

# Jalles Machado S.A.

**Quarterly accounting information - ITR  
as of December 31, 2022**

*(A free translation of the original report in  
Portuguese containing the quarterly  
financial information prepared in  
accordance with accounting practices  
adopted in Brazil and International  
Financial Reporting Standards)*

# Content

<b>Report on the review of quarterly accounting information - ITR</b>	<b>3</b>
<b>Balance sheets</b>	<b>5</b>
<b>Income statements</b>	<b>6</b>
<b>Comprehensive income statements</b>	<b>7</b>
<b>Statements of changes in shareholders' equity</b>	<b>8</b>
<b>Cash flow statement - Indirect method</b>	<b>9</b>
<b>Demonstration of added value</b>	<b>10</b>
<b>Management's explanatory notes to quarterly accounting information - ITR</b>	<b>11</b>



KPMG Auditores Independentes Ltda.  
Avenida Dep. Jamel Cecílio, 2.496  
Quadra B-22, Lote 04-E  
New Business Style (business condo)  
74.810-100 – Goiânia/GO – Brazil  
Caixa Postal 25.425 CEP 74.810-970 - Goiânia/GO - Brazil  
Telephone +55 (62) 3604-7900  
kpmg.com.br

## Report on the review of quarterly information - ITR

To the Shareholders, Directors and Directors of the  
Jalles Machado S.A.  
Goianésia - GO

### Introduction

We review the interim, individual and consolidated accounting information of Jalles Machado S.A. ("Company"), contained in the Quarterly Information Form (ITR) for the quarter ended December 31, 2022, which includes the balance sheet as of December 31, 2022 and the respective statements of income and comprehensive income for the three and nine months ended that date and changes in shareholders' equity and cash flows to the nine-month period ended on that date, including the explanatory notes.

The Company's management is responsible for the preparation of individual interim accounting information in accordance with CPC 21(R1) and consolidated interim accounting information in accordance with CPC 21(R1) and international standard IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for presenting this information in a manner consistent with the standards issued by the Securities and Exchange Commission, the preparation of the Quarterly Information (ITR). Our responsibility is to express a conclusion about this interim accounting information based on our review.

### Scope of review

We conduct our review in accordance with Brazilian and international standards of review of intermediate information (NBC TR 2410 - Review of Intermediate Information Performed by the Auditor of the Entity and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of intermediate information consists of conducting inquiries, mainly to the persons responsible for financial and accounting matters and in the application of analytical procedures and other review procedures.

The scope of a review is significantly less than that of an audit conducted in accordance with audit standards and, consequently, has not allowed us to obtain security that we have become aware of all significant issues that could be identified in an audit. Therefore, we do not express an audit opinion.



**Conclusion on individual and consolidated interim information**

Based on our review, we are not aware of any fact that leads us to believe that the individual and consolidated interim accounting information included in the quarterly information referred to above has not been prepared, in all relevant respects, in accordance with CPC 21(R1), applicable to the preparation of Quarterly Information (ITR) and presented in a manner consistent with the standards issued by the Securities and Exchange Commission.

**Other Subjects - Statements of added value**

The above quarterly information includes individual and consolidated statements of value added (DVA), for the nine-month period ended December 31, 2022, prepared under the responsibility of the Company's management and presented as supplementary information for the purposes of IAS 34. These statements were submitted to review procedures executed in conjunction with the review of the quarterly information, in order to conclude whether they are reconciled with the intermediate accounting information and accounting records, as applicable, and whether their form and content are in accordance with the criteria defined in Technical Pronouncement CPC 09 - Statement of Added Value. Based on our review, we are not aware of any fact that leads us to believe that these statements of added value were not prepared, in all relevant respects, according to the criteria defined in this Standard and consistently in relation to the individual and consolidated interim accounting information taken together.

Goiânia, February 13, 2023

**KPMG Auditores Independentes**

CRC GO-001203/O-2 F-GO

*Original report in Portuguese signed by*

**Fernando Rogério Liani**

Accountant CRC 1SP229193/O-2

## Jalles Machado S.A.

### Balance sheets as of December 31, 2022 and March 31, 2022

(In thousands of Reais)

Active	Note	Parent company		Consolidated		Passive	Note	Parent company		Consolidated	
		31/12/2022	31/03/2022	31/12/2022	31/03/2022			31/12/2022	31/03/2022		
<b>Rolling</b>						<b>Rolling</b>					
Cash and cash equivalents	3	890,585	1,220,805	967,787	1,242,658	Loans and financing	11	280,951	296,528	289,722	296,528
Restricted cash	4	28,532	57,792	28,532	57,792	Leases payable	22	106,692	86,709	129,874	50,848
Accounts receivable and other receivables	5	37,364	45,253	49,476	45,243	Suppliers and other accounts payable	12	82,525	122,140	115,636	122,140
Inventories	6	275,133	131,581	363,465	131,581	Derivative financial instruments	16	124,286	155,996	124,286	155,996
Advance to suppliers		3,255	1,114	10,647	1,114	Provision and labor charges		24,388	23,980	36,298	23,980
Biological assets	10	445,324	432,968	514,401	432,968	Tax obligations		10,764	13,138	15,787	13,252
Recovered taxes and contributions	7	59,349	24,016	107,692	24,016	Dividends payable	15	4	52,428	4	52,428
Recovered Income tax and social contribution		34,785	14,463	39,039	14,463	Income tax and social contribution payable		-	-	1,310	1,119
Derivative financial instruments	16	9,335	33,764	9,335	33,764	Advance from clients		18,810	19,727	19,152	19,727
Dividends to be received	8 c	1,881	14,444	1,881	8,541						
Other assets		1,975	4,345	3,275	4,347	<b>Total current liabilities</b>		<b>648,420</b>	<b>770,646</b>	<b>732,069</b>	<b>736,018</b>
<b>Total current assets</b>		<b>1,787,518</b>	<b>1,980,545</b>	<b>2,095,530</b>	<b>1,996,487</b>	<b>Non-rolling</b>					
<b>Non-rolling</b>						Loans and financing	11	1,542,858	1,152,024	1,620,014	1,152,024
Restricted cash	4	19,512	1,081	19,512	1,081	Leases payable	22	907,658	699,527	1,036,011	658,496
Derivative financial instruments	16	166,609	97,373	166,609	97,373	Derivative financial instruments	16	141,783	124,064	141,783	124,064
Judicial deposits	14	106,526	103,247	108,005	103,247	Deferred income tax and social contribution	13	249,929	157,386	200,234	157,386
Advance to suppliers		-	-	1,032	-	Tax obligations		3,346	7,423	3,346	7,423
Recovered taxes and contributions	7	13,112	9,269	87,641	9,269	Suppliers and other accounts payable	12	440	422	440	422
Recovered income tax and social contribution		-	-	1,404	-	Provisions for contingencies	14	17,841	25,310	27,453	25,310
Accounts receivable and other receivables	5	11,663	749	59,088	610	<b>Total non-current liabilities</b>		<b>2,863,855</b>	<b>2,166,156</b>	<b>3,029,281</b>	<b>2,125,125</b>
Investments	8	1,274,176	181,445	86,676	100,007	<b>Equity</b>	15				
Property, plant and equipment	9	1,219,098	1,136,265	2,061,235	1,200,096	Capital		982,096	982,096	982,096	982,096
Rights of use of asset	22	1,029,442	807,739	1,185,989	733,884	Profit reserves		521,869	392,118	521,869	392,118
Intangible assets		9,880	7,818	13,890	7,818	Equity valuation adjustments		13,582	14,515	13,582	14,515
<b>Total non-current assets</b>		<b>3,850,018</b>	<b>2,344,986</b>	<b>3,791,081</b>	<b>2,253,385</b>	Treasury shares		(11,752)	-	(11,752)	-
						Retained earnings		619,466	-	619,466	-
<b>Total asset</b>		<b>5,637,536</b>	<b>4,325,531</b>	<b>5,886,611</b>	<b>4,249,872</b>	<b>Total shareholders' equity</b>		<b>2,125,261</b>	<b>1,388,729</b>	<b>2,125,261</b>	<b>1,388,729</b>
						<b>Total liabilities and shareholders' equity</b>		<b>5,637,536</b>	<b>4,325,531</b>	<b>5,886,611</b>	<b>4,249,872</b>

The explanatory notes are an integral part of the interim accounting information - ITR

# Jalles Machado S.A.

## Income statements

Three- and nine-month periods ended December 31, 2022 and 2021

(In thousands of Reais)

	Note	Parent company				Consolidated			
		31/12/2022 (9 months)	31/12/2021 (9 months)	31/12/2022 (3 months)	31/12/2021 (3 months)	31/12/2022 (9 months)	31/12/2021 (9 months)	31/12/2022 (3 months)	31/12/2021 (3 months)
<b>Net operating income</b>	17	1,279,469	1,073,964	350,024	360,814	1,437,956	1,072,861	509,252	360,353
Change in the fair value of biological assets	10	(41,201)	140,764	(33,829)	40,436	(46,073)	140,764	(38,701)	40,436
Cost of sales and services	18 (a)	(778,406)	(552,472)	(256,078)	(176,169)	(936,923)	(531,242)	(429,172)	(169,024)
<b>Gross profit</b>		<b>459,862</b>	<b>662,256</b>	<b>60,117</b>	<b>225,081</b>	<b>454,960</b>	<b>682,383</b>	<b>41,379</b>	<b>231,765</b>
<b>Operating expenses</b>									
Sales expenses	18 (b)	(106,208)	(69,710)	(31,177)	(23,923)	(106,365)	(69,710)	(31,334)	(23,923)
Administrative and general expenses	18 (h)	(77,329)	(71,107)	(29,221)	(24,831)	(82,263)	(71,184)	(34,093)	(24,848)
Reversal (Provision) for expected credit losses	5	(50)	7,391	(25)	916	(3,927)	7,391	(3,902)	916
Other revenues	19	592,699	130,761	488,325	59,473	630,111	130,845	525,605	59,473
Other expenses	19	(2,055)	(8,392)	(1,152)	(6,040)	(4,389)	(8,391)	(3,486)	(6,040)
<b>Income before financial income, equity and taxes</b>		<b>866,919</b>	<b>651,199</b>	<b>486,867</b>	<b>230,676</b>	<b>888,127</b>	<b>671,334</b>	<b>494,169</b>	<b>237,343</b>
Financial expenses	20	(752,646)	(727,720)	(260,724)	(180,883)	(757,887)	(727,466)	(268,596)	(179,981)
Financial revenues	20	643,467	344,911	165,673	133,135	646,905	345,434	167,647	133,329
<b>Net financial result</b>	20	<b>(109,179)</b>	<b>(382,809)</b>	<b>(95,051)</b>	<b>(47,748)</b>	<b>(110,982)</b>	<b>(382,032)</b>	<b>(100,949)</b>	<b>(46,652)</b>
Equity income	8	52,868	37,732	28,815	14,229	12,077	19,791	3,414	7,518
<b>Income before income taxes and social contribution</b>		<b>810,608</b>	<b>306,122</b>	<b>420,631</b>	<b>197,157</b>	<b>789,222</b>	<b>309,093</b>	<b>396,634</b>	<b>198,209</b>
Current income tax and social contribution	13	-	-	-	-	(1,208)	(2,971)	1,403	(1,052)
Deferred income tax and social contribution	13	(62,324)	(31,198)	30,109	(27,682)	(39,730)	(31,198)	52,703	(27,682)
<b>Results for the period</b>		<b>748,284</b>	<b>274,924</b>	<b>450,740</b>	<b>169,475</b>	<b>748,284</b>	<b>274,924</b>	<b>450,740</b>	<b>169,475</b>
Basic and diluted earnings per share (in Reais)	21					2.5443	0.9329	1.5326	0.5751

The explanatory notes are an integral part of the interim accounting information - ITR

## Jalles Machado S.A.

### Comprehensive income statements

Three- and nine-month periods ended December 31, 2022 and 2021

*(In thousands of Reais)*

Parent company and consolidated	Parent company				Consolidated			
	31/12/2022 (9 months)	31/12/2021 (9 months)	31/12/2022 (3 months)	31/12/2021 (3 months)	31/12/2022 (9 months)	31/12/2021 (9 months)	31/12/2022 (3 months)	31/12/2021 (3 months)
Results for the period	748,284	274,924	450,740	169,475	748,284	274,924	450,740	169,475
Other comprehensive results	-	-	-	-	-	-	-	-
<b>Total comprehensive result</b>	<b>748,284</b>	<b>274,924</b>	<b>450,740</b>	<b>169,475</b>	<b>748,284</b>	<b>274,924</b>	<b>450,740</b>	<b>169,475</b>

The explanatory notes are an integral part of the interim accounting information - ITR

**Jalles Machado S.A.**

**Statements of changes in shareholders' equity**

Nine-month periods ended December 31, 2022 and 2021

(In thousands of Reais)

Note	Share capital	Equity valuation adjustments	Treasury Shares	Profit reserves			Additional dividends proposed	Retained earnings	Total
				Legal	Investment grant	Profit retention			
<b>Balances as of April 1, 2021</b>	<b>989,045</b>	<b>15,701</b>	-	<b>8,618</b>	<b>57,147</b>	<b>35,399</b>	<b>30,073</b>	-	<b>1,135,983</b>
Distribution of dividends conf. AUG on July 27, 2021	-	-	-	-	-	-	(30,073)	-	(30,073)
Income for the year	-	-	-	-	-	-	-	274,924	274,924
Realization of equity valuation adjustments	-	(1,114)	-	-	-	-	-	1,114	-
Spending on issuing shares	(6,949)	-	-	-	-	-	-	-	(6,949)
<b>Allocation of profits:</b>									
Payment of interest on equity as of December 23, 2021	-	-	-	-	-	-	-	(45,711)	(45,711)
Total recomposition of the investment grant reserve	-	-	-	-	113,299	-	-	(113,299)	-
<b>Balances as of December 31, 2021</b>	<b>982,096</b>	<b>14,587</b>	-	<b>8,618</b>	<b>170,446</b>	<b>35,399</b>	-	<b>117,028</b>	<b>1,328,174</b>
<b>Balances as of April 1, 2022</b>	<b>982,096</b>	<b>14,515</b>	-	<b>28,073</b>	<b>210,373</b>	<b>153,672</b>	-	-	<b>1,388,729</b>
Income for the year	-	-	-	-	-	-	-	748,284	748,284
Realization of equity valuation adjustments	-	(933)	-	-	-	-	-	933	-
Treasury shares	-	-	(11,752)	-	-	-	-	-	(11,752)
<b>Allocation of profits:</b>									
Total recomposition of the investment grant reserve	-	-	-	-	129,751	-	-	(129,751)	-
<b>Balances at December 31, 2022</b>	<b>982,096</b>	<b>13,582</b>	<b>(11,752)</b>	<b>28,073</b>	<b>340,124</b>	<b>153,672</b>	-	<b>619,466</b>	<b>2,125,261</b>

The explanatory notes are an integral part of the interim accounting information - ITR

## Jalles Machado S.A.

### Cash flow statement - Indirect method

Nine-month periods ended December 31, 2022 and 2021  
(In thousands of Reals)

	Note	Parent company		Consolidated	
		31/12/2022 (9 months)	31/12/2021 (9 months)	31/12/2022 (9 months)	31/12/2021 (9 months)
<b>Cash flow from operating activities</b>					
<b>Results for the period</b>		<b>748,284</b>	<b>274,924</b>	<b>748,284</b>	<b>274,924</b>
Settings for:					
Depreciation of property, plant and amortization of intangible assets	18.a,b,c	113,632	70,426	134,327	70,426
Crop depreciation	18th	84,962	67,756	92,122	67,756
Amortization of cultural tracts	18th	156,916	114,554	190,237	114,554
Depreciation of usage rights	18th	80,998	56,514	73,248	42,451
Income on disposal of property, plant and equipment		3	968	(1,624)	968
Equity income	8th	(52,868)	(37,732)	(12,077)	(19,791)
Gain per advantageous purchase		(339,133)	-	(339,133)	-
Added Value - USVAA Fixed Assets		(88,878)	-	(88,878)	-
Amortiz. Agio by Rentab Futura - Goodwil Jalles Bioenergia S.A.		-	-	568	-
Amortiz Added Value Fixed Asset Jalles Bioenergia S.A.		-	-	3,840	-
Low investment		-	-	923	-
Change in the fair value of investments		2	(19)	2	(19)
Provision for contingencies		(7,469)	(2,060)	(91)	(2,060)
Amortization of loan transaction costs	11	4,715	4,098	4,715	4,101
Provision for expected credit losses		49	(7,391)	49	(7,391)
Provision with derivative instruments	16	61,272	322,654	61,272	322,654
Change in the fair value of biological assets	10	41,201	(140,764)	46,073	(140,764)
Fair value of CBIOS		(8,020)	(282)	(8,020)	(282)
Remeasurements of right-of-use contracts and partnerships/leases payable		(36,054)	(14,982)	(36,272)	(12,339)
Provision for slow-moving stock		(3,514)	(212)	(2,760)	(212)
Loan exchange variation	11	18,745	(5,377)	18,745	(5,377)
Adjust the present value		13,097	8,553	13,097	8,553
Taxes and current contributions	13	-	-	848	2,971
Deferred taxes and contributions	13	62,324	31,198	39,729	31,198
Financial update of judicial deposits		(4,791)	(2,609)	(4,791)	(2,609)
Accrued interest on lease agreements and agricultural partnerships	22	39,965	20,448	41,109	17,505
Accrued interest on loans and financing	11	124,097	74,428	126,994	74,448
Variations in:					
Accounts receivable and other receivables		(3,075)	(443)	45,282	(424)
Inventories		19,060	(76,839)	99,427	(83,847)
Biological assets	10	(243,281)	(167,971)	(272,917)	(167,971)
Advance to suppliers		(2,141)	11,457	2,890	11,457
Taxes and contributions to be recovered		(39,176)	(1,438)	(59,237)	(1,438)
Income tax and social contribution to be recovered		(20,322)	(1,169)	(21,107)	(1,169)
Other assets		2,371	(1,729)	1,630	(1,729)
Judicial deposits		1,512	(9,282)	(6,064)	(9,282)
Suppliers and other accounts payable		(66,266)	18,206	(110,058)	15,176
Labor provisions and charges		408	17	(6,553)	17
Tax obligations		(19,548)	(9,133)	(23,162)	(9,105)
Advance of customers		(917)	8,295	(2,579)	8,295
Restricted box applications		(11,659)	(186,552)	(11,659)	(190,272)
Restricted cash redemption		22,488	210,810	22,488	218,196
Settlement of derivative financial instruments		(120,071)	(152,522)	(120,071)	(152,522)
Interest paid on loans and financing	11	(85,541)	(49,188)	(88,689)	(49,213)
Interest paid on leases	22	(39,965)	(20,448)	(41,108)	(17,505)
Income tax and social contribution paid		-	-	(4,009)	(2,685)
<b>Net cash flow from operating activities</b>		<b>403,412</b>	<b>407,164</b>	<b>507,042</b>	<b>407,644</b>
<b>Cash flow from investment activities</b>					
Acquisition of net investment of cash acquired in the consolidated	1.1	(388,223)	(715)	(503,642)	(821)
Capital increase in invested		(238,000)	-	-	-
Acquisition of fixed assets	26	(195,132)	(162,874)	(218,868)	(162,874)
Acquisition of intangible assets		(4,068)	(750)	(4,286)	(750)
Amount received by capital reduction in invested		12,950	-	12,950	-
Dividends received		44,201	32,771	17,082	7,701
Cash received amount for asset sales		1,977	7,256	2,560	7,256
Plantations and acquisitions of sugarcane plantations	9	(139,574)	(79,890)	(168,931)	(79,890)
<b>Net cash flow used in investment activities</b>		<b>(905,869)</b>	<b>(204,202)</b>	<b>(863,135)</b>	<b>(229,378)</b>
<b>Cash flow from financing activities</b>					
Loans and financing taken	11	518,658	-	518,658	-
Amortization of loans and financing	11	(205,417)	(358,425)	(297,253)	(360,966)
Cost of issuing shares		-	(6,949)	-	(6,949)
Amortization of leases	22	(76,828)	(25,178)	(56,819)	-
Amortization of Agricultural Partnerships	22	-	(62,003)	(19,187)	(62,003)
Payment of dividends		(52,424)	(40,873)	(52,424)	(40,873)
Share repurchase		(11,752)	-	(11,752)	-
Payment of interest on equity	15	-	(45,711)	-	(45,711)
<b>Net cash from (used in) financing activities</b>		<b>172,237</b>	<b>(539,139)</b>	<b>81,223</b>	<b>(516,502)</b>
<b>Reduction in cash and cash equivalents</b>		<b>(330,220)</b>	<b>(336,177)</b>	<b>(274,871)</b>	<b>(338,236)</b>
Cash and cash equivalents at the beginning of the period		1,220,805	1,178,300	1,242,658	1,194,100
Cash and cash equivalents at the end of the period		890,585	842,123	967,787	855,864
<b>Reduction in cash and cash equivalents</b>		<b>(330,220)</b>	<b>(336,177)</b>	<b>(274,871)</b>	<b>(338,236)</b>

## Jalles Machado S.A.

### Demonstration of added value

Nine-month periods ended December 31, 2022 and 2021  
(In thousands of Reais)

	Parent company		Consolidated	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
<b>Recipes</b>	<b>1,571,739</b>	<b>1,402,704</b>	<b>1,815,573</b>	<b>1,402,630</b>
Sales of goods, products and services	1,440,463	1,284,365	1,624,046	1,284,206
Other Recipes	137,893	116,071	198,144	116,156
Sales Return	(6,568)	(5,123)	(6,568)	(5,123)
Net reversal (incorporation) of provision for expected credit losses	(49)	7,391	(49)	7,391
<b>Purchased from third parties</b>	<b>(58,533)</b>	<b>(171,099)</b>	<b>(125,591)</b>	<b>(163,582)</b>
Costs of products, goods and services sold	(313,591)	(218,951)	(371,655)	(211,356)
Materials, energy, third-party services and other	(130,140)	(92,243)	(138,546)	(92,321)
Net gain arising from change in fair value and realization of the value or less value of biological assets	(41,201)	140,764	(46,073)	140,764
CBIOS Fair Value Recognition	8,020	281	13,058	281
Gain per advantageous purchase in controlled	428,011	-	428,011	-
Loss/recovery of active values	(9,632)	(950)	(10,386)	(950)
<b>Gross added value</b>	<b>1,513,206</b>	<b>1,231,605</b>	<b>1,689,982</b>	<b>1,239,048</b>
<b>Depreciation, amortization and exhaustion</b>	<b>(436,508)</b>	<b>(309,250)</b>	<b>(488,298)</b>	<b>(295,187)</b>
<b>Net added value produced by the entity</b>	<b>1,076,698</b>	<b>922,355</b>	<b>1,201,683</b>	<b>943,861</b>
<b>Added value received on transfer</b>	<b>682,547</b>	<b>365,554</b>	<b>645,194</b>	<b>348,136</b>
Equity income	52,868	37,732	12,077	19,791
Result of discontinued operations	-	-	-	-
Financial revenues	120,203	42,865	123,641	43,388
Gain with exchange rate variations	30,894	43,648	30,894	43,648
Gain on derivative transactions	478,582	241,309	478,582	241,309
<b>Total added value to distribute</b>	<b>1,759,245</b>	<b>1,287,909</b>	<b>1,846,877</b>	<b>1,291,997</b>
<b>Distribution of added value</b>	<b>1,759,245</b>	<b>1,287,909</b>	<b>1,846,878</b>	<b>1,291,997</b>
<b>Staff</b>	<b>88,800</b>	<b>69,273</b>	<b>118,575</b>	<b>69,273</b>
Direct remuneration (cost)	58,933	50,892	86,920	50,892
Benefits	24,973	14,442	26,244	14,442
F.G.T.S.	4,894	3,939	5,411	3,939
<b>Taxes, fees and contributions</b>	<b>196,400</b>	<b>241,634</b>	<b>243,843</b>	<b>245,976</b>
Federal	73,122	70,342	100,862	74,589
State	123,276	171,288	142,979	171,383
Municipal	2	4	2	4
<b>Remuneration of Third Party Capital</b>	<b>725,761</b>	<b>656,367</b>	<b>736,176</b>	<b>656,113</b>
Financial expenses	139,181	43,279	143,878	43,025
Losses on exchange rate changes	42,816	43,659	42,816	43,659
Loss on derivative transactions	539,853	563,963	539,853	563,963
Financial expenses IFRS 16	3,911	5,466	4,456	5,466
Rents and rentals	-	-	5,173	-
<b>Capital Remuneration</b>	<b>748,284</b>	<b>320,635</b>	<b>748,284</b>	<b>320,635</b>
Retained earnings	748,284	274,924	748,284	274,924
Interest on equity	-	45,711	-	45,711
Distribution of dividends	-	-	-	-

The explanatory notes are an integral part of the interim accounting information - ITR

## **Management's explanatory notes to quarterly accounting information - ITR as of December 31, 2022**

*(In thousands of Reais, except as otherwise indicated)*

### **1 Operational context**

The activities of Companhia Jalles Machado S.A., and its subsidiaries Jalles Machado Empreendimentos Imobiliários S.A., Purolim S.A. (formerly Esplanada Bioenergia S.A.), Santa Vitória Açúcar e Alcool Ltda. and Jalles Bioenergia S.A. and the affiliates Albioma Codora Energia S.A. and Albioma Esplanada Energia S.A. hereinafter referred to as "Company", comprise substantially the following operations:

#### **a. Jalles Machado S.A.**

Jalles Machado S.A. is a publicly-based Company registered with the Brazilian Securities and Exchange Commission (CVM) on the number 02549-6 on February 4, 2021. The Company's shares are traded in B3 under the name "JALL3".

The Company has three industrial units, being: (i) Jalles Machado and Otávio Lage, located in the municipality of Goianésia - GO and Usina Santa Vitória, located in the municipality of Santa Vitória - MG With processing capacity of more than 8.5 million tons of sugarcane per harvest, has as main activity industrialization and commercialization, in the country and abroad, sugar, ethanol, electricity and other products derived from sugarcane. Always seeking to add value to its portfolio, such as the commercialization of white, organic sugar and sanitizers under the Itajá brand, in addition to the production and marketing of dry yeast.

