as well as the estimated price increment (to be mostly settled between January and March), are calculated on the basis of the final price of the harvest, which uses the ATR index released by CONSECANA - Council of Sugarcane, Sugar and Alcohol Producers of the State of São Paulo. The balance also includes transfers to sugarcane suppliers for the recognition of Decarbonization Credits (CBios) (Note 8 (b)).
- (ii) The balance of sundry suppliers refers to the purchase of materials, inputs, services and property, plant and equipment items.

The amounts recognized as trade payables at amortized cost approximate their fair value.

**18 Leases and agricultural partnerships payable**

For the right-of-use leased assets (Note 16), a lease liability is recognized with a corresponding entry at the discounted cash flow from future considerations (Note 16(d)).

Changes in leases and agricultural partnerships payable:

**(a) Lease liabilities:**

	Parent company			Consolidated		
	Lease commitments	Adjustment to present value of operating leases	Lease liability	Lease commitments	Adjustment to present value of operating leases	Lease liability
<b>At March 31, 2022</b>	140.448	4.879	145.327	144.759	5.070	149.829
Remeasurements	5.674	-	5.674	5.606	-	5.606
Payments	(4.888)	-	(4.888)	(5.470)	-	(5.470)
Appropriation of financial charges	-	3.956	3.956	-	4.506	4.506
<b>At June 30, 2022</b>	<u>141.234</u>	<u>8.835</u>	<u>150.069</u>	<u>144.895</u>	<u>9.576</u>	<u>154.471</u>
<b>At March 31, 2023</b>	118.954	22.899	141.853	126.748	24.260	151.008
Additions	36.678	-	36.678	36.678	-	36.678
Remeasurements	(5.662)	-	(5.662)	(5.500)	-	(5.500)
Payments	(7.460)	-	(7.460)	(7.836)	-	(7.836)
Appropriation of financial charges	-	4.458	4.458	-	4.766	4.766
<b>At June 30, 2023</b>	<u>142.510</u>	<u>27.357</u>	<u>169.867</u>	<u>150.090</u>	<u>29.026</u>	<u>179.116</u>
Current			49.366			50.803
Non-current			<u>120.501</u>			<u>128.313</u>
			<u>169.867</u>			<u>179.116</u>



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There was no addition of contracts in the current period. The non-current lease liability matures as follows:

	Parent company		Consolidated	
	June 30, 2023	March 31, 2023	June 30, 2023	March 31, 2023
from 04/01/2024 to 03/31/2025*	30.622	31.088	30.876	32.085
from 04/01/2025 to 03/31/2026	35.571	26.767	35.951	27.682
from 04/01/2026 to 03/31/2027	14.544	13.071	14.977	13.910
from 04/01/2027 to 03/31/2028	11.460	8.955	11.953	9.725
April 2028 onwards	<u>28.304</u>	<u>22.391</u>	<u>34.556</u>	<u>26.608</u>
	<u>120.501</u>	<u>102.272</u>	<u>128.313</u>	<u>110.010</u>

\*For the period ended June 30, 2023, the long term balances correspond to the 24/25 harvest due in installments from 07/01/2024 to 03/31/2025.

**(b) Agricultural partnerships payable:**

Additions were made for new agricultural partnership agreements in the period, with maturities up to March 2040, net of the rate of 13.25% p.a.

	Parent company			Consolidated		
	Agricultural partnership commitments	Adjustment to present value of agricultural partnerships	Agricultural partnerships payable	Agricultural partnership commitments	Adjustment to present value of agricultural partnerships	Agricultural partnerships payable
<b>At March 31, 2022</b>	<u>533.411</u>	<u>(82.062)</u>	<u>451.349</u>	<u>536.335</u>	<u>(82.062)</u>	<u>454.273</u>
Additions	1.127	-	1.127	67.229	-	67.229
Remeasurements	11.759	-	11.759	11.759	-	11.759
Payments	(29.931)	-	(29.931)	(34.674)	-	(34.674)
Appropriation of financial charges	-	12.115	12.115	-	16.657	16.657
<b>At June 30, 2022</b>	<u>516.366</u>	<u>(69.947)</u>	<u>446.419</u>	<u>580.649</u>	<u>(65.405)</u>	<u>515.244</u>
<b>At March 31, 2023</b>	<u>454.308</u>	<u>(31.688)</u>	<u>422.620</u>	<u>513.703</u>	<u>(24.146)</u>	<u>489.557</u>
Additions	2.486	-	2.486	2.486	-	2.486
Remeasurements	3.115	-	3.115	3.990	-	3.990
Payments	(31.212)	-	(31.212)	(34.089)	-	(34.089)
Appropriation of financial charges	-	11.799	11.799	-	13.043	13.043
<b>At June 30, 2023</b>	<u>428.697</u>	<u>(19.889)</u>	<u>408.808</u>	<u>486.090</u>	<u>(11.103)</u>	<u>474.987</u>
Current			105.934			113.112
Non-current			<u>302.874</u>			<u>361.875</u>
			<u>408.808</u>			<u>474.987</u>

The balances of agricultural partnerships payable in non-current liabilities mature as follows:

	Parent company		Consolidated	
	June 30, 2023	March 31, 2023	June 30, 2023	March 31, 2023
from 04/01/2024 to 03/31/2025*	50.384	83.083	52.502	90.616
from 04/01/2025 to 03/31/2026	66.501	68.634	70.475	75.545
from 04/01/2026 to 03/31/2027	51.611	48.968	55.764	55.308
from 04/01/2027 to 03/31/2028	46.838	38.524	51.187	44.341
April 2028 onwards	<u>87.540</u>	<u>76.491</u>	<u>131.947</u>	<u>109.722</u>
	<u>302.874</u>	<u>315.700</u>	<u>361.875</u>	<u>375.532</u>

\*For the period ended June 30, 2023, the long term balances correspond to the 24/25 harvest due in installments from 07/01/2024 to 03/31/2025.

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**(c) Remeasurement of cash for consideration payable:**

Lease agreements and agricultural partnerships are remeasured, based on the indexes stipulated in their respective agreements, namely: IGPM and monthly CONSECANA index.

**(d) Cash flow projections:**

Pursuant to IFRS 16/CPC 06 (R2), the Group used the real interest discounted cash flow method without considering nominal projected inflation to measure lease liabilities and right-of-use assets. The nominal incremental rates are based on the estimated cost of funding observed in the market, for contracts with similar terms as below:

Parent company and consolidated		
Contracts' terms in years	Incremental rate	
	June 30, 2023	March 31, 2023
From 1 to 2	12,33%	13,89%
From 2 to 4	11,94%	13,85%
From 4 to 6	12,44%	14,33%
From 6 to 10	13,08%	15,23%
From 10 to 12	13,22%	15,35%
Over 12	13,25%	15,42%

The rates presented above, as per IFRS 16/CPC 06 (R2), are those at first time adoption or at contract inceptions; these rates are different for new contracts.

Consistent with CVM Circular Letter 02/2019, the potential PIS/COFINS credits are included in the lease values.

Further, pursuant to CVM Circular Letter 02/2019, the table below presents leases receivable, leases and agricultural partnerships payable, right-of-use assets, depreciation and finance costs, for the period ended June 30, 2023 and for future years, including projected inflation, discounted at the nominal rates.

