

Jalles Machado S.A.

**Interim financial information as of
December 31, 2023**

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

Content

Report on Review of Interim Financial Information	03
Balance sheets	05
Statements of profit or loss	06
Statements of comprehensive income	07
Statements of changes in equity	08
Statement of cash flows - indirect method	09
Statement of value added	10
Management's notes to the interim financial statements	11



KPMG Auditores Independentes Ltda.

SAI/SO, Área 6580 – Bloco 02, 3º andar, sala 302 – Torre Norte
ParkShopping – Industrial Zone (Guará)
Caixa Postal 11619 – CEP: 71.219-900 – Brasília/DF – Brasil
Phone +55 (61) 3362-3700
Kpmg.com.br

Report on Review of Interim Financial Information

To the Board of Directors, Shareholders and Management
Jalles Machado S.A.
Goianésia – GO

Introduction

We have reviewed the interim financial statements, (Company and Consolidated) of Jalles Machado S.A. ("Company"), included in the Interim Financial Information Form for the quarter ended December 31, 2023, which comprise the balance sheet as of December 31, 2023, the related statements of profit or loss and comprehensive income for the three-month and nine-month period then ended, and changes in equity and cash flows for the three-month and nine-month period then ended, including notes.

Management is responsible for the preparation and presentation of this individual company and consolidated interim financial information in accordance with CPC 21(R1) Technical Pronouncement – Interim Financial Information and international standard IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board – (IASB), as well as for the presentation of this information in accordance with the standards issued by the Brazilian Securities and Exchange Commission. applicable to the preparation of the interim financial information. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

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

Conclusion on the individual company and consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the aforementioned quarterly financial information referred to above is not prepared, in all material respects, in accordance with CPC 21(R1) and IAS 34, applicable to the preparation



of interim financial information and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission.

Other issues - Statements of value added

The quarterly financial statements referred to above, include the individual company and consolidated statements of value added for the nine-month period ended December 31, 2023, prepared under the responsibility of the Company's management and presented as supplementary information for the purposes of IAS 34. These financial statements have been submitted to review procedures performed together with the review of the quarterly financial statements to conclude whether they are reconciled to the interim financial information and accounting records, if applicable, and whether their form and content are in accordance with the criteria set by Technical Pronouncement CPC 09 - Statement of Value Added. Based on our review, nothing has come to our attention that leads us to believe that the accompanying statements of value added are not prepared, in all material respects, according to the criteria set by this Standard and in a manner consistent with the individual company and consolidated interim financial information taken as a whole.

Goiânia, February 14, 2024

KPMG Auditores Independentes

CRC SP-014428/O-6 F-DF

Original report in Portuguese signed by

Fernando Rogério Liani

Accountant CRC 1SP229193/O-2

Jalles Machado S.A.

Balance sheets as of December 31, 2023 and March 31, 2023

(In thousands of real)

Assets	Note	Controller		Consolidated		Liabilities	Note	Controller		Consolidated	
		31/12/2023	31/03/2023	31/12/2023	31/03/2023			31/12/2023	31/03/2023		
Circulating						Circulating					
Cash and cash equivalents	3	1,036,578	946,188	1,088,671	999,121	Loans and financing	11	177,365	222,814	185,244	230,719
Restricted cash	4	13,232	14,149	13,232	14,149	Leases to be paid	23	82,713	88,227	117,902	113,266
Accounts receivable and other receivables	5	69,597	33,407	99,417	47,500	Suppliers and other accounts payable	12	71,426	68,570	128,405	107,104
Inventories	6	451,111	136,787	723,087	196,186	Derivative financial instruments	17	93,969	181,306	93,969	181,306
Advances to suppliers		2,607	4,804	5,171	6,784	Provisions and labor charges		27,208	29,602	42,638	42,531
Biological assets	10	316,970	476,555	369,191	599,551	Tax liabilities		13,777	8,142	21,662	13,669
Recovered taxes and contributions	7	36,531	54,264	72,011	111,862	Dividends payable	16	-	129,557	-	129,557
Recovered income tax and social contribution		34,160	40,454	34,471	44,856	Income tax and social contribution payable		-	-	2,479	2,537
Derivative financial instruments	17	114,141	24,077	114,141	24,077	Advances from clients	13	55,017	9,349	59,466	9,670
Dividends receivable	8 c	3,888	9,659	3,888	2,215						
Other assets		2,104	4,865	2,848	5,082	Current liabilities		521,475	737,567	651,765	830,359
Current assets		2,080,919	1,745,209	2,526,128	2,051,383	Non-current					
Non-current						Loans and financing	11	2,313,291	1,819,729	2,382,417	1,894,010
Restricted cash	4	7,484	7,611	7,484	7,611	Leases to be paid	23	908,217	888,916	1,332,869	1,111,089
Accounts receivable and other receivables	5	10,286	11,172	55,566	58,236	Derivative financial instruments	17	64,108	141,516	64,108	141,516
Recovered taxes and contributions	7	22,197	23,536	102,796	103,016	Deferred income tax and social contribution	14	211,007	214,405	211,007	214,405
Recovered income tax and social contribution		-	-	458	1,662	Tax obligations		5,013	4,546	5,013	4,546
Derivative financial instruments	17	120,079	167,913	120,079	167,913	Suppliers and other accounts payable	12	424	436	424	436
Judicial deposits	15	61,040	110,617	63,043	112,068	Provisions for contingencies	15	12,679	17,759	21,125	26,614
Deferred income tax and social contribution	14	-	-	60,719	41,142						
Investments	8	1,403,358	1,278,280	94,867	82,222	Non-current liabilities		3,514,739	3,087,307	4,016,963	3,392,616
Property, Plant and Equipment	9	1,405,859	1,394,001	2,250,396	2,257,127	Equity	16				
Right of use	23	987,191	1,013,976	1,444,542	1,262,734	Capital		1,039,266	982,096	1,039,266	982,096
Intangible assets		9,923	9,803	14,772	15,105	Profit reserves		1,018,440	955,885	1,018,440	955,885
						Equity valuation adjustments		12,803	13,524	12,803	13,524
						Treasury share reserve		(14,261)	(14,261)	(14,261)	(14,261)
						Retained earnings		15,874	-	15,874	-
Non-current assets		4,027,417	4,016,909	4,214,722	4,108,836	Total equity		2,072,122	1,937,244	2,072,122	1,937,244
Total assets		6,108,336	5,762,118	6,740,850	6,160,219	Total equity and liabilities		6,108,336	5,762,118	6,740,850	6,160,219

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

Jalles Machado S.A.