All sugarcane used in the process of industrial units comes from own crops grown in their own areas and through agricultural partnerships with shareholders and third parties.

#### **b. Jalles Machado Empreendimentos Imobiliários S.A.**

The subsidiary is headquartered in the city of Goianésia, State of Goiás, on Highway GO 338, Km 33 on the left, Km 03, Rural Zone and has as its social object the purchase and sale of real estate, the rental of real estate and the administration of own property indefinitely.

It has a private instrument for leasing property for non-residential purposes and equipment in the monthly amount of R\$ 3,348 adjusted annually by IGP-M until June 2024 with the Parent Company Jalles Machado S.A., and that for the purposes of these consolidated interim accounting information is classified as fixed assets.

#### **c. Purolim S.A. (formerly Esplanada Bioenergia S.A.)**

The control is domiciled on highway GO 080, km 75.1, rural area, in the municipality of Goianésia - GO, has as object the manufacture of domissanitary disinfectants, and can also practice other acts related and related to its social object. On May 30, 2022, the company's name was changed to PUROLIM S.A.

**d. Santa Vitória Açúcar e Álcool Ltda.**

The control is domiciled in Est Santa Vitória - Perdilandia Faz. Crystal, km 11.8, Est. Perdilandia, rural area, in the municipality of Santa Vitória - MG, has as object the manufacture of ethanol and generation and distribution of electricity.

The subsidiary is the parent company of Jalles Bioenergia S.A. (formerly ERB MG Energias S.A.) It does.. Crystal, km 11.8, Est. Perdilandia, rural area, in the municipality of Santa Vitória - MG that aims at the production and commercialization of electricity and steam, in addition to all derivatives from the cogeneration of electricity.

**e. Albioma Codora Energia S.A.**

The affiliate is domiciled on highway GO 338, km 33, left km 4, rural area, in the municipality of Goianésia - GO, has as activity the production and commercialization of electricity and steam, in addition to all derivatives from the cogeneration of electricity.

**f. Albioma Esplanada Energia S.A.**

The affiliate is domiciled on highway GO 080, km 75.1, rural area, in the municipality of Goianésia - GO, has as object the cogeneration and commercialization of electricity and water vapor, generated from the source of biomass sugarcane and complementary raw materials, and can also practice other acts related and related to its social object, such as the commercialization of "carbon credits". The *joint venture* was established in December 2017 to receive the assets of the energy cogeneration of the Jalles Machado Unit as a result of the negotiation with partner Albioma Participações do Brasil.

**War between Russia and Ukraine**

The War between Russia and Ukraine, which began in February 2022, has affected the global economy by rising prices of fertilizers, oil and oil products, *commodities* and logistical problems in import and export operations in general.

To protect itself from the risk of unavailability of supplies, the Company took measures at the end of the previous harvest, supplying inventories in order to ensure sufficient supplies for the entire 2022/23 harvest.

Regarding the commercialization of its finished products, the Company has its exports concentrated in North America and European countries not involved in the conflict.

**1.1 Acquisition of subsidiaries**

On May 4, 2022, the Company signed contracts regarding the acquisition of all shares of Santa Vitória Açúcar e Álcool Ltda. ("Santa Vitória or SVAA" and "Aquisição"); and (ii) acquisition by Santa Vitória of all shares of ERB MG Energias S.A. (currently called Jalles Bioenergia S.A.) ("Cogen"), a cogeneration unit attached to the Santa Vitória plant. Both Santa Vitória and Cogen were controlled by the Geribá Investimentos Group ("Geribá").

On October 3, 2022, the preceding conditions were fulfilled and the Company concluded the acquisition transaction, and on this date: (i) the transfer of 100% of Santa Vitória's shares to the Company; (ii) the transfer of 100% of ERB MG's shares to Santa Vitória; and (iii) the various flows for payment of the cash portion of the price agreed to the respective counterparties, a price that is still subject to the adjustment procedures provided for in the respective contracts.

The total amount of the transaction was R\$ 721,760, as detailed below:

Acquisition Of Santa Vitória: in the amount of R\$ 386,960, including: (i) price adjustment verified on the date of the acquisition, based on the audited financial statements of Santa Vitória, (ii) monetary correction, (iii) and any amounts disbursed or deported in Santa Vitória; and (iv) *earn-out*, based on 50% of Santa Vitória's results with respect to the performance of the 2022/23 crop, based on the minimum milling of 1.9 million tons, including predicting a discount on the price if the effective grinding is lower.

Cogen Investment: together with the closing of the acquisition, the Company undertook to make an investment in the total amount of R\$ 334,800 in Santa Vitória, also subject to any closing adjustments, being (i) R\$ 144,867 at sight for compliance with Cogen ERB's acquisition obligation and (ii) assumption of long-term bank debts of Cogen ERB, R\$ 189,933.

Thus, the total disbursements of the transaction, depending on the bank debts assumed in Cogen ERB, will be R\$ 531,827, considering the closing and *earn-out adjustments* of Santa Vitória.

The acquisition is part of the Company's plan, which began with its IPO in February 2021. After the consummation of the transaction, the Company started to have three industrial units, with combined capacity to process 8.5 million tons of sugarcane per harvest, which represents an increase of 46% over the capacity of current plants (5.8 million tons). In addition, SVAA is located in a region with great availability of water for irrigation and currently has an irrigation capacity of 40% of the cultivated area and land for future expansions in a multimodal environment, with access to waterways, highways and railways), being 840 km from the Port of Santos.

#### **A. Usina Santa Vitória Açúcar e Álcool Ltda.**

In the identifiable assets and liabilities acquired from Usina Santa Vitória Açúcar e Álcool Ltda. *are included inputs* being the entire agro-industrial structure, customer relationship, production processes and organized workforce. The Company determined that, together, the *inputs* and processes acquired contribute significantly to the ability to generate revenue and concluded that the acquired set is a business.

The acquisition is expected to enable the Company to participate more in the ethanol and electricity market, through access to the customer base of Usina Santa Vitória Açúcar e Álcool Ltda. and its subsidiary Jalles Bioenergia S.A. The Company also hopes to reduce its costs through economies of scale and other administrative and management synergies.

In the three months ended December 31, 2022, Usina Santa Vitória Açúcar e Álcool Ltda. contributed a net revenue of R\$ 159,609 thousand and a profit of R\$ 19,181,000 to the consolidated financial statements. If the acquisition had occurred on April 1, 2022, management estimates that it would have an increase in consolidated net revenue of R\$ 509,837 thousand and consolidated net income of R\$ 82,987 thousand. For the determination of these amounts, management considered that the fair value adjustments, provisionally determined on the date of acquisition, would have been the same if the acquisition had occurred on April 1, 2022.

	<b>Santa Vitória Power Plant</b>
From the date of acquisition	
Net sales revenues for the period	159,609
Net income (loss) for the period	19,181
Since the beginning of the period	
Net sales revenues for the period	509,837
Net income (loss) for the period	108,733

### **Transferred consideration**

The following table summarizes the fair value on the purchase date of the most relevant items of the transferred consideration.

<b>Description</b>	<b>Payment value</b>
Base purchase price (A)	381,659
Preço <sup>1</sup> setting	18,739
Desembolso <sup>2</sup>	(1,145)
IPCA correction on price adjustment <sup>3</sup>	287
<i>Earn-out</i> <sup>4</sup>	(12,581)
<b>Total (B)</b>	<b>386,960</b>
<b>Price adjustment (B) - (A)</b>	<b>5,300</b>

1 – Refers to (i) variation of the working capital accounts of Usina Santa Vitória between the Financial Statements initially presented by the seller and the audited balance sheet and (ii) replacement to the seller of the amount obtained by the buyer from the stock of finished products on 03/31/2022, as previously agreed between the parties.

2 - Refund made by the seller to the buyer regarding disbursements not foreseen for the operation during the Signing period and the Closing. The expenses incurred were related to payments from external advisors in the purchase and sale operation.

3 - Correction of the values identified in items 1 and 2 above between the closing date and December 31, 2022, by the variation of the IPCA of the period.

4 – As provided for in the purchase and sale agreement, the seller reimbursed the buyer 50% of the amount not obtained by the sale of ethanol and CBIOS for not reaching the milling of 1,900,000 tons of sugarcane in the 2022-23 harvest. During the harvest, 1,801,549 tons of sugarcane were ground.

### **Acquisition costs**

The Company incurred costs related to the acquisition in the amount of R\$ 9,682,000 related to attorney's fees and specialized consultancies and due diligence costs, all recorded as 'Administrative expenses' in the income statement.

### **Identifiable assets acquired and liabilities assumed**

The table below summarizes the values of acquired assets and liabilities assumed on the date of acquisition.

Active	Note	<u>30/09/2022</u>	<u>Market adjustme nts</u>	<u>30/09/2022 to market</u>
<b>Circulating</b>				
Cash and cash equivalents	3	27,127	-	27,127
Accounts receivable and other receivables	5	45,034	-	45,034
Other assets		273	-	273
Inventories	6	173,189	-	173,189
Advance to suppliers		6,271	-	6,271
Biological assets	10	54,440	-	54,440
Recoverable taxes and contributions	7	25,796	-	25,796
Recoverable income tax and social contribution		2,697	-	2,697
<b>Total current assets</b>		<u>334,826</u>	<u>-</u>	<u>334,826</u>
<b>Non-rolling</b>				
Advance to suppliers		4,703	-	4,703
Judicial deposits	14	1,281	-	1,281
Recoverable taxes and contributions	7	74,394	-	74,394
Recoverable income tax and social contribution		1,266	-	1,266
Investments	8	923	-	923
Property, plant and equipment	9	443,863	88,878	532,742
Rights of use of asset		199,018	-	199,018
Intangible assets		4,020	-	4,020
<b>Total non-current assets</b>		<u>729,467</u>	<u>88,878</u>	<u>818,346</u>
<b>Total asset</b>		<u><u>1,064,293</u></u>	<u><u>88,878</u></u>	<u><u>1,153,172</u></u>

Passive	Note	<u>30/09/2022</u>	<u>Market adjustme nts</u>	<u>30/09/2022 to market</u>
<b>Circulating</b>				
Agricultural partnerships payable		56,107	-	56,107
Leases payable		9,936	-	9,936
Suppliers and other accounts payable	12	67,221	-	67,221
Provision and labor charges		17,854	-	17,854
Tax obligations		4,822	-	4,822
Income tax and social contribution to be collected		2,697	-	2,697
Advance from clients		2,004	-	2,004
<b>Total current liabilities</b>		<u>160,641</u>	<u>-</u>	<u>160,641</u>
<b>Non-current liabilities</b>				
Agricultural partnerships payable		124,114	-	124,114
Leases payable		14,651	-	14,651
Suppliers and other accounts payable		(281)	-	(281)
Provisions for contingencies	14	8,858	-	8,858
<b>Total non-current liabilities</b>		<u>147,342</u>	<u>-</u>	<u>147,342</u>
<b>Equity</b>				
Capital	15	486,272	-	486,272
Profit reserves		270,039	88,878	358,917
<b>Total shareholders' equity</b>		<u>756,311</u>	<u>88,878</u>	<u>845,189</u>
<b>Total liabilities and shareholders' equity</b>		<u>1,064,293</u>	<u>88,878</u>	<u>1,153,172</u>

### **Fair value measurement**

The significant assets were measured at fair value according to the most appropriate techniques for each asset group, being:

<u>Cost element</u>	<u>Fair Value Adjustment</u>	<u>Life remaining (years)</u>	<u>Evaluation methodology</u>
Land	7,339	0,00	Market valuation
Buildings	17,398	17,89	Cost approach
Furniture and utensils	322	5,40	Cost approach
Equip machines. and facilities	46,294	5,05	Cost approach
Vehicles	17,525	1,36	Cost approach
Sugarcane plantation	(207,250)	3,00	MEMEEM

- **Market approach**

The fair value of the asset is estimated by comparison with similar or comparable assets, which have been sold or listed for sale on the primary or secondary market. In the case of intangible assets, sales or market prices are rarely available, as they are typically transferred only as part of a business and not in an isolated transaction, which makes this approach rarely used in the valuation of intangibles.

- **Cost approach**

Measures the investment required to reproduce a similar asset that has an identical capacity to generate benefits. This approach is based on the substitution principle, where a prudent investor

would pay no more for an asset than the cost to replace it by placing another comparable ready/done.

- **Method of surplus profits for various periods (MEME)**

The MEME measures the present value of future income to be generated during the remaining useful life of a given asset. Using the analysis of the projected results of the company as a reference, the cash flows before the taxes directly related to the asset are calculated, from the base date stipulated in the valuation. As in the company's analysis, the cost of the products sold and other operating expenses are deducted from the projected revenue attributed to the asset, reaching the net operating income from which the charges on the identified contributing assets are deducted, directly related to the asset in question (contributory charges).

### **Gain per advantageous purchase - Discount**

The gain per advantageous purchase was recognized as a result of the acquisition was determined as follows:

<b>Value allocation</b>	
Payment related to the acquisition of 100,00% of Santa Vitória	386,960
100% of Shareholders' Equity on the base date	(756,311)
Fixed Asset Added Value	(88,878)
Provision for income tax on capital gains of fixed assets	30,219
<b>Gain per advantageous purchase</b>	<b>(428,011)</b>

The gain by advantageous purchase was mainly due to the characteristics of the large industrial plant composed of technologically modern equipment and with little time of use, presenting expressive book value.

On the other hand, operational capacity is idle and agricultural productivity levels are below ideal for the region, and therefore the cash flow from the company's activities brought to present value in the state as found in the Acquisition ("economic value"), on which the payable was based, are not compatible with the value of its fixed assets (which uses the Liquid Equity method added to Capital gains of the revalued assets) and that's why the Advantageous Purchase took place.

Jalles Management understands that implemented the investments already mapped in the calculation of the Economic Value of SVAA, mainly in the renewal and expansion of sugarcane plantation areas to feed the industrial production line, should over the next few years bring the optimization of SVAA's operational assets.

## **2 Preparation base**

### **2.1 Declaration of conformity and preparation basis**

The individual and consolidated interim accounting information was prepared in accordance with technical pronouncement CPC 21 (R1) -Interim Statement, and the international financial reporting standard IAS 34 – Interim Financial Report issued by the International Accounting Standards Board (IASB), as well as the presentation of this information in a manner consistent

with the standards issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of the Quarterly Information - ITR.

The presentation of the statement of added value ("DVA"), individual and consolidated, is required by Brazilian corporate law and accounting practices adopted in Brazil applicable to publicly held companies. IFRS does not require this demonstration to be presented. As a consequence, by IFRS, this statement is presented as supplementary information, without prejudice to all the intermediate accounting information.

This interim accounting information was prepared following the basis of preparation and accounting policies consistent with those adopted in the preparation of the financial statements of March 31, 2022 and should be read in conjunction with such statements. The information in the explanatory notes that did not change significantly or had irrelevant disclosures compared to March 31, 2022 was not repeated in full in this interim accounting information, except for note 2.6 but without impact on this interim accounting information. However, selected information was included to explain the main events and transactions that occurred to enable the understanding of changes in the financial position and performance of Jalles Machado S.A.'s operations since the publication of the financial statements on March 31, 2022.

The interim accounting information was prepared considering the historical cost as a value base, which, in the case of financial assets available for sale, other financial assets and liabilities (including derivative instruments) and biological assets is adjusted to reflect the measurement at fair value.

The preparation of interim accounting information requires the use of certain critical accounting estimates and the exercise of judgment by the Company's management in the process of applying the Company's accounting policies. Those areas that require a higher level of judgment and have greater complexity, as well as areas in which assumptions and estimates are significant for interim accounting information, are disclosed in Note 2.6.

All relevant information specific to the interim accounting information, and only it, is being evidenced, and corresponds to those used by management in its management.

The issuance of interim accounting information was authorized by the Board of Directors on February 13, 2023.

## **2.2 Individual and consolidated interim accounting information**

The individual interim accounting information includes the entire operations of Companhia Jalles Machado S.A. and its equity in its subsidiaries and affiliates, whose Company has significant influence. Interim accounting information includes the interim accounting information of its subsidiaries in the nine-month period ended December 31, 2022, its affiliates were maintained as investments evaluated through equity, according to note 2.3 and note 8.

The individual and consolidated interim accounting information includes the following companies:

Percentage of participation

<b>Group Entities</b>	<b>Country</b>	<b>Classification</b>	<b>31/12/2022</b>	<b>31/03/2022</b>
Jalles Machado Empreendimentos Imobiliários S.A.	Brazil	Controlled	100%	100%
Purolim S.A.	Brazil	Controlled	100%	100%
Santa Vitória Açúcar e Álcool Ltda.	Brazil	Controlled	100%	0%
Jalles Bioenergia S.A.	Brazil	Indirect controlled	100%	0%
Albioma Codora Energia S.A.	Brazil	Related	35%	35%
Albioma Esplanada Energia S.A.	Brazil	Related	40%	40%

## 2.3 Consolidation base

### (i) *Business combinations*

Business combinations are recorded using the acquisition method when the set of activities and assets acquired meets the definition of a business the control transferred to the Company. When determining whether a set of activities and assets is a business, the Company evaluates whether the set of assets and acquired activities includes at least one input and a substantive process that together contribute significantly to the ability to generate output.

The transferred consideration is generally measured at fair value, as are the net identifiable assets acquired. Any goodwill that arises in the transaction is tested annually for loss assessment by reduction to recoverable value. Winnings on an advantageous purchase are recognized immediately in the result. Transaction costs are recorded in income as incurred, except for costs related to issuance of debt or equity instruments.

The consideration transferred includes amounts relating to the payment of pre-existing ones. These amounts are generally recognized in the income for the year.

Any contingent consideration payable is measured at its fair value on the date of acquisition. If contingent consideration is classified as a equity instrument, then it is not remeasured and settlement is recorded within shareholders' equity. Other contingent considerations are remeasured at fair value on each reporting date and subsequent changes to fair value are recorded in the year-end results.

### (ii) *Controlled*

The Company controls an onslaught when it is exposed to, or has rights over, variable returns arising from its involvement with the onslaught and has the ability to affect these returns through its power over the onslaught. Interim business information for subsidiaries is consolidated from the date the inspection starts until the date on which the control ceases to exist.

The Company consolidated in its interim financial statements the effects of the business combination on October 3, 2022. The balance sheet used in the initial consolidation was that raised by Usina Santa Vitória Açúcar e Álcool on September 30, 2022 because they represent the appropriate equity position and without volume of relevant transactions. Investments in subsidiaries are recognized by the equity method.

### (iii) *Investments in related entities accounted for by the equity method*

Group Entities	Country	Classification	Percentage of participation	
			31/12/2022	31/03/2022
Albioma Codora Energia S.A.	Brazil	Related	35%	35%
Albioma Esplanada Energia S.A.	Brazil	Related	40%	40%

Investments in affiliates are accounted for using the equity method. Such investments are initially recognized for cost, which includes transaction expenses. After initial recognition, consolidated accounting information includes the Company's participation in profit or loss for the year and other comprehensive results of the invested until the date on which significant influence or joint control ceases to exist.

**(iv) *Transactions deleted in consolidation***

Balances and transactions between the Company and its subsidiaries, and any unrealized income or expenses derived from transactions between the Company and its subsidiaries, are eliminated for the purposes of consolidated interim accounting information. Unrealized gains arising from transactions with investments recorded by equity are eliminated against the investment in proportion to the Company's participation in the investees. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of loss by reduction to recoverable value.

**2.4 Measurement base**

The individual and consolidated interim accounting information was prepared based on historical cost, with the exception of the following material items recognized in the balance sheets:

Derivative financial instruments are measured at fair value;

Non-derivative financial instruments designated at fair value through income are measured at fair value; and

Biological assets are measured at fair value minus sales expenses.

**2.5 Functional currency**

This individual and consolidated interim accounting information is presented in Reais, which is the functional currency of Jalles Machado S.A. and invested. All balances have been rounded to the nearest thousand, except as otherwise indicated.

**2.6 Use of estimates and judgments**

In the preparation of this individual and consolidated interim accounting information, management used judgments and estimates that affect the application of the accounting policies of the Company and its subsidiaries and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

Estimates and assumptions are continuously reviewed. Revisions of estimates are recognized prospectively.

**(i) *Judgments***

Information on judgments made in the application of accounting policies that have significant effects on the amounts recognized in the individual and consolidated interim accounting information is included in the explanatory notes: 8 - Investments: determination whether the Company and its subsidiaries have significant influence on an onslaught; and 17 - Net operating income: whether the revenue from sugar, ethanol and yeast is recognized during the correct period, over time or at a specific time in time; and 22 - Leases payable: judgment regarding the exercise of the term of extensions of lease agreements.

**(ii) *Uncertainties about assumptions and estimates***

Based on assumptions, the Company and its subsidiaries make estimates regarding the future. By definition, the resulting accounting estimates will rarely be equal to the respective actual results. Estimates and assumptions that present a significant risk, likely to cause a relevant adjustment in the book values of assets and liabilities for the next fiscal year, are included as follows:

Explanatory note 1.1: Business combination

In the recognition of the fair value of the assets and liabilities identified in the business combination, assumptions were used in discounted cash flow models and market valuations.

Explanatory note 9: Review of asset life

The recoverability of assets that are used in the activities of the Company and its subsidiaries is evaluated when events or changes in circumstances indicate that the book value of an asset or group of assets may not be recoverable based on future cash flows. If the book value of these assets is greater than their recoverable value, the net value is adjusted and their useful life is re-appropriate to new levels.

Explanatory note 10: Biological assets

The fair value of the Company's biological asset represents the present value of the net cash flows estimated for this asset, which is determined by applying assumptions established in discounted cash flow models.

Explanatory note 13: Deferred income tax and social contribution

Deferred income tax and social contribution assets are recognized only to the extent that there is likely to be a positive tax base for which temporary differences can be used and tax losses and negative social contribution bases can be offset. The recovery of the balance of deferred asset taxes is reviewed at the end of each fiscal year and, when future taxable profits are not more likely to be available to allow the recovery of the entire asset, or part thereof, the balance of the asset is adjusted by the amount expected to be recovered.

Significant judgment of management is required to determine the amount of deferred active tax that can be recognized, based on the probable term and level of future taxable profits, along with future tax planning strategies.

Explanatory note 14: Provisions for contingencies

The Company and its subsidiaries are part of several judicial and administrative proceedings. Provisions are constituted for all contingencies related to lawsuits that represent probable and estimated losses with a certain degree of security. The assessment of the probability of loss includes the evaluation of the available evidence, the hierarchy of laws, the available jurisprudence, the most recent decisions in the courts and their relevance in the legal system and the evaluation of external and internal lawyers.

Explanatory note 22: Rents payable and agricultural partnerships payable

The Company has industrial park rental contracts and contracts signed with agricultural partners in rural areas operated under agricultural partnership for sugarcane cultivation and which comply with the provisions of the Land Statute, which are now accounted for in accordance with the concept of accounting standard CPC 06 (R2)/IFRS 16 as of April 1, 2019.

By measuring rental liabilities, the Company discounts rental payments using an incremental discount rate. The determination of the discount rate of contracts involves uncertainties related to assumptions and estimates that have a significant risk of resulting in an adjustment in the balances of liabilities and assets.

**(iii) Fair value measurement**

A series of accounting policies and disclosures of the Company and its subsidiaries require the measurement of fair value for financial and non-financial assets and liabilities.

The Company and its subsidiaries have established a control structure related to fair value measurement. This includes an evaluation team that has the overall responsibility to review all significant fair value measurements, including Level 3 fair values reporting directly to the CFO.

The evaluation team regularly reviews significant non-observable data and evaluation adjustments. If third-party information, such as broker quotes or pricing services, is used to measure fair value, the evaluation team analyzes evidence obtained from third parties to support the conclusion that such assessments meet the requirements of technical pronouncements issued by the Accounting Pronouncements Committee "CPC" *International Financial Reporting Standards* (IFRS), including the level in the fair value hierarchy at which such valuations are to be classified.

When measuring the fair value of an asset or liability, the Company and its controls use observable market data as much as possible. Fair values are classified at different levels in a hierarchy based on the information (*inputs*) used in the evaluation techniques as follows.

Level 1: Quoted (unadjusted) prices in active markets for identical assets and liabilities.

Level 2: *Inputs*, except the quoted prices included in Level 1, which are observable for assets or liabilities, directly (prices) or indirectly (derived from prices).

Level 3: *Inputs*, for assets or liabilities, that are not based on observable market data (*unobservable inputs*).

The Company and its subsidiaries recognize the transfers between levels of the fair value hierarchy at the end of the year of the individual and consolidated interim accounting information in which the changes occurred.

Additional information on the assumptions used in the measurement of fair values is included in the following explanatory notes:

Explanatory Note 8 - Investments

Explanatory note 10 - Biological assets; and

Explanatory note 16 - Financial instruments.

## **2.7 New norms and interpretations not yet effective**

A series of new standards will be effective for years beginning after January 1, 2022 (April 1, 2022 for the Company). The Company has not adopted these changes in the preparation of this individual and consolidated interim accounting information.

The following amended standards and interpretations should not have a significant impact on the individual and consolidated interim accounting information of the Company and its subsidiaries.

### ***Deferred tax related to assets and liabilities arising from a single transaction (changes to CPC 32/IAS 12)***

The changes limit the scope of the initial recognition exemption to exclude transactions that give rise to equal and compensatory temporary differences - for example, leases and disassembly cost liabilities. The changes apply to annual periods beginning on or after 1 January 2023 (1 April 2023). For leases and disassembly cost liabilities, the associated deferred tax assets and liabilities will need to be recognized from the beginning of the oldest comparative period presented, with any cumulative effect recognized as an adjustment in accumulated profit or other components of equity on that date. For all other transactions, the changes apply to transactions that occur after the beginning of the oldest period that you see.

### ***Other Standards***

The following new and amended standards are not expected to have a significant impact on the Group's consolidated interim accounting information:

Annual review of IFRS 2018–2020 standards.