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Parent company		from 04/01/2022 to 06/30/2023	from 07/01/2023 to 06/30/2024	from 07/01/2024 to 06/30/2025	from 07/01/2025 to 06/30/2026	from 07/01/2026 to 06/30/2027	from 07/01/2027 to 06/30/2028	from 07/01/2028 to 06/30/2033	from 07/01/2033 to 06/30/2040	Total
Lease receivables										
CPC o6 (R2)		25.742	18.058	9.510	-	-	-	-	-	
CVM Circular Letter		27.057	19.384	10.419	-	-	-	-	-	
% Variation		5,11	7,34	9,56	-	-	-	-	-	
Right-of-use assets										
CPC o6 (R2)		491.127	385.294	287.592	205.653	146.186	99.377	9.575	-	
CVM Circular Letter		484.026	376.756	277.411	193.297	131.190	81.721	2.657	-	
% Variation		(1,45)	(2,22)	(3,54)	(6,01)	(10,26)	(17,77)	(72,25)	-	
Lease liabilities										
CPC o6 (R2)		169.867	135.621	101.438	67.249	52.440	42.987	22.616	-	
CVM Circular Letter		188.035	155.414	121.649	86.549	71.492	61.680	38.449	-	
% Variation		10,70	14,59	19,92	28,70	36,33	43,49	70,01	-	
Agricultural partnerships payable										
CPC o6 (R2)		408.808	340.139	270.177	208.066	157.890	111.466	12.797	-	
CVM Circular Letter		458.104	392.681	321.715	255.414	199.132	144.234	16.438	-	
% Variation		12,06	15,45	19,08	22,76	26,12	29,40	28,45	-	
Depreciation expense										
CPC o6 (R2)		(28.915)	(102.118)	(91.690)	(80.556)	(61.382)	(48.060)	(95.540)	(12.441)	(520.702)
CVM Circular Letter		(29.574)	(53.702)	(44.639)	(35.441)	(27.571)	(21.030)	(43.447)	(8.385)	(263.789)
% Variation		2,28	(47,41)	(51,32)	(56,00)	(55,08)	(56,24)	(54,52)	(32,60)	(49,34)
Finance result										
CPC o6 (R2)		(15.547)	(100.945)	(91.411)	(80.887)	(62.678)	(49.610)	(99.669)	(14.366)	(515.113)
CVM Circular Letter		(15.861)	(61.501)	(52.706)	(43.219)	(34.706)	(27.266)	(60.032)	(12.998)	(308.289)
% Variation		2,02	(39,07)	(42,34)	(46,57)	(44,63)	(45,04)	(39,77)	(9,52)	(40,15)

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Consolidated	from 04/01/2022 to 06/30/2023	from 07/01/2023 to 06/30/2024	from 07/01/2024 to 06/30/2025	from 07/01/2025 to 06/30/2026	from 07/01/2026 to 06/30/2027	from 07/01/2027 to 06/30/2028	from 07/01/2028 to 06/30/2033	from 07/01/2033 to 06/30/2040	Total
Lease receivables									
CPC o6 (R2)	25.742	18.058	9.510	-	-	-	-	-	
CVM Circular Letter	27.057	19.384	10.419	-	-	-	-	-	
% Variation	5,11	7,34	9,56	-	-	-	-	-	
Right-of-use assets									
CPC o6 (R2)	565.455	453.803	350.282	262.524	197.238	144.610	24.981	-	
CVM Circular Letter	561.832	448.683	343.459	253.465	185.479	130.130	20.937	-	
% Variation	(0,64)	(1,13)	(1,95)	(3,45)	(5,96)	(10,01)	(16,19)	-	
Lease liabilities									
CPC o6 (R2)	179.116	144.572	110.045	75.464	60.208	50.245	26.036	-	
CVM Circular Letter	197.352	164.441	130.339	94.852	79.351	69.031	41.925	-	
% Variation	10,18	13,74	18,44	25,69	31,79	37,39	61,03	-	
Agricultural partnerships payable									
CPC o6 (R2)	474.987	402.558	328.731	262.586	208.193	157.350	30.727	-	
CVM Circular Letter	528.528	459.717	385.189	315.081	254.716	195.430	37.595	-	
% Variation	11,27	14,20	17,17	19,99	22,35	24,20	22,35	-	
Depreciation expense									
CPC o6 (R2)	(30.368)	(107.890)	(97.462)	(86.328)	(67.154)	(53.832)	(124.770)	(29.119)	(596.923)
CVM Circular Letter	(31.285)	(59.990)	(50.927)	(41.729)	(33.859)	(27.318)	(75.257)	(26.519)	(346.884)
% Variation	3,02	(44,40)	(47,75)	(51,66)	(49,58)	(49,25)	(39,68)	(8,93)	(41,89)
Finance result									
CPC o6 (R2)	(17.099)	(105.875)	(96.151)	(85.423)	(66.985)	(53.666)	(114.816)	(17.285)	(557.300)
CVM Circular Letter	(17.514)	(67.028)	(58.080)	(48.417)	(39.693)	(32.012)	(78.238)	(16.630)	(357.612)
% Variation	2,43	(36,69)	(39,60)	(43,32)	(40,74)	(40,35)	(31,86)	(3,79)	(35,83)

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19 Borrowings

Type	Index	Interest rate % (p.a)	Final maturity	Guarantees	Parent company		Consolidated	
					June 30, 2023	March 31, 2023	June 30, 2023	March 31, 2023
In local currency:								
FINEM	FIXED/SELIC/TJLP/TLP	3.31 to 7.00	mar/32	Mortgage + Fiduciary ownership + Assignment of credits + Financial investments + Surety of C	27.292	31.231	27.292	31.231
FINEM	FIXED RATE	5.80 to 8.50	mar/35	Assignment of credits + Surety of CParticipações and CBioenergia	-	-	64.671	66.484
FINAME	FIXED RATE	5,80	dez/23	Statutory lien + Assignment of credits + Surety of CParticipações	-	-	1.277	2.591
FINAME	SELIC	1.81 to 2.21	abr/39	First-rank mortgage + Surety of CParticipações	-	-	45.690	44.093
FINAME	FIXED/TLP	3.50 to 6.00	jul/38	Statutory lien + Assignment of credits + Surety of CParticipações	88.247	90.646	88.247	90.646
FINAME	FIXED RATE	9.50 to 10.50	dez/25	Statutory lien	1.937	2.415	1.937	2.415
FINEP	FIXED RATE	7,00	abr/25	Letter of guarantee	6.579	7.478	6.579	7.478
CPRF - Rural Producer Certificate	FIXED RATE	10.20 to 13.01	set/24	Assignment of credits	158.803	157.518	158.803	157.518
CCB - Bank Credit Notes	CDI	2,10	ago/26	Mortgage + Fiduciary ownership + Assignment of credits	72.035	69.435	72.035	69.435
CDCA	CDI	0,90	jan/24	Without guarantees	50.109	51.854	50.109	51.854
CCB - Bank Credit Notes	CDI	1.70 to 1.75	mar/27	Surety of CBioenergia	-	-	283.535	273.695
CCB - Bank Credit Notes (i)	CDI	2,50	set/24	Corn and/or ethanol inventories and/or financial investments + Surety of CBioenergia	-	-	125.593	121.005
					405.002	410.577	925.768	918.445
Current					(109.303)	(103.807)	(237.477)	(220.479)
Non-current					295.699	306.770	688.291	697.966

(i) Includes varied guarantees for corn and/or ethanol inventories and/or financial investments. At June 30, 2023, approximately R\$ 132,000 (March 31, 2023 - R\$ 132,000) of ethanol and corn inventories were pledged as collateral.