Statements of profit or loss

Periods ended December 31, 2023 and 2022

(In thousands of real)

Note	Controller				Consolidated				
	31/12/2023 (9 months)	31/12/2022 (9 months)	31/12/2023 (3 months)	31/12/2022 (3 months)	31/12/2023 (9 months)	31/12/2022 (9 months)	31/12/2023 (3 months)	31/12/2022 (3 months)	
Net revenue	18	1,066,572	1,279,469	389,277	350,024	1,406,851	1,437,956	495,863	509,252
Change in fair value of biological assets	10	(116,675)	(41,201)	(143,254)	(33,829)	(125,558)	(46,073)	(185,535)	(38,701)
Cost of sales and services	19 (a)	(705,007)	(778,406)	(287,128)	(256,078)	(1,009,546)	(936,923)	(396,796)	(429,172)
Gross profit (loss)		244,890	459,862	(41,105)	60,117	271,747	454,960	(86,468)	41,379
Operating expenses									
Selling expenses	19 (b)	(99,835)	(106,208)	(32,302)	(31,177)	(102,709)	(106,365)	(33,272)	(31,334)
Administrative and general expenses	19 (c)	(82,834)	(77,329)	(27,979)	(29,221)	(102,895)	(82,263)	(36,077)	(34,093)
Reversal (allowance) for ECLs	5	(1,887)	(50)	(276)	(25)	(1,887)	(3,927)	(276)	(3,902)
Other income	20	94,855	592,699	47,306	488,325	97,635	630,111	47,220	525,605
Other expenses	20	(2,628)	(2,055)	(1,268)	(1,152)	(20,665)	(4,389)	(7,864)	(3,486)
Profit (loss) before finance income (costs), equity income and taxes		152,561	866,919	(55,624)	486,867	141,226	888,127	(116,737)	494,169
Finance costs	21	(235,326)	(169,976)	(86,175)	(75,725)	(257,338)	(175,217)	(95,469)	(83,597)
Finance income	21	102,558	133,991	32,563	35,800	106,808	137,429	33,766	37,774
Net monetary and foreign exchange gains (losses)	21	4,434	(11,922)	843	8,089	4,434	(11,922)	843	8,089
Liquid Derivative Instruments	21	46,650	(61,272)	275,077	(63,215)	46,650	(61,272)	275,077	(63,215)
Net finance income (costs)	21	(81,684)	(109,179)	222,308	(95,051)	(99,446)	(110,982)	214,217	(100,949)
Share of profit of equity-accounted investees	8	3,432	52,868	(48,262)	28,815	18,359	12,077	5,557	3,414
Profit before income tax and social contribution		74,309	810,608	118,422	420,631	60,139	789,222	103,037	396,634
Current income tax and social contribution	14	-	-	-	-	(5,407)	(1,208)	(1,721)	1,403
Deferred income tax and social contribution	14	3,398	(62,324)	(42,657)	30,109	22,975	(39,730)	(25,551)	52,703
Profit or loss for the period		77,707	748,284	75,765	450,740	77,707	748,284	75,765	450,740
Basic and diluted earnings per share (in reais)	22					0.2625	2.5443	0.2559	1.5326

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

Jalles Machado S.A.**Statements of comprehensive income****Periods ended December 31, 2023 and 2022***(In thousands of real)*

Company and Consolidated	Controller				Consolidated			
	31/12/2023 (9 months)	31/12/2022 (9 months)	31/12/2023 (3 months)	31/12/2022 (3 months)	31/12/2023 (9 months)	31/12/2022 (9 months)	31/12/2023 (3 months)	31/12/2022 (3 months)
Profit or loss for the period	77,707	748,284	75,765	450,740	77,707	748,284	75,765	450,740
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income	<u>77,707</u>	<u>748,284</u>	<u>75,765</u>	<u>450,740</u>	<u>77,707</u>	<u>748,284</u>	<u>75,765</u>	<u>450,740</u>

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

Jalles Machado S.A.

Statements of changes in equity

Periods ended December 31, 2023 and 2022

(In thousands of real)

Note	Capital	Equity valuation adjustments	Treasury share reserve	Profit reserves			Retained earnings	Total
				Legal	Investment grants	Profit retention		
Balances as of April 1, 2022	<u>982,096</u>	<u>14,515</u>	<u>-</u>	<u>28,073</u>	<u>210,373</u>	<u>153,672</u>	<u>-</u>	<u>1,388,729</u>
Profit or loss for the period	-	-	-	-	-	-	748,284	748,284
Realization of equity valuation adjustments	-	(933)	-	-	-	-	933	-
Treasury share reserve	-	-	(11,752)	-	-	-	-	(11,752)
Profit allocation:								
Total recovery of the reserve for investment grant	-	-	-	-	129,751	-	(129,751)	-
Balances as of December 31, 2022	<u>982,096</u>	<u>13,582</u>	<u>(11,752)</u>	<u>28,073</u>	<u>340,124</u>	<u>153,672</u>	<u>619,466</u>	<u>2,125,261</u>
Balances as of April 1, 2023	<u>982,096</u>	<u>13,524</u>	<u>(14,261)</u>	<u>62,739</u>	<u>350,817</u>	<u>542,330</u>	<u>-</u>	<u>1,937,245</u>
Profit or loss for the period	-	-	-	-	-	-	77,707	77,707
Realization of equity valuation adjustments	-	(721)	-	-	-	-	721	-
Capital increase	57,170	-	-	-	-	-	-	57,170
Profit allocation:								
Recognition of the reserve for investment grant	-	-	-	-	62,554	-	(62,554)	-
Balances as of December 31, 2023	<u>1,039,266</u>	<u>12,803</u>	<u>(14,261)</u>	<u>62,739</u>	<u>413,371</u>	<u>542,330</u>	<u>15,874</u>	<u>2,072,122</u>

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

Jalles Machado S.A.