Fixed assets: Revenues before intended use (changes to CPC 27/IAS 16).

Reference to Conceptual Structure (Changes to CPC 15/IFRS 3).

Classification of Current or Non-Current Liabilities (Changes to CPC 26/IAS 1).

IFRS 17 Insurance Contracts.

Disclosure of Accounting Policies (Changes to CPC 26/IAS 1 and IFRS *Practice Statement 2*).

Definition of Accounting Estimates (Changes to CPC 23/IAS 8).

## **3 Cash and cash equivalents**

Parent company

Consolidated

	31/12/2022	31/03/2022	31/12/2022	31/03/2022
Boxes and banks	46,728	42,760	97,829	42,764
Banks with related parties (a) (Note 24)	683	2,618	2,405	2,812
Financial investments of immediate settlement (b)	749,601	1,107,136	744,126	1,107,136
Financial investments of immediate settlement with related parties (a) and (c) (Note 24)	93,573	68,291	123,427	89,946
	<b><u>890,585</u></b>	<b><u>1,220,805</u></b>	<b><u>967,787</u></b>	<b><u>1,242,658</u></b>

The Company and its subsidiaries consider as cash and cash equivalents the balances arising from current accounts and financial investments with maturities of less than 90 days readily convertible into a known amount of cash and with negligible risk of change in value.

- (a) Balance corresponding to the current account and financial investments granted to the Company, remunerated at market rates of Banco Coopercred - Credit Cooperative of which the Company is a quotaholder.
- (b) Short-term financial investments are of high liquidity, which are readily convertible into known cash amount and which is subject to negligible risk of change in value. These financial investments refer substantially to Bank Deposit Certificates (CBD) and Cooperative Deposit Receipts (RDC), indexed at the market rate based on a percentage change of 98% to 105% (80% to 120% as of March 31, 2022) of the Interbank Deposit Certificate (CDI).
- (c) These applications have the same characteristics as the applications commented on in the previous item (a) and refer substantially to Cooperative Deposit Receipt (RDC), indexed to a 98% to 100% change in the Interbank Deposit Certificate (CDI) (100% as of March 31, 2022).

The Company's exposure to credit risks, interest rates and a sensitivity analysis related to cash and cash equivalents is disclosed in note 16.

#### 4 Restricted cash

	<b>Parent company</b>		<b>Consolidated</b>	
	31/12/2022	31/03/2022	31/12/2022	31/03/2022
Financial investments	46,565	57,717	46,565	57,717
Encourage (a)	183	1,081	183	1,081
Financial investments (b)	1,296	75	1,296	75
	<b><u>48,044</u></b>	<b><u>58,873</u></b>	<b><u>48,044</u></b>	<b><u>58,873</u></b>
Current assets	28,532	57,792	28,532	57,792
Non-current assets	19,512	1,081	19,512	1,081

- (a) Amount applied for 10% of the tax incentive obtained. According to the rules of the Foment the amount applied can only be used for early settlement of the tax due.
- (b) They refer to investments in Fixed Income Investment Funds referenced to DI. According to some long-term loan agreements, the Company is required to maintain a separate bank account for the collection of accounts receivable, which are released on the following business day, subject to the approval of the creditor (bank accounts linked to financing). The money held in the separate bank account was classified as restricted cash in the financial position statement. The values were released in Reais and do not suffer significant risks of value fluctuations.

The restricted cash has the purpose of securing the operations of loans and financing, whose operations are usually settled in a period longer than 90 days.

The movement in restricted cash during the period occurred as below:

	<b>Parent company</b>	<b>Consolidated</b>
<b>Balance at March 31, 2021</b>	<b><u>24,624</u></b>	<b><u>28,320</u></b>

Applications	185,165	188,881
Income	361	365
Rescues	(207,503)	(214,889)
<b>Balance at December 31, 2021</b>	<b>2,647</b>	<b>2,677</b>
Applications	59,573	59,542
Income	3	4
Rescues	(3,350)	(3,350)
<b>Balance at March 31, 2022</b>	<b>58,873</b>	<b>58,873</b>
Applications	8,873	8,873
Income	2,786	2,786
Rescues	(22,488)	(22,488)
<b>Balance at December 31, 2022</b>	<b>48,044</b>	<b>48,044</b>

## 5 Accounts receivable and other receivables

	<u>Parent company</u>		<u>Consolidated</u>	
	31/12/2022	31/03/2022	31/12/2022	31/03/2022
Accounts receivable	36.761	45.599	46.204	45.599
Accounts receivable - Related parties (Note 24)	5	10	-	-
	<u>36.766</u>	<u>45.609</u>	<u>46.204</u>	<u>45.599</u>
Other receivables - Related parties (Note 24)	1.476	1.182	781	1.043
Other receivables *	11.623	-	62.417	-
Provision for expected credit losses	(838)	(789)	(838)	(789)
	<u>12.261</u>	<u>393</u>	<u>62.360</u>	<u>254</u>
	<b>49.027</b>	<b>46.002</b>	<b>108.564</b>	<b>45.853</b>
Circulating	<u>37.364</u>	<u>45.253</u>	<u>49.476</u>	<u>45.243</u>
Non-rolling	<u>11.663</u>	<u>749</u>	<u>59.088</u>	<u>610</u>

\* In the evaluation of the fair value of the assets and liabilities assumed by Usina Santa Vitória Açúcar e Alcool in the process of combining business with its Subsidiary Jalles Bioenergia S.A. from identified contracts for the sale of electricity that, evaluated by the method measured the present value of future income, justified goodwill paid for the investment. In the consolidated financial statements the *Generated Goodwill* is recognized as receivable and classified according to the future flows of marketing of the product.

The Company's exposure to credit and foreign exchange risks and the sensitivity analysis for assets and liabilities are presented in Note 16.

The balance of accounts receivable by maturity date is as shown:

	<u>Parent company</u>		<u>Consolidated</u>	
	31/12/2022	31/03/2022	31/12/2022	31/03/2022
To win	26,222	44,770	32,657	44,760
Expired from 1 to 30 days	9,618	18	12,621	18
Expired from 31 to 60 days	15	2	15	2
Expired from 61 to 90 days	13	-	13	-
Expired from 91 to 180 days	59	31	59	31
Expired from 181 to 360 days	29	40	29	40

Expired more than 360 days ago	810	748	810	748
	<b>36,766</b>	<b>45,609</b>	<b>46,204</b>	<b>45,599</b>

The provision for estimated loss with doubtful accounts is considered sufficient by management to cover any losses on the amounts to be received and the transaction is thus demonstrated:

	<b>Parent company</b>	
	<b>31/12/2022</b>	<b>31/03/2022</b>
Starting balance	(789)	(8,432)
Estimated loss	(60)	(436)
Low	11	8,079
	<b>(838)</b>	<b>(789)</b>

In the nine-month period ended December 31, 2022 in the individual interim accounting information and consolidated the impact of provisions and write-offs of provisions for estimated loss was the expense of R\$ 49 (reversal of expense of R\$ 6,475 from the same period in 2021).

## 6 Inventories

	<b>Parent company</b>		<b>Consolidated</b>	
	<b>31/12/2022</b>	<b>31/03/2022</b>	<b>31/12/2022</b>	<b>31/03/2022</b>
Sugar	103,366	43,108	103,366	43,108
Ethanol	101,035	24,830	136,233	24,830
Other finished products	1,827	1,578	1,827	1,578
Decarbonization credits - CBIOS (*)	13,207	2,926	18,658	2,926
Products under preparation	424	216	424	216
Warehouse	61,298	61,421	110,503	61,421
Other - Related Parties (note 24)	19	31	19	31
Estimated loss with slow-moving stocks	(6,043)	(2,529)	(7,565)	(2,529)
	<b>275,133</b>	<b>131,581</b>	<b>363,465</b>	<b>131,581</b>

- (\*) RenovaBio - Cbios: In December 31, 2022, the Company had 185,237 CBIOs issued and not yet marketed (39,179 CBIOs as of March 31, 2022). During the nine-month period ended December 31, 2022, 160,778 CBIOs (184,633 were sold in the nine-month period ended December 31, 2021), classified as operating revenues. The commercialization of these securities, after their bookkeeping, occurs mainly with fuel distributors, which have acquisition goals established by RenovaBio. Established by Law No. 13,576/2017, RenovaBio is the National Biofuels Policy. RenovaBio's main instrument is the establishment of annual national decarbonization targets for the fuel sector, in order to encourage increased production and participation of biofuels in the country's energy transport matrix.

Fuel distributors must prove compliance with individual compulsory targets through the purchase of Decarbonization Credits (CBIO), exchange-negotiable, derived from the certification of the biofuel production process based on the respective levels of efficiency achieved in relation to their emissions.

Due to the seasonality of the operations of the energy juice sector, the stocks of finished products tend to increase during the harvest period in order to sustain the commercialization in the off-season. At the end of the fiscal year the stocks of finished products are at their lowest levels.

Inventories are valued at the average cost of acquisition or production and do not exceed the net realization value.

Certain warehouse items considered low turnover were the object of provision for stock with slow movement. The movement of such losses is demonstrated as below:

	<u>Parent company</u>		<u>Consolidated</u>	
	31/12/2022	31/03/2022	31/12/2022	31/03/2022
Starting balance	(2,529)	(2,345)	(2,529)	(2,345)
Addition: Business combination	-	-	(642)	-
Estimated loss	(5,799)	(1,276)	(6,680)	(1,276)
Reversal and low	2,285	1,092	2,286	1,092
	<u>(6,043)</u>	<u>(2,529)</u>	<u>(7,565)</u>	<u>(2,529)</u>

## 7 Recoverable Taxes and contributions

	<u>Parent company</u>		<u>Consolidated</u>	
	31/12/2022	31/03/2022	31/12/2022	31/03/2022
PIS and COFINS (a)	25,317	13,070	117,553	13,070
ICMS (b)	46,125	20,215	76,547	20,215
IPI	1,019	-	1,019	-
INSS	-	-	214	-
<b>Total</b>	<u>72,461</u>	<u>33,285</u>	<u>195,333</u>	<u>33,285</u>
Circulating	<u>59,349</u>	<u>24,016</u>	<u>107,692</u>	<u>24,016</u>
Non-rolling	<u>13,112</u>	<u>9,269</u>	<u>87,641</u>	<u>9,269</u>

- (a) The balance consists of credits arising from the non-cumulative collection of PIS and COFINS, referring to the acquisition of insums, parts of parts used in the maintenance of industrial installations and the agricultural fleet, maintenance services of industrial and agricultural facilities, freight and storage in sales operations, electricity, and other credits, on acquisitions of machinery and equipment and buildings and constructions intended for production. These credits may be offset with other federal taxes.
- (b) The balance is composed, substantially, of the credit granted in the commercialization of anhydrous ethanol (IN No. 493/01-GSF, of July 6, 2001) and credits calculated in the acquisition operations of assets of fixed assets, which are being realized at the ratio of 1/48, and can be offset with taxes of the same nature.

## 8 Investments

The Company recorded a gain of R\$ 52,868 as of December 31, 2022 (R\$ 37,732 as of December 31, 2021) in equity in its subsidiaries and affiliates, and a gain of R\$ 12,077 in consolidated as of December 31, 2022 (R\$ 19,971 as of December 31, 2021).

None of the subsidiaries recognized by the equity method has their shares traded on the stock exchange. The table below provides a summary of financial information in subsidiaries and affiliates:

	<u>Parent company</u>		<u>Consolidated</u>	
	31/12/2022	31/03/2022	31/12/2022	31/03/2022
<b>Investment in subsidiaries and affiliates valued by equity</b>				
Jalles Machado Empreendimentos Imobiliários S.A.	87,646	82,045	-	-
Albioma Codora Energia S.A. *	51,643	67,855	51,643	67,855
Albioma Esplanada Energia S.A.	32,353	30,936	32,353	30,936

Usina Santa Vitória Açúcar e Álcool Ltda.	1,100,734	-	-	-
PUROLIM S.A.	(201)	(131)	-	-
	<u>1,272,175</u>	<u>180,705</u>	<u>83,996</u>	<u>98,791</u>
Other investments (d)	<u>2,001</u>	<u>740</u>	<u>2,680</u>	<u>1,216</u>
	<u><b>1,274,176</b></u>	<u><b>181,445</b></u>	<u><b>86,676</b></u>	<u><b>100,007</b></u>

**a. Changes in the balances of investment in subsidiaries and investee**

	<u>Parent company</u>	<u>Consolidated</u>
<b>Balance at March 31, 2021</b>	<u><b>175,534</b></u>	<u><b>101,554</b></u>
Equity income	37,732	19,791
Additional dividends proposed at a meeting	(21,678)	(10,677)
<b>Balance at December 31, 2021</b>	<u><b>191,588</b></u>	<u><b>110,668</b></u>
Equity income	3,563	(3,337)
Dividends proposed in assembly	(14,446)	(8,540)
<b>Balance at March 31, 2022</b>	<u><b>180,705</b></u>	<u><b>98,791</b></u>
Acquisition of onslaught	386,960	-
Gain per advantageous purchase	369,352	-
Added Value - USVAA Fixed Assets	88,878	-
Capital increase in invested	238,000	-
Equity income <sup>1</sup>	54,504	12,077
Amortization of added value - USVAA	(1,636)	-
Capital reduction in invested <sup>2</sup>	(12,950)	(12,950)
Dividends proposed in assembly	(31,638)	(13,922)
<b>Balance at December 31, 2022</b>	<u><b>1,272,175</b></u>	<u><b>83,996</b></u>

1 - Due to the date of taking control of Usina Santa Vitória Açúcar e Álcool Ltda. occurred in October 2022, the equity result of this subsidiary comes from three months of operation. For the other investments, the calculation period was nine months.

2 - At an Extraordinary General Meeting held on June 17, 2022, the shareholders of Albioma Codora Energia S.A. approved the capital reduction from R\$ 69,000 to R\$ 32,000, and was allocated to Jalles Machado S.A. R12,950, referring to its 35% stake in the affiliate.

**b. Information of the investees**

The tables below provide a summary of the subsidiaries and investees financial information.

	<b>Participation</b>	<b>Current assets</b>	<b>Non-current assets</b>	<b>Total assets</b>	<b>Current liabilities</b>	<b>Non-current liabilities</b>	<b>Total liabilities</b>	<b>Equity</b>
<b>December 31, 2022</b>								
Albioma Codora Energia S.A. (affiliate)	35,00%	48,419	103,470	151,889	12,452	91,750	104,202	47,687
Albioma Esplanada S.A. (related)	40,00%	22,015	72,438	94,453	15,805	34,576	50,381	44,072
Usina Santa Vitória Açúcar e Álcool LTDA	100,00%	282,947	1,082,981	1,365,928	117,227	235,209	352,436	1,013,492
Jalles Machado Empreend. Imob. S.A.	100,00%	28,004	61,080	89,084	1,438	-	1,438	87,646
PUROLM S.A.	100,00%	413	83	496	2	696	698	(202)
		<b>381,798</b>	<b>1,320,052</b>	<b>1,701,850</b>	<b>146,924</b>	<b>362,231</b>	<b>509,155</b>	<b>1,192,695</b>

	<b>Participation</b>	<b>Current assets</b>	<b>Non-current assets</b>	<b>Total assets</b>	<b>Current liabilities</b>	<b>Non-current liabilities</b>	<b>Total liabilities</b>	<b>Equity</b>
<b>31 March 2022</b>								
Albioma Codora Energia S.A. (affiliate)	35,00%	98,032	87,879	185,911	18,934	82,968	101,902	84,009
Albioma Esplanada S.A. (related)	40,00%	38,717	65,555	104,272	31,447	36,997	68,444	35,828
Jalles Machado Empreend. Imob. S.A.	99,99%	24,888	64,303	89,191	7,145	-	7,145	82,046
Purolim S.A.	100,00%	4	4	8	-	139	139	(131)
		<b>161,641</b>	<b>217,741</b>	<b>379,382</b>	<b>57,526</b>	<b>120,104</b>	<b>177,630</b>	<b>201,752</b>

		<b>Income for the period of nine and three months ended 12/31/2022</b>							
		<b>09 months</b>				<b>3 months</b>			
<b>December 31, 2022</b>	<b>Participation</b>	<b>Recipes</b>	<b>Expenditure</b>	<b>Profit (loss)</b>	<b>Equity</b>	<b>Recipes</b>	<b>Expenditure</b>	<b>Profit (loss)</b>	<b>Equity</b>
Albioma Codora Energia S.A.	35,00%	42,749	(31,207)	11,542	4,038	18,866	(10,021)	8,845	3,096
Albioma Esplanada S.A.	40,00%	50,310	(30,209)	20,101	8,039	11,187	(10,392)	795	318
Usina Santa Vitória Açúcar e Álcool LTDA	100,00%	132,607	(115,063)	17,544	17,543	132,607	(115,063)	17,544	17,543
Jalles Machado Empreend. Imob. S.A.	100,00%	28,433	(5,117)	23,316	23,316	9,677	(1,792)	7,885	7,887
PUROLM S.A.	100,00%	-	(68)	(68)	(68)	-	(30)	(30)	(29)
		<b>254,099</b>	<b>(181,664)</b>	<b>72,435</b>	<b>52,868</b>	<b>172,337</b>	<b>(137,298)</b>	<b>35,039</b>	<b>28,815</b>

		<b>Income for the period of nine and three months ended 12/31/2021</b>							
		<b>09 months</b>				<b>3 months</b>			
<b>December 31, 2021</b>	<b>Participation</b>	<b>Recipes</b>	<b>Expenditure</b>	<b>Profit (loss)</b>	<b>Equity</b>	<b>Recipes</b>	<b>Expenditure</b>	<b>Profit (loss)</b>	<b>Equity</b>
Albioma Codora Energia S.A.	35,00%	40,280	(21,155)	19,125	6,694	16,140	(8,332)	7,808	2,732
Albioma Esplanada S.A.	40,00%	56,741	(23,998)	32,743	13,097	15,912	(3,943)	11,969	4,786
Jalles Machado Empreend. Imob. S.A.	99,99%	24,891	(6,932)	17,959	17,957	8,780	(2,062)	6,718	6,718
PUROLM S.A.	99,99%	-	(16)	(16)	(16)	-	(5)	(5)	(7)
		<b>121,912</b>	<b>(52,101)</b>	<b>69,811</b>	<b>37,732</b>	<b>40,832</b>	<b>(14,342)</b>	<b>26,490</b>	<b>14,229</b>

**c. Dividends receivable**

Parent company	<b>Jalles Machado Empreend. Imob. S.A.</b>	<b>Albioma Codora Energia S.A.</b>	<b>Albioma Esplanada Energia S.A.</b>	<b>Total</b>
<b>Balance at March 31, 2021</b>	<b>14,066</b>	-	-	<b>14,066</b>
Dividends to be received	11,004	5,875	4,801	21,680
Dividend receipts	(25,070)	(2,900)	(4,801)	(32,771)
Clearing with advance on 07/01/2021	-	(2,975)	-	(2,975)
<b>Balance at December 31, 2021</b>	-	-	-	-
Dividends to be received	5,903	3,801	4,740	14,444
<b>Balance at March 31, 2022</b>	<b>5,903</b>	<b>3,801</b>	<b>4,740</b>	<b>14,444</b>
Dividends to be received	17,716	7,300	6,622	31,638
Dividend receipts	(23,619)	(11,101)	(9,481)	(44,201)
<b>Balance at December 31, 2022</b>	-	-	<b>1,881</b>	<b>1,881</b>

  

Consolidated	<b>Albioma Codora Energia S.A.</b>	<b>Albioma Esplanada Energia S.A.</b>	<b>Total</b>
<b>Balance at March 31, 2021</b>	-	-	-
Dividends to be received	5,875	4,801	10,676
Dividend receipts	(2,900)	(4,801)	(7,701)
Dividends proposed in assembly	(2,975)	-	(2,975)
<b>Balance at December 31, 2021</b>	-	-	-
Dividends to be received	3,801	4,740	8,541
<b>Balance at March 31, 2022</b>	<b>3,801</b>	<b>4,740</b>	<b>8,541</b>
Dividends to be received	7,300	6,622	13,922
Dividend receipts	(11,101)	(9,481)	(20,582)
<b>Balance at December 31, 2022</b>	-	<b>1,881</b>	<b>1,881</b>

**d. Data on other investments**

The Company has a stake in other investments valued at cost. On 31 December 2022 and 31 March 2022 these holdings are represented in the following tables:

	Parent company		Consolidated	
	31/12/2022	31/03/2022	31/12/2022	31/03/2022
<b>Participation in other companies valued at cost</b>				
CCLA of The St. Patrick's Valley LTDA	1,981	718	2,660	1,194
	1,981	718	2,660	1,194
<b>Participation in other companies valued at fair value</b>				
ENGIE Brasil Energia S/A	20	22	20	22
	20	22	20	22
<b>Total other investments</b>	<b>2,001</b>	<b>740</b>	<b>2,680</b>	<b>1,216</b>

**e. Recognition of investments at fair value**

Fair value is the price that would be received in the sale of an asset in an orderly transaction between market participants on the measurement date, in the main market or, in its absence, in the most advantageous market to which the Company and its subsidiaries have access on that date.

## 9 Property, plant and equipment

Parent company	Buildings	Machinery, equipment and facilities	Vehicles and semi-trailers	Works in progress (a)	Furniture, equipment and utensils	Aircraft	Other assets	Sugarcane plantation	Off-season cost	Land	Total
<b>Cost and cost assigned</b>											
<b>Balance at March 31, 2021</b>	<b>109,746</b>	<b>465,638</b>	<b>58,677</b>	<b>22,480</b>	<b>38,613</b>	<b>8,729</b>	<b>10,448</b>	<b>526,945</b>	<b>91,874</b>	<b>1,801</b>	<b>1,334,951</b>
Acquisitions of the period	-	22,668	9,251	131,442	2,257	-	9,633	79,890	53,191	-	308,332
Low	(19)	(13,469)	(1,667)	(32)	(113)	(2,182)	(501)	(93,992)	(92,891)	-	(204,866)
Transfers	2,038	18,906	66	(24,896)	7,973	-	(4,087)	-	-	-	-
<b>Balance at December 31, 2021</b>	<b>111,765</b>	<b>493,743</b>	<b>66,327</b>	<b>128,994</b>	<b>48,730</b>	<b>6,547</b>	<b>15,493</b>	<b>512,843</b>	<b>52,174</b>	<b>1,801</b>	<b>1,438,417</b>
Acquisitions of the period	-	16,495	10,128	38,602	860	-	(1,888)	36,519	83,957	-	184,673
Low	(71)	(1,153)	(218)	-	(102)	-	(81)	(24)	-	-	(1,649)
Transfers	1,270	25,563	-	(27,501)	668	-	-	-	-	-	-
<b>Balance at March 31, 2022</b>	<b>112,964</b>	<b>534,648</b>	<b>76,237</b>	<b>140,095</b>	<b>50,156</b>	<b>6,547</b>	<b>13,524</b>	<b>549,338</b>	<b>136,131</b>	<b>1,801</b>	<b>1,621,441</b>
Acquisitions of the period	-	39,676	13,072	83,121	2,714	-	3,955	139,574	79,263	-	361,375
Low	-	(2,126)	(474)	(133)	(61)	-	(449)	(98,013)	(128,259)	(292)	(229,807)
Transfers	7,543	13,131	589	(13,985)	63	-	(7,341)	-	-	-	-
<b>Balance at December 31, 2022</b>	<b>120,507</b>	<b>585,329</b>	<b>89,424</b>	<b>209,098</b>	<b>52,872</b>	<b>6,547</b>	<b>9,689</b>	<b>590,899</b>	<b>87,135</b>	<b>1,509</b>	<b>1,753,009</b>
<b>Depreciation</b>											
<b>Balance at March 31, 2021</b>	<b>(17,982)</b>	<b>(194,561)</b>	<b>(27,660)</b>	<b>-</b>	<b>(15,180)</b>	<b>(1,139)</b>	<b>(3,567)</b>	<b>(186,069)</b>	<b>(5,716)</b>	<b>-</b>	<b>(451,874)</b>
Depreciation for the period	(2,240)	(24,994)	(3,473)	-	(2,835)	(311)	(298)	(98,310)	(92,435)	-	(224,896)
Low	5	8,225	913	-	40	354	222	93,992	92,891	-	196,642
<b>Balance at December 31, 2021</b>	<b>(20,217)</b>	<b>(211,330)</b>	<b>(30,220)</b>	<b>-</b>	<b>(17,975)</b>	<b>(1,096)</b>	<b>(3,643)</b>	<b>(190,387)</b>	<b>(5,260)</b>	<b>-</b>	<b>(480,128)</b>
Depreciation for the period	(268)	(1,773)	(522)	-	(945)	(69)	(57)	(606)	(1,933)	-	(6,173)
Low	8	823	121	-	81	-	68	24	-	-	1,125
<b>Balance at March 31, 2022</b>	<b>(20,477)</b>	<b>(212,280)</b>	<b>(30,621)</b>	<b>-</b>	<b>(18,839)</b>	<b>(1,165)</b>	<b>(3,632)</b>	<b>(190,969)</b>	<b>(7,193)</b>	<b>-</b>	<b>(485,176)</b>
Depreciation for the period	(2,318)	(29,663)	(4,955)	-	(5,212)	(311)	(129)	(101,966)	(132,008)	-	(276,562)
Low	-	1,140	261	-	24	-	130	98,013	128,259	-	227,827
<b>Balance at December 31, 2022</b>	<b>(22,795)</b>	<b>(240,803)</b>	<b>(35,315)</b>	<b>-</b>	<b>(24,027)</b>	<b>(1,476)</b>	<b>(3,631)</b>	<b>(194,922)</b>	<b>(10,942)</b>	<b>-</b>	<b>(533,911)</b>
31 March 2022	92,487	322,368	45,616	140,095	31,317	5,382	9,892	358,369	128,938	1,801	1,136,265
December 31	97,712	344,526	54,109	209,098	28,845	5,071	6,058	395,977	76,193	1,509	1,219,098