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The borrowings balance presented in non-current liabilities matures as follows:

	Parent company		Consolidated	
	June 30, 2023	March 31, 2023	June 30, 2023	March 31, 2023
from 04/01/2024 to 03/31/2025	175.501	181.175	365.546	371.258
from 04/01/2025 to 03/31/2026	31.810	31.958	95.037	95.114
from 04/01/2026 to 03/31/2027	18.177	18.948	77.577	78.220
April 2027 onwards	70.211	74.689	150.131	153.374
	<u>295.699</u>	<u>306.770</u>	<u>688.291</u>	<u>697.966</u>

\*For the period ended June 30, 2023, the long term balances correspond to the 24/25 harvest due in installments from 07/01/2024 to 03/31/2025.

Changes in borrowings in the periods ended June 30, 2023 and 2022 are presented in Note 28 (c).

### **Financial covenants**

Some of the Group's borrowings have financial covenants, such as: net debt/adjusted EBITDA ratio, net debt/equity ratio, and Adjusted EBITDA/ finance costs ratio. At March 31, all requirements were being fully met. For one loan contract, the financial covenants are calculated on a quarterly basis, which were also fully met.

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20 Debentures

									Parent company		Consolidated	
Type	Series	Class	Index	Yield % (p.a.)	Issue	Final maturity	Amortization schedule	Guarantees	June 30, 2023	March 31, 2023	June 30, 2023	March 31, 2023
In local currency:												
CRA (i)	Single	Simple, nonconvertible debentures	CDI	1.00	May-19	May-24	Half-yearly, after a 36-month grace period	Assignment of credits	83.434	129.715	83.434	129.715
CRA (ii)	Single	Simple, nonconvertible debentures	IPCA	5.0097	Mar-21	Mar-26	Single, at maturity	Surety of CBoenergia	-	-	296.383	287.349
CRA (iii)	Single	Simple, nonconvertible debentures	IPCA	6.2253	Apr-22	Apr-29	April 2028 and 2029	Surety of CBoenergia	-	-	623.550	625.672
CRA (iv)	-	-	CDI	1.50	Jul-22	Apr-28	Annual, after a 21-month grace period	Surety of CBoenergia	-	-	304.959	294.404
Debentures	Single	Simple, nonconvertible debentures	CDI	1.80	Sep-18	Sep-23	Annual, after a 12-month grace period	Assignment of credits + Surety of CParticipações	20.726	20.000	20.726	20.000
Debentures	Single	Simple, nonconvertible debentures	IPCA	4.15	Mar-20	Mar-27	Half-yearly, after a 48-month grace period	Assignment of credits + Surety of CParticipações at suspensive conditions	247.297	241.872	247.297	241.872
Debentures	Single	Simple, nonconvertible debentures	IPCA	7.96	Mar-23	Mar-31	Half-yearly, after a 72-month grace period	Without guarantees	352.869	342.556	352.869	342.556
									704.326	734.143	1.929.218	1.941.568
Current									(150.185)	(145.201)	(231.728)	(163.406)
Non-current									554.141	588.942	1.697.490	1.778.162

- (i) Debentures used as guarantees in securitization operations (25<sup>th</sup> Issuance of Agribusiness Receivables Certificates (CRAs) of Vert Companhia Securitizadora).
- (ii) Debentures used as guarantees in securitization operations (32<sup>nd</sup> Issuance of Agribusiness Receivables Certificates (CRAs) of ISEC Securitizadora).
- (iii) Debentures used as guarantees in securitization operations (150<sup>th</sup> Issuance of Agribusiness Receivables Certificates (CRAs) of ECO Securitizadora).
- (iv) Debentures used as guarantees in securitization operations (206<sup>th</sup> Issuance of Agribusiness Receivables Certificates (CRAs) of ECO Securitizadora).

The debentures balance presented in non-current liabilities matures as follows:

	Parent company		Consolidated	
	June 30, 2023	March 31, 2023	June 30, 2023	March 31, 2023
from 04/01/2024 to 03/31/2025	78.419	113.336	181.536	305.534
from 04/01/2025 to 03/31/2026	76.190	76.567	417.954	404.158
from 04/01/2026 to 03/31/2027	73.808	74.166	165.232	161.742
from 04/01/2027 to 03/31/2028	20.667	20.513	105.030	101.320
April 2028 onwards	305.057	304.360	827.738	805.408
	554.141	588.942	1.697.490	1.778.162

\*For the period ended June 30, 2023, the long term balances correspond to the 24/25 harvest due in installments from 07/01/2024 to 03/31/2025.



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Changes in debentures in the periods ended June 30, 2023 and 2022 are shown in Note 28 (c).

**Financial covenants**

The Group's debenture contracts include financial covenants, such as the net debt/adjusted EBITDA ratio, net debt/equity ratio and adjusted EBITDA/finance costs ratio, measured on an annual basis, and for which the Group was in compliance with all the requirements.

**Fair value of borrowings and debentures**

At June 30 and March 31, 2023, the carrying amount of the Group's Level 2 hierarchy borrowings and debentures approximates their fair values. Management evaluated and concluded that floating rate loans, including the carrying amount of loans designated for hedge accounting with a swap, continue to reflect the Group's average funding rate. For fixed rate loans, the fair value is adjusted for future installments by the rates to maturity, discounted to present value by the future CDI yield curve plus a spread of 2% p.a. on each base date.

The fair value of the CRAs traded in the secondary market is calculated as shown below:

Type	Code	Index	Maturity	Fair value*	Carrying amount - Debt	Carrying amount - Swap	Fair value - Swap
CRA 2019	CRA019002MM	CDI + 1.00% p.a.	May 16, 2024	86.638	83.434	(733)	(3.468)
CRA 2021	CRA021000M9	IPCA + 5.01% p.a.	March 16, 2026	284.450	296.383	(42.375)	(33.041)
CRA 2022	CRA021005W1	IPCA + 6.2253% p.a.	March 15, 2028	599.678	623.550	(23.137)	(28.164)

\*Calculated based on secondary market trading information from June 2 to June 30, 2023.

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**21 Taxes payable - Non-current liabilities**

The Group's management, under the advice of its legal counsel, filed for and obtained writs of mandamus, which mainly cover:

	Parent company				
	March 31, 2023	Additions	Reversals	Settlements	June 30, 2023
Exclusion of ICMS/PIS/COFINS from social security contribution (i)	35.505	2.418	-	-	37.923
Differential rate (ii)	18.981	1.451	-	-	20.432
IRPJ and CSLL on finance income below IPCA (iii)	25.884	803	-	-	26.687
	<u>80.370</u>	<u>4.672</u>	<u>-</u>	<u>-</u>	<u>85.042</u>

  

	Consolidated				
	March 31, 2023	Additions	Reversals	Settlements	June 30, 2023
Exclusion of ICMS/PIS/COFINS from social security contribution (i)	35.505	2.418	-	-	37.923
Differential rate (ii)	18.981	1.451	-	-	20.432
IRPJ and CSLL on finance income below IPCA (iii)	26.265	803	-	-	27.068
ICMS on equipment imports	923	-	-	-	923
Installment payment under Tax Recovery Program (COFINS)	492	-	-	(67)	425
Installment payment under Tax Recovery Program (IRPJ)	3.244	-	-	(214)	3.030
Installment payment under Tax Recovery Program (CSLL)	1.168	-	-	(82)	1.086
	<u>86.578</u>	<u>4.672</u>	<u>-</u>	<u>(363)</u>	<u>90.887</u>

- (i) The lower courts had already granted a favorable ruling to exclude ICMS from the PIS and COFINS calculation basis of the social security contribution due by agribusinesses.
- (ii) Suspension of the payment of the differential rate on purchases from suppliers located in another State.
- (iii) Suspension of the payment of IRPJ and CSLL on interest/indexation income from financial investments.