Statement of cash flows - indirect method

Periods ended December 31, 2023 and 2022

(In thousands of real)

Note	Controller		Consolidated		
	31/12/2023	31/12/2022	31/12/2023	31/12/2022	
Cash flows from operating activities					
Profit or loss for the year	77,707	748,284	77,707	748,284	
Depreciation of property and equipment and amortization of intangible assets	19.a,b,c	104,628	113,632	208,275	134,327
Crop depreciation	19.a	76,784	84,962	55,195	92,122
Amortization of crop treatments	19.a	181,561	156,916	270,747	190,237
Depreciation of right-of-use	19.a	63,766	44,944	89,383	36,976
Income in the disposal of property and equipment	9	(1,100)	3	(1,100)	(1,623)
Share of profit of equity-accounted investees		(3,432)	(52,868)	(18,359)	(12,077)
Gain per advantageous purchase	8.a.	-	(339,133)	-	(339,133)
Added Value - USVAA Fixed Assets	1.1	-	(88,878)	-	(88,878)
Amortiz Added Value Fixed Asset Jalles Bioenergia S.A.		-	-	-	3,840
Write-off of investments		-	-	-	923
Changes in the fair value of investments		(2)	2	(2)	2
Allowance for exchange rate fluctuation		2,859	(6,718)	2,941	(370)
Provision for contingencies	15	(5,080)	(7,469)	(5,489)	(91)
Repayment of loan transaction costs	11	5,525	4,715	5,525	4,715
Provision for expected credit losses	5	1,887	49	1,887	49
Provision for derivative financial instruments	17	(46,650)	61,272	(46,650)	61,272
Changes in the fair value of biological assets	10	116,675	41,201	125,557	46,073
CBIOS Fair Value		8,439	(8,020)	16,067	(8,020)
Provision for slow-moving inventorier	6	(160)	(3,514)	(7,020)	(2,760)
Foreign exchange gain (loss) on loans	11	(7,582)	18,745	(7,582)	18,745
Adjustment to present value		(1,143)	13,097	(1,143)	13,097
Current taxes		-	-	5,407	848
Deferred taxes and contributions	14	(3,398)	62,324	(22,975)	39,729
Adjustment for inflation of court deposits	15	(7,036)	(4,791)	(7,036)	(4,791)
Accrued interest on lease and agricultural partnership agreements	23	40,351	39,965	50,429	41,109
Accrued interest on loans and financing	11	167,233	124,097	174,824	126,994
Changes in:					
Accounts receivable and other receivables		(37,645)	(166)	(52,336)	44,209
Inventories		(16,620)	19,060	(52,843)	99,427
Biological assets		(234,901)	(243,281)	(338,736)	(272,917)
Advances to suppliers	10	2,197	(2,141)	1,613	2,890
Recovered taxes and contributions		19,072	(39,176)	40,071	(59,237)
Recovered income tax and social contribution		6,294	(20,322)	11,589	(21,107)
Other assets		2,761	2,371	2,234	1,630
Judicial deposits		56,613	1,512	56,061	(6,064)
Trade and other payables		(11,718)	(66,266)	(4,604)	(110,058)
Provisions and payroll charges		(2,394)	408	107	(6,553)
Tax obligations		7,245	(19,548)	9,603	(23,162)
Advances from clients		45,668	(917)	49,796	(2,579)
Restricted cash investments	4	(24,086)	(11,659)	(24,086)	(11,659)
Restricted cash yield	4	(2,658)	-	(2,658)	-
Restricted cash withdrawal	4	27,788	22,488	27,788	22,488
Settlement of derivative financial instruments	17	(160,327)	(120,071)	(160,327)	(120,071)
Interest paid on loans and financing	11	(108,810)	(85,541)	(116,265)	(88,689)
Interest paid on leases	23	(40,351)	(39,965)	(50,429)	(41,108)
Income and social contribution taxes paid		-	-	(5,465)	(4,009)
Net cash from operating activities		299,960	399,603	357,701	505,030
Cash flows from investing activities					
Acquisition of investment		(1,111)	(388,223)	(1,419)	(503,642)
Increase in capital in investee	8	(150,000)	(238,000)	-	-
Acquisition of property, plant and equipment		(168,689)	(195,132)	(254,758)	(218,868)
Acquisition of intangible assets		(2,171)	(4,068)	(2,385)	(4,286)
Amount received from reduction in capital in investee	8	-	12,950	-	12,950
Dividends received	8	33,034	44,201	3,258	17,082
Proceeds from sale of property, plant and equipment	9	3,270	1,977	3,270	2,560
Crops and acquisitions of sugar cane crops	9	(151,657)	(139,574)	(230,041)	(168,931)
Net cash used in investing activities		(437,324)	(905,869)	(482,075)	(863,135)
Cash flows from financing activities					
Loans and financing taken	11	561,255	518,658	561,255	518,658
Repayment of loans and financing	11	(169,508)	(205,417)	(174,825)	(297,253)
Paid-in capital	16	57,170	-	57,170	-
Lease repayment	23	(89,204)	(76,828)	(98,383)	(56,819)
Amortization of agricultural partnerships	23	-	-	-	(19,187)
Payment of dividends		(129,556)	(52,424)	(129,556)	(52,424)
Share repurchase	16	-	(11,752)	-	(11,752)
Net cash from financing activities		230,157	172,237	215,661	81,223
Increase (Decrease) in cash and cash equivalents		92,793	(334,029)	91,287	(276,882)
Effect of movements in exchange rates on cash held		(2,403)	3,809	(1,737)	2,011
Cash and cash equivalents at beginning of period		946,188	1,220,805	999,121	1,242,658
Cash and cash equivalents at end of period		<u>1,036,578</u>	<u>890,585</u>	<u>1,088,671</u>	<u>967,787</u>
Increase (Decrease) in cash and cash equivalents		90,390	(330,220)	89,550	(274,871)

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

Jalles Machado S.A.

Statement of value added

Periods ended December 31, 2023 and 2022
(In thousands of real)

	Controller		Consolidated	
	31/12/2023 (9 months)	31/12/2022 (9 months)	31/12/2023 (9 months)	31/12/2022 (9 months)
INCOME	1,266,723	1,571,739	1,664,116	1,815,573
Sales of goods, products and services	1,198,999	1,440,463	1,613,525	1,624,046
Other income	73,786	137,893	56,653	198,144
Sales return	(4,175)	(6,568)	(4,175)	(6,568)
Net reversal (recognition) of allowance for ECLs	(1,887)	(49)	(1,887)	(49)
INPUT ACQUIRED FROM THIRD PARTIES	(463,310)	(58,533)	(545,849)	(125,591)
Cost of goods, merchandise and services sold	(228,116)	(313,591)	(283,210)	(371,655)
Materials, energy, third-party services and others	(109,496)	(130,140)	(127,290)	(138,546)
Net gain arising from change in fair value and realization of the fair value of biological assets	(116,675)	(41,201)	(125,558)	(46,073)
Recognition of the fair value of losses on trade receivables (CBIOS)	(8,439)	8,020	(16,067)	13,058
Gain on bargain purchase in subsidiary	-	428,011	-	428,011
Loss/recovery of assets	(584)	(9,632)	6,276	(10,386)
GROSS VALUE ADDED	803,413	1,513,206	1,118,267	1,689,982
Depreciation, amortization and depletion	(426,739)	(436,508)	(623,600)	(488,298)
Net value added generated by the entity	376,674	1,076,698	494,667	1,201,683
Value added received by transfer	991,103	682,547	1,010,280	645,194
Share of profit of equity-accounted investees	3,432	52,868	18,359	12,077
Finance income	86,547	120,203	90,797	123,641
Gain on exchange rate fluctuations	26,650	30,894	26,650	30,894
Gain on derivative transactions	874,474	478,582	874,474	478,582
Total value added to be distributed	1,367,777	1,759,245	1,504,947	1,846,877
DISTRIBUTION OF VALUE ADDED	1,367,777	1,759,245	1,504,947	1,846,878
Personnel	96,532	88,800	152,563	118,575
Direct compensation (cost)	82,290	58,933	129,842	86,920
Benefits	11,966	24,973	20,445	26,244
F.G.T.S.	2,276	4,894	2,276	5,411
Taxes fees and contributions	123,040	196,400	182,167	243,843
Federal	17,524	73,122	38,214	100,862
State	105,513	123,276	143,948	142,979
Municipal	3	2	5	2
Return on debt capital	1,070,498	725,761	1,092,510	736,176
Finance costs	180,101	139,181	202,113	143,878
Losses on exchange rate fluctuations	22,216	42,816	22,216	42,816
Loss on derivative transactions	827,824	539,853	827,824	539,853
IFRS 16 finance costs	40,357	3,911	40,357	4,456
Rents and leases	-	-	-	5,173
Return on equity capital	77,707	748,284	77,707	748,284
Retained earnings	77,707	748,284	77,707	748,284