**Jalles Machado S.A.**  
*Quarterly accounting information - ITR at*  
*December 31, 2022*

<u>Consolidated</u>	<u>Buildings</u>	<u>Machinery, equipment and facilities</u>	<u>Vehicles and semi-trailers</u>	<u>Works in progress (a)</u>	<u>Furniture, equipment and utensils</u>	<u>Aircraft</u>	<u>Other assets</u>	<u>Crops</u>	<u>Off-season cost</u>	<u>Land</u>	<u>Total</u>
<b>Cost and cost assigned</b>											
<b>Balance at March 31, 2021</b>	<b>142,027</b>	<b>571,965</b>	<b>58,677</b>	<b>22,480</b>	<b>38,613</b>	<b>8,729</b>	<b>10,448</b>	<b>526,945</b>	<b>91,874</b>	<b>2,169</b>	<b>1,473,927</b>
Acquisitions of the period	-	22,668	9,251	131,442	2,257	-	9,633	79,890	53,191	-	308,332
Low	(19)	(13,469)	(1,667)	(32)	(113)	(2,182)	(501)	(93,992)	(92,891)	-	(204,866)
Transfers	2,038	18,906	66	(24,896)	7,973	-	(4,087)	-	-	-	-
<b>Balance at December 31, 2021</b>	<b>144,046</b>	<b>600,070</b>	<b>66,327</b>	<b>128,994</b>	<b>48,730</b>	<b>6,547</b>	<b>15,493</b>	<b>512,843</b>	<b>52,174</b>	<b>2,169</b>	<b>1,577,393</b>
Acquisitions of the period	-	16,495	10,128	38,602	860	-	(1,888)	36,519	83,957	-	184,673
Low	(71)	(1,153)	(218)	-	(102)	-	(81)	(24)	-	-	(1,649)
Transfers	1,270	25,563	-	(27,501)	668	-	-	-	-	-	-
<b>Balance at March 31, 2022</b>	<b>145,245</b>	<b>640,975</b>	<b>76,237</b>	<b>140,095</b>	<b>50,156</b>	<b>6,547</b>	<b>13,524</b>	<b>549,338</b>	<b>136,131</b>	<b>2,169</b>	<b>1,760,417</b>
<b>Additions: business combinations</b>	<b>209,161</b>	<b>1,131,704</b>	<b>35,912</b>	<b>13,181</b>	<b>5,920</b>	<b>-</b>	<b>17,620</b>	<b>385,401</b>	<b>8,330</b>	<b>10,120</b>	<b>1,817,349</b>
Acquisitions of the period	-	49,383	14,973	89,366	2,759	-	5,619	168,931	85,560	-	416,591
Low	-	(4,130)	(842)	(133)	(61)	-	(448)	(98,013)	(136,589)	(292)	(240,508)
Low for Split	-	-	-	(19)	-	-	1	-	-	-	(18)
Transfers	7,573	13,131	589	(14,016)	63	-	(7,340)	-	-	-	-
<b>Balance at December 31, 2022</b>	<b>361,979</b>	<b>1,831,064</b>	<b>126,869</b>	<b>228,473</b>	<b>58,837</b>	<b>6,547</b>	<b>28,976</b>	<b>1,005,657</b>	<b>93,432</b>	<b>11,997</b>	<b>3,753,831</b>
<b>Depreciation</b>											
<b>Balance at March 31, 2021</b>	<b>(25,804)</b>	<b>(256,273)</b>	<b>(27,660)</b>	<b>-</b>	<b>(15,180)</b>	<b>(1,139)</b>	<b>(3,567)</b>	<b>(186,069)</b>	<b>(5,716)</b>	<b>-</b>	<b>(521,408)</b>
Depreciation for the period	(2,862)	(28,836)	(3,472)	-	(2,835)	(311)	(300)	(98,310)	(92,435)	-	(229,361)
Low	5	8,225	913	-	40	354	222	93,992	92,891	-	196,642
<b>Balance at December 31, 2021</b>	<b>(28,661)</b>	<b>(276,884)</b>	<b>(30,219)</b>	<b>-</b>	<b>(17,975)</b>	<b>(1,096)</b>	<b>(3,645)</b>	<b>(190,387)</b>	<b>(5,260)</b>	<b>-</b>	<b>(554,127)</b>
Depreciation for the period	(476)	(2,712)	(523)	-	(945)	(69)	(55)	(606)	(1,933)	-	(7,319)
Low	8	823	121	-	81	-	68	24	-	-	1,125
<b>Balance at March 31, 2022</b>	<b>(29,129)</b>	<b>(278,773)</b>	<b>(30,621)</b>	<b>-</b>	<b>(18,839)</b>	<b>(1,165)</b>	<b>(3,632)</b>	<b>(190,969)</b>	<b>(7,193)</b>	<b>-</b>	<b>(560,321)</b>
<b>Additions: business combinations</b>	<b>(62,417)</b>	<b>(657,298)</b>	<b>(11,879)</b>	<b>-</b>	<b>(3,918)</b>	<b>-</b>	<b>(3,963)</b>	<b>(104,119)</b>	<b>(1,044)</b>	<b>-</b>	<b>(844,638)</b>
Depreciation for the period	(5,146)	(51,383)	(5,723)	-	(5,339)	(311)	(590)	(109,126)	(140,338)	-	(317,956)
Low	-	1,140	629	-	24	-	130	98,013	137,633	-	237,569
<b>Balance at December 31, 2022</b>	<b>(96,692)</b>	<b>(986,314)</b>	<b>(47,594)</b>	<b>-</b>	<b>(28,072)</b>	<b>(1,476)</b>	<b>(8,055)</b>	<b>(306,201)</b>	<b>(10,942)</b>	<b>-</b>	<b>(1,485,346)</b>
<b>Losses: reduction to recoverable value</b>											
<b>Balance at March 31, 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Additions: business combinations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(207,250)</b>	<b>-</b>	<b>-</b>	<b>(207,250)</b>
<b>Balance at December 31, 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(207,250)</b>	<b>-</b>	<b>-</b>	<b>(207,250)</b>
<b>Net book value</b>											
31 March 2022	116,116	362,202	45,616	140,095	31,317	5,382	9,892	358,369	128,938	2,169	1,200,096
December 31	265,287	844,750	79,275	228,473	30,765	5,071	20,921	492,206	82,490	11,997	2,061,235

- (a) Works in progress mainly refer to investments in expansion and/or improvements in industrial and agricultural processes, facilities and storage structure of finished products, and the works are completed in a period of time of less than 12 months.
- (b) Balance composed of tools and down payments to suppliers.
- (c) Additions by business combinations are composed of the net recognition of assets of Usina Santa Vitória Açúcar e Álcool at Jalles Machado S.A. in the amount of R\$532,742 and the net recognition of assets of Jalles Bioenergia S.A. at the Santa Vitória Açúcar Plant and in the amount of R\$232,719.

As of December 31, 2022, the amount of R\$ 320,173 (R\$ 331,535 as of March 31, 2022) of the Parent Company's Property, plant and equipment corresponds to agricultural machinery and equipment, vehicles, industrial machinery and equipment and properties that were guaranteed in bank financing operations with financial institutions.

### **Reduction to recoverable value for cash generating units**

During the nine-month period ended December 31, 2022, the Company did not identify the existence of indicators that certain assets could be above the recoverable value in its individual statements.

In the consolidated statements, sugarcane plantations were evaluated at fair value and identified that the book value was higher than the recoverable value. The non-recoverability of the book value is motivated by the low productivity of the existing sugarcane. The investments in renewal and expansion of sugarcane made in the last year and the actions planned for the next periods meet the objectives of increasing productivity in tons per hectare and supplying the industry to reach its full milling capacity.

## **10 Biological asset**

The biological asset should be measured at fair value minus the selling expense at the time of initial recognition and at the end of each competency period, except for cases where fair value cannot be reliably measured.

The biological assets correspond to the agricultural products under development (standing sugarcane) produced in sugarcane crops (carrier plant), which will be used as raw material in the production of sugar and ethanol at the time of harvest. These assets are measured at fair value minus sales expenses.

The fair value measurement of biological assets is classified as level 3 - Assets and liabilities whose prices do not exist or that these prices or valuation techniques are based on a small or non-existent market, not observable or illiquid.

The fair value of the harvested agricultural product is determined by the quantities harvested, valued at the value of the CONSECANA projected on December 31, 2022, based on the deflated prices of sugar, ethanol and dollar rate futures extracted from current quotes from the Chicago stock exchange and BM&F (B3).

The fair value of biological assets was determined using the cash flow methodology, considering basically:

- (a) Cash inflows obtained by (i) multiplying the estimated production, measured in kilos of TRS (Total Recoverable Sugar), and (ii) future market price of sugarcane, which is estimated based on forecasts and estimates of future sugar and ethanol prices; and
- (b) Cash outflows represented by the forecast of costs necessary for the biological transformation of sugarcane (cultural tracts) until harvest; costs of harvesting/cutting, loading and transportation - CCT; capital cost (land and machinery and equipment); rental costs and agricultural partnership; and taxes on positive cash flow.

All expenses related to obtaining the agricultural product derived from biological assets valued at fair value minus sales expenses are considered as expenditure of the period when incurred. On the other, expenditures related to obtaining the agricultural product of biological assets valued at cost are accounted for as active also at cost and recognized as an expense as soon as the agricultural product is sold and is valued at fair value minus sales expenses. Expenses derived from the storage and maintenance of agricultural products are expenses for the year together with changes in net fair value of these products.

The main assumptions are used in determining such fair value:

	<b>Parent company</b>		<b>Consolidated</b>	
	<b>31/12/2022</b>	<b>31/03/2022</b>	<b>31/12/2022</b>	<b>31/03/2022</b>
Estimated harvest area (hectares)	60,415	60,674	94,463	60,674
Predicted productivity (t. of sugarcane/hectares)	92,67	92,99	82,07	92,99
Total amount of recoverable sugar - TRS (kg)	132,93	132,95	137,23	132,95
VALUE OF TRS kg	1,2692	1,2824	1,2033	1,2824

As of December 31, 2022, cash flows were discounted by 7.62% p.a. (7.95% p.a. as of March 31, 2022) which is the WACC (*Weighted Average Capital Cost*) of the Company.

Based on the estimate of revenues and costs, the Company determines the discounted cash flows to be generated and brings the corresponding values at present value, considering a discount rate, compatible for remuneration of the investment in the circumstances. The changes in fair value are recorded under the heading of biological assets and have as counterpart the subaccount "Change in the fair value of biological assets", in the income for the year.

The movement of biological assets during exercise is as follows:

	<b>Parent company</b>	<b>Consolidated</b>
Historical cost	150,845	150,845
Fair value	219,054	219,054
<b>Balance at March 31, 2021</b>	<b>369,899</b>	<b>369,899</b>
Increases in treatment	167,971	167,971
Harvest reductions	(161,264)	(161,264)
Change in fair value	140,764	140,764
<b>Balance at December 31, 2021</b>	<b>517,370</b>	<b>517,370</b>
Increases in treatment	21,920	21,920
Harvest reductions	(1,088)	(1,088)
Change in fair value	(105,234)	(105,234)
<b>Balance at March 31, 2022</b>	<b>432,968</b>	<b>432,968</b>
Addition by business combination	-	54,440
Increases in treatment	243,281	272,917
Harvest reductions	(189,724)	(199,851)
Change in fair value	(41,201)	(46,073)
<b>Balance at December 31, 2022</b>	<b>445,324</b>	<b>514,401</b>
<b>Composed of:</b>		
Historical cost	231,941	254,490
Fair value	213,383	259,911
<b>Final balance of biological assets</b>	<b>445,324</b>	<b>514,401</b>

The fair value estimate could increase (decrease) if:

- The estimated price of TRS was higher (lower);
- The productivity (tons per hectare and amount of TRS) predicted was higher (lower);
- The discount rate was lower (higher); and
- Future prices of marketed products were higher (lower).

Keeping the other variables of the calculation of the fair value of biological assets unchanged, a change for more or less than 5% in the price of TRS would result in an increase or reduction of R\$ 38,942 (R\$ 52,010 in the consolidated). On the other, the change in production volume for more or less than 5% would result in an increase or reduction of R\$ 29,883 (R\$ 39,927 in the consolidated). With regard to the discount rate, the change to more or less than 5% would result in an increase or reduction of R\$ 1,758 (R\$ 2,110 in the consolidated).

#### **Risk management strategy related to agricultural activities**

The Company is exposed to the following risks related to its plantations:

**(i) *Regulatory and environmental risks***

The Company is subject to laws and regulations pertaining to the activities in which it operates. The Administration has established environmental policies and procedures aimed at complying with environmental laws and conducts periodic analyses to identify environmental risks and to ensure that its existing systems are sufficient to manage these risks.

**(ii) *Risk of supply and demand***

The Company is exposed to the risks arising from fluctuations in the price and volume of sales of sugar and ethanol produced from sugarcane. When possible, these risks are carried out, aligning their production volume to supply the market. Management conducts regular industry trend analyses to ensure that operational strategies are in line with the market and ensure that projected production volumes are consistent with expected demand.

**(iii) *Climate and other risks***

Operational activities of sugarcane cultivation are exposed to the risks of damage from climate change, pests and diseases, forest fires and other natural forces. The Company has extensive processes with resources allocated to monitor and mitigate these risks, including regular inspections of sugarcane crop status.

Historically, climatic conditions can cause volatility in the energy juice sector and, consequently, in the Company's operating results, because they influence the harvests by increasing or reducing harvests. In addition, the Company's business is subject to seasonality according to the sugarcane growth cycle in southeastern Brazil.

For more information on the exposure of the Company and its subsidiaries to operational risks, see note 16.

**(iv) *Supply and demand risk***

The Company's operation is exposed to the global availability of agricultural inputs. The world

has faced logistical difficulties both in the import of agricultural inputs, especially fertilizers, and in the flow of organic sugar abroad, still a reflection of the Coronavirus pandemic and, currently, by the war between Russia and Ukraine compromising important sea routes.

The Company's Management understands that its operation has less aggravated effects because it has approximately 23,000 hectares of organic area (more than 30% of the cultivated area), which does not use fertilizers and chemical pesticides. Another very relevant point is that, among the three main agricultural inputs used, Nitrogen, Phosphorus and Potassium, the Company has almost 70% of self-sufficiency in Potassium, obtained through the application of vinasse, a by-product of sugarcane. Still as a strategy to maintain the fueled operation and avoid adverse effects of inflation and exchange rate variations, the Company anticipated the purchases of these materials and raw materials at the end of the harvest ended on March 31, 2022 in order to have sufficient stock for the entire 2022/23 harvest.

## 11 Loans and financing

This explanatory note provides information on the contractual terms of loans and interest financing, which are measured at amortized cost. For more information on the exposure of the Company and its subsidiaries to interest rate, currency and liquidity risks, see note 16.

Credit line	Indexer	Coin	Nominal average rate (a.a)(a)	Year of expiration	Parent company		Consolidated	
					31/12/2022	31/03/2022	31/12/2022	31/03/2022
Drawing capital	PRE/CDI/IPCA	R\$	13,87%	2025	221,989	256,255	221,989	256,255
Capital Markets	IPCA/CDI	R\$	11,65%	2026	1,210,869	750,931	1,210,869	750,931
Multilateral	CDI	R\$	16,90%	2027	146,682	179,361	146,682	179,361
BNDES/Finame/Leasing/CDC/FCO	PRE/SELIC/TJLP/TX. Jrsvar	R\$	23,32%	2030	82,336	91,005	168,263	91,005
Drawing capital	PRE/LIBOR	USD	6,69%	2024	113,775	93,450	113,775	93,450
Multilateral	YVONNE	USD	8,26%	2027	88,696	105,641	88,696	105,641
<b>Total</b>					<b>1,864,347</b>	<b>1,476,643</b>	<b>1,950,274</b>	<b>1,476,643</b>
(-) Transaction costs to be amortized					(40,538)	(28,091)	(40,538)	(28,091)
					<b>1,823,809</b>	<b>1,448,552</b>	<b>1,909,736</b>	<b>1,448,552</b>
Circulating					280,951	296,528	289,722	296,528
Non-rolling					1,542,858	1,152,024	1,620,014	1,152,024

## Debt amortization schedule

Year of expiration	Parent company		Consolidated	
	31/12/2022	31/03/2022	31/12/2022	31/03/2022
2022/23	280,951	296,528	289,722	296,528
2023/24	28,789	190,165	30,473	190,165
2024/25	133,012	105,785	139,833	105,785
2025/26	373,588	340,960	380,609	340,960
2026/27	49,529	26,684	56,747	26,684
2027/28	49,484	26,644	56,885	26,644
2028/29	333,203	316,403	340,804	316,403
2029/30	141,494	48,945	149,283	48,945
2030/31	136,727	48,313	144,702	48,313
2031/32	173,023	48,125	181,192	48,125
2032/33	124,009	-	132,371	-
2033/34	-	-	7,115	-
	<b>1,823,809</b>	<b>1,448,552</b>	<b>1,909,736</b>	<b>1,448,552</b>

The following table shows the movement of loans and financing in the nine-month periods ended December 31, 2022 and 2021:

	Parent company		Consolidated	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Debt movement				
Previous balance	1,448,552	1,418,170	1,448,552	1,420,713
Addition by business combination	-	-	178,015	-
Funding funding	518,658	-	518,658	-
Amortization of principal	(205,417)	(358,425)	(297,254)	(360,966)
Interest amortization	(85,541)	(49,188)	(88,689)	(49,213)
Accrued interest	124,097	74,428	126,994	74,448
Amortization of loan transaction costs	4,715	4,098	4,715	4,101
Exchange variation	18,745	(5,377)	18,745	(5,377)
	<b>1,823,809</b>	<b>1,083,706</b>	<b>1,909,736</b>	<b>1,083,706</b>

The information on the Company's assets given in guarantee of loan and financing operations is disclosed in note 9.

The Company is subject to compliance with certain contractual clauses ("*Covenants*") establishing the early maturity of loans and financing. In the event of non-compliance with obligations or a default event in loan and financing agreements due to certain situations, including the early maturity of *other contracts* (*cross-acceleration* or *cross-default*) loans and financing linked to them may be considered due in advance by the respective creditors. The Company monitors its obligations and, as of December 31, 2022, all were being fulfilled.

## 12 Suppliers and other accounts payable

	<b>Parent company</b>		<b>Consolidated</b>	
	<u>31/12/2022</u>	<u>31/03/2022</u>	<u>31/12/2022</u>	<u>31/03/2022</u>
Suppliers of goods and services	32,823	45,368	65,934	45,368
Asset suppliers	26,669	68,498	26,669	68,498
Other accounts payable - Related parties (Note 24)	1,253	7,315	1,253	7,315
Price adjustment - Business combination (Note 1.1)	5,300	-	5,300	-
Other accounts payable	<u>16,920</u>	<u>1,381</u>	<u>16,920</u>	<u>1,381</u>
	<b><u>82,965</u></b>	<b><u>122,562</u></b>	<b><u>116,076</u></b>	<b><u>122,562</u></b>
Circulating	82,525	122,140	115,636	122,140
Non-rolling	440	422	440	422

Information on the Company's exposure to liquidity risks related to suppliers and other accounts payable is disclosed in note 16.

### 13 Net deferred tax

Deferred taxes on assets, liabilities and income were assigned as follows:

Parent company	31/12/2022		31/03/2022		Result			
	Active	Passive	Active	Passive	31/12/2022 (9 months)	31/12/2021 (9 months)	31/12/2022 (3 months)	31/12/2021 (3 months)
Asset assigned cost	-	20,532	-	21,013	481	574	122	166
Fair value of biological assets	-	72,551	-	86,559	14,008	(47,858)	11,501	(13,748)
Fixed asset capital gain in business combination	-	29,663	-	-	556	-	556	-
Encouraged accelerated depreciation	-	165,579	-	113,485	(52,094)	(30,577)	(17,018)	(12,218)
Recalculation depreciation useful life	-	25,125	-	23,165	(1,960)	174	(1,202)	136
Adjust the present value	2,088	-	-	2,365	4,453	2,908	4,609	3,583
Fair value of investments	-	18,726	-	18,727	1	(7)	-	(7)
Leasing	-	16,921	-	3,420	(13,501)	(43)	3,369	(9,127)
Provisions for contingencies	-	-	-	-	-	(763)	-	(763)
CBIOS Fair Value	-	3,722	-	995	(2,727)	(96)	(808)	(13)
Sub <i>judice taxes</i> settled and added in previous years outstanding in Lalur in income tax	-	7,752	-	5,462	(2,290)	(467)	(2,389)	-
Revenue recognition - CPC 47	-	-	2,148	-	(2,148)	(519)	(1,381)	256
About temporary provisions	10,155	-	4,527	-	5,628	1,219	1,656	1,772
Derivative instruments	30,642	-	50,634	-	(19,992)	57,845	7,306	(4,794)
Income tax loss and negative basis of social contribution	67,757	-	60,496	-	7,261	(13,588)	23,788	7,075
	<b>110,642</b>	<b>360,571</b>	<b>117,805</b>	<b>275,191</b>	<b>(62,324)</b>	<b>(31,198)</b>	<b>30,109</b>	<b>(27,682)</b>
<b>Net deferred taxes</b>		<b>249,929</b>		<b>157,386</b>				

31/12/2022

31/03/2022

Result

**Jalles Machado S.A.**  
*Quarterly accounting information - ITR at*  
*December 31, 2022*

Consolidated	Active	Passive	Active	Passive	31/12/2022 (9 months)	31/12/2021 (9 months)	31/12/2022 (3 months)	31/12/2021 (3 months)
Asset assigned cost	-	20.532	-	21.013	481	574	122	166
Fair value of biological assets	-	50.086	-	86.559	36.473	(47.858)	33.966	(13.748)
Cost allocated sugarcane plantation	-	29.663	-	-	556	-	556	-
Encouraged accelerated depreciation	-	165.579	-	113.485	(52.094)	(30.577)	(17.018)	(12.218)
Recalculation depreciation useful life	-	25.125	-	23.165	(1.960)	174	(1.202)	136
Adjust the present value	2.088	-	-	2.365	4.453	2.908	4.609	3.583
Fair value of investments	-	18.726	-	18.727	1	(7)	-	(7)
Leasing	-	17.003	-	3.420	(13.583)	(43)	3.287	(9.127)
Provisions for contingencies	541	-	-	-	541	(763)	541	(763)
CBIOS Fair Value	-	4.061	-	995	(3.066)	(96)	(1.147)	(13)
Sub <i>judice</i> taxes settled and added in previous years outstanding in Lalur in income tax	-	7.752	-	5.462	(2.290)	(467)	(2.389)	-
Revenue recognition - CPC 47	-	-	2.148	-	(2.148)	(519)	(1.381)	256
About temporary provisions	10.155	-	4.527	-	5.628	1.219	1.656	1.772
Derivative instruments	30.642	-	50.634	-	(19.992)	57.845	7.306	(4.794)
Income tax loss and negative basis of social contribution	94.867	-	60.496	-	7.270	(13.588)	23.797	7.075
	<u>138.293</u>	<u>338.527</u>	<u>117.805</u>	<u>275.191</u>	<u>(39.730)</u>	<u>(31.198)</u>	<u>52.703</u>	<u>(27.682)</u>
<b>Net deferred taxes</b>		<u>200.234</u>		<u>157.386</u>				

Deferred income tax and social contribution are recorded to reflect the future tax effects attributable to the temporary differences between the tax base of assets and liabilities and their respective book values.

Based on the expectation of generating future taxable profits, tax credits are recorded on income tax losses and negative bases of the social contribution, which have no prescription period and whose compensation is limited to 30% of the annual taxable profit.

The income projections are reviewed periodically, and the deferred tax asset is revalued if there are relevant factors that will modify its realization perspective.

The estimates of recovery of tax credits were based on the projections of taxable profits taking into account various financial and business assumptions when they are drawn up. Consequently, estimates are subject to not materialising in the future, given the uncertainties inherent in these projections.

The Company's Management, based on the approved budget, estimates that tax credits arising from temporary differences, tax losses and negative basis of social contribution will be realized as shown below:

	<u>Parent company</u>		<u>Consolidated</u>	
	<b>Loss to be compensated</b>	<b>IRPJ/CSLL to be performed</b>	<b>Loss to be compensated</b>	<b>IRPJ/CSLL to be performed</b>
<b>Crop</b>				
2022/23	114,847	39,048	117,305	39,884
2023/24	84,838	28,709	86,896	29,545
2023/24	-	-	2,458	836
2023/24	-	-	2,458	836
> 2024/25	-	-	69,900	23,766
<b>Total</b>	<b>199,285</b>	<b>67,757</b>	<b>279,018</b>	<b>94,867</b>

Usina Santa Vitória Açúcar e Alcool Ltda has on December 31, 2022 tax credits in the amount of R\$ 521,911, referring to tax losses and negative basis of the social contribution on profit. The Company's Management evaluated the possibility of using these credits and understood that there was currently no recoverability, so it no longer constituted them in its bookkeeping. It is emphasized that credits of this nature do not prescribe and that, once the Company identifies its recoverability, these can be used in the reduction of income tax and social contribution calculated.