Supported by these writs of mandamus, a portion of the taxes contested has not been paid and the balance bears accruals on the same basis as applies to taxes overdue. These are presented in non-current liabilities as Management expects that final judgment will occur after 12 months. In the event Management's position does not prevail, the balance will likely be payable in installments.

The changes in the period refer to the unpaid portion of the taxes and interest accruals.

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**22 Provision for contingencies**

The Group is a party to labor, tax and civil proceedings in progress, and is discussing such matters at the administrative and judicial levels, which, when applicable, are supported by judicial deposits.

The provisions for probable losses arising from tax, civil and administrative proceedings are estimated, recorded and adjusted by Management, under the advice of its external legal counsel, for proceedings which it believes are appropriately classified as probable risks of loss.

Provisions for probable risk of losses arising from labor proceedings are recorded for all proceedings in which the Group is a party. The estimate is calculated taking into account the jurisdiction in which the proceeding is located and the history of payments made over the last 12 months for proceedings settled in the same jurisdiction (proportion of the amount paid in relation to the amount disputed).

**(a) Probable risk of loss**

Changes in provisions were as follows:

	Parent company				
	March 31, 2023	Additions	Reversals	Settlements	June 30, 2023
Labor	17.622	4.907		(4.248)	18.281
Tax	171				171
Civil	-	50	-	-	50
	<u>17.793</u>	<u>4.957</u>	<u>-</u>	<u>(4.248)</u>	<u>18.502</u>
Current	15.859				15.576
Non-current	<u>1.934</u>				<u>2.926</u>
	<u>17.793</u>				<u>18.502</u>

  

	Consolidated				
	March 31, 2023	Additions	Reversals	Settlements	June 30, 2023
Labor	26.626	5.756	(156)	(4.277)	27.949
Tax	801	-	-	-	801
Administrative	-	3	-	-	3
Civil	-	50	-	-	50
	<u>27.427</u>	<u>5.809</u>	<u>(156)</u>	<u>(4.277)</u>	<u>28.803</u>
Current	18.749				19.122
Non-current	<u>8.678</u>				<u>9.681</u>
	<u>27.427</u>				<u>28.803</u>

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**22.1 Contingent liabilities**

**Possible risk of loss**

	Parent company		Consolidated	
	June 30, 2023	March 31, 2023	June 30, 2023	March 31, 2023
Environmental	219	212	224	217
Civil				
Indemnities	322	625	2.029	2.278
Other	777	1.784	777	1.784
Tax				
Federal taxes (i)	19.468	18.974	55.490	55.913
Offset of federal taxes	3.248	3.156	3.333	3.239
ICMS (ii)	<u>27.459</u>	<u>26.673</u>	<u>27.459</u>	<u>26.673</u>
<b>Total</b>	<u><u>51.493</u></u>	<u><u>51.424</u></u>	<u><u>89.312</u></u>	<u><u>90.104</u></u>

**Tax lawsuits**

- (i) The Consolidated proceedings are mainly for cases filed by the Federal Government for collection of Excise Tax (IPI) for the Subsidiary, as the inclusion of the IPI payable pursuant to Article 3 of Provisional Measure (MP) 470/2009 was contested by the tax authorities claiming that it should not have been offset against an IPI premium credit.
- (ii) The proceedings are for alleged improper credit of ICMS in the Parent Company, arising from the register of ICMS Fixed Assets Credit Control (CIAP) and of diesel oil ICMS credits used in some agricultural activities.

**23 Equity**

**(a) Share capital**

The Company's capital is represented by 458,277,128 registered common shares, with no par value.

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**(b) Earnings or loss per share**

- (i) Basic earnings (loss) per share are calculated by dividing the profit (loss) attributable to the shareholders of the Company and the Group by the weighted average number of outstanding common shares in issue during the period.

	Consolidated	
	June 30, 2023	June 30, 2022
		(Restated - Note 2.2)
Profit (loss) for the period attributable to the shareholders of the Company	(11.288)	137.475
Weighted average number of common shares in the period - in thousands	<u>458.277</u>	<u>458.277</u>
Basic and diluted earnings (loss) per share (in reais)	<u>(0,0246)</u>	<u>0,3000</u>

- (ii) The diluted earnings (loss) per share are calculated by dividing the profit (loss) attributable to the shareholders by the weighted average number of common shares outstanding during the period (assuming the conversion of all potentially dilutable common shares), adjusted by the weighted average number of instruments with dilutive effects. At June 30, 2023 and 2022, as the Company has no dilutive effect instruments, the diluted earnings (loss) are equal to the basic earnings (loss) per share.

**(c) Dividends and interest on capital**

The Bylaws entitle the shareholders to mandatory minimum dividend of 25% calculated on the annual profit adjusted pursuant to Article 202 of Law 6,404/76 (Note 23 (d)).

The May 31, June 30, July 29 and August 31, 2022 Extraordinary General Meetings approved the distribution of interest on capital of R\$6,500, R\$16,539, R\$4,175 and R\$4,175, respectively, totaling R\$31,389, which, net of withholding income tax, amounts to R\$26,678, to be distributed as part of the mandatory minimum dividends.

The June 21, 2023 Annual General Meeting approved the amount of R\$ 50 as a mandatory minimum dividends, which, with the interest on capital declared and not paid of R\$ 26,678, was fully settled on June 29, 2023.

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**(d) Revenue reserves**

**Legal reserve**

The legal reserve is appropriated at the rate of 5% of the profit determined at the end of each year, after any accumulated deficit has been offset, pursuant to article 193 of Law 6,404/76, up to the limit of 20% of the share capital.

**Tax incentives reserve**

In the quarter ended March 31, 2023, this refers to Produzir tax incentive in the amount of R\$ 19,990 (Note 1.1) (2022 - R\$ 32,963). The respective effects were recorded in the statement of income (Note 25) and appropriated from retained earnings to the tax incentives reserve, pursuant to Article 30 of Law 12,973/2014. This reserve, in the current quarter, was recorded based on profits from prior periods since the Company incurred losses in the current period; the reserve may only be used for capitalization or absorption of losses.

The incentives may only be distributed as dividends if they have been subject to income tax and social contribution at the rates of 25% and 9%, respectively. As the Company does not include the tax incentive in the calculation basis of the mandatory minimum dividend (Note 23 (c)), an equivalent amount is appropriated to the tax incentives reserve.

**Retention reserve**

Management proposed to retain the remaining balance of profits for the year ended March 31, 2023, after the legal and statutory allocations, in the amount of R\$ 75,483, to be used for investments and working capital, according to the capital budget approved by the Annual General Meeting held on July 28, 2023.