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

Management's notes to the financial statements quarterly financial statements as of December 31, 2023

(Amounts in thousands of Brazilian real, except when otherwise indicated)

1 Operations

The activities of Jalles Machado S.A., and its subsidiaries Jalles Machado Empreendimentos Imobiliários S.A., Purolim S.A. (formerly called Esplanada Bioenergia S.A.), Santa Vitória Açúcar e Álcool Ltda. and Jalles Bioenergia S.A. and associates Albioma Codora Energia S.A. and Albioma Esplanada Energia S.A. henceforth called "Company", basically consist of the following operations:

Jalles Machado S.A.

Jalles Machado S.A., domiciled at Rodovia GO 080, km 185, Zona Rural, in the municipality of Goianésia – Goiás, is a public company registered with the Brazilian Securities and Exchange Commission (CVM) on february 4, 2021 on the number 02549-6. The Company's shares are traded at B3 under the name "JALL3".

The Company has three manufacturing facilities, namely: (i) Jalles Machado and Otávio Lage, located in the municipality of Goianésia – State of Goiás and Usina Santa Vitória, located in the municipality of Santa Vitória - Minas Gerais, which can process more than 8.5 million tonnes of sugarcane per crop. They are primarily engaged in manufacturing and marketing products in Brazil and abroad. ethanol, electricity and other products derived from sugarcane. Always seeking to add value to its portfolio, such as the sale of white, organic and sanitizing sugar under Itajá's own brand, in addition to producing and marketing dried yeast.

All sugarcane used in the production units results from own crops farmed in own land and through agricultural partnerships with shareholders and third parties.

Jalles Machado Empreendimentos Imobiliários S.A.

The subsidiary is located in the city of Goianésia, state of Goiás, at Rodovia GO 338, Km 33 on the left, Km 03, Rural Zone. It is engaged in purchasing and selling real property, leasing real property and managing its own assets for an indeterminate period.

It has an agreement for the lease of property for non-residential purposes and equipment in the monthly amount of R\$3,348 annually adjusted by IGP-M until June 2024 with parent company Jalles Machado S.A. and for the purposes of these individual interim financial statements it is classified as right of use and as property, plant and equipment in the financial statements and consolidated.

Purolim S.A. (formerly called Esplanada Bioenergia S.A.)

The subsidiary is domiciled at Rodovia GO 080, km 185, 500 meters on the right, Zona Rural, in the municipality of Goianésia, state of Goiás, is engaged in producing sanitizers, and may also perform other related acts related to and related to its corporate purpose.

Santa Vitória Açúcar e Álcool Ltda.

The subsidiary is domiciled in Faz. Crystal, km 11.8, Est. Perdilândia, Rural Zone, in the municipality of Santa Vitória - Minas Gerais, is engaged in manufacturing ethanol and generating and distributing electricity.

The subsidiary is the parent company of Jalles Bioenergia S.A. (formerly called ERB MG Energias S.A.), domiciled at Faz. Crystal, km 11.8, Est. Perdilândia, a rural area, in the municipality of Santa Vitória – Minas Gerais, whose purpose is to produce and sell electricity and steam, in addition to all by-products from the co-generation of electricity.

Albioma Codora Energía S.A.

The affiliated company is domiciled at Rodovia GO 338, km 33, at left, km 4, in the rural area of Goianésia, state of Goiás. It is engaged in producing and marketing electricity and steam, in addition to all by-products from the co-generation of electricity.

Albioma Esplanada Energia S.A.

The associate is domiciled at Rodovia GO 080, km 185, in the rural area of Goianésia, state of Goiás, is engaged in co-generating and marketing electricity and water steam from the source of biomass of sugar cane and supplementary raw materials. It may also perform other related acts and the like with its corporate purpose, such as marketing "carbon credits". The *joint venture* was set up in December 2017 to receive the assets from the co-generation of energy in the Jalles Machado unit due to the negotiation with partner Albioma Participações do Brasil.

2 Basis of preparation

2.1 Statement of compliance and basis of preparation

The individual company and consolidated interim financial statements have been prepared in accordance with CPC 21 (R1) Technical Pronouncement - Interim Financial Reporting, and IAS 34 International Financial Reporting Standard – Interim Financial Report issued by the *International Accounting Standards Board* – IASB, as well as for the presentation of this information in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of the interim financial information.

The individual company and consolidated statement of value added is required by Brazilian corporate law and Brazilian accounting policies applicable to public companies. IFRS does not require the presentation of this statement. Accordingly, under IFRS, this statement is presented as supplementary information, without prejudice to all interim financial statements.

These interim financial statements have been prepared in accordance with the accounting policies applied to the preparation of the financial statements as of March 31, 2023, and should be read together with those financial statements. The information in the notes that was not significantly changed or was irrelevant when compared with March 31, 2023 was not fully repeated in these interim financial statements, except for note 2.6, but did not have any impacts on these interim financial statements. However, selected information was included to explain the main events and transactions and to allow the understanding of the changes in the financial position and performance of Jalles Machado S.A. since the publication of the financial statements as of March 31, 2023.

The interim financial statements have been prepared on the historical cost basis. The historical cost of available-for-sale financial assets, other financial assets and liabilities (including derivative instruments) and biological assets is adjusted to reflect fair value.