The reconciliation of the expenditure calculated by the application of tax rates and the expense of income tax and social contribution in the result is demonstrated as follows:

<b>Effective rate reconciliation</b>	<b>Parent company</b>			
	<u>31/12/2022</u> (9 months)	<u>31/12/2021</u> (9 months)	<u>31/12/2022</u> (3 months)	<u>31/12/2021</u> (3 months)
Net income/loss before income tax and social contribution	810,608	306,122	420,631	197,157
Combined tax rate	34%	34%	34%	34%
Income tax and social contribution at the combined tax rate	(275,607)	(104,081)	(143,015)	(67,033)
<b>Adjustment for calculation of the effective rate</b>				
Permanent Additions / Exclusions	(1,131)	3,120	(410)	2,472
Decarbonização credits - CBIOS	7,411	-	937	(1,715)
Deduction of interest on equity	-	15,542	-	15,542
Gain per Advantageous Purchase	145,524	-	145,524	-
Spending on the issuance of shares	-	2,363	-	719
Equity	17,975	12,829	9,797	4,839
Tax incentives	43,504	39,029	17,276	17,494
Income tax and social contribution in the income result of the year	<u>(62,324)</u>	<u>(31,198)</u>	<u>30,109</u>	<u>(27,682)</u>
Current income tax and social contribution	-	-	-	-
Deferred income tax and social contribution	(62,324)	(31,198)	30,109	(27,682)
Effective rate	-8%	-10%	7%	-14%
<b>Effective rate reconciliation</b>	<b>Consolidated</b>			
	<u>31/12/2022</u> (9 months)	<u>31/12/2021</u> (9 months)	<u>31/12/2022</u> (3 months)	<u>31/12/2021</u> (3 months)
Net income/loss before income tax and social contribution	789,222	309,093	396,634	198,209
Combined tax rate	34%	34%	34%	34%
Income tax and social contribution at the combined tax rate	(268,335)	(105,092)	(134,855)	(67,391)
<b>Adjustment for calculation of the effective rate</b>				
Adjustment of calculation of subsidiaries taxed by presumed profit	5,645	4,140	1,800	1,589
Permanent Additions / Exclusions	7,317	3,120	8,366	2,472
Decarbonização credits - CBIOS	7,911	-	1,437	(1,715)
Deduction of interest on equity	-	15,542	-	15,542
Gain per Advantageous Purchase	145,524	-	145,524	-
Spending on the issuance of shares	-	2,363	-	719
Equity	4,106	6,729	1,161	2,556
Tax incentives	56,901	39,029	30,673	17,494
Income tax and social contribution in the income result of the year	<u>(40,938)</u>	<u>(34,169)</u>	<u>54,106</u>	<u>(28,734)</u>
Current income tax and social contribution	(1,208)	(2,971)	1,403	(1,052)
Deferred income tax and social contribution	(39,730)	(31,198)	52,703	(27,682)
Effective rate	-5%	-11%	14%	-14%

\* The gain per advantageous purchase is excluded from the calculation of income tax and social contribution on net income and will be subject to taxation if the investment is made, through the incorporation of the Subsidiary by the Parent Company or disposal of the investee, and the gain may be taxed within sixty months.

## 14 Provision for contingencies

The Company and its subsidiaries are parties to lawsuits involving labor, environmental, civil and tax contingencies. In order to meet the future losses linked to these processes, provision was made in value considered by the Company's Management as sufficient to cover the losses evaluated as probable. The Company and its subsidiaries classify the risk of loss in legal proceedings as "remote", "possible" or "probable". The assessment of the probability of loss in these actions, as well as the calculation of the amounts involved, was carried out considering the requests of the plaintiffs, the jurisprudential position on the matters and the opinion of the legal advisors of the Company and its subsidiaries. The main information of the cases is presented as:

	<b>Parent company</b>			
	<b>31/12/2022</b>		<b>31/03/2022</b>	
	<b>Judicial deposits</b>	<b>Provision</b>	<b>Judicial deposits</b>	<b>Provision</b>
Tax on Industrialized Products (IPI) on crystal sugar - sub judice	7,494	7,494	14,527	14,527
Labor contingencies	728	2,356	676	3,396
PIS/COFINS/INSS	94,844	-	84,576	-
Other	3,460	7,991	3,468	7,387
	<b>106,526</b>	<b>17,481</b>	<b>103,247</b>	<b>25,310</b>
	<b>Consolidated</b>			
	<b>31/12/2022</b>		<b>31/03/2022</b>	
	<b>Judicial deposits</b>	<b>Provision</b>	<b>Judicial deposits</b>	<b>Provision</b>
Tax on Industrialized Products (IPI) on crystal sugar - sub judice	7,494	7,494	14,527	14,527
Labor contingencies	2,207	6,004	676	3,396
PIS/COFINS/INSS	94,844	-	84,576	-
Other	3,460	13,955	3,468	7,387
	<b>108,005</b>	<b>27,453</b>	<b>103,247</b>	<b>25,310</b>

The movements of the balances of judicial deposits and provisions for contingencies in the nine-month period comprised of this individual and consolidated interim accounting information were as follows:

Judicial deposits	<b>Parent company</b>			
	<b>31/03/2022</b>	<b>Additions</b>	<b>Rollbacks</b>	<b>31/12/2022</b>
Tax on Industrialized Products (IPI) on crystal sugar - <i>sub judice</i>	14,527	345	(7,378)	7,494
Labor	676	130	(78)	728
PIS/COFINS/INSS	84,576	10,268	-	94,844
Other	3,468	241	(249)	3,460
	<b>103,247</b>	<b>10,984</b>	<b>(7,705)</b>	<b>108,005</b>

Judicial deposits	<b>Consolidated</b>				
	<b>31/03/2022</b>	<b>Addition: business combination</b>	<b>Additions</b>	<b>Rollbacks</b>	<b>31/12/2022</b>
Tax on Industrialized Products (IPI) on crystal sugar - <i>sub judice</i>	7,494	-	345	(7,378)	7,494
Labor	676	1,281	328	(78)	2,207
PIS/COFINS/INSS	84,576	-	10,268	-	94,844
Other	3,468	-	241	(249)	3,460
	<b>103,247</b>	<b>1,281</b>	<b>11,182</b>	<b>(7,705)</b>	<b>108,005</b>

Provisions for contingencies	<b>Parent company</b>			
	<b>31/03/2022</b>	<b>Additions</b>	<b>Rollbacks</b>	<b>31/12/2022</b>
Tax on Industrialized Products (IPI) on crystal sugar - <i>sub judice</i>	14,527	345	(7,3478)	7,494
Labor	3,396	126	(1,166)	2,356
Other	7,387	671	(67)	7,991
	<b>25,310</b>	<b>1,142</b>	<b>(8,611)</b>	<b>17,841</b>

Provisions for contingencies	<b>Consolidated</b>				
	<b>31/03/2022</b>	<b>Addition: business combination</b>	<b>Additions</b>	<b>Rollbacks</b>	<b>31/12/2022</b>
Product Tax Industrialized (IPI) on sugar crystal - <i>sub judice</i>	14,527	-	345	(7,378)	7,494
Labor	3,396	3,648	126	(1,166)	6,004
Other	7,387	5,964	671	(67)	13,955
	<b>25,310</b>	<b>9,612</b>	<b>1,142</b>	<b>(8,611)</b>	<b>27,453</b>

The Company's Management, based on information from its legal advisors, analysis of pending lawsuits, and based on previous experiences related to the amounts claimed, constituted provision in an amount considered sufficient to cover potential losses with the ongoing actions. The provisioned value is comprised of:

- a. Tax on Industrialized Products (IPI) on crystal sugar - Sub judice**  
Supported by injunctions obtained in warrants for the seasons prior to 2000/2001, the Company promoted the non-emphasis of the IPI on the sugar output based on the claim of

unconstitutionality of taxation, based, among other aspects, by the violation of the principle of selectivity, provided for in Article 153, paragraph 3, item I of the Federal Constitution. As of May 2001, the Company chose to collect ipi values.

**b. PIS/COFINS/INSS**

The Company, through a warrant, questions the enforceability of the tax credit that represents the inclusion of ICMS in the calculation base of PIS, FUNRURAL/PJ and COFINS, on the grounds that such amount does not qualify as own revenue or revenue, as established in Article 195, Item I and EC 20/1998, in line with Article 110 of the CTN.

**c. Passive contingencies not provisioned**

Passive contingencies not recognized in individual and consolidated interim accounting information are civil and tax proceedings evaluated as being of possible risk, in the amount of R\$ 52,241 as of December 31, 2022 for the parent company, adding R\$ 55,272 in the consolidated (R\$ 28,176 as of March 31, 2022), for which no provision was constituted.

## **15 Shareholders' equity - Parent company**

### **Share capital**

The company's share capital, subscribed and paid in on March 31, 2022 and December 31, 2022 is R\$ 982,096. It is represented by 294,697,091 nominative common shares with no nominal value, fully paid up.

### **Legal reserve**

It is constituted at the rate of 5% of the net income calculated in each fiscal year pursuant to art. 193 of Law No. 6,404/76, up to the limit of 20% of the share capital.

### **Tax incentives**

It corresponds to the reserve that is constituted on behest of the tax incentive program. The amount of the benefit in a given fiscal year is recorded in the income statement as a reduction in income tax with a corresponding reserve constituted in equity. Under incentive rules, tax incentives cannot be used to check or pay dividends. The value of incentives can only be used to increase share capital and comes from the following incentives:

- (a) Discount obtained from the early settlement of the financing contract signed with the Participation and Promotion Fund for industrialization of the State of Goiás - FOMENT object of public offering according to Article 1, Paragraph 1 of Law 13.436/1998 of December 13, 1998;
- (b) Discount obtained from the Industrial Development Program of the State of Goiás - PRODUCE, according to Article 20 of Article 20 of Law 13,591 of January 18, 2000.
- (c) Credit Granted ICMS on the commercialization of Anidro Carburante Ethanol, tax incentive granted by the Government of the State of Goiás for companies framed in the PROGRAMS FOMENT or PRODUCE, equivalent to 60% of the value of ICMS as if due to the sales operations of Anhydrous Ethanol carried out with distributors. The benefit is regulated by State Law No. 13,246/99, Art. 3, II.

The Company constitutes "Reserve of Tax Incentives" at the end of each fiscal year in which profit is calculated. The Company maintains parallel controls so that the corresponding amount

of the reserve is capitalized as profits are calculated in subsequent years, according to IN 1,515/14, Article 3, § 3 and Law 12,973/14, Article 30, § 3.

### **Minimum compulsory dividends**

The Company's bylaws determine a percentage of not less than 25% of the distributable profit when paying the mandatory minimum dividends. The mandatory minimum dividends payable, when due, are detached from shareholders' equity at the end of the year and recorded as an obligation on liabilities.

### **Interest on equity**

Interest on Equity or "JCP" is interest paid or credited by the legal entity, as remuneration of equity, pursuant to § 7 of Article 9 of Law No. 9,249, December 26, 1995.

The dividend distribution policy provides that the Company may remunerate shareholders through dividends and/or JCP, as set forth in the Bylaws, and that if the Company chooses to pay JCP, the amount paid, net of withholding income tax, in accordance with applicable law, will be imputed to the mandatory dividend due to shareholders in the year.

### **Profit retention reserve**

In accordance with Article 196 of Law 6.404/76, the Company constituted a Retained Earnings Reserve based on the capital budget after statutory and legal allocations as proposed by management. The capital budget is submitted for consideration and approval by the General Meeting of Shareholders (AGO).

The proposal to establish a Profit Retention Reserve, in the amount of R\$ 119,886, aims to face the investment plan for the 2022/2023 harvest, substantially related to the expansion plan of the industrial park.

The amount of retained profits as proposed by the capital budget will be allocated to the acquisition of fixed assets (agricultural and industrial machinery and equipment and expansion of sugarcane), which aims to increase the milling capacity of sugarcane, and consequently, the increase in sugar and ethanol production.

### **Equity valuation adjustments**

It is composed of the effect of the adoption of the cost attributed to fixed assets as a result of the application of IAS 16 (CPC 27) and Technical Interpretation ICPC 10 on the transition date, deducted from the respective deferred income tax and social contribution, and which has been carried out through depreciation, disposal or retirement of assets that gave rise to it.

### **Treasury shares**

On August 11, 2022, the Company's Board of Directors approved the implementation of a Program for the repurchase of shares of the Company with the objectives (a) to apply available resources of the Company in the efficient management of its capital structure and maximize the generation of value for shareholders; and (b) if a compensation plan based on the Company's shares is approved, meet the future exercise of the concessions that may be made.

Under the Program, the Company may acquire up to 4,000,000 (four million) of common shares issued by the Company, corresponding to up to 1.36% (one point thirty-six percent) of the company's total shares issued and up to 4.15% (four comma fifteen percent) of its outstanding shares.

Until the end of the nine-month period ended December 31, 2022, the Company acquired 1,625,200 shares at an average cost of R\$7.23.

## 16 Financial instruments

### a. Account assignment

Given the characteristic of the financial instruments held by the Company and its subsidiaries, management assesses that the book balances are close to fair values.

#### *Parent company*

	Book value			Total	Fair value
	Fair value through income	Amortized cost	Other financial liabilities		Level 2
<b>31/12/2022</b>					
<b>Financial assets</b>					
Cash and cash equivalents	-	47,411	-	47,411	-
Financial investments	-	843,174	-	843,174	-
Restricted cash	-	48,044	-	48,044	-
Derivative financial instruments	175,944	-	-	175,944	175,944
Accounts receivable and other receivables	-	49,027	-	49,027	-
<b>Total</b>	<b>175,944</b>	<b>987,656</b>	<b>-</b>	<b>1,163,600</b>	<b>175,944</b>
<b>Financial liabilities measured at fair value</b>					
Derivative financial instruments	266,069	-	-	266,069	266,069
<b>Total</b>	<b>266,069</b>	<b>-</b>	<b>-</b>	<b>266,069</b>	<b>266,069</b>
<b>Unmeasured financial liabilities at fair value</b>					
Loans and financing	-	-	1,823,809	1,823,809	-
Suppliers and other accounts payable	-	-	82,965	82,965	-
Rents payable	-	-	1,014,350	1,014,350	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>2,921,124</b>	<b>2,921,124</b>	<b>-</b>

	Book value			Total	Fair value
	Fair value through income	Amortized cost	Other financial liabilities		Level 2
<b>31/03/2022</b>					
<b>Financial assets</b>					

Cash and cash equivalents	-	45,378	-	45,378	-
Financial investments	-	1,175,427	-	1,175,427	1,175,427
Restricted cash	-	58,873	-	58,873	58,873
Derivative financial instruments	131,137	-	-	131,137	131,137
Accounts receivable and other receivables	-	46,002	-	46,002	-
<b>Total</b>	<b>131,137</b>	<b>1,325,680</b>	<b>-</b>	<b>1,456,817</b>	<b>1,365,437</b>

**Measured financial liabilities at fair value**

Derivative financial instruments	280,060	-	-	280,060	280,060
<b>Total</b>	<b>280,060</b>	<b>-</b>	<b>-</b>	<b>280,060</b>	<b>280,060</b>

**Unmeasured financial liabilities at fair value**

Loans and financing	-	-	1,448,552	1,448,552	-
Suppliers and other accounts payable	-	-	122,562	122,562	-
Rents payable	-	-	786,236	786,236	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>2,357,350</b>	<b>2,357,350</b>	<b>-</b>

**Consolidated**

	Book value			Total	Fair value
	Fair value through income	Amortized cost	Other financial liabilities		Level 2
<b>31/12/2022</b>					
<b>Financial assets</b>					
Cash and cash equivalents	-	100,234	-	100,234	-
Financial investments	-	867,553	-	867,553	867,553
Restricted cash	-	48,044	-	48,044	48,044
Derivative financial instruments	175,944	-	-	175,944	175,944
Accounts receivable and other receivables	-	108,564	-	108,564	-
<b>Total</b>	<b>175,944</b>	<b>1,124,395</b>	<b>-</b>	<b>1,300,339</b>	<b>1,091,541</b>

**Financial liabilities measured at fair value**

Derivative financial instruments	266,069	-	-	266,069	266,069
<b>Total</b>	<b>266,069</b>	<b>-</b>	<b>-</b>	<b>266,069</b>	<b>266,069</b>

**Unmeasured financial liabilities at fair value**

Loans and financing	-	-	1,909,736	1,909,736	-
Suppliers and other accounts payable	-	-	116,076	116,076	-
Rents payable	-	-	1,165,885	1,165,885	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>3,191,697</b>	<b>3,191,697</b>	<b>-</b>

	Book value			Total	Fair value
	Fair value through income	Amortized cost	Other financial liabilities		Level 2
<b>31/03/2022</b>					
<b>Financial assets</b>					
Cash and cash equivalents	-	45,576	-	45,576	-

Financial investments	-	1,197,082	-	1,197,082	1,197,082
Restricted cash	-	58,873	-	58,873	58,873
Derivative financial instruments	131,137	-	-	131,137	131,137
Accounts receivable and other receivables	-	45,853	-	45,853	-
<b>Total</b>	<b>131,137</b>	<b>1,347,384</b>	<b>-</b>	<b>1,478,521</b>	<b>1,387,092</b>
<b>Measured financial liabilities at fair value</b>					
Derivative financial instruments	280,060	-	-	280,060	280,060
<b>Total</b>	<b>280,060</b>	<b>-</b>	<b>-</b>	<b>280,060</b>	<b>280,060</b>
<b>Unmeasured financial liabilities at fair value</b>					
Loans and financing	-	-	1,448,552	1,448,552	-
Suppliers and other accounts payable	-	-	122,562	122,562	-
Rents payable	-	-	709,344	709,344	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>2,280,458</b>	<b>2,280,458</b>	<b>-</b>

**b. Fair value measurement**

The fair value of financial assets and liabilities is the value at which the instrument can be exchanged in a current transaction between parties wishing to trade, not in a forced sale or settlement. The methods and assumptions used to estimate fair value are described below.

The fair value of cash and cash equivalents, receivables, other financial assets, accounts payable and other short-term obligations are close to their book value due to the short-term maturity of these instruments. The fair value of other long-term assets and liabilities does not differ significantly from their book values.

The fair value of the Company's passive financial instruments is close to book value, since they are subject to variable interest rates and there has been no significant change in the Company's credit risk.

Hedge instruments *are* evaluated using valuation techniques with observable market data and refer mainly to *interest rate swaps* and *NDFs*. The valuation techniques generally applied include pricing models and contracts, with present value calculations. The models incorporate various data, including counterparties' credit quality, spot exchange and future rates and interest rate curves.

***Fair value hierarchy***

The Company uses the following hierarchy to determine and disclose the fair values of financial instruments according to the valuation technique used:

Level 1: Quoted prices (no adjustments) in active markets for identical assets and liabilities;

Level 2: Other techniques for which all data having a significant effect on the recorded fair value are observable, directly or indirectly; and

Level 3: Techniques that use data that has a significant effect on fair value that is not based on market-observable data.

There were no transfers between levels to be considered on 31 December 2022 and 31 March 2022.

**c. Financial risk management**

The Company has exposure to the following risks resulting from financial instruments:

Operational risks

Credit risks;

Liquidity risks;

Market risks;

Interest rate risks; and

Foreign Exchange risks.

This note presents information on the Company's exposure to each of the above risks, the objectives, policies and processes of risk measurement and management and capital management to the Company.

***Risk management structure***

Management is responsible for monitoring the risk management policies of the Company and its subsidiaries, and managers in each area report regularly to the Presidency about its activities.

The Company's risk management policies are established to identify and analyze the risks faced, to define appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are frequently reviewed to reflect changes in the Company's market conditions and activities. The Company, through its standards and training and management procedures, seeks to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

*(i) Operational risks*

**Regulatory and environmental risks**

The Company, its subsidiaries and affiliates are subject to laws and regulations pertaining to the activities in which they operate. Thus, the Companies established environmental policies and procedures aimed at compliance with environmental laws.

Production facilities and their industrial and agricultural activities are subject to environmental regulations. The Company, its subsidiaries and affiliates decreased the risks associated with environmental issues by operational procedures and controls with investments in pollution control equipment.

Management conducts periodic analyses to identify environmental risks and to ensure that its existing systems are sufficient to manage those risks.

The Company, its subsidiaries and affiliates believe that no provision for losses related to environmental matters is currently required, based on current laws and regulations in force.

**Climate and other risks**

The operational activities of rubber and sugarcane are exposed to the risk of damage from climate change, pests and diseases and other natural forces. The Company and its subsidiaries have extensive processes with resources allocated to monitor and mitigate these risks, including regular inspections of crop status.

**Risk of supplying supplies**

The Company's operation is exposed to the global availability of agricultural inputs. The world has faced logistical difficulties both in the import of agricultural inputs, especially fertilizers, and in the flow of organic sugar abroad, still a reflection of the Coronavirus pandemic and, currently, by the war between Russia and Ukraine compromising important sea routes.

The Company's Management understands that its operation has less aggravated effects because it has approximately 23,000 hectares of organic area (more than 30% of the cultivated area), which does not use fertilizers and chemical pesticides. Another very relevant point is that, among the three main agricultural inputs used, Nitrogen, Phosphorus and Potassium, the Company has almost 70% self-sufficiency in Potassium, obtained through the application of vinasse, a by-product of sugarcane. Still as a strategy to maintain the fueled operation and avoid adverse effects of inflation and exchange rate variations, the Company anticipated the purchases of these materials and raw materials at the end of the harvest ended on March 31, 2022 in order to have sufficient stock for the entire 2022/23 harvest.

*(ii) Credit risk*

Credit risk is the risk of the Company incurring financial losses if the client or a private share in a financial instrument fails to comply with its contractual obligations.

**Exposure to credit risks**

The book value of financial assets represents the maximum exposure of credit. The maximum exposure of credit risk on the date of individual and consolidated interim accounting information was:

	<b>Parent company</b>		<b>Consolidated</b>	
	<b>31/12/2022</b>	<b>31/03/2022</b>	<b>31/12/2022</b>	<b>31/03/2022</b>
Cash and cash equivalents	890,585	1,220,805	967,787	1,242,658
Restricted cash	48,044	58,873	48,044	58,873
Accounts receivable and other receivables	47,546	44,810	107,783	44,810
Accounts receivable - Related parties	1,481	1,192	781	1,043
Hedge financial <i>instruments</i>	175,944	131,137	175,944	131,137
	<b>1,163,600</b>	<b>1,456,817</b>	<b>1,300,339</b>	<b>1,478,521</b>
Circulating	965,816	1,357,614	1,055,130	1,379,457
Non-rolling	197,784	99,203	245,209	99,064

### **Cash and cash equivalents**

The Company and its subsidiaries have as a principle to work with financial institutions that have greater strength and better market conditions in relation to rates and deadlines.

### **Accounts receivable from customers and other credits**

The exposure of the Company and its subsidiaries to credit risk is mainly influenced by the individual characteristics of each client. In addition, sales are well distributed throughout the corporate year (mainly during the harvest period), which enables the Company and two subsidiaries to interrupt deliveries to customers who may present themselves as a potential credit risk.

### **Losses due to reduction in recoverable value**

The company assesses the unevenness of accounts receivable based on:

- (a) Historical experience of losses by customers and segment;
- (b) Assign a credit rating to each customer based on qualitative and quantitative measures for the customer; and
- (c) Assigns a percentage reduction to the recoverable value for provisioning purposes based on items (a) and (b) above and the customer's account-to-receive situation (current or past).

The maturity composition of accounts receivable from domestic and foreign customers on the date of individual and consolidated interim accounting information, for which losses were recognized for a reduction in recoverable value according to internal risk classifications, was as follows:

The movement of the provision for expected credit losses was:

	<b>Parent company and consolidated</b>	
	<b>31/12/2022</b>	<b>31/03/2022</b>
Starting balance	(789)	(8,432)
Estimated loss	(60)	(436)
Low	11	8,079
	<b>(838)</b>	<b>(789)</b>

For clients who have a history of non-compliance with their financial obligations, the Company and its subsidiaries seek to work with advance payments.

### Guarantees

The Company and its subsidiaries have as a policy not to require warranty from third parties.

#### (iii) *Liquidity risk*

Liquidity risk is the risk at which the Company and its subsidiaries will encounter difficulties in complying with the obligations associated with their financial liabilities that are settled with cash payments or other financial assets. The approach of the Company and its subsidiaries in liquidity management is to ensure, as much as possible, that it always has sufficient liquidity to meet its obligations by winning, under normal and stress conditions, without causing losses to a third party or with risks of damaging the reputation of the Company and its subsidiaries.

The Company and its subsidiaries use information systems and management tools that provide the condition of monitoring cash flow requirements and optimizing their cash return on investments. The Company and its subsidiaries have as policy to operate with high liquidity to ensure compliance with operational and financial obligations at least for an operational cycle; this includes the potential impact of extreme circumstances that cannot be reasonably predicted, such as natural disasters and cyclical movements of the commodity *market*.

In search of greater *disclosure* and transparency before its *stakeholders*, Jalles Machado is evaluated by two international risk rating agencies, *Standard and Poor's* and *Fitch Rating*. Ratings at Standard and Poor's are 'BB' on a global scale and 'BrAAA' on a national scale, while fitch ratings are 'BB-' on a global scale and 'AA-(bra)' on a national scale.

Cash flows, included in the maturity analyses of the Company and its subsidiaries, are not expected to occur significantly sooner or in significantly different amounts.