**(e) Carrying value adjustments**

Corresponds to the results of transactions with derivative financial instruments (swap contracts), not yet realized, classified as cash flow hedge accounting, since its adoption on April 1, 2022. This balance is recycled from equity to income as the hedged transactions are realized. The balance is composed as follows:

	June 30, 2023	March 31, 2023
<b>Parent company</b>		
Effects of derivative financial instruments on the Parent company - Hedge accounting	25.225	1.785
Income tax and social contribution on hedge accounting effects in the Parent company	(8.577)	(607)
Effects of equity in the earnings of subsidiary (hedge accounting in subsidiary)	8.076	(11.925)
Carrying value adjustments	<u>24.724</u>	<u>(10.747)</u>

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## 24 Classification and fair value of financial instruments

### 24.1 Classification

The classification of financial assets and liabilities is as below:

	June 30, 2023				March 31, 2023			
	Amortized cost	FVTPL	Fair value through comprehensive income	Total	Amortized cost	FVTPL	Fair value through comprehensive income	Total
<b>Parent company</b>								
Financial assets								
Cash and cash equivalents	800.454	-	-	800.454	785.282	-	-	785.282
Financial investments	13.649	5.140	-	18.789	13.318	5.030	-	18.348
Derivative financial instruments	-	1.255	100.403	101.658	-	152	81.633	81.785
Trade and other receivables	47.140	-	-	47.140	22.623	-	-	22.623
Interest on capital and dividends receivable	-	-	-	-	25.814	-	-	25.814
Lease receivables	25.742	-	-	25.742	26.274	-	-	26.274
Judicial deposits	4.221	-	-	4.221	4.893	-	-	4.893
	<u>891.206</u>	<u>6.395</u>	<u>100.403</u>	<u>998.004</u>	<u>878.204</u>	<u>5.182</u>	<u>81.633</u>	<u>965.019</u>
Financial liabilities								
Trade and other payables	165.888	-	-	165.888	101.117	-	-	101.117
Leases and partnerships payable	578.675	-	-	578.675	564.473	-	-	564.473
Borrowings	405.002	-	-	405.002	410.577	-	-	410.577
Debentures	704.326	-	-	704.326	734.143	-	-	734.143
Derivative financial instruments	-	966	29.069	30.035	-	11	29.475	29.486
Interest on capital and dividends payable	-	-	-	-	26.728	-	-	26.728
	<u>1.853.891</u>	<u>966</u>	<u>29.069</u>	<u>1.883.926</u>	<u>1.837.038</u>	<u>11</u>	<u>29.475</u>	<u>1.866.524</u>

  

	June 30, 2023				March 31, 2023			
	Amortized cost	FVTPL	Fair value through comprehensive income	Total	Amortized cost	FVTPL	Fair value through comprehensive income	Total
<b>Consolidated</b>								
Financial assets								
Cash and cash equivalents	1.144.919	-	-	1.144.919	1.219.772	-	-	1.219.772
Financial investments	13.649	9.273	-	22.922	13.318	5.030	-	18.348
Derivative financial instruments	-	65.210	160.463	225.673	-	(1.190)	160.463	159.273
Trade and other receivables	157.975	-	-	157.975	103.610	-	-	103.610
Lease receivables	25.742	-	-	25.742	26.274	-	-	26.274
Judicial deposits and reserve requirements	19.714	-	-	19.714	16.500	-	-	16.500
	<u>1.361.999</u>	<u>74.483</u>	<u>160.463</u>	<u>1,596.945</u>	<u>1,379.474</u>	<u>3.840</u>	<u>160.463</u>	<u>1,543.777</u>
Financial liabilities								
Trade and other payables	266.340	-	-	266.340	171.928	-	-	171.928
Leases and partnerships payable	654.103	-	-	654.103	640.565	-	-	640.565
Borrowings	925.768	-	-	925.768	918.445	-	-	918.445
Debentures	1.929.218	-	-	1,929.218	1,941.568	-	-	1,941.568
Derivative financial instruments	-	966	92.417	93.383	-	3.739	92.417	96.156
Interest on capital and dividends payable	-	-	-	-	26.728	-	-	26.728
	<u>3,775.429</u>	<u>966</u>	<u>92.417</u>	<u>3,868.812</u>	<u>3,699.234</u>	<u>3.739</u>	<u>92.417</u>	<u>3,795.390</u>



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**24.2 Fair value**

Other than those for ethanol, US Dollar and corn forward contracts negotiated in the B3 S.A. - Brasil, Bolsa, Balcão ("B3"), which are classified in Level 1, the financial assets and liabilities at fair value were classified in Level 2 and measured based on observable prices, directly or indirectly, for the asset or liability, as no prices are quoted in active markets for identical assets.

Because biological assets do not have observable prices and have little or no market activity for the asset at the measurement date, they were measured using the discounted cash flow method (Level 3).

Parent company	June 30, 2023			March 31, 2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Financial investments	-	5.140	-	-	5.030	-
Derivative financial instruments	-	101.658	-	-	81.785	-
Biological assets	-	-	190.143	-	-	196.592
	-	106.798	190.143	-	86.815	196.592
Liabilities						
Derivative financial instruments	-	30.035	-	-	29.486	-

Consolidated	June 30, 2023			March 31, 2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Financial investments	-	9.273	-	-	5.030	-
Derivative financial instruments	-	225.673	-	-	159.273	-
Biological assets	-	-	219.399	-	-	196.592
	-	234.946	219.399	-	164.303	196.592
Liabilities						
Derivative financial instruments	726	92.836	-	478	95.678	-

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**25 Revenue from contracts with customers**

	Parent company		Consolidated	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Hydrated ethanol (i)	306.232	399.648	428.089	569.550
Anhydrous ethanol (ii)	-	-	48.844	-
Electricity	32.588	31.752	29.563	29.800
CBIOs	21.497	16.626	23.788	17.501
DDG (v)	-	-	60.979	56.503
Corn oil	-	-	12.411	10.713
Other (iii)	16.291	6.811	11.027	1.963
Tax incentives (iv)	19.990	32.963	35.141	47.162
Net revenue	<u>396.598</u>	<u>487.800</u>	<u>649.842</u>	<u>733.192</u>

- (i) The decrease in ethanol revenue is mainly due to the reduction in ethanol prices driven by the proportional decrease in the price of gasoline (Notes 1.4 and 1.5) due to the parity formula between ethanol and gasoline prices.
- (ii) In April 2023, after completing the expansion project and obtaining the regulatory licenses, the Subsidiary began producing anhydrous ethanol (Note 1).
- (iii) Refer to corn oil and soybean, and agricultural services in both periods.
- (iv) The Group enjoys subsidies granted by the State of Goiás (Note 1.1) for ICMS tax credits on sales that are recorded as sales revenue in the statement of income.
- (v) The increase in DDG revenue is mainly due to the higher volume sold (approximately 40.7 %), resulting from the higher corn grinding volume in the period, partially offset by a fall of 29.1 % in the average price of the byproduct sold.