The preparation of the interim financial statements requires Management to make critical judgments and estimates that require the application of accounting policies. Note 2.6 discloses the areas that require a higher level of judgment or are more complex, and the areas where assumptions and estimates are significant for the interim financial statements.

All significant information characteristic of interim financial information, and only that information, is being shown and is that used by management to run the Company.

The interim financial statements were authorized for issue by the Board of Directors on February 14, 2024.

2.2 Individual company and consolidated interim financial statements

The individual interim financial statements include all the transactions of Jalles Machado S.A. and the related share of profit (loss) of equity-accounted investees over its subsidiaries and associates, whose company has significant influence. The interim financial statements include the interim financial statements of its subsidiaries in the nine-month period ended December 31, 2023, and their associates were held as equity-accounted investees, according to note 2.3 and note 8.

The individual company and consolidated interim financial statements include the following companies:

Group's entities	Country	Classification	Ownership interest	
			31/12/2023	31/03/2023
Jalles Machado Empreendimentos Imobiliários S.A.	Brazil	Controlled	100%	100%
Purolim S.A.	Brazil	Controlled	100%	100%
Santa Vitória Açúcar e Alcool Ltda.	Brazil	Controlled	100%	100%
Jalles Bioenergia S.A.	Brazil	Indirect subsidiary	100%	100%
Albioma Codora Energía S.A.	Brazil	Related	35%	35%
Albioma Esplanada Energia S.A.	Brazil	Related	40%	40%

2.3 Basis of consolidation

(i) Business combinations

Business combinations are accounted for using the acquisition method when the set of activities and assets acquired meet the definition of a business 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 activities acquired includes, at least, an input and a substantive process that together have significantly contributed to the ability to generate output.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognized in profit or loss immediately. Transaction costs are

recognized in profit or loss as incurred, except for related costs incurred with the issue of debt or equity instruments.

The consideration transferred includes amounts related to the pre-existing payments. Such amounts are generally recognized in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If a contingent consideration is classified as equity instrument, then it is not remeasured and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

(ii) *Controlled*

The Company controls an investee when it is exposed to, or has rights to, variable returns from its involvement with the investee and is able to affect these returns through its power over the investee. The individual company and consolidated interim financial statements of subsidiaries are consolidated from the date that control commences until the date that control ceases.

The Company consolidated the effects of a business combination on October 3, 2022 on its individual and consolidated financial statements. The balance sheet used for the initial consolidation was that reported by Usina Santa Vitória Açúcar e Álcool as of September 30, 2022, because they represent the proper equity position and have no significant number of transactions.

Investments in subsidiaries are accounted for using the equity method.

(iii) *Investments in associates accounted for using the equity method*

Group's entities	Country	Classification	Ownership interest	
			31/12/2023	31/03/2023
Albioma Codora Energia S.A.	Brazil	Related	35%	35%
Albioma Esplanada Energia S.A.	Brazil	Related	40%	40%

Investments in associates are accounted for using the equity method. They are initially recognized at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Company's equity in the year's profit or loss and other comprehensive income (loss) of equity-accounted investees, until the date on which significant influence or joint control ceases.

(iv) *Transactions eliminated on consolidation*

Balances and transactions between the Company and its subsidiaries, and any unrealized income and expenses arising from transactions between the Company and its subsidiaries, are eliminated in consolidation in the interim financial statements. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Company's interest 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 impairment.

2.4 Basis of measurement

The individual company and consolidated interim financial statements have been prepared on the historical cost basis except for the following material items in the balance sheets:

- Derivative financial instruments are measured at fair value;
- Non-derivative financial instruments at fair value through profit or loss are measured at fair value; And
- Biological assets are measured at fair value less costs to sell.

2.5 Functional currency

These individual company and consolidated interim financial statements are presented in Brazilian real, which is the functional currency of Jalles Machado S.A. and investees. All amounts have been rounded to the nearest thousand, except when otherwise indicated.

2.6 Use of estimates and judgments

The preparation of individual company and consolidated interim financial information requires management to make judgments and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

(i) Judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the individual company and consolidated interim financial statements is included in the following notes: 8 - Investments: whether the Company and its subsidiaries have significant influence over an investee; 14. Net deferred taxes: if the Company prepares its profit estimates; 18 - Net operating revenue: whether revenue from sugar, ethanol and yeast is recognized over the correct period, over time or at a point in time; and 23 - Leases payable: judgment about the period of lease deferrals.

(ii) Uncertainties about assumptions and estimates

The Company and its subsidiaries make estimates about the future according to certain assumptions. By definition, accounting estimates usually differ from actual results. Estimates and assumptions which pose a significant risk and are likely to cause a material adjustment in the book values of assets and liabilities are described below:

Note 9: Review of the useful lives of property and equipment

The recoverability of the assets that are used in the Company's and its subsidiaries' activities is evaluated when events or changes in circumstances indicate that the carrying value of an asset or group of assets may not be recoverable according to future cash flows. If the book values of assets are higher than their recoverable value, the net amount is adjusted and their useful lives are set at new levels.

Note 10: Biological assets

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

Note 14: Deferred income and social contribution taxes

Deferred income and social contribution tax assets are only recognized to the extent that positive taxable income is likely to be generated in the future against which temporary differences can be utilized and social contribution tax losses can be offset. The recovery of the balance of deferred tax assets is reviewed at each reporting date, and when it is no longer probable that future taxable profits will be available to allow recovery of all or part of the amount, the balance of the deferred asset is adjusted for the amount expected to be recovered.

Significant management's judgment is required to determine the amount of deferred tax assets that can be recognized, based on the likely timing and level of future taxable profits together with future tax planning strategies.

Note 15: Provisions for contingencies

The Company and its subsidiaries are parties to several judicial and administrative proceedings. Provisions are accrued for all contingencies referring to legal proceedings whose unfavorable outcome is probable and estimated. The Company's assessment of the likelihood of loss comprises an evaluation of available evidence, of the hierarchy of laws, of available court precedents, of the most recent appeals court decisions and their relevance to the legal system, as well as evaluations of external and internal lawyers.

Note 23: Leases payable and agricultural partnerships payable

The Company has agreements for the lease of the industrial park and agreements entered into with agricultural partners for rural areas that were farmed under an agricultural partnership to grow sugar cane. They comply with the provisions of the Earth's bylaws, which started to be accounted for in accordance with the concept set forth by accounting standard CPC 06 (R2)/IFRS 16 as from April 1, 2019.

When measuring lease liabilities, the Company discounts lease payments using an incremental discount rate. Determining the discount rate of contracts involves uncertainties about assumptions and estimates with a significant risk of resulting in an adjustment in the balances of liabilities and assets.