### Exposure to liquidity risk

The book values of financial liabilities with liquidity risk are represented below:

#### *Parent company*

	31/12/2022					
	Book value	Contractual flow	Up to 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Suppliers and other accounts to be Pay (Note 12)	82,965	82,965	82,525	18	18	404
Commercial leases payable	1,014,350	1,665,110	187,426	171,938	417,114	888,632
Derivative financial instruments	266,069	266,069	124,286	53,454	64,040	24,289
Loans and financing (note 11)	1,823,809	2,562,599	393,660	269,562	806,139	1,093,238
	<b>3,187,193</b>	<b>4,576,743</b>	<b>787,897</b>	<b>494,972</b>	<b>1,287,311</b>	<b>2,006,563</b>
Circulating	594,454	787,897				
Non-rolling	2,592,739	3,788,846				

31/03/2022

	Book value	Contractual flow	Up to 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
--	------------	------------------	-----------------	-----------------------	-----------------------	--------------

Suppliers and other accounts payable (note 12)	122,562	122,562	122,140	16	47	359
Commercial leases payable	786,236	1,195,852	150,854	149,958	329,722	565,318
Derivative financial instruments	280,060	280,060	155,996	75,640	48,424	-
Loans and financing (note 11)	<u>1,448,552</u>	<u>2,125,309</u>	<u>388,519</u>	<u>287,584</u>	<u>883,872</u>	<u>565,334</u>
	<u>2,637,410</u>	<u>3,723,783</u>	<u>817,509</u>	<u>513,198</u>	<u>1,262,065</u>	<u>1,131,011</u>
Circulating	661,373	817,509				
Non-rolling	1,976,037	2,906,274				

### Consolidated

	<u>31/12/2022</u>					
	<b>Book value</b>	<b>Contractual flow</b>	<b>Up to 12 months</b>	<b>Between 1 and 2 years</b>	<b>Between 2 and 5 years</b>	<b>Over 5 years</b>
Suppliers and other accounts payable (note 12)	116,076	116,076	115,636	18	18	404
Commercial leases payable	1,165,885	1,836,790	281,303	207,720	442,411	905,356
Derivative financial instruments	266,069	266,069	124,286	53,454	64,040	24,289
Loans and financing (note 11)	<u>1,909,736</u>	<u>2,697,217</u>	<u>410,326</u>	<u>283,913</u>	<u>845,715</u>	<u>1,157,263</u>
	<u>3,457,766</u>	<u>4,916,152</u>	<u>931,551</u>	<u>545,105</u>	<u>1,352,184</u>	<u>2,087,312</u>
Circulating	659,518	931,551				
Non-rolling	2,798,248	3,984,601				

	<u>31/03/2022</u>					
	<b>Book value</b>	<b>Contractual flow</b>	<b>Up to 12 months</b>	<b>Between 1 and 2 years</b>	<b>Between 2 and 5 years</b>	<b>Over 5 years</b>
Suppliers and other accounts payable (note 12)	122,562	122,562	122,140	16	47	359
Commercial leases payable	709,344	1,113,848	114,408	113,512	320,610	565,318
Derivative financial instruments	280,060	280,060	155,996	75,640	48,424	-
Loans and financing (note 11)	<u>1,448,552</u>	<u>2,125,309</u>	<u>388,519</u>	<u>287,584</u>	<u>883,872</u>	<u>565,334</u>
	<u>2,560,518</u>	<u>3,641,779</u>	<u>781,063</u>	<u>476,752</u>	<u>1,252,953</u>	<u>1,131,011</u>
Circulating	625,512	781,063				
Non-rolling	1,935,006	2,860,716				

(iv) **Market risk**

Market risk is the risk that changes in market prices, such as exchange rates and interest rates, have on the results of the Company and its subsidiaries or in the value of its holdings in financial instruments. The goal of market risk management is to manage and control market risk exposures, within acceptable parameters, while optimizing return.

The Company uses derivatives to manage market risks. All these transactions are carried out within the guidelines defined by the risk management committee.

### Supply and demand risks

The Company and its subsidiaries are exposed to the risks arising from fluctuations in the price and volume of sales of sugar, ethanol produced from sugarcane and latex and from rubber trees. When possible, the Company and its subsidiaries manage these risks, aligning their production volume to supply the market and demand. Management conducts regular industry trend analyses to ensure that operational strategies are in line with the market and ensure that projected production volumes are consistent with expected demand.

**Interest rate risk**

The operations of the Company and its subsidiaries are exposed to interest rates indexed to CDI, TJLP, TR and IPCA. Aiming at mitigating this type of risk, the Company seeks to diversify the fundraising in terms of prefixed and post-fixed rates and *swap contracts*.

*Exposure to interest rate risk*

On the date of the individual and consolidated interim accounting information, the profile of financial instruments remunerated by interest of the Company and its subsidiaries was:

	Parent company		Consolidated	
	31/12/2022	31/03/2022	31/12/2022	31/03/2022
Financial assets				
Cash boxes and cash equivalents (note 3)	843,174	1,175,427	867,553	1,197,082
Restricted box (note 4)	48,044	58,873	48,044	58,873
Financial liabilities				
Loans and financing (note 11)	1,802,647	1,448,552	1,886,769	1,448,552

*Cash flow sensitivity analysis for variable rate instruments*

Based on the balance of indebtedness, the schedule of disbursements and interest rates of loans and financing and assets, a sensitivity analysis of how much would have increased (reduced) the equity and the result of the year according to the amounts shown below is presented. Scenario 1 corresponds to the scenario considered most likely in interest rates, on the date of individual and consolidated interim accounting information. Scenario 2 corresponds to a 25% change in rates. Scenario 3 corresponds to a 50% change in rates. The effects are presented in appreciation and depreciation in the rates according to the following tables:

**Interest rate risk on financial assets and liabilities - Appreciation of rates - Parent company**

Instrument	Value	Risk	31/12/2022					
			Scenario 1		Scenario 2		Scenario 3	
			%	Value	%	Value	%	Value
<b>Financial assets</b>								
Financial investments	843.174	CDI	12,83%	108,191	16,04%	135,239	19,25%	162,287
Restricted cash	1.296	CDI	12,83%	166	16,04%	207	19,25%	249
<b>Financial liabilities</b>								
BNDES/Finame/Leasing/CDC	(6.194)	SELIC	17,19%	(1,065)	21,49%	(1,331)	25,79%	(1,597)
Finame/Finem/Agricultural costing	(51.770)	TLP	9,64%	(4,992)	12,05%	(6,240)	14,46%	(7,488)
Multilateral / Working Capital / Capital Markets / Agricultural Costing	(445.001)	CDI	15,04%	(66,930)	18,80%	(83,662)	22,56%	(100,395)
Capital markets	(1.138.241)	IPCA	11,44%	(130,269)	14,31%	(162,836)	17,17%	(195,403)
Finem / FCO	(9.666)	TX. JRSVAR	6,82%	(659)	8,52%	(824)	10,23%	(988)
Multilateral / Working Capital	(88.696)	LIBOR 6m	8,26%	(7,329)	10,33%	(9,161)	12,39%	(10,993)
Drawing capital	(63.079)	LIBOR 3m	7,10%	(4,480)	8,88%	(5,600)	10,65%	(6,720)
<b>Net financial result (estimated)</b>				<b>(107,367)</b>		<b>(134,208)</b>		<b>(161,048)</b>
Impact on income and equity (change)						<u>(26,841)</u>		<u>(53,681)</u>

**Interest rate risk on financial assets and liabilities - Depreciation of rates - Parent company**

Instrument	Value	Risk	31/12/2022					
			Scenario 1		Scenario 2		Scenario 3	
			%	Value	%	Value	%	Value
<b>Financial assets</b>								
Financial investments	843.174	CDI	12,83%	108,191	9,62%	81,143	6,42%	54,095
Restricted cash	1.296	CDI	12,83%	166	9,62%	125	6,42%	83
<b>Financial liabilities</b>								
BNDES/Finame/Leasing/CDC	(6.194)	SELIC	17,19%	(1,065)	12,90%	(799)	8,60%	(533)
Finame/Finem/Agricultural costing	(51.770)	TLP	9,64%	(4,992)	7,23%	(3,744)	4,82%	(2,496)
Multilateral / Working Capital / Capital Markets / Agricultural Costing	(445.001)	CDI	15,04%	(66,930)	11,28%	(50,198)	7,52%	(33,465)
Capital markets	(1.138.241)	IPCA	11,44%	(130,269)	8,58%	(97,702)	5,72%	(65,135)
Finem / FCO	(9.666)	TX. JRSVAR	6,82%	(659)	5,11%	(494)	3,41%	(330)
Multilateral / Working Capital	(88.696)	LIBOR 6m	8,26%	(7,329)	6,20%	(5,497)	4,13%	(3,665)
Drawing capital	(63.079)	LIBOR 3m	7,10%	(4,480)	5,33%	(3,360)	3,55%	(2,240)
<b>Net financial result (estimated)</b>				<b><u>(107,367)</u></b>		<b><u>(80,526)</u></b>		<b><u>(53,686)</u></b>
Impact on income and equity (change)						<u>26,841</u>		<u>53,681</u>

**Interest rate risk on financial assets and liabilities - Appreciation of rates - Consolidated**

Instrument	Value	Risk	31/12/2022					
			Scenario 1		Scenario 2		Scenario 3	
			%	Value	%	Value	%	Value
<b>Financial assets</b>								
Financial investments	867,553	CDI	12,83%	111,319	16,04%	139,149	19,25%	166,978
Financial investments	-	IPCA	5,52%	-	6,90%	-	8,28%	-
Restricted cash	1,296	CDI	12,83%	166	16,04%	207	19,25%	249
<b>Financial liabilities</b>								
BNDES/Finame/Leasing/CDC	(27,189)	SELIC	19,00%	(5,165)	23,75%	(6,456)	28,49%	(7,747)
Finame/Finem/Agricultural costing	(114,897)	TLP	10,38%	(11,925)	12,97%	(14,906)	15,57%	(17,887)
Multilateral / Working Capital / Capital Markets / Agricultural Costing	(445,001)	CDI	15,04%	(66,930)	18,80%	(83,662)	22,56%	(100,395)
Capital markets	(1,138,241)	IPCA	11,44%	(130,269)	14,31%	(162,836)	17,17%	(195,403)
Finem / FCO	(9,666)	TX, JRSVAR	6,82%	(659)	8,52%	(824)	10,23%	(988)
Multilateral / Working Capital	(88,696)	LIBOR 6m	8,26%	(7,329)	10,33%	(9,161)	12,39%	(10,993)
Drawing capital	(63,079)	LIBOR 3m	7,10%	(4,480)	8,88%	(5,600)	10,65%	(6,720)
<b>Net financial result (estimated)</b>				<b>(115,272)</b>		<b>(144,089)</b>		<b>(172,906)</b>
Impact on income and equity (change)						<b>(28,817)</b>		<b>(57,634)</b>

**Interest rate risk on financial assets and liabilities - Depreciation of rates - Consolidated**

Instrument	Value	Risk	31/12/2022					
			Scenario 1		Scenario 2		Scenario 3	
			%	Value	%	Value	%	Value
<b>Financial assets</b>								
Financial investments	867,553	CDI	12,83%	111,319	9,62%	83,489	6,42%	55,660
Financial investments	-	IPCA	5,52%	-	4,14%	-	2,76%	-
Restricted cash	1,296	CDI	12,83%	166	9,62%	125	6,42%	83
<b>Financial liabilities</b>								
BNDES/Finame/Leasing/CDC	(27,189)	SELIC	19,00%	(5,165)	14,25%	(3,874)	9,50%	(2,583)
Finame/Finem/Agricultural costing	(114,897)	TLP	10,38%	(11,925)	7,78%	(8,944)	5,19%	(5,963)
Multilateral / Working Capital / Capital Markets / Agricultural Costing	(445,001)	CDI	15,04%	(66,930)	11,28%	(50,198)	7,52%	(33,465)
Capital markets	(1,138,241)	IPCA	11,44%	(130,269)	8,58%	(97,702)	5,72%	(65,135)
Finem / FCO	(9,666)	TX. JRSVAR	6,82%	(659)	5,11%	(494)	3,41%	(330)
Multilateral / Working Capital	(88,696)	LIBOR 6m	8,26%	(7,329)	6,20%	(5,497)	4,13%	(3,665)
Drawing capital	(63,079)	LIBOR 3m	7,10%	(4,480)	5,33%	(3,360)	3,55%	(2,240)
<b>Net financial result (estimated)</b>				<b>(115,272)</b>		<b>(86,455)</b>		<b>(57,638)</b>
Impact on income and equity (change)						<u>28,817</u>		<u>57,634</u>

### **Currency risk**

The Company and its subsidiaries are subject to currency risk (U.S. dollar) in part of their loans taken in currency other than the functional currency.

With respect to other monetary assets and liabilities denominated in foreign currency, the Company and its subsidiaries guarantee that their net exposure is maintained at an acceptable level by buying or selling foreign currencies at spot rates, when necessary, to address short-term instabilities.

Short-term installments of monetary liabilities denominated in foreign currency are backed by assets also denominated in foreign currency (export of sugar with a price fixed in foreign currency).

#### *Exposure to foreign currency*

The summary of quantitative data on exposure to the Company's foreign currency risk as provided to management is based on its risk management policy as below:

<b>Parent company</b>	<b>31/12/2022</b>		<b>31/03/2022</b>	
	<b>R\$</b>	<b>US\$</b>	<b>R\$</b>	<b>US\$</b>
Cash and cash equivalents	43,011	8,243	41,041	8,662
Accounts receivable	10,507	2,014	10,264	2,166
Loans and financing	(202,471)	(38,805)	(199,091)	(42,022)
Net exposure	<u>(148,953)</u>	<u>(28,548)</u>	<u>(147,786)</u>	<u>(31,194)</u>

#### *Sensitivity Analysis - Currency Risk*

The sensitivity analysis is determined based on the exposure of loans and financing to the monetary variation of the US dollar. The Company presents two scenarios with an increase and reduction of 25% and 50% of the risk variable considered. We present below the possible impacts of how much would have increased (reduced) the equity and the result of the year according to the respective amounts. These scenarios may impact the Company's future cash results and/or flows as described below:

Scenario I: For the probable scenario in U.S. dollar, the exchange rate of December 31, 2022 was considered;

Scenario II: Deterioration of 25% in the main risk factor of the financial instrument in relation to the level verified in the probable scenario; and

Scenario III: Deterioration of 50% in the main risk factor of the financial instrument in relation to the level verified in the probable scenario.

Scenarios	<b>Parent company and consolidated</b>					
			<u>Elevation (R\$)</u>		<u>Reduction (R\$)</u>	
	USD	R\$	25%	50%	25%	50%
<i>Financial instruments</i>						
<i>Active</i>						
Cash boxes and cash equivalents	8,243	43,011	10,752	21,505	(10,752)	(21,505)
Accounts receivable	2,014	10,507	2,627	5,254	(2,627)	(5,254)
<i>Passive</i>						
Loans and financing	(38,805)	(202,471)	(50,618)	(101,236)	50,618	101,236
<i>Impact on results and equity</i>						
			<u>(37,239)</u>	<u>(74,477)</u>	<u>37,239</u>	<u>74,477</u>

### **Commodity price risk**

Following the risk management policy approved by the Board of Directors, the Company makes use of *commodity derivatives in order* to minimize the volatility of its result caused by natural fluctuations in commodity prices. Thus, it works with the pricing of products and performs the accounting recognition of assets and liabilities, rights and obligations at fair value, valued according to the price of *commodities on the National and International Exchanges (BM&F, ICE/NYBOT)* and indexes released by CEPEA/ESALQ.

The market uses as a sales price reference for sugar the *sugar value #11/ICE* of the New York Stock Exchange, and ethanol the INDICATOR CEPEA/ESALQ. Net exposure between assets (production expectations) and liabilities (fixed contracts) for sugar is managed and protected (*hedged*) through sugar derivative financial instruments *#11/ICE (futures or over-the-counter)* referenced to the same Stock Exchange. With regard to ethanol, due to the lack of liquid derivative financial *instruments for hedge protection, it has its exposure managed* based on the sales policies of physical ethanol that has an adequate storage structure to carry the product at times that the Company considers to be unfavorable to the commercialization of the same. Exposure and risk monitoring is carried out through risk limits approved and pre-established by the Board of Directors.

Gains or losses arising from these protection instruments are recorded in the income for the year.

### *Commodity price risk exposure*

The Company's exposure to *commodity price* risk is based on its risk management policy as below:

Consolidated	Maturity (harvest)	Volume		Notional (R\$ mil)	
		31/12/2022	31/03/2022	31/12/2022	31/12/2022
<b>Physical / active position</b>					
<b>Wares</b>					
Sugar (tons)	2022-23	-	250,000	-	553,000
Sugar (tons)	2023-24	250,000	250,000	609,206	562,750
Sugar (tons)	2024-25	250,000	250,000	572,579	563,250
Ethanol (m3)	2022-23	15,628	200,000	42,033	696,000
Ethanol (m3)	2023-24	200,000	200,000	537,920	696,000
Ethanol (m3)	2024-25	200,000	200,000	537,920	696,000
<b>Total</b>				<b>2,299,658</b>	<b>3,767,000</b>
<b>Futures contracts (Forward)</b>					
<b>Long Position</b>					
<b>Wares</b>					
Sugar (ton)	2022-23	-	16,511	-	33,821
<b>Short Position</b>					
<b>Wares</b>					
Sugar (ton)	2022-23	38,203	217,688	(91,427)	(464,084)
Sugar (ton)	2023-24	202,321	207,426	(493,021)	(448,213)
Sugar (ton)	2024-25	185,678	107,599	(425,262)	(230,910)
<b>Total</b>				<b>(1,009,710)</b>	<b>(1,143,207)</b>
<b>Total</b>				<b>1,289,948</b>	<b>2,657,614</b>

(\*) Sugar and ethanol volumes are based on the Company's forecasts of yields and revenues per crop.

The Company uses to control *commodity exposure basically future* derivative contracts traded directly by the Company on the Stock Exchange (ICE/NYBOT) or over the counter with first-line financial institutions, including in this category the NDF (*Non Deliverable Forward*).

The fair value of future derivative contracts and options on the stock exchange is equivalent to the market value for the reversal of such positions. The operations carried out in a stock exchange environment have the need for the availability of initial margins and adjustments are made daily, according to the variation of the reference price. If the Company has a credit limit available with the institution that is mediating the fixation, the margin coverage is carried out by the institution itself, and the gain or loss of the position is only realized by the Company at the time of expiration of the screen or repurchase of the position.

For over-the-counter contracts, the measurement of fair value is given by market values, via public information. This measurement follows the normal market models and is calculated monthly by both the Company and the banks that mediate the operations. For these contracts there is no need for margin deposits. The impact on the Company's cash flow occurs only on the settlement date.

#### *Sensitivity analysis for commodity risk*

The Company adopted three scenarios for sensitivity analysis, one likely to use as reference the prices used in the Company's budget for the 2022/23 harvest, and two others that may have the effects of depreciation of the fair value of the Company's financial instruments considering an oscillation of 25% and 50% over the market rate of December 31, 2022.

<u>Probable</u>	<u>Elevation</u>	<u>Reduction</u>
-----------------	------------------	------------------

<b>Production</b>	<b>Notional</b>	<b>31/12/2022</b>	<b>25%</b>	<b>50%</b>	<b>25%</b>	<b>50%</b>
Sugar	1,181,785	51,815	295,446	590,893	(295,446)	(590,893)
Ethanol	1,117,873	294,180	279,468	558,937	(279,468)	(558,937)
	<u>2,299,658</u>	<u>345,996</u>	<u>574,914</u>	<u>1,149,830</u>	<u>(574,914)</u>	<u>(1,149,830)</u>
<b>Futures contracts (Forward)</b>						
<b>Wares</b>						
Sugar	(1,009,710)	(41,817)	252,427	504,856	(252,427)	(504,856)
	<u>(1,009,710)</u>	<u>(41,817)</u>	<u>252,427</u>	<u>504,856</u>	<u>(252,427)</u>	<u>(504,856)</u>
<b>Total effect on the result of the company</b>	<u>1,289,948</u>	<u>304,179</u>	<u>827,341</u>	<u>1,654,686</u>	<u>(827,341)</u>	<u>(1,654,686)</u>

Due to the seasonality of the commodity-sugar *price behavior*, this scenario is subject to variations during the year/crop.

**d. Capital management**

The capital management of the Company and its subsidiaries is done to balance the sources of own resources and third parties, balancing the return to shareholders and the risk to shareholders and creditors.

In order to maintain or adjust its capital structure, the Company may take steps to ensure compliance with the above-mentioned objectives.

**e. Hedge financial instruments**

The Company is exposed to market risks, the main ones being:

- (i) The volatility of sugar prices, and derivatives;
- (ii) Exchange rate volatility; and
- (iii) Interest rate volatility. The contracting of financial instruments for the purpose of protection is done through an analysis of the risk exposure to which the Administration seeks coverage.

As of December 31, fair values related to transactions involving derivative financial instruments measured through observable factors, such as quoted prices in active markets or cash flows debased based on market curves, are presented below:

			<b>31/12/2022</b>	
			<b>Parent company and consolidated</b>	
<b>Hedge</b>	<b>Salary</b>	<b>Notional</b>	<b>Active</b>	<b>Passive</b>
NDF - Sugar	01/2023a12/2023	73,177,521	640	71,061
NDF - Sugar	01/2024a12/2024	113,497,175	12,060	20,861
NDF - Sugar	01/2025a12/2025	17,727,989	2,655	860
NDF - Currency	01/2023a12/2023	24,600,000	4,768	4,310
NDF - Currency	01/2024a12/2024	14,311,518	9,379	287
NDF - Currency	01/2025a12/2025	-	795	185
SWAP	01/2023a12/2023	1,496,974,459	3,926	48,918
SWAP	01/2024a12/2024	1,429,231,074	3,294	32,306
SWAP	01/2025a12/2025	1,347,979,167	-	30,695
SWAP	01/2026a12/2026	1,205,754,918	21,878	17,875
SWAP	01/2027a12/2027	1,044,754,918	-	14,422
SWAP	01/2028a12/2032	2,130,465,178	116,549	24,289
			<b>175,944</b>	<b>266,069</b>
Circulating			9,335	124,286
Non-rolling			166,609	141,783

			<b>31/03/2022</b>	
			<b>Parent company and consolidated</b>	
<b>Hedge</b>	<b>Salary</b>	<b>Notional</b>	<b>Active</b>	<b>Passive</b>
NDF - Sugar	04/2022 A 03/2023	249,913,595	394	119,692
SWAP	04/2022 A 03/2023	865,673,630	1,845	28,571
NDF - Currency	04/2022 A 03/2023	59,452,098	31,525	7,733
NDF - Sugar	04/2023 A 03/2024	385,834,720	107	55,598
SWAP	04/2023 A 03/2024	855,856,804	2,566	20,042
NDF - Currency	04/2023 A 03/2024	14,184,513	5,797	-
SWAP	04/2024 A 03/2025	606,298,348	1,068	12,057
NDF - Currency	04/2024 A 03/2025	6,791,522	5,355	-
NDF - Sugar	04/2024 A 03/2025	140,530,759	10,598	4,365
SWAP	04/2025 A 03/2026	542,440,298	16,131	17,365
SWAP	04/2026 A 03/2029	1,500,000,000	55,751	14,637
			<b>131,137</b>	<b>280,060</b>
Circulating			33,764	155,996
Non-rolling			97,373	124,064

Derivative instruments do not qualify for hedge accounting. Changes in fair value of any of these derivative instruments are recognized directly in the income statement.

***Income from hedge financial instruments***

The Company recorded the gains and losses arising from these operations in the results of the year. As of December 31, the impacts recorded in the results are shown below:

	<b>Parent company and consolidated</b>			
	<b>31/12/2022 (9months)</b>	<b>31/12/2021 (9months)</b>	<b>31/12/2022 (3months)</b>	<b>31/12/2021 (3months)</b>
Losses on hedge dwellers (MTM)	(394,066)	(404,000)	(134,220)	(86,522)
Gains in hedge operations (MTM)	452,865	233,867	112,729	100,623
	<b>58,799</b>	<b>(170,133)</b>	<b>(21,491)</b>	<b>14,101</b>
Losses on hedged operations (settled)	(145,787)	(159,963)	(47,695)	(36,100)
Gains on hedge dwells (settled)	25,717	7,442	5,972	-
	<b>(120,070)</b>	<b>(152,521)</b>	<b>(41,723)</b>	<b>(36,100)</b>
Net effect on the Company's results	<b>(61,271)</b>	<b>(322,654)</b>	<b>(63,214)</b>	<b>(21,999)</b>

To reduce the volatility of its cash flow and asset protection due to fluctuations in the price of sugar and foreign exchange, the Company has a Foreign Exchange, Commodities and Liquidity Risk Management Policy implemented and makes use of *various hedging instruments* to protect a portion of the projected volume of sales at fluctuating prices, with the sole objective of mitigating risks arising from the mismatches of indexes between assets and liabilities (commodity prices, interest rates or exchange rates).

Under the Exchange, Commodities and Liquidity Risk Management Policy, the Company may use several available derivative instruments, such as:

- (i) Future price of sugar in dollars;
- (ii) Purchase or sale of spot or future exchange;
- (iii) *Foreign* currency swap;
- (iv) Prepayment or taking of financing in foreign currency;
- (v) Purchase and sale of exchange options and commodity prices;
- (vi) Application in foreign exchange funds;
- (vii) Purchase and sale of sugar options; and
- (viii) Maintenance of availability in foreign currency.

During the year, the relevant increase in *the prices of the sugar commodity* and appreciation of the U.S. Dollar against the Real, caused the settlements of the hedging contracts cited, as well as the mark-to-market (MTM) of the remaining contracts to generate a relevant negative adjustment in the period, when compared to the previous year. On the other hand, this scenario contributed to the increase in operating revenue stemming from the sale of *commodity sugar* and an increase in the fair value of biological assets.



	<u>1,425,713</u>	<u>1,137,785</u>	<u>511,299</u>	<u>363,431</u>
Gross Tax Revenue	<u>1,624,047</u>	<u>1,284,206</u>	<u>576,881</u>	<u>423,338</u>
	1,600,628			
(-) Sales taxes	(179,523)	(206,222)	(64,505)	(61,651)
(-) Returns	(6,568)	(5,123)	(3,124)	(1,334)
<b>Total net operating revenue</b>	<b><u>1,437,956</u></b>	<b><u>1,072,861</u></b>	<b><u>509,252</u></b>	<b><u>360,353</u></b>
<b>Reconciliation of net revenue by market</b>				
Internal market				
Gross income	1,425,713	1,137,785	511,299	363,431
(-) Sales taxes	(179,523)	(206,222)	(64,505)	(61,651)
(-) Returns	(6,568)	(4,802)	(3,124)	(1,334)
Net revenue	<u>1,239,622</u>	<u>926,761</u>	<u>443,670</u>	<u>300,446</u>
External market				
Gross income	198,334	146,421	65,582	59,907
(-) Returns	-	(321)	-	-
Net revenue	<u>198,334</u>	<u>146,100</u>	<u>65,582</u>	<u>59,907</u>
<b>Total net revenue</b>	<b><u>1,437,956</u></b>	<b><u>1,072,861</u></b>	<b><u>509,252</u></b>	<b><u>360,353</u></b>

### **Performance obligations and revenue recognition policies**

Revenue is measured based on the payoff specified in the customer contract. The Company recognizes revenue when it transfers control over the product or service to the customer.

The Company recognizes the revenue reflecting the payment it expects to receive in exchange for control of the goods. There is no estimated loss on sales and there is no loyalty program. The Company considers that all performance obligations are fulfilled at the time of delivery of the product, which is also the time of revenue recognition.