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**26 Costs and expenses by nature**

The Group classifies costs and expenses in the statement of income based on their function. The nature of these costs and expenses is as follows:

	Parent company		Consolidated	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Consumption of raw material and inputs	(160.206)	(155.233)	(351.876)	(290.565)
Changes in fair value of biological assets	(5.392)	(18.922)	(5.392)	(18.922)
Reversal of (adjustment to) net realizable value of inventories	6.912	-	(4.987)	-
Cutting, transshipment and transport	(29.626)	(20.060)	(29.626)	(20.060)
Salaries and payroll charges	(28.520)	(23.301)	(40.743)	(30.055)
Consumables and supplies	(26.485)	(13.365)	(29.089)	(14.761)
Third-party services	(12.133)	(7.683)	(17.429)	(11.370)
Freight on sales	(14.783)	(14.844)	(19.779)	(24.810)
Depreciation and amortization	(11.534)	(10.671)	(18.089)	(13.669)
Depreciation of sugarcane crops	(20.605)	(16.055)	(20.605)	(16.055)
Depreciation of right-of-use assets	(23.565)	(22.864)	(23.565)	(22.864)
Amortization of crop treatment (includes harvested biological assets)	(37.906)	(24.649)	(37.906)	(24.649)
Amortization of inter-crop expenses	(21.992)	(16.310)	(21.992)	(16.310)
Electricity purchase (resale)	(2.572)	(8.317)	(2.572)	(8.317)
CBIOS cost of sales	(14.422)	(782)	(16.545)	(782)
Other expenses, net	(835)	-	(4.892)	(1.636)
	<u>(403.664)</u>	<u>(353.056)</u>	<u>(645.087)</u>	<u>(514.825)</u>
Classified as:				
Cost of sales and services	(366.005)	(306.945)	(587.883)	(454.626)
Changes in fair value of biological assets	(4.815)	(18.922)	(4.815)	(18.922)
Selling expenses	(19.721)	(19.083)	(33.795)	(30.749)
General and administrative expenses	(13.123)	(8.106)	(18.594)	(10.528)
	<u>(403.664)</u>	<u>(353.056)</u>	<u>(645.087)</u>	<u>(514.825)</u>

The increase in costs of raw materials and inputs is directly related to the increase in the price of raw materials (value of wood chip, ATR of sugarcane and bags of corn), in addition to a higher consumption of wood chips, used for energy generation.

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**27 Finance result**

	Parent company		Consolidated	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
		<b>(Restated - Note 2.2)</b>		<b>(Restated - Note 2.2)</b>
Charges on borrowings and debentures	(32.939)	(25.280)	(64.081)	(71.631)
Adjustment to present value - leases and agricultural partnerships payable	(16.257)	(16.071)	(17.809)	(21.163)
Losses on derivative transactions	(14.312)	(5.350)	(63.566)	(39.566)
Losses on derivative transactions (fair value hedge)	(1.161)	-	(1.161)	-
Tax on financial transactions	(1.159)	(1.680)	(1.743)	(3.352)
Interest and indexation accruals of taxes payable	(1.508)	(1.093)	(1.627)	(1.103)
Bank charges and commissions	(2.265)	(2.155)	(2.300)	(3.547)
Expenditure on sureties (Note 8)	(438)	(501)	(566)	(526)
Other finance costs	(1.016)	(876)	(1.320)	(1.187)
Finance costs	<u>(71.055)</u>	<u>(53.006)</u>	<u>(154.173)</u>	<u>(142.075)</u>
Gains on derivative transactions	14.604	12.020	57.395	37.326
Income from financial investments	24.688	11.289	36.945	46.774
Interest on tax credits	-	10	569	104
Adjustment to present value of leases	710	878	710	878
Other finance income	<u>195</u>	<u>393</u>	<u>392</u>	<u>786</u>
Finance income	<u>40.197</u>	<u>24.590</u>	<u>96.011</u>	<u>85.868</u>
Finance result	<u>(30.858)</u>	<u>(28.416)</u>	<u>(58.162)</u>	<u>(56.207)</u>

**28 Supplementary statement of cash flow disclosures**

**(a) Sale of property, plant and equipment**

In the statement of cash flows, proceeds from sale of property, plant and equipment were as follows:

	Note	Parent company		Consolidated	
		June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Net carrying amount - sale of property, plant and equipment	15	-	65	-	65
Net carrying amount - sale of assets available for sale		196	93	196	93
Gain (loss) on property, plant and equipment disposals		<u>946</u>	<u>85</u>	<u>946</u>	<u>85</u>
Proceeds from disposal of property, plant and equipment		<u>1.142</u>	<u>243</u>	<u>1.142</u>	<u>243</u>

**(b) Non-cash investing and financing activities**

	Note	Parent company		Consolidated	
		June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Total additions to property, plant and equipment and intangible assets					
Purchases of property, plant and equipment (includes sugarcane crops)	15	(33.780)	(39.976)	(262.433)	(161.529)
Addition to intangible assets		-	(36)	-	(36)
Non-cash effects					
Capitalized interest	15	-	-	22.754	8.712
Purchases of property, plant and equipment through financing	28.c	-	6.153	-	6.153
Total additions as per the statement of cash flows		<u>(33.780)</u>	<u>(33.859)</u>	<u>(239.679)</u>	<u>(146.700)</u>

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**(c) Reconciliation of balance sheet transactions with cash flows from financing activities**

	Parent company								
	Borrowings	Debentures	Derivative financial instruments, net	Leases and partnerships payable	Lease receivables	Dividends and interest on capital payable	Cash and cash equivalents	Financial investments	Total
<b>At March 31, 2022</b>	<b>248.660</b>	<b>482.145</b>	<b>(36.220)</b>	<b>596.676</b>	<b>(32.519)</b>	<b>23.335</b>	<b>(344.370)</b>	<b>(7.946)</b>	<b>929.761</b>
Changes affecting cash flows									
Payments	(9.760)	(42.977)	4.008	(24.609)	-	(23.335)	-	-	(96.673)
Financial charges paid	(5.713)	(11.637)	-	(10.210)	-	-	-	-	(27.560)
Changes, net	-	-	-	-	-	-	(75.055)	(3.615)	(78.670)
Non-cash transactions									
New funds	6.153	-	-	-	-	-	-	-	6.153
Destination of dividends and interest on capital	-	-	-	-	-	19.583	-	-	19.583
Addition, derecognition and remeasurement of lease liabilities	-	-	-	18.560	(1.444)	-	-	-	17.116
Interest accruals	8.668	18.593	(6.670)	16.071	(878)	-	-	(259)	35.525
<b>At June 30, 2022 (restated - Note 2.2)</b>	<b>248.008</b>	<b>446.124</b>	<b>(38.882)</b>	<b>596.488</b>	<b>(34.841)</b>	<b>19.583</b>	<b>(419.425)</b>	<b>(11.820)</b>	<b>805.235</b>
<b>At March 31, 2023</b>	<b>410.577</b>	<b>734.143</b>	<b>(52.299)</b>	<b>564.473</b>	<b>(26.274)</b>	<b>26.728</b>	<b>(785.282)</b>	<b>(18.347)</b>	<b>853.719</b>
Changes affecting cash flows									
Payments	(9.738)	(40.958)	4.408	(52.826)	-	(26.730)	-	-	(125.844)
Financial charges paid	(8.958)	(8.969)	-	14.154	-	-	-	-	(3.773)
Changes, net	-	-	-	-	-	-	(15.172)	133	(15.039)
Non-cash transactions									
Addition, derecognition and remeasurement of lease liabilities	-	-	-	36.617	1.242	-	-	-	37.859
Hedge accounting effects	-	-	(23.440)	-	-	-	-	-	(23.440)
Interest and update of monthly Consecana index	13.121	20.110	(292)	16.257	(710)	-	-	(575)	47.911
<b>At June 30, 2023</b>	<b>405.002</b>	<b>704.326</b>	<b>(71.623)</b>	<b>578.675</b>	<b>(25.742)</b>	<b>-</b>	<b>(800.454)</b>	<b>(18.789)</b>	<b>771.393</b>