(iii) Measurement of fair values

A number of the Company's and its subsidiaries' accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company and its subsidiaries have established a control framework for the measurement of fair values. This includes a valuation team in charge of revising all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third-party information such as price quotations from brokerage firms or price services is used to measure fair value, the valuation team analyzes the evidence obtained from third parties to support the conclusion that these valuations meet the requirements of the technical pronouncements issued by the Committee of Accounting Pronouncements -CPC *International Financial Reporting Standards* (IFRS), including the level in the fair value hierarchy into which those valuations should be classified.

When measuring the fair value of an asset or a liability, the Company and its controls use observable market data as much as possible. Fair values are categorized into different levels in a hierarchy based on information (*input*) used in valuation techniques in the following manner.

Level one: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level two: *inputs* other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level three: *inputs* for the asset or liability that are not based on observable market data (*unobservable inputs*).

The Company and its subsidiaries recognize transfers between levels of the fair value hierarchy at the end of the reporting period of the individual company and consolidated interim financial statements in which the change has occurred.

Additional information about the assumptions made in measuring fair values is included in the following notes:

Note 8 - Investments

Note 10 - Biological assets; and

Note 17 - Financial instruments.

2.7 Standards and interpretations issued but not yet effective

In the period ended December 31, 2023, no standards or pronouncements issued in prior periods came into effect with a significant impact on the Company's interim financial statements.

Deferred tax relating to assets and liabilities arising from a single transaction (Amendments to CPC 32/ IAS 12)

The changes limit the scope of the initial recognition exemption to delete transactions that give rise to equal and compensatory temporary differences – e.g. leases and decommissioning cost leases and liabilities. The amendments apply to annual periods beginning on or after January 1, 2023 (April 1, 2023). For leases and pension plan costs liabilities, the associated deferred tax assets and liabilities need to be recognized from the beginning of the oldest comparative period, with any cumulative effect recognized as an adjustment in retained earnings or other components of equity at that date. For all other transactions, the changes apply to transactions that occur after the beginning of the earliest period presented.

Other Standards

The following new and amended standards are not expected to have a material impact on the Group's individual company and consolidated financial statements:

Annual review of IFRS standards 2018-2020.

Property, Plant and Equipment: Proceeds before Intended Use (Amendments to CPC 27/IAS 16).

Reference to Conceptual Framework (Amendments to CPC 15/IFRS 3).

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

IFRS 17 Insurance Contracts.

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

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

Disclosure of Sustainability-Related Financial Information (IFRS S1)
Climate disclosures (IFRS S2)

3 Cash and cash equivalents

	Controller		Consolidated	
	31/12/2023	31/03/2023	31/12/2023	31/03/2023
Cash and banks	4,019	2,943	15,004	17,655
Cash and banks - foreign currency	64,225	33,987	64,225	33,987
Banks with related parties (a) (note 25)	3,870	2,373	4,385	5,946
Highly liquid financial investments (b)	940,191	871,808	949,525	876,306
Highly liquid financial investments with related parties (a) and (c) (note 25)	24,273	35,077	55,532	65,227
	<u>1,036,578</u>	<u>946,188</u>	<u>1,088,671</u>	<u>999,121</u>

The Company and its subsidiaries consider as cash and cash equivalents the balances from checking accounts and financial investments that mature within less than 90 days and are readily convertible into a known amount of cash and that pose an insignificant risk of changes in their value.

- (a) Balance consisting of checking accounts and financial investments granted to the Company, bear interest at market rates of Banco Coopercred - Cooperative of Credit of which the Company is a shareholder.
- (b) Short-term, highly-liquid financial investments are readily convertible into a known amount of cash, and are subject to an insignificant risk of changes in their value. These financial investments basically consist of Certificates of Bank Deposit (CDB) and Cooperative Deposit Receipts (RDC), which are indexed to market rates according to a percentage variation ranging from 100% to 105.75% (98%-105% as of March 31, 2023) of the Interbank Deposit Certificate (CDI).
- (c) These investments have the same characteristics of the investments described in item (a) above and basically consist of the Cooperative Deposit Receipt (Receivables Investment Fund), which bear interest ranging from 98% to 100% of the interbank deposit certificate (CDI) (98%-100% as of March 31, 2023).

The Company and its subsidiaries have the principle of working with financial institutions whose credit rating is "AA" or higher than those assessed by reference institutions, such as S&P Global Ratings, Fitch Ratings and Moody's Investors Service. Market conditions regarding rates, terms and volume of exposure with each bank so that funds are not too concentrated in a single bank are also evaluated when funds are invested.

The Company's and its subsidiaries' exposure to credit and interest rate risks and a sensitivity analysis related to cash and cash equivalents is disclosed in note 17.

4 Restricted cash

	Controller		Consolidated	
	31/12/2023	31/03/2023	31/12/2023	31/03/2023
Financial investments	18,939	19,957	18,939	19,957
Encourage (a)	367	475	367	475
Financial investments (b)	1,410	1,328	1,410	1,328
	<u>20,716</u>	<u>21,760</u>	<u>20,716</u>	<u>21,760</u>
Current assets	13,232	14,149	13,232	14,149
Non-current assets	7,484	7,611	7,484	7,611

- (a) Amount invested consisting of 10% of the tax incentive obtained by the Company. According to The Company's rules, the applied amount may only be used to settle the tax due earlier.
- (b) Consist of investments in fixed-rate investment funds linked to interbank deposit rates. Under some long-term loan agreements, the Company is required to hold a separate bank account to collect accounts receivable, which are released on the following business day, and subject to the credit's approval (bank accounts linked to financing). The money withheld in the separate bank account was classified as restricted cash in the statement of financial position. The amounts were invested in Brazilian reais and are not subject to significant risks of fluctuations in their values.

Restricted cash has the purpose of guaranteeing loans and financing, whose transactions are usually settled in a period longer than 90 days.

Restricted cash movements during the period were as follows:

	Company and Consolidated
Balance as of March 31, 2022	58,873
Applications	8,873
Income	2,786
Rescues	(22,488)
Balance as of December 31, 2022	48,044
Applications	16,867
Income	1,651
Rescues	(44,802)
Balance as of March 31, 2023	21,760
Applications	24,086
Income	2,658
Rescues	(27,788)
Balance as of December 31, 2023	20,716

5 Accounts receivable and other receivables

	Controller		Consolidated	
	31/12/2023	31/03/2023	31/12/2023	31/03/2023
Trade and other receivables	70,257	32,727	98,178	44,521
Related party receivables (note 25)	427	5	22	-
	70,684	32,732	98,200	44,521
Other receivables - related parties (note 25)	859	1,145	349	683
Other receivables	11,112	11,587	59,206	61,417
Allowance for ECLs	(2,772)	(885)	(2,772)	(885)
	9,199	11,847	56,783	61,215
	79,883	44,579	154,983	105,736
Circulating	69,597	33,407	99,417	47,500
Non-current	10,286	11,172	55,566	58,236

The Company's exposure to credit and exchange rate risks and the sensitivity analysis for assets and liabilities are presented in note 17.