## 18 Operating costs and expenses by nature

### a. Cost of products sold

	<b>Parent company</b>			
	<b>31/12/2022</b> <b>(9 months)</b>	<b>31/12/2021</b> <b>(9 months)</b>	<b>31/12/2022</b> <b>(3 months)</b>	<b>31/12/2021</b> <b>(3 months)</b>
Amortization of biological assets	(156,916)	(114,554)	(46,948)	(34,291)
Depreciation of the crop	(84,962)	(67,756)	(26,117)	(21,893)
Depreciation of machinery, equipment and facilities	(107,345)	(66,150)	(43,977)	(23,623)
Depreciation of usage rights	(80,998)	(56,514)	(37,614)	(17,600)
Services provided by third parties	(66,447)	(50,217)	(20,219)	(15,136)
Personnel costs	(56,071)	(43,664)	(16,832)	(13,779)
Operation and maintenance	(74,302)	(46,782)	(23,706)	(15,677)
Raw material / industrial insums	(66,552)	(56,719)	(22,171)	(19,187)
Freight	(37,291)	(29,272)	(8,943)	(8,540)
Other expenses	(30,800)	(14,846)	(6,265)	(4,571)
CBIOS	(16,722)	(5,998)	(3,286)	(1,872)
	<b><u>(778,406)</u></b>	<b><u>(552,472)</u></b>	<b><u>(256,078)</u></b>	<b><u>(176,169)</u></b>

	<b>Consolidated</b>			
	<b>31/12/2022</b> <b>(9 months)</b>	<b>31/12/2021</b> <b>(9 months)</b>	<b>31/12/2022</b> <b>(3 months)</b>	<b>31/12/2021</b> <b>(3 months)</b>
Amortization of biological assets	(190,237)	(114,554)	(80,269)	(34,291)
Depreciation of the crop	(92,122)	(67,756)	(33,277)	(21,893)
Depreciation of machinery, equipment and facilities	(127,641)	(66,150)	(64,273)	(23,623)
Depreciation of usage rights	(73,248)	(42,451)	(28,455)	(13,391)
Services provided by third parties	(69,268)	(50,217)	(23,040)	(15,136)
Personnel costs	(100,606)	(43,664)	(61,367)	(13,779)
Operation and maintenance	(89,549)	(46,782)	(38,953)	(15,677)
Raw material / industrial insums	(97,488)	(56,719)	(53,107)	(19,187)
Freight	(37,350)	(29,272)	(9,002)	(8,540)
Other expenses	(42,692)	(7,679)	(34,143)	(1,635)
CBIOS	(16,722)	(5,998)	(3,286)	(1,872)
	<b><u>(936,923)</u></b>	<b><u>(531,242)</u></b>	<b><u>(429,172)</u></b>	<b><u>(169,024)</u></b>

### b. Sales expenses

	<b>Parent company</b>			
	<b>31/12/2022</b> <b>(9 months)</b>	<b>31/12/2021</b> <b>(9 months)</b>	<b>31/12/2022</b> <b>(3 months)</b>	<b>31/12/2021</b> <b>(3 months)</b>
Freight	(50,037)	(28,699)	(14,867)	(9,427)
Sales commissions	(8,801)	(10,156)	(2,778)	(3,572)
Personnel costs	(9,201)	(6,840)	(2,978)	(2,390)
Other expenses	(21,872)	(12,095)	(4,962)	(3,940)
Services provided by third parties	(5,706)	(6,031)	(2,112)	(2,308)
Storage / stewing / inspection - Sugar	(6,287)	(3,651)	(2,182)	(1,491)
Depreciation	(4,304)	(2,238)	(1,298)	(795)
	<b><u>(106,208)</u></b>	<b><u>(69,710)</u></b>	<b><u>(31,177)</u></b>	<b><u>(23,923)</u></b>

	<b>Consolidated</b>			
	<b>31/12/2022</b> <b>(9 months)</b>	<b>31/12/2021</b> <b>(9 months)</b>	<b>31/12/2022</b> <b>(3 months)</b>	<b>31/12/2021</b> <b>(3 months)</b>
Freight	(50,037)	(28,699)	(14,867)	(9,427)
Sales commissions	(8,801)	(10,156)	(2,778)	(3,572)
Personnel costs	(9,204)	(6,840)	(2,981)	(2,390)
Other expenses	(21,957)	(12,095)	(5,047)	(3,940)
Services provided by third parties	(5,706)	(6,031)	(2,112)	(2,308)
Storage / stewing / inspection - Sugar	(6,304)	(3,651)	(2,199)	(1,491)
Depreciation	(4,356)	(2,238)	(1,350)	(795)
	<b><u>(106,365)</u></b>	<b><u>(69,710)</u></b>	<b><u>(31,334)</u></b>	<b><u>(23,923)</u></b>

**c. General and administrative expenses**

	<b>Parent company</b>			
	<b>31/12/2022</b> <b>(9 months)</b>	<b>31/12/2021</b> <b>(9 months)</b>	<b>31/12/2022</b> <b>(3 months)</b>	<b>31/12/2021</b> <b>(3 months)</b>
Personnel costs	(26,718)	(21,454)	(7,168)	(6,829)
Services provided by third parties	(24,672)	(13,054)	(10,969)	(4,969)
Other expenses	(13,240)	(13,557)	(5,639)	(4,453)
Depreciation	(1,983)	(2,038)	(673)	(651)
Tax expenses - Protege /GO	(14,119)	(16,145)	(2,970)	(5,508)
Anticipation Produce	(4,336)	(5,791)	(1,342)	(1,982)
Tax expenses	7,723	(1,445)	633	(538)
Reversal/(Provision) for contingencies	16	2,377	(1,093)	99
	<b><u>(77,329)</u></b>	<b><u>(71,107)</u></b>	<b><u>(29,221)</u></b>	<b><u>(24,831)</u></b>

	<b>Consolidated</b>			
	<b>31/12/2022</b> <b>(9 months)</b>	<b>31/12/2021</b> <b>(9 months)</b>	<b>31/12/2022</b> <b>(3 months)</b>	<b>31/12/2021</b> <b>(3 months)</b>
Personnel costs	(29,728)	(21,454)	(10,178)	(6,829)
Services provided by third parties	(27,877)	(13,111)	(14,141)	(4,984)
Other expenses	(11,377)	(13,564)	(3,751)	(4,454)
Depreciation	(2,330)	(2,038)	(1,020)	(651)
Tax expenses - Protege /GO	(14,119)	(16,145)	(2,970)	(5,508)
Anticipation Produce	(4,336)	(5,791)	(1,342)	(1,982)
Tax expenses	7,489	(1,458)	403	(539)
Reversal/(Provision) for contingencies	15	2,377	(1,094)	99
	<b><u>(82,263)</u></b>	<b><u>(71,184)</u></b>	<b><u>(34,093)</u></b>	<b><u>(24,848)</u></b>

**19 Other operating income (expenses), net**

	<b>Parent company</b>			
	<b>31/12/2022</b> <b>(9 months)</b>	<b>31/12/2021</b> <b>(9 months)</b>	<b>31/12/2022</b> <b>(3 months)</b>	<b>31/12/2021</b> <b>(3 months)</b>
Tax incentive - Produce (a)	43,361	57,912	13,420	19,822
Tax incentive - encourage (b)	30,178	47,976	16,383	26,779
Credit granted on anhydrous ethanol (c)	38,285	7,412	5,718	3,359
Credit outorg. s/ethanol hid. Carb.	16,331	-	16,331	-
Left	2,253	1,299	-	1,174
Disposal of fixed assets	1,977	7,256	1,234	6,016
Evaluation of decarbonization credits (d)	24,742	6,279	5,662	1,911
Other operating income	7,561	2,627	1,566	412
Gain per advantageous purchase in controlled	428,011	-	428,011	-
	<b><u>592,699</u></b>	<b><u>130,761</u></b>	<b><u>488,325</u></b>	<b><u>59,473</u></b>
(-) Other expenses	(75)	(167)	(28)	(30)
(-) Cost of lowering the alienated assets	(1,980)	(8,225)	(1,124)	(6,010)

	(2,055)	(8,392)	(1,152)	(6,040)
<b>Other operating income</b>	<b>590,644</b>	<b>122,369</b>	<b>487,173</b>	<b>53,433</b>

	<b>Consolidated</b>			
	<b>31/12/2022 (9 months)</b>	<b>31/12/2021 (9 months)</b>	<b>31/12/2022 (3 months)</b>	<b>31/12/2021 (3 months)</b>
Tax incentive - Produce (a)	43,361	57,912	13,420	19,822
Tax incentive - encourage (b)	30,178	47,976	16,383	26,779
Credit granted on anhydrous ethanol (c)	38,285	7,412	5,718	3,359
Credit outorg. s/ethanol hid. Carb.	45,882	-	45,882	-
Left	2,253	1,299	-	1,174
Disposal of fixed assets	1,977	7,256	1,234	6,016
Evaluation of decarbonization credits (d)	29,780	6,279	10,700	1,911
Other operating income	10,384	2,711	4,257	412
Gain per advantageous purchase in controlled	428,011	-	428,011	-
	630,111	130,845	525,605	59,473
(-) Other expenses	(1,580)	(166)	(1,533)	(30)
(-) Cost of lowering the alienated assets	(2,809)	(8,225)	(1,953)	(6,010)
	(4,389)	(8,391)	(3,486)	(6,040)
<b>Other operating income</b>	<b>625,722</b>	<b>122,454</b>	<b>522,119</b>	<b>53,433</b>

- (a) Tax incentive, regulated by Art. 20 of State Law No. 13,591/2000, granted by the Government of the State of Goiás regarding the discount on the payment of 73% of the ICMS due on the sales of encouraged products of the Otávio Lage Unit.
- (b) Tax incentive obtained from the early settlement of the financing contract signed with the Participation and Promotion fund for industrialization of the State of Goiás - FOMENT object of public offering according to Article 1, Paragraph 1 of Law 13.436/1998 of December 13, 1998.
- (c) Tax incentive obtained from the early settlement of the financing contract signed with the Participation and Promotion fund for industrialization of the State of Goiás - FOMENT object of public offering according to Article 1, Paragraph 1 of Law 13.436/1998 of December 13, 1998.
- (d) Decarbonization credits – CBIOS are recognized at the time of recognition of anhydrous ethanol revenue and hydrated by market value. When identifying loss in the valuation of The Stock of CBIOS, the provision for loss is recognized in other net operating income (expenses). The sale of credits is recognized as gross revenue and the stock drop in the cost of products sold.

## 20 Net financial result

	<b>Parent company</b>			
	<b>31/12/2022 (9 months)</b>	<b>31/12/2021 (9 months)</b>	<b>31/12/2022 (3 months)</b>	<b>31/12/2021 (3 months)</b>
<b>Financial expenses</b>				
Interest	(140,697)	(92,764)	(65,219)	(30,128)
Passive exchange variations	(42,816)	(43,659)	(3,083)	(10,209)
Losses on hedge dwellers (MTM)	(394,066)	(404,000)	(134,220)	(86,522)
Losses on hedged operations (settled)	(145,787)	(159,963)	(47,695)	(36,100)
Discounts granted	(1,908)	(1,216)	(539)	(545)
Other	(27,372)	(26,118)	(9,968)	(17,379)
	(752,646)	(727,720)	(260,724)	(180,883)
<b>Financial revenues</b>				
Income from financial investments	111,412	38,802	31,491	17,946
Active exchange variations	30,894	43,648	11,172	5,831
Gains in hedge operations (MTM)	452,865	233,867	112,729	100,623
Gains on hedge dwells (settled)	25,717	7,442	5,972	-
Interest	14,351	2,995	1,496	1,855
Other	8,228	18,157	2,813	6,880

	643,467	344,911	165,673	133,135
<b>Net financial</b>	<b>(109,179)</b>	<b>(382,809)</b>	<b>(95,051)</b>	<b>(47,748)</b>

	<b>Consolidated</b>			
	<b>31/12/2022</b> <b>(9 months)</b>	<b>31/12/2021</b> <b>(9 months)</b>	<b>31/12/2022</b> <b>(3 months)</b>	<b>31/12/2021</b> <b>(3 months)</b>
<b>Financial expenses</b>				
Interest	(145,536)	(92,506)	(72,692)	(29,226)
Passive exchange variations	(42,816)	(43,659)	(3,083)	(10,209)
Losses on hedge dwellers (MTM)	(394,066)	(404,000)	(134,220)	(86,522)
Losses on hedged operations (settled)	(145,787)	(159,963)	(47,695)	(36,100)
Discounts granted	(2,242)	(1,216)	(873)	(545)
Other	(27,440)	(26,122)	(10,033)	(17,379)
	<b>(757,887)</b>	<b>(727,466)</b>	<b>(268,596)</b>	<b>(179,981)</b>
<b>Financial revenues</b>				
Income from financial investments	114,812	39,305	33,406	18,120
Active exchange variations	30,894	43,648	11,172	5,831
Gains in hedge operations (MTM)	452,865	233,867	112,729	100,623
Gains on hedge dwells (settled)	25,717	7,442	5,972	-
Interest	14,377	3,014	1,543	1,874
Other	8,240	18,158	2,825	6,881
	<b>646,905</b>	<b>345,434</b>	<b>167,647</b>	<b>133,329</b>
<b>Net financial</b>	<b>(110,982)</b>	<b>(382,032)</b>	<b>(100,949)</b>	<b>(46,652)</b>

## 21 Earnings per share

The calculation of basic and diluted earnings per share was based on net income attributed to holders of common shares.

Weighted average common shares (basic and diluted):

	<b>Consolidated</b>			
	<u>31/12/2022</u> <b>(9 months)</b>	<u>31/12/2021</u> <b>(9 months)</b>	<u>31/12/2022</u> <b>(3 months)</b>	<u>31/12/2021</u> <b>(3 months)</b>
Results of continued operations	748,487	274,924	450,943	169,475
Weighted average number of shares available shareholders	<u>294,103,719</u>	<u>294,697,091</u>	<u>294,103,719</u>	<u>294,697,091</u>
Basic and diluted earnings per share (in Reais)	<u>2.5450</u>	<u>0.9329</u>	<u>1.5333</u>	<u>0.5751</u>

## 22 Leases payable

The Company has contracts for the rental of urban real estate and the industrial park of its subsidiary and contracts for an agricultural partnership of sugarcane with shareholders and third parties to guarantee part of its production for the next harvest periods.

After evaluation and inventory of contracts, Jalles Machado S.A. recognized assets and liabilities related to contracts: agricultural partnerships for sugarcane cultivation, which although the legal nature is a rural partnership in the form of the Land Statute (Law No. 4,504 of November 30, 1964 with changes by Law No. 11,443 of January 5, 2007) began to fall within the concept of the right to use the accounting standard in accordance with CPC 06(R2)/IFRS 16.

By measuring lease liabilities for those leases previously classified as operating leases, the Company discounted the lease payments and assets identified in rural partnership agreements using its incremental loan rate as of December 31, 2022, which was 8.50% p.a. (8.50% p.a. as of March 31, 2022).

Agricultural partnership contracts are distributed as well:

	<u>Parent company</u>		<u>Parent company</u>	
	<u>31/12/2022</u>	<u>31/03/2022</u>	<u>31/12/2022</u>	<u>31/03/2022</u>
Area in partnership	69.220 hectares	71.992 hectares	103.268 hectares	71.992 hectares

The movement of the right of use during the period of this individual and consolidated interim accounting information was as follows:

	<b>Parent company</b>			
	<b>Agricultural partnership</b>	<b>Industrial plant</b>	<b>Rents</b>	<b>Total</b>
Balance at March 31, 2021	507,237	82,108	-	589,345
Additions	161,635	-	-	161,635
Depreciation	(22,437)	(9,123)	-	(31,560)
Remensurações	-	25,487	-	25,487
Low	(68,408)	-	-	(68,408)
Balance at December 31, 2021	<u>578,027</u>	<u>98,472</u>	<u>-</u>	<u>676,499</u>
Additions	6,351	-	3,782	10,133
Depreciation	(37,394)	(24,617)	(473)	(62,484)
Remensurações	183,591	-	-	183,591
Low	-	-	-	-
Balance at March 31, 2022	<u>730,575</u>	<u>73,855</u>	<u>3,309</u>	<u>807,739</u>
Addition by business combination	-	-	-	-
Additions	306,014	-	-	306,014
Depreciation	(93,552)	(25,458)	(283)	(119,293)
Remensurações	81,538	3,357	-	84,895
Low	(49,913)	-	-	(49,913)
Balance at December 31, 2022	<u>974,662</u>	<u>51,754</u>	<u>3,026</u>	<u>1,029,442</u>

	<b>Consolidated</b>		
	<b>Rents</b>	<b>Agricultural partnership</b>	<b>Total</b>
Balance at March 31, 2021	-	507,237	507,237
Additions	-	161,635	161,635
Depreciation	-	(22,437)	(22,437)
Remensurações	-	-	-
Low	-	(68,408)	(68,408)
Balance at December 31, 2021	<u>-</u>	<u>578,027</u>	<u>578,027</u>
Additions	3,782	6,351	10,133
Depreciation	(473)	(37,394)	(37,867)
Remensurações	-	183,591	183,591
Low	-	-	-
Balance at March 31, 2022	<u>3,309</u>	<u>730,575</u>	<u>733,884</u>
Addition by business combination	22,962	176,055	199,017
Additions	-	340,215	340,215
Depreciation	(4,854)	(105,342)	(110,196)
Remensurações	-	72,982	72,982
Low	-	(49,913)	(49,913)
Balance at December 31, 2022	<u>21,417</u>	<u>1,164,572</u>	<u>1,185,989</u>

The movement in lease liabilities and agricultural partnerships during the nine-month period ended December 31, 2022, was as follows:

	<b>Parent company</b>			<b>Total</b>
	<b>Agricultural partnership</b>	<b>Industrial plant</b>	<b>Rents</b>	
Balance at March 31, 2021	507,237	84,394	-	591,631
Additions	161,635	-	-	161,635
Depreciation	(30,036)	(6,602)	-	(36,638)
Low	(68,410)	-	-	(68,410)
Clearing with advances	-	-	-	-
Interest payment	(5,829)	(1,008)	-	(6,837)
Accrued interest	5,829	1,008	-	6,837
Further measurements	-	22,967	-	22,967
	<u>570,426</u>	<u>100,759</u>	<u>-</u>	<u>671,185</u>
Balance at December 31, 2021				
Additions	6,351	-	3,782	10,133
Depreciation	(78,322)	(23,744)	(473)	(102,539)
Low	-	-	-	-
Clearing with advances	-	-	-	-
Interest payment	(22,016)	(2,840)	(127)	(24,983)
Accrued interest	22,016	2,840	127	24,983
Further measurements	207,580	(123)	-	207,457
	<u>706,035</u>	<u>76,892</u>	<u>3,309</u>	<u>786,236</u>
Balance at March 31, 2022				
Addition by business combination	-	-	-	-
Additions	306,014	-	-	306,014
Depreciation	(51,180)	(25,365)	(283)	(76,828)
Low	(49,913)	-	-	(49,913)
Clearing with advances	-	-	-	-
Interest payment	(36,054)	(3,835)	(76)	(39,965)
Accrued interest	36,054	3,835	76	39,965
Further measurements	45,266	3,575	-	48,841
	<u>956,222</u>	<u>55,102</u>	<u>3,026</u>	<u>1,014,350</u>
Balance at December 31, 2022				

	<b>Consolidated</b>		
	<b>Rents</b>	<b>Agricultural partnership</b>	<b>Total</b>
Balance at March 31, 2021	-	507,237	507,237
Additions	-	161,635	161,635
Depreciation	-	(30,036)	(30,036)
Low	-	(68,410)	(68,410)
Clearing with advances	-	-	-
Interest payment	-	(5,829)	(5,829)
Accrued interest	-	5,829	5,829
Further measurements	-	-	-
Balance at December 31, 2021	<u>-</u>	<u>570,426</u>	<u>570,426</u>
Additions	3,782	6,351	10,133
Depreciation	(473)	(78,322)	(78,795)
Low	-	-	-
Clearing with advances	-	-	-
Interest payment	(127)	(22,016)	(22,143)
Accrued interest	127	22,016	22,143
Further measurements	-	207,580	207,580
Balance at March 31, 2022	<u>3,309</u>	<u>706,035</u>	<u>709,344</u>
Addition by business combination	24,587	180,220	204,807
Additions	-	340,215	340,215
Depreciation	(4,911)	(70,367)	(75,278)
Low	-	(49,913)	(49,913)
Clearing with advances	-	-	-
Interest payment	(621)	(40,486)	(41,107)
Accrued interest	621	40,486	41,107
Further measurements	-	36,710	36,710
Balance at December 31, 2022	<u>22,985</u>	<u>1,142,900</u>	<u>1,165,885</u>

The maturities of the installments recorded in the liabilities are shown as follows:

**Parent company**

	<b>December 31, 2022</b>				
	<b>Book value</b>	<b>Up to 12 months</b>	<b>Between 1 and 2 years</b>	<b>Between 2 and 5 years</b>	<b>Over 5 years</b>
Agricultural partnerships payable	428,035	71,662	69,566	190,350	432,533
Agricultural partnerships payable (related parties)	528,188	75,108	75,108	225,324	454,419
Rentals of urban real estate (related parties)	3,026	480	480	1,440	1,680
Commercial leases payable (shares related)	55,102	40,176	26,784	-	-
	<u>1,014,351</u>	<u>187,426</u>	<u>171,938</u>	<u>417,114</u>	<u>888,632</u>
Circulating	106,692				
Non-rolling	907,658				

	<b>31/03/2022</b>				
	<b>Book value</b>	<b>Up to 12 months</b>	<b>Between 1 and 2 years</b>	<b>Between 2 and 5 years</b>	<b>Over 5 years</b>
Agricultural partnerships payable	195,848	13,815	36,300	78,270	67,463
Agricultural partnerships payable (related parties)	510,187	36,655	63,713	162,726	247,093
Merchant Leases (related parties)	76,892	35,861	32,824	8,207	-
Merchant Leases (related parties)	<u>3,309</u>	<u>378</u>	<u>378</u>	<u>1,134</u>	<u>1,419</u>
	<u>786,236</u>	<u>86,709</u>	<u>133,215</u>	<u>250,337</u>	<u>315,975</u>
Circulating	86,709				
Non-rolling	699,527				

**Consolidated**

	<b>December 31, 2022</b>				
	<b>Book value</b>	<b>Up to 12 months</b>	<b>Between 1 and 2 years</b>	<b>Between 2 and 5 years</b>	<b>Over 5 years</b>
Agricultural partnerships payable	614,714	71,662	69,566	190,350	432,533
Agricultural partnerships payable (related parties)	528,188	177,123	128,255	249,224	471,141
Commercial leases payable	19,958	32,038	9,419	1,397	-
Commercial leases payable (shares related)	<u>3,026</u>	<u>480</u>	<u>480</u>	<u>1,440</u>	<u>1,680</u>
	<u>1,165,886</u>	<u>281,303</u>	<u>207,720</u>	<u>442,411</u>	<u>905,354</u>
Circulating	281,303				
Non-rolling	884,583				

	<b>31/03/2022</b>				
	<b>Book value</b>	<b>Up to 12 months</b>	<b>Between 1 and 2 years</b>	<b>Between 2 and 5 years</b>	<b>Over 5 years</b>
Agricultural partnerships payable	195,848	13,815	36,300	78,270	67,463
Agricultural partnerships payable (related parties)	510,187	36,655	63,713	162,726	247,093
Market leases (related parties)	<u>3,309</u>	<u>378</u>	<u>378</u>	<u>1,134</u>	<u>1,419</u>
	<u>709,344</u>	<u>50,848</u>	<u>100,391</u>	<u>242,130</u>	<u>315,975</u>
Circulating	50,848				
Non-rolling	658,496				

## 23 Commitments

### Sugar sales commitments

The Parent Company has several agreements in the sugar market through which it undertakes to sell the volumes of these products in future harvests. These volumes related to commitments are as flow:

<b>Product</b>	<b>30/09/2022</b>	<b>31/03/2021</b>
Sugar (in tons) - Jalles Machado Unit	49,693	24,096
Ethanol (m <sup>3</sup> )	20,963	1,344

The commitments per crop are as follows:

#### Sugar

<b>Crop</b>	<b>30/09/2022</b>	<b>31/03/2022</b>
2019/2020 (in tons)	50	598
2020/2021 (in tons)	88	824
2021/2022 (in tons)	4,869	19,674
2022/2023 (in tons)	44,686	3,000
	<u>49,693</u>	<u>24,096</u>

#### Ethanol

<b>Crop</b>	<b>31/12/2022</b>	<b>31/03/2022</b>
2021/2022 (m <sup>3</sup> )	-	1,344
2022/2023 (m <sup>3</sup> )	20,963	-
	<u>20,963</u>	<u>1,344</u>

## 24 Related parties

### Operations with key management personnel

#### *Remuneration of key management personnel*

The key personnel of the Company's Management are composed of the Executive Board and members of the Boards of Directors and Audit, elected at the Ordinary General Meeting. The amounts related to the remuneration of key management personnel during the nine-month period ended December 31, 2022 on short-term benefits were R\$ 6,979 (R\$ 5,128 as of December 31, 2021), registered in the group of administrative expenses, and include salaries, fees, variable remunerations and direct and indirect benefits.

The Company and its subsidiaries do not have other types of remuneration, such as post-employment benefits, other long-term benefits or termination benefits of employment contracts.

#### *Other transactions with related parties*

The main asset and liabilities balances as of December 31, 2022 and March 31, 2022, as well as transactions that influenced the results of the nine-month periods ended December 31, 2022 and 2021 relating to transactions with related parties, are mainly due to transactions of shareholders and companies linked to the same economic group.