**Cerradinho Bioenergia S.A.**  
**Notes to the interim financial statements**  
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	Consolidated								
	Borrowings	Debentures	Derivative financial instruments, net	Leases and partnerships payable	Lease receivables	Dividends and interest on capital payable	Cash and cash equivalents	Financial investments	Total
<b>At March 31, 2022</b>	<b>931.986</b>	<b>888.229</b>	<b>(58.221)</b>	<b>604.102</b>	<b>(32.519)</b>	<b>23.335</b>	<b>(1.144.378)</b>	<b>(7.946)</b>	<b>1.204.588</b>
Changes affecting cash flows									
New funds	-	600.000	-	-	-	-	-	-	600.000
Payments	(13.927)	(176.970)	1.137	(25.177)	-	(23.335)	-	-	(238.272)
Financial charges paid	(6.188)	(12.671)	-	(14.967)	-	-	-	-	(33.826)
Changes, net	-	-	-	-	-	-	(547.929)	(5.518)	(553.447)
Non-cash transactions									
New funds	6.153	-	-	-	-	-	-	-	6.153
Destination of dividends and interest on capital	-	-	-	-	-	19.583	-	-	19.583
Addition, derecognition and remeasurement of lease liabilities	-	-	-	84.594	(1.444)	-	-	-	83.150
Capitalized interest	8.712	-	-	-	-	-	-	-	8.712
Interest and update of monthly Consecana index	22.730	47.760	(13.229)	21.163	(878)	-	-	(262)	77.284
<b>At June 30, 2022 (restated - Note 2.2)</b>	<b>949.466</b>	<b>1.346.348</b>	<b>(70.313)</b>	<b>669.715</b>	<b>(34.841)</b>	<b>19.583</b>	<b>(1.692.307)</b>	<b>(13.726)</b>	<b>1.173.925</b>
<b>At March 31, 2023</b>	<b>918.445</b>	<b>1.941.568</b>	<b>(63.117)</b>	<b>640.565</b>	<b>(26.274)</b>	<b>26.728</b>	<b>(1.219.772)</b>	<b>(18.347)</b>	<b>2.199.796</b>
Changes affecting cash flows									
Payments	(13.895)	(40.958)	(21.422)	(57.274)	-	(26.730)	-	-	(160.279)
Financial charges paid	(9.224)	(28.077)	-	15.349	-	-	-	-	(21.952)
Changes, net	-	-	-	-	-	-	74.853	(3.966)	70.887
Non-cash transactions									
Addition, derecognition and remeasurement of lease liabilities	-	-	-	37.654	1.242	-	-	-	38.896
Capitalized interest	22.754	-	-	-	-	-	-	-	22.754
Hedge accounting effects	-	-	(53.744)	-	-	-	-	-	(53.744)
Interest and update of monthly Consecana index	7.688	56.685	6.172	17.809	(710)	-	-	(609)	87.035
<b>At June 30, 2023</b>	<b>925.768</b>	<b>1.929.218</b>	<b>(132.111)</b>	<b>654.103</b>	<b>(25.742)</b>	<b>-</b>	<b>(1.144.919)</b>	<b>(22.922)</b>	<b>2.183.395</b>

**Cerradinho Bioenergia S.A.**  
**Notes to the interim financial statements**  
**at June 30, 2023**  
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**29 Segment information**

**a) Consolidated result by segment**

CONSOLIDATED	SUGARCANE		CORN		OTHER NON- SEGMENTED	ELIMINATIONS	June 30, 2023
	ETHANOL	ELECTRIC POWER	ETHANOL	CORN BYPRODUCTS			TOTAL
<b>Revenue from contracts with customers</b>	<b>347.186</b>	<b>38.160</b>	<b>184.580</b>	<b>74.635</b>	<b>13.568</b>	<b>(8.288)</b>	<b>649.842</b>
Cost of sales	(306.352)	(48.846)	(220.041)	(6.315)	(14.617)	8.288	(587.883)
Changes in fair value of biological assets	(5.392)	-	-	-	577	-	(4.815)
<b>Gross profit (loss)</b>	<b>35.442</b>	<b>(10.686)</b>	<b>(35.460)</b>	<b>68.320</b>	<b>(471)</b>	-	<b>57.144</b>
Gross margin	10,21%	-28,00%	-19,21%	91,54%	-3,47%	0,00%	8,79%
Selling expenses	(14.699)	(5.124)	(7.353)	(6.182)	(438)	-	(33.797)
Other operating expenses, net	-	-	-	-	(17.681)	-	(17.681)
<b>Profit (loss) before finance result</b>	<b>20.742</b>	<b>(15.811)</b>	<b>(42.814)</b>	<b>62.139</b>	<b>(18.591)</b>	-	<b>5.666</b>
Operating margin	5,97%	-41,43%	-23,20%	83,26%	-137,02%	0,00%	0,87%
Other non-segmented expenses and revenues	-	-	-	-	(16.954)	-	(16.954)
<b>Profit (loss) for the period</b>	-	-	-	-	-	-	<b>(11.288)</b>

CONSOLIDATED	SUGARCANE		CORN		OTHER NON- SEGMENTED	ELIMINATIONS	June 30, 2022 (restated - Note 2.2)
	ETHANOL	ELECTRIC POWER	ETHANOL	CORN BYPRODUCTS			TOTAL
<b>Revenue from contracts with customers</b>	<b>447.688</b>	<b>36.860</b>	<b>183.629</b>	<b>68.185</b>	<b>3.631</b>	<b>(6.800)</b>	<b>733.192</b>
Cost of sales	(274.694)	(31.441)	(150.159)	(3.727)	(1.966)	6.800	(455.187)
Changes in fair value of biological assets	(18.922)	-	-	-	(0,1)	-	(18.922)
<b>Gross profit</b>	<b>154.072</b>	<b>5.419</b>	<b>33.470</b>	<b>64.458</b>	<b>1.665</b>	-	<b>259.083</b>
Gross margin	34,42%	14,70%	18,23%	94,53%	45,85%	0,00%	35,34%
Selling expenses	(14.599)	(3.826)	(8.297)	(3.368)	(659)	-	(30.749)
Other operating expenses, net	-	-	-	-	(11.179)	-	(11.179)
<b>Profit (loss) before finance result</b>	<b>139.474</b>	<b>1.593</b>	<b>25.173</b>	<b>61.090</b>	<b>(10.174)</b>	-	<b>217.155</b>
Operating margin	31,15%	4,32%	13,71%	89,59%	-280,23%	0,00%	29,62%
Other non-segmented expenses and revenues	-	-	-	-	(79.680)	-	(79.680)
<b>Profit for the period</b>	-	-	-	-	-	-	<b>137.475</b>

The Company's sugarcane ethanol segment produces sugarcane bagasse for incineration in the boilers for the sugarcane energy generation segment. As it is a byproduct from the production of ethanol, with no alternative market for sale in the region where it is produced, there is no transfer of costs from the ethanol segment to the energy segment, in relation to bagasse produced in the production of ethanol and used in the energy generation.

Part of the corn cost is incorporated in the costing of corn byproducts.

Transactions with the Subsidiary for the supply of energy, steam, which are eliminated upon consolidation in the financial statements, are not eliminated for the purposes of the presentation of the results of each segment above.