The balance of trade receivables per maturity date is as follows:

	Controller		Consolidated	
	31/12/2023	31/03/2023	31/12/2023	31/03/2023
Falling due	65,545	41,451	137,338	99,606
Past due 1-30 days	11,184	1,442	14,464	4,445
Past due 31-60 days	114	780	114	780
Past due 61-90 days	95	1	100	1
Past due 91-180 days	65	20	85	20
Past due 181-360 days	1,984	81	1,984	81
Past due for more than 360 days	896	804	898	803
	<u>79,883</u>	<u>44,579</u>	<u>154,983</u>	<u>105,736</u>

The allowance for impairment loss on trade and other receivables is considered sufficient by management to cover possible losses on receivables and movements are as follows:

	Company and Consolidated	
	31/12/2023	31/03/2023
Beginning Balance	(885)	(789)
Estimated loss	(2,001)	(117)
Low	6	21
Effect of foreign currency translation	108	-
	<u>(2,772)</u>	<u>(885)</u>

The balance of trade receivables by geographic region is as follows:

	Controller		Consolidated	
	31/12/2023	31/03/2023	31/12/2023	31/03/2023
External Market				
North America	19,605	8,092	19,605	8,092
South America (formerly Brazil)	621	48	621	48
Europa	150	-	150	-
Middle East and Asia	483	379	483	379
	<u>20,859</u>	<u>8,519</u>	<u>20,859</u>	<u>8,519</u>
Domestic market				
Center-West	18,629	11,949	21,975	13,382
Northeast	12,581	5,016	20,746	8,256
North	8,294	3,057	12,521	4,606
Southeast	8,901	3,080	19,351	8,165
On	1,420	1,111	2,748	1,593
	<u>49,825</u>	<u>24,213</u>	<u>77,341</u>	<u>36,002</u>
Grand Total	<u>70,684</u>	<u>32,732</u>	<u>98,200</u>	<u>44,521</u>

In the nine-month period ended December 31, 2023 the impact of the provisions and reversals of the allowances for impairment loss was the expense of R\$1,887 (Company and Consolidated) (R\$49 in the same period of 2022).

6 Inventories

	Controller		Consolidated	
	31/12/2023	31/03/2023	31/12/2023	31/03/2023
Sugar	144,760	49,267	144,760	49,267
Ethanol	252,879	21,961	487,096	26,210
Other finished goods	2,317	1,833	2,317	1,833
Decarbonization credits - CBIOS (*)	6,550	14,989	6,550	22,617
Work in progress	1,137	424	1,137	424
Warehouse	43,468	48,275	81,227	95,797
Other - Related parties (note 24)	-	38	-	38
	451,111	136,787	723,087	196,186

- (*) RenovaBio – Cbios: As of December 31, 2023, the Company had 59,622 CBIOS issued but not yet marketed (236,304 CBIOS as of March 31, 2023). During the nine-month period ended December 31, 2023, 444,103 CBIOS (160,778 in the same period of 2022) were marketed, classified as operating revenues. These securities are marketed after they are recorded with fuel distribution companies, which have acquisition goals set by RenovaBio. Established by Act No. 13,576/2017, RenovaBio is the National Biofuels Policy. RenovaBio's main instrument is to set annual national decarbonization goals for the fuel industry to encourage the increase in production and participation of biofuels in the country's energy mix of transportation.

Fuel distributors must prove that individual compulsory goals are met by purchasing Decarbonization Credits (CBIOS), which can be traded on the stock exchange and derived from the certification of the production of biofuels according to the efficiency levels achieved when compared with their emissions.

Due to the seasonal operations of the sugar and energy industry, inventories of finished goods tend to increase during the harvesting period to support sales in the off-season period. By the end of the year inventories of finished goods are at their lowest levels.

Inventories are stated at average acquisition or production cost and do not exceed their net realizable value.

Store items considered to be slow moving were recognized as an allowance for inventory items with slow movements. Changes in those losses are as follows:

	Controller		Consolidated	
	31/12/2023	31/03/2023	31/12/2023	31/03/2023
Beginning Balance	(3,652)	(2,529)	(6,312)	(2,529)
Addition: Business Combinations	-	-	-	(642)
Estimated loss	(1,958)	(3,102)	(8,990)	(4,313)
Reversal and write-off	1,798	1,979	1,970	1,172
	(3,812)	(3,652)	(13,332)	(6,312)

7 Recovered taxes and contributions

	Controller		Consolidated	
	31/12/2023	31/03/2023	31/12/2023	31/03/2023
PIS and COFINS (a) (c)	33,107	31,645	131,653	128,418
ICMS (State VAT) (b)	23,723	45,088	41,042	85,179
IPI	1,898	1,067	1,898	1,067
INSS	-	-	214	214
	58,728	77,800	174,807	214,878
Circulating	36,531	54,264	72,011	111,862
Non-current	22,197	23,536	102,796	103,016

- (a) The balance consists of credits originating from the non-cumulative collection of PIS and COFINS on the acquisition of input, parts of the parts used in the maintenance of industrial facilities and the agricultural fleet, maintenance of industrial and agricultural facilities, freight and storage in sales, electricity and other credits on the acquisition of machinery and equipment and buildings and constructions for production. These credits may be offset against other federal taxes.
- (b) The balance basically consists of the granted credit calculated on the sale of anhydrous ethanol (Regulatory Instruction No. 493/01-GSF, of July 6, 2001) and credits recognized on the acquisition of property, plant and equipment items, which are being realized at the rate of 1/48. They can be offset against taxes of the same nature.
- (c) Deduction of the ICMS from the calculation base of PIS and COFINS
In March 2023 the Company obtained a final and unappealable final favorable decision discussing the right to deductively recognize the ICMS from the PIS and COFINS calculation base. The writ of guarantee was filed in 2008, guaranteeing the right to recognize tax credits since the statute of limitations period from July 2003 to June 2008. Under an injunction the court deposit for controversial installments was authorized as from July 2008, which occurred until February 2023. As from that date the Company started to delete the ICMS from the PIS and COFINS calculation base.