	Parent company							
	Active		Passive		Result			
	31/12/2022	31/03/2022	31/12/2022	31/03/2022	31/12/2022 (9 months)	31/12/2021 (9 months)	31/12/2022 (3 months)	31/12/2021 (3 months)
<b>Circulating</b>								
Banks account movement (note 3) (c)	683	2,618	-	-	-	-	-	-
Financial investments (note 3) (c)	93,573	68,291	-	-	8,181	3,362	2,922	1,530
Inventories (note 6)	19	31	-	-	(273)	(282)	(93)	(56)
	<u>94,275</u>	<u>70,940</u>	<u>-</u>	<u>-</u>	<u>7,908</u>	<u>3,080</u>	<u>2,829</u>	<u>1,474</u>
<b>Dividends</b>								
Jalles Machado Real Estate Developments S/A	-	5,903	-	-	-	-	-	-
Albioma Codora Energia S.A.	-	3,801	-	-	-	-	-	-
Albioma Esplanada Energia S.A.	1,881	4,740	-	-	-	-	-	-
	<u>1,881</u>	<u>14,444</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Circulating</b>								
<b>Customers and suppliers (note 5) (note 12)</b>								
Albioma Codora Energy S/A (a) (b)	-	-	-	-	807	870	335	-
Albioma Esplanada Energia S/A.	-	-	-	-	(6,522)	(767)	(87)	1
Goiás Latex S/A - Sales	-	-	-	-	-	153	-	14
Jalles Machado Empreend.Imobiliários S/A	5	10	-	-	45	45	15	15
Vera Cruz Agropecuária Ltda	-	-	-	-	24	7	20	4
Agrojalles S.A.	-	-	-	-	549	5	86	5
Other related parties	-	-	-	-	-	11	-	11
Remuneration of guarantees to shareholders (h)	-	-	1,253	7,315	(4,272)	(5,931)	(1,253)	(5,509)
	<u>5</u>	<u>10</u>	<u>1,253</u>	<u>7,315</u>	<u>(9,369)</u>	<u>(5,607)</u>	<u>(884)</u>	<u>(5,459)</u>
<b>Rentals (Note 22)</b>								
Rents payable (e)	-	-	34,878	36,239	(4,455)	(10,315)	(1,453)	(1,267)
Agricultural partnerships payable (d)	-	-	72,104	36,655	(4,065)	(7,341)	144	(7,116)
	<u>-</u>	<u>-</u>	<u>106,982</u>	<u>72,894</u>	<u>(8,520)</u>	<u>(17,656)</u>	<u>(1,309)</u>	<u>(8,383)</u>
<b>Non-Rolling (Note 5)</b>								
Purolim S/A	695	139	-	-	46	-	25	-
Agrojalles S.A. (i)	781	1,043	-	-	95	1,331	30	1,331
	<u>1,476</u>	<u>1,182</u>	<u>-</u>	<u>-</u>	<u>141</u>	<u>1,331</u>	<u>55</u>	<u>1,331</u>
<b>Rights of use (Note 22)</b>								
Right of use - partnerships (f)	528,188	510,187	-	-	8,095	(35,555)	23,918	(20,440)
Right of use - leases (g)	58,128	76,008	-	-	(22,384)	(48)	(8,719)	(8,206)
	<u>586,316</u>	<u>586,195</u>	<u>-</u>	<u>-</u>	<u>(14,289)</u>	<u>(35,603)</u>	<u>15,199</u>	<u>(28,646)</u>
<b>Rentals (Note 22)</b>								
Rents payable (e)	-	-	23,250	58,255	(3,031)	(15,472)	9	362
Agricultural partnerships payable (d)	-	-	456,084	252,639	(40,854)	(95,724)	2,341	(87,610)
	<u>-</u>	<u>-</u>	<u>479,334</u>	<u>310,894</u>	<u>(43,885)</u>	<u>(111,196)</u>	<u>2,350</u>	<u>(87,248)</u>

	<b>Consolidated</b>							
	<b>Active</b>		<b>Passive</b>		<b>Result</b>			
	<b>31/12/2022</b>	<b>31/03/2022</b>	<b>31/12/2022</b>	<b>31/03/2022</b>	<b>31/12/2022 (9 months)</b>	<b>31/12/2021 (9 months)</b>	<b>31/12/2022 (3 months)</b>	<b>31/12/2021 (3 months)</b>
<b>Circulating</b>								
Banks account movement (note 3) (c)	2,405	2,812	-	-	-	-	-	-
Financial investments (note 3) (c)	123,427	89,946	-	-	10,269	3,792	3,534	1,704
Inventories (note 6)	19	31	-	-	(273)	(282)	(93)	(56)
	<u>125,851</u>	<u>92,789</u>	<u>-</u>	<u>-</u>	<u>9,996</u>	<u>3,510</u>	<u>3,441</u>	<u>1,648</u>
<b>Dividends</b>								
Albioma Codora Energia S.A.	-	3,801	-	-	-	-	-	-
Albioma Esplanada Energia S.A.	1,881	4,740	-	-	-	-	-	-
	<u>1,881</u>	<u>8,541</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Circulating Customers and suppliers</b>								
Vera Cruz Agropecuária Ltda	-	-	-	-	24	7	20	4
Agrojalles S.A.	-	-	-	-	549	5	86	5
Goias Latex S.A.	-	-	-	-	-	153	-	14
Albioma Codora Energia S/A	-	-	-	-	807	870	335	-
Albioma Esplanada Energy S/A.	-	-	-	-	(6,522)	(767)	(87)	1
Remuneration of guarantees to shareholders (h)	-	-	1,253	7,315	(4,272)	(5,931)	(1,253)	(5,509)
Other related parties	-	-	-	-	-	11	-	-
	<u>-</u>	<u>-</u>	<u>1,253</u>	<u>7,315</u>	<u>(9,414)</u>	<u>(5,652)</u>	<u>(899)</u>	<u>(5,485)</u>
<b>Rentals (Note 22)</b>								
Agricultural partnerships payable (d)	-	-	72,104	36,655	(4,065)	(7,341)	144	(7,116)
Rents payable (e)	-	-	378	378	(9)	-	-	-
	<u>-</u>	<u>-</u>	<u>72,482</u>	<u>37,033</u>	<u>(4,074)</u>	<u>(7,341)</u>	<u>144</u>	<u>(7,116)</u>
<b>Non-Current - Accounts receivable (note 5)</b>								
Agrojalles S.A. (i)	781	1,043	-	-	95	1,331	30	1,331
	<u>781</u>	<u>1,043</u>	<u>-</u>	<u>-</u>	<u>95</u>	<u>1,331</u>	<u>30</u>	<u>1,331</u>
<b>Rights of use (Note 22)</b>								
Rights of use - agricultural partnership (f)	528,188	510,187	-	-	8,095	(35,555)	23,918	(20,440)
Right of use - leases (g)	3,026	6,618	-	-	(283)	-	(93)	-
	<u>531,214</u>	<u>516,805</u>	<u>-</u>	<u>-</u>	<u>7,812</u>	<u>(35,555)</u>	<u>23,825</u>	<u>(20,440)</u>
<b>Rentals (Note 22)</b>								
Agricultural partnerships payable (d)	-	-	456,084	473,532	(40,854)	(95,724)	2,341	(87,610)
Rents payable (e)	-	-	2,648	6,240	(67)	-	(23)	-
	<u>-</u>	<u>-</u>	<u>458,732</u>	<u>479,772</u>	<u>(40,921)</u>	<u>(95,724)</u>	<u>2,318</u>	<u>(87,610)</u>

- (a) Sale of goods and provision of various services to the affiliate Albioma Codora Energia S.A. and Albioma Esplanada Energia S.A.
- (b) Acquisition and sale of goods and services of the affiliate Albioma Esplanada Energia S.A. and Albioma Esplanada Energia S.A.
- (c) Balance corresponding to current account and financial investments with interest to market remuneration with Banco Coopercred, a credit union where the Company is a quotaholder.
- (d) Agricultural partnerships are with shareholders and companies of the same economic group, for sugarcane cultivation, which although the legal nature is a rural partnership in the form of the Land Statute (Law No. 4,504 of November 30, 1964 with changes by Law No. 11,443 of January 5, 2007) began to be framed in the concept of right to use the accounting standard in accordance with CPC 06(R2)/IFRS 16. The calculation of the price of sugarcane for the purpose of payment of partnerships is based on the value of the TRS priced by the methodology of Consecana using the mix of products and prices practiced by Jalles Machado S.A.. This value is adjusted according to the contractual term, production volume, irrigation capacity, viability of organic sugarcane production, farm extension, distance, soil quality, relief and strategic interest, such specific conditions were duly negotiated between the parties.
- (e) Lease of industrial park of the subsidiary Jalles Machado Empreendimentos Imobiliários S.A. where the Company has installed the subsidiary Unit Otávio Lage and urban real estate leased from Agrojalles S.A.
- (f) Rights of use of leased land in the form of agricultural partnerships. Agricultural partnerships shareholders and companies of the same economic group for sugarcane cultivation, that although the legal nature is a rural partnership in the form of the Land Statute (Law No. 4,504 of November 30, 1964 with changes by Law No. 11,443 of January 5, 2007) began to fall within the concept of the right to use the accounting standard in accordance with CPC 06(R2)/IFRS 16. The calculation of the price of sugarcane for the purpose of payment of partnerships is based on the value of the TRS priced by the methodology of Consecana using the mix of products and prices practiced by Jalles Machado S.A.. This value is adjusted according to the contractual term, production volume, irrigation capacity, viability of organic sugarcane production, farm extension, distance, soil quality, relief and strategic interest, such specific conditions were duly negotiated between the parties.
- (g) Right of use on the lease of industrial park between the Controlling Company and Jalles Machado Empreendimentos Imobiliários S.A.
- (h) Remuneration of guarantees (real and trust) provided in financial contracts concluded by Jalles Machado S.A., where the shareholders assumed joint and several responsibility for the fulfillment of all the main and ancillary obligations. Term: duration of each financial contract, i.e. for as long as the guarantee lasts. Remuneration rate: 1.60% p.a., equivalent to 80% of the value of the bank charter – according to a quote made with three large banking institutions.
- (i) Sale of 25% of the aircraft to Agrojalles S.A. according to a contract signed between the parties on December 7, 2021. Agrojalles S.A. paid on December 22, 2021 the corresponding 25% of the difference between the aircraft's market value and the outstanding balance of the financing and will pay the percentage equivalent to 25% of the value of each outstanding portion of the debt contracted on July 20, 2018. On the date of conclusion of the contract, 33 installments were left to be paid.

On April 22, 2015, the Company signed a contract with its affiliate Albioma Codora Energia S.A. with the object of bringing together assets, insum, technical, human and financial resources of the parties to produce electricity and water vapor, which uses biomass (bagasse and sugarcane straw, wood chips, sawdust, among other compounds) and is valid until March 15, 2035, the Company is responsible for supplying the supplies, receiving electricity in return.

### **Employee benefits**

The Company and its subsidiaries provide its employees with benefits that basically include: food, transportation, scholarship, life insurance, medical care, dental care, pharmacy, education, among others.

The Company and its subsidiaries include in their human resources policies the Profit Sharing Program (PPR), and all employees with formal employment ties are eligible. The goals and criteria for defining and distributing the award budget are agreed between the parties, including

the unions representing the employees, with objectives of productivity gains, competitiveness and motivation and engagement of the participants.

The amounts related to employee benefits recorded in administrative expenses and cost of the product sold in the result are presented below:

	<b>Parent company</b>			
	<b>31/12/2022</b> <b>(9 months)</b>	<b>31/12/2021</b> <b>(9 months)</b>	<b>31/12/2022</b> <b>(3 months)</b>	<b>31/12/2021</b> <b>(3 months)</b>
Feeding	17,101	7,556	5,945	2,804
Transport	21,454	13,918	6,368	4,191
Profit sharing	17,948	11,646	3,993	3,563
Medical/dental care	9,497	5,447	5,277	1,740
Education	1,146	872	460	279
Scholarship	46	34	19	22
Other	14,426	5,684	5,162	2,383
	<b>81,618</b>	<b>45,157</b>	<b>27,224</b>	<b>14,982</b>

  

	<b>Consolidated</b>			
	<b>31/12/2022</b> <b>(9 months)</b>	<b>31/12/2021</b> <b>(9 months)</b>	<b>31/12/2022</b> <b>(3 months)</b>	<b>31/12/2021</b> <b>(3 months)</b>
Feeding	19,739	7,556	8,583	2,804
Transport	24,289	13,918	9,203	4,191
Profit sharing	17,948	11,646	3,993	3,563
Medical/dental care	10,610	5,447	6,390	1,740
Education	1,156	872	470	279
Scholarship	46	34	19	22
Other	14,556	5,684	5,292	2,383
	<b>88,344</b>	<b>45,157</b>	<b>33,950</b>	<b>14,982</b>

## 25 Information by segment

An operating segment is a component of the Company and its subsidiaries that develops business activities from which it can obtain revenue and incur expenses, including revenues and expenses related to transactions with other components of the Company and its subsidiaries. All operating results are frequently reviewed by the Executive Board for decisions on the resources to be allocated to the segment and to evaluate its performance, for which individualized financial information is available.

The Company and its subsidiaries have two business operating segments: 1 - Sugar, Ethanol and derivatives of the agro-industrial sugarcane process (AED); and 2 - Electricity. The activities presented in the "Other" column do not qualify as operating segments and represent activities not allocated to segments.

Management defined the operating segments of the Company and its subsidiaries, based on the reports used for strategic decision-making, reviewed by the main decision makers, which are: the Executive Board according to the characteristics established in the process implemented by the Company and its subsidiaries.

The analyses are carried out segmenting the business from the perspective of industrial processes by the Company and its subsidiaries, composing the following segments:

Sugar, ethanol and derivatives of the agro-industrial sugarcane (AED) process.

Electrical energy.

The performance analyses of the operating segments are carried out based on the income statement by business, focusing on profitability:

	31/12/2022			Total
	AED	Energy	Other	
Gross income				
Internal market				
Ethanol	784,367	-	-	784,367
White sugar	494,677	-	-	494,677
Organic sugar	31,690	-	-	31,690
Soy	742	-	-	742
Electrical energy	-	23,419	-	23,419
Sanitizing	57,115	-	-	57,115
Yeast derivatives	6,060	-	-	6,060
CBIOS	23,268	-	-	23,268
Other sales	3,441	934	-	4,375
	<u>1,401,360</u>	<u>24,353</u>	<u>-</u>	<u>1,425,713</u>
External market				
White sugar	22,465	-	-	22,465
Organic sugar	175,869	-	-	175,869
	<u>198,334</u>	<u>-</u>	<u>-</u>	<u>198,334</u>
( - ) Taxes, contr. and sales deductions	<u>(181,676)</u>	<u>(3,338)</u>	<u>(1,077)</u>	<u>(186,091)</u>
<b>Net Revenue</b>	<b><u>1,418,018</u></b>	<b><u>21,015</u></b>	<b><u>(1,077)</u></b>	<b><u>1,437,956</u></b>
Cost of products sold	(915,238)	(21,685)	-	(936,923)
Change in the Market Value of Biological Assets	<u>(46,073)</u>	<u>-</u>	<u>-</u>	<u>(46,073)</u>
<b>Gross profit</b>	<b><u>456,707</u></b>	<b><u>(670)</u></b>	<b><u>(1,077)</u></b>	<b><u>454,960</u></b>
Sales expenses	(105,555)	(810)	-	(106,365)
Other operating expenses, net	<u>542,621</u>	<u>(3,140)</u>	<u>51</u>	<u>539,532</u>
<b>Operating profit</b>	<b><u>893,774</u></b>	<b><u>(4,621)</u></b>	<b><u>(1,026)</u></b>	<b><u>888,127</u></b>
Profit sharing of companies invested by equity	12,077	-	-	12,077
Financial result	<u>(109,578)</u>	<u>(3,521)</u>	<u>2,117</u>	<u>(110,982)</u>
Result before taxes	<u>796,273</u>	<u>(8,142)</u>	<u>1,091</u>	<u>789,222</u>
Current and deferred income tax and social contribution	<u>(37,043)</u>	<u>35</u>	<u>(3,930)</u>	<u>(40,938)</u>
<b>Results for the period</b>	<b><u>759,230</u></b>	<b><u>(8,107)</u></b>	<b><u>(2,839)</u></b>	<b><u>748,284</u></b>

31/12/2021		
AED	Other	Total

Gross income			
Internal market			
Ethanol	516,854	-	516,854
White sugar	454,425	-	454,425
Organic sugar	27,542	-	27,542
Soy	2,641	-	2,641
Electrical energy	-	-	-
Sanitizing	119,332	-	119,332
Yeast derivatives	6,424	-	6,424
CBIOS	7,578	-	7,578
Other sales	2,989	-	2,989
	<u>1,137,785</u>	<u>-</u>	<u>1,137,785</u>
External market			
White sugar	31,849	-	31,849
Organic sugar	114,572	-	114,572
	<u>146,421</u>	<u>-</u>	<u>146,421</u>
( - ) Taxes, contr. and sales deductions	<u>(210,402)</u>	<u>(943)</u>	<u>(211,345)</u>
<b>Net Revenue</b>	<b><u>1,073,804</u></b>	<b><u>(943)</u></b>	<b><u>1,072,861</u></b>
Cost of products sold	(531,242)	-	(531,242)
Change in the Market Value of Biological Assets	140,764	-	140,764
<b>Gross profit</b>	<b><u>683,326</u></b>	<b><u>(943)</u></b>	<b><u>682,383</u></b>
Sales expenses	(69,710)	-	(69,710)
Other operating expenses, net	58,654	7	58,661
<b>Operating profit</b>	<b><u>672,270</u></b>	<b><u>(936)</u></b>	<b><u>671,334</u></b>
Profit sharing of companies invested by equity	19,791	-	19,791
Financial result	(382,511)	479	(382,032)
Result before taxes	<u>309,550</u>	<u>(457)</u>	<u>309,093</u>
Current and deferred income tax and social contribution	<u>(31,199)</u>	<u>(2,970)</u>	<u>(34,169)</u>
<b>Results for the period</b>	<b><u>278,351</u></b>	<b><u>(3,427)</u></b>	<b><u>274,924</u></b>

In the nine-month period, ended December 31, 2022 and 2021, no client of the Company accounted for 10% or more of the net revenues of the Sugar, Ethanol and Derivatives segment. In the nine-month period ended December 31, 2022, a client of the Company accounted for 10% or more of net revenues in the Electricity segment (in the same period in 2021, the company did not operate in the Electric Power segment).

### **Operating assets and liabilities by segment**

The assets and operating liabilities of the Company and its subsidiaries have been segregated by segment and are presented below.

	<b>AED</b>		<b>Energy</b>		<b>Total</b>	
	<b>31/12/2022</b>	<b>31/03/2022</b>	<b>31/12/2022</b>	<b>31/03/2022</b>	<b>31/12/2022</b>	<b>31/03/2022</b>
<b>Active</b>						
<b>Circulating</b>						
Cash and cash equivalents	960,484	1,242,658	7,303	-	967,787	1.242.658
Linked financial investments	28,532	57,792	-	-	28,532	57.792
Accounts receivable and other receivables	38,412	45,243	11,064	-	49,476	45.243
Stocks	354,282	131,581	9,183	-	363,465	131.581
Advance to suppliers	7,586	1,114	3,061	-	10,647	1.114
Biological assets	514,401	432,968	-	-	514,401	432.968
Hedge operations	9,335	33,764	-	-	9,335	33.764
Taxes and contributions to be recovered	107,448	24,016	244	-	107,692	24.016
Income tax and social contribution to be recovered	37,713	14,463	1,326	-	39,039	14.463
Dividends to be received	1,881	8,541	-	-	1,881	8.541
Other assets	2,912	4,347	363	-	3,275	4.347
<b>Total current assets</b>	<b>2.062.986</b>	<b>1.996.487</b>	<b>32.544</b>	<b>-</b>	<b>2.095.530</b>	<b>1.996.487</b>
<b>Non-rolling</b>						
<b>Long-term achievable</b>						
Linked financial investments	19,512	1,081	-	-	19,512	1.081
Accounts receivable and other receivables	59,088	610	-	-	59,088	610
Derivative financial instruments	166,609	97,373	-	-	166,609	97.373
Deferred I.R. and C.S.	-	-	27,110	-	27,110	-
Advance to suppliers	1,032	-	-	-	1,032	-
Judicial deposits	108,005	103,247	-	-	108,005	103.247
Taxes and contributions to be recovered	86,971	9,269	670	-	87,641	9.269
Income tax and social contribution to be recovered	1,404	-	-	-	1,404	-
<b>Total long-term realisable</b>	<b>442.621</b>	<b>211.580</b>	<b>27.780</b>	<b>-</b>	<b>470.401</b>	<b>211.580</b>
<b>Investments</b>	<b>86.676</b>	<b>100.007</b>	<b>-</b>	<b>-</b>	<b>86.676</b>	<b>100.007</b>
<b>Asset</b>	<b>1,873,655</b>	<b>1,200,096</b>	<b>187,580</b>	<b>-</b>	<b>2,061,235</b>	<b>1,200.096</b>
<b>Rights of use</b>	<b>1,185,989</b>	<b>733,884</b>	<b>-</b>	<b>-</b>	<b>1,185,989</b>	<b>733.884</b>
<b>Intangible</b>	<b>13,901</b>	<b>7,818</b>	<b>(11)</b>	<b>-</b>	<b>13,890</b>	<b>7.818</b>
	<b>3,160,221</b>	<b>2,041,805</b>	<b>187,569</b>	<b>-</b>	<b>3,347,790</b>	<b>2.041.805</b>
<b>Total non-current assets</b>	<b>3.602.842</b>	<b>2,253,385</b>	<b>215,349</b>	<b>-</b>	<b>3,818,191</b>	<b>2,253,385</b>
<b>Total asset</b>	<b>5.665.828</b>	<b>4,249,872</b>	<b>247,893</b>	<b>-</b>	<b>5,913,721</b>	<b>4,249,872</b>

	<b>AED</b>		<b>Energy</b>		<b>Total</b>	
	<b>31/12/2022</b>	<b>31/03/2022</b>	<b>31/12/2022</b>	<b>31/03/2022</b>	<b>31/12/2022</b>	<b>31/03/2022</b>
<b>Passive</b>						
<b>Circulating</b>						

**Jalles Machado S.A.**  
*Quarterly accounting information - ITR at  
December 31, 2022*

Loans and financing	280,951	296,528	8,771	-	289,722	296,528
Rents payable	129,874	50,848	-	-	129,874	50,848
Suppliers and other accounts payable	108,569	122,140	7,067	-	115,636	122,140
Hedge operations	124,286	155,996	-	-	124,286	155,996
Labor provisions and charges	35,765	23,980	533	-	36,298	23,980
Tax obligations	14,649	13,252	1,138	-	15,787	13,252
Dividends payable	4	52,428	-	-	4	52,428
Income tax and social contribution to be collected	1,310	1,119	-	-	1,310	1,119
Advance of customers	15,150	19,727	4,002	-	19,152	19,727
<b>Total current liabilities</b>	<b>710.558</b>	<b>736.018</b>	<b>21,511</b>	<b>-</b>	<b>732.069</b>	<b>736.018</b>
<b>Non-rolling</b>						
Loans and financing	1,542,857	1,152,024	77,157	-	1,620,014	1.152.024
Rents payable	1,036,011	658,496	-	-	1,036,011	658.496
Derivative financial instruments	141,783	124,064	-	-	141,783	124.064
Deferred income and social contribution taxes	227,344	157,386	-	-	227,344	157.386
Tax obligations	3,346	7,423	-	-	3,346	7.423
Suppliers and other accounts payable	440	422	-	-	440	422
Provisions for contingencies	27,453	25,310	-	-	27,453	25.310
<b>Total non-current liabilities</b>	<b>2.979.234</b>	<b>2,125,125</b>	<b>77,157</b>	<b>-</b>	<b>3,056,391</b>	<b>2,125,125</b>
<b>Equity</b>						
Capital social	754,676	982,096	227,420	-	982,096	982.096
Profit reserves	521,869	392,118	-	-	521,869	392.118
Equity valuation adjustments	13,582	14,515	-	-	13,582	14.515
Treasury shares	(11,752)	-	-	-	(11,752)	-
Retained earnings	619,466	-	(78,195)	-	619,466	-
<b>Total shareholders' equity</b>	<b>1.976.036</b>	<b>1,388,729</b>	<b>149,225</b>	<b>-</b>	<b>2,125,261</b>	<b>1,388,729</b>
<b>Total liabilities and shareholders' equity</b>	<b>5,665,828</b>	<b>4,249,872</b>	<b>247,893</b>	<b>-</b>	<b>5,913,721</b>	<b>4,249,872</b>

## 26 Cash flow statements

### Fixed assets

During the nine-month period ended December 31, 2022 and 2021, as mentioned in note 9, fixed assets were acquired at the total cost in the parent company and consolidated of R\$ 220,992 and R\$ 162,874 as follows:

	Parent company		Consolidated	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Cost of fixed asset acquisition	361,375	308,332	416,592	308,332
Vendor balance at end of period	(26,669)	(65,568)	(26,669)	(65,568)
Acquisition Planting	<u>(139,574)</u>	<u>(79,890)</u>	<u>(168,931)</u>	<u>(79,890)</u>
	<u><b>195,132</b></u>	<u><b>162,874</b></u>	<u><b>220,992</b></u>	<u><b>162,874</b></u>

## 27 Subsequent events

As shown in Note 1.1 – Business Combination, the Company settled on January 17, 2023 the price adjustment portion determined in the amount of R\$5,300.

\* \* \*

## **Board of Directors**

Oscar de Paula Bernardes Neto  
President and Independent Councillor

Alexandre Lahóz Mendonça de Barros  
Vice-President and Independent Councillor

Plinio Mario Nastari  
Executive Councillor

Octavian Lage de Siqueira Filho  
Member

Silvia Regina Fontoura de Siqueira  
Member

Clovis Ferreira de Morais  
Member

Gibrail Kinjo Esber Brahim Filho  
Member

## **Executive Board**

Otávio Lage de Siqueira Filho  
CEO

Rodrigo Penna de Siqueira  
Chief Financial Officer - CFO

Henrique Penna de Siqueira  
Commercial Director

Joel Soares Alves da Silva  
Chief Operating Officer

### **Accountant**

Nelson Gomes da Silva Neto  
CRC/GO No. 011 107/O-2