The Group has customers which correspond to over 32% of its revenues (June 30, 2022 - over 24%). The four largest ethanol sales customers account for about 73.6% of total revenue, and the remaining 26.4% are distributed among other ethanol customers, energy customers and corn byproducts (June 30, 2022 - 72.8% and 27.2%, respectively).



**Cerradinho Bioenergia S.A.**  
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**b) Other items not included in reportable segments**

The revenues reported in the column "Other non-segmented" refer to sales of sugarcane (in the 2021/2022 harvest), sale of corn and soybean and provision of agricultural services.

Operating expenses refer to administrative, general and other net operating expenses incurred by the Group, in the amount of R\$ 17,681 (June 30, 2022 - R\$11,179), which are not attributable to specific segments. Directly attributable selling expenses are attributed to the reportable segments, with a remaining non-attributable portion of R\$438 (June 30, 2022 - R\$659).

Other income and expenses correspond to the finance result, and current and deferred income tax and social contribution computed by the Group of R\$ 58,162 (June 30, 2022 - R\$ 56,207) and R\$41,207 (June 30, 2022 - R\$24,034) (Notes 27 and 13, respectively).

**c) Consolidated operating assets by segment**

The Group's main assets were segregated by segment according to the corresponding cost centers that are allocated or identified according to their nature.

	SUGARCANE		CORN		OTHER NON- SEGMENTED	ELIMINATIONS	June 30, 2023
	ETHANOL	ELECTRIC POWER	ETHANOL	CORN BYPRODUCTS			TOTAL
<b>Consolidated</b>							
Trade receivables	15.286	12.666	4.894	41.480	-	(3.176)	71.150
Inventories	140.392	-	207.973	230	-	-	348.595
Biological assets	177.211	-	-	-	-	-	177.211
Property, plant and equipment	751.358	122.842	1.303.956	53.006	-	-	2.231.162
Intangible assets	853	-	502	-	-	-	1.355
Right-of-use assets	491.127	-	74.328	-	-	-	565.455
<b>Total allocated assets</b>	<b>1.576.227</b>	<b>135.508</b>	<b>1.591.652</b>	<b>94.717</b>	-	<b>(3.176)</b>	<b>3.394.928</b>
Other assets not allocated					2.580.373	(566.031)	2.014.342
<b>Total assets per balance sheet</b>	<b>1.576.227</b>	<b>135.508</b>	<b>1.591.652</b>	<b>94.717</b>	<b>2.580.373</b>	<b>(569.207)</b>	<b>5.409.270</b>

	SUGARCANE		CORN		OTHER NON- SEGMENTED	ELIMINATIONS	March 31, 2023
	ETHANOL	ELECTRIC POWER	ETHANOL	CORN BYPRODUCTS			TOTAL
<b>Consolidated</b>							
Trade receivables	3.467	9.695	9.215	35.829	-	(2.507)	55.699
Inventories and advances to suppliers	113.532	-	398.038	230	-	-	511.801
Biological assets	202.642	-	-	-	-	-	202.642
Property, plant and equipment	775.561	125.207	1.088.064	53.756	-	-	2.042.588
Intangible assets	1.017	-	542	-	-	-	1.559
Right-of-use assets	482.183	-	74.744	-	-	-	556.927
<b>Total allocated assets</b>	<b>1.578.402</b>	<b>134.902</b>	<b>1.570.603</b>	<b>89.815</b>	-	<b>(2.507)</b>	<b>3.371.216</b>
Other assets not allocated					2.485.626	(548.262)	1.937.364
<b>Total assets per balance sheet</b>	<b>1.578.402</b>	<b>134.902</b>	<b>1.570.603</b>	<b>89.815</b>	<b>2.485.626</b>	<b>(550.769)</b>	<b>5.308.580</b>

**Cerradinho Bioenergia S.A.****Notes to the interim financial statements****at June 30, 2023****All amounts in thousands of reais unless otherwise stated**

The additions to non-current assets, except for financial assets and deferred taxes, are for property, plant and equipment and right-of-use assets, as follows:

Additions	June 30, 2023	March 31, 2023
<b>Sugarcane</b>		
Ethanol	44.766	212.757
Electric power	4.153	35.624
<b>Subtotal</b>	<b>48.920</b>	<b>248.380</b>
<b>Corn</b>		
Ethanol	197.896	473.679
Corn byproducts	7.587	18.333
<b>Subtotal</b>	<b>205.483</b>	<b>492.011</b>
<b>Total</b>	<b>254.403</b>	<b>740.392</b>

Since the chief operating decision-makers analyze liabilities on a consolidated basis, the segment information relating to liabilities is not being reported.

**30 Commitments**

At June 30 and March 31, 2023, the Group had the following commitments:

**(a) Sales to the domestic market**

The Company has commitments for sales of 63% of ethanol volumes for the current harvest (March 31, 2023 - 68%), of which 57% under CIF (Cost, Insurance and Freight) and 6% under FOB (Free on Board), with price fixed weekly by the ESALQ - Escola Superior de Agricultura Luiz de Queiroz (College of Agriculture) index, with premiums defined for each contract.

The Subsidiary has commitments for sales of 74% of ethanol volume for the current harvest (March 31, 2023 - 54%), of which 59% under CIF and 15% under FOB, with price fixed weekly by the ESALQ index, with premiums defined for each contract.

**(b) Sale of electricity**

A contract executed with the Electric Energy Trading Chamber (CCEE) established a sales commitment for electricity as below:

2023 commitment (MWh)	Delivered until June 30, 2023	To be delivered in 2023	Total contractual volume to be delivered	Price MWh/year	Adjustment index	Final maturity
105.120	20.001	85.119	190.239	R\$ 355,96	IPCA	Feb-25
55.188	10.807	44.381	154.757	R\$ 322,39	IPCA	Jan-26
148.920	74.256	74.664	1.861.704	R\$ 197,76	IPCA	Dec-35
162.060	80.808	81.252	3.322.452	R\$ 323,99	IPCA	Dec-43
46.428	23.150	23.278	1.044.694	R\$ 286,19	IPCA	Dec-45
517.716	209.022	308.694	6.573.846			

**Cerradinho Bioenergia S.A.****Notes to the interim financial statements****at June 30, 2023****All amounts in thousands of reais unless otherwise stated**

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**(c) Purchase of corn**

The Subsidiary has contracts for the purchase of corn from its suppliers, at pre-agreed prices, for its ethanol production. At June 30, 2023, the Subsidiary had contracts for the purchase of corn at fixed prices, totaling 551 thousand metric tons (March 31, 2023 - 277 thousand metric tons), to be delivered up to June 2024.

**(d) Expansion project (Note 1.2)**

At June 30, 2023, the Company had commitments for the construction of the new corn ethanol plant in Maracaju, state of Mato Grosso do Sul (Note 1.2), of R\$ 209,795 (March 31, 2023 - R\$ 482,131), which comprise: (i) commitments to purchase biomass for energy generation of R\$ 94,734 (March 31, 2023 - R\$ 94,734); and (ii) commitments to purchase equipment and services of R\$ 115,061 (March 31, 2023 - R\$ 387,397).

**31 Events after the reporting period****Investments for a VHP sugar plant**

At a Board of Directors' meeting held on July 7, 2023, an investment of R\$ 289 million was approved for the implementation of a VHP sugar plant, which will be installed in the industrial complex of the parent company in the municipality of Chapadão do Céu - GO, with a production capacity of up to 330 thousand metric tons of sugar per harvest year.

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São Paulo, SP 05001-100  
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