The amount of tax credits for the statute of limitations period from July 2003 to June 2008 under litigation totals R\$9,662 adjusted for inflation using the SELIC (Central Bank overnight rate) accrued for the period, of which R\$3,661 is the principal and R\$6,001 is adjusted for inflation, which will be reimbursed/offset in future accrual periods. after the Approval of the credit by the Brazilian Federal Revenue Service.

In March 2023, the Company recognized all the credit in profit or loss due to a final favorable decision that was final and unappealable.

Subsequently, the Company's Management and its legal counselors will make a decision about the best moment for the Company to request the recognition of PIS and COFINS credits at the Brazilian Federal Revenue Service.

8 Investments

The Company reported equity in earnings of R\$3,432 as of December 31, 2023 (R\$52,868 as of December 31, 2022) in its subsidiaries and associates, and gain of R\$18,359 (Consolidated) as of December 31, 2023 (R\$12,077 as of December 31, 2022).

None of the subsidiaries whose equity-accounted investees have their shares traded on the stock exchange. The table below shows a summary of financial information in subsidiaries and associates:

	<u>Controller</u>		<u>Consolidated</u>	
	31/12/2023	31/03/2023	31/12/2023	31/03/2023
Investments in subsidiaries and associates accounted for on the equity method of accounting				
Jalles Machado Empreendimentos Imobiliários S.A.	90,541	88,229	-	-
Albioma Codora Energia S.A.	53,838	51,179	53,838	51,179
Albioma Esplanada Energia S.A.	36,927	28,362	36,927	28,362
Usina Santa Vitória Açúcar e Alcool Ltda.	1,219,233	1,108,738	-	-
PUROLIM S.A.	(296)	(230)	-	-
	<u>1,400,243</u>	<u>1,276,278</u>	<u>90,765</u>	<u>79,541</u>
Other investments (d)	3,115	2,002	4,102	2,681
	<u>1,403,358</u>	<u>1,278,280</u>	<u>94,867</u>	<u>82,222</u>

a. Changes in the balances of investments in subsidiaries and associates

	<u>Controller</u>	<u>Consolidated</u>
Balance as of March 31, 2022	<u>180,705</u>	<u>98,791</u>
Acquisition of investee	386,960	-
Gain on bargain purchase	369,352	-
Appreciation - fixed assets USVAA	88,878	-
Increase in capital in investee	238,000	-
Share of profit of equity-accounted investees	54,504	12,077
Amortization of appreciation - USVAA	(1,636)	-
Decrease in capital in investee	(12,950)	(12,950)
Dividends proposed at the shareholders' meeting	(31,638)	(13,922)
Balance as of December 31, 2022	<u>1,272,175</u>	<u>83,996</u>
Increase in capital in investee	10,001	-
Share of profit of equity-accounted investees	2,985	(4,120)
Amortization of appreciation - USVAA	(1,103)	-
Dividends proposed at the shareholders' meeting	(7,780)	(335)
Balance as of March 31, 2023	<u>1,276,278</u>	<u>79,541</u>
Increase in capital in investee	150,000	-
Share of profit of equity-accounted investees	25,246	18,359
Amortization of appreciation - USVAA	(21,814)	-
Dividends proposed at the shareholders' meeting	(29,467)	(7,135)
Balance as of December 31, 2023	<u>1,400,243</u>	<u>90,765</u>

b. Information about investees

The tables below show a summary of financial information of subsidiaries and affiliates.

	Participation	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Equity
December 31, 2023								
Albioma Codora Energia S.A. (investee)	35,00%	25,116	122,874	147,990	22,360	81,670	104,030	43,960
Albioma Esplanada S.A. (investee)	40,00%	33,621	68,948	102,569	24,850	26,914	51,764	50,805
Usina Santa Vitória Açúcar e Álcool LTDA.	100,00%	413,537	1,393,374	1,806,911	149,780	502,223	652,003	1,154,908
Jalles Machado Empreend. Imob. S.A.	100,00%	35,215	56,839	92,054	1,513	-	1,513	90,541
PUROLIM S.A.	100,00%	209	7	216	2	510	512	(296)
		<u>507,698</u>	<u>1,642,042</u>	<u>2,149,740</u>	<u>198,505</u>	<u>611,317</u>	<u>809,822</u>	<u>1,339,918</u>

	Participation	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Equity
March 31, 2023								
Albioma Codora Energia S.A. (investee)	35,00%	31,492	111,062	142,554	27,376	78,816	106,192	36,362
Albioma Esplanada S.A. (investee)	40,00%	17,619	71,420	89,039	27,297	32,348	59,645	29,394
Usina Santa Vitória Açúcar e Álcool LTDA.	100,00%	279,546	1,186,170	1,465,716	129,183	313,934	443,117	1,022,599
Jalles Machado Empreend. Imob. S.A.	100,00%	37,224	59,941	97,165	8,936	-	8,936	88,229
PUROLIM S.A.	100,00%	229	4	233	1	463	464	(231)
		<u>366,110</u>	<u>1,428,597</u>	<u>1,794,707</u>	<u>192,793</u>	<u>425,561</u>	<u>618,354</u>	<u>1,176,353</u>

c. Dividends receivable

Controller	Jalles Machado Empreend. Imob. S.A.	Albioma Codora Energia S.A.	Albioma Esplanada Energia S.A.	Total
Balance as of March 31, 2022	5,903	3,802	4,739	14,444
Dividends receivable	17,717	3,799	4,741	26,257
Dividends received	(23,620)	(7,601)	(9,480)	(40,701)
Balance as of December 31, 2022	-	-	-	-
Dividends receivable	7,445	3,502	2,214	13,161
Dividends received	-	(3,502)	-	(3,502)
Balance as of March 31, 2023	7,444	-	2,215	9,659
Dividends receivable	22,332	4,931	2,204	29,467
Dividends received	(29,776)	(1,043)	(2,215)	(33,034)
Offsetting against advances	-	-	(2,204)	(2,204)
Balance as of December 31, 2023	-	3,888	-	3,888

Consolidated	Albioma Codora Energia S.A.	Albioma Esplanada Energia S.A.	Total
Balance as of March 31, 2022	3,802	4,739	8,541
Dividends receivable	3,799	4,741	8,540
Dividends received	(7,601)	(9,480)	(17,081)
Balance as of December 31, 2022	-	-	-
Dividends receivable	3,502	2,215	5,717
Dividends received	(3,502)	-	(3,502)
Balance as of March 31, 2023	-	2,215	2,215
Dividends receivable	4,931	2,204	7,135
Dividends received	(1,043)	(2,215)	(3,258)
Offsetting against advances	-	(2,204)	(2,204)
Balance as of December 31, 2023	3,888	-	3,888

d. Data about other investments

The Company has interest in other investments measured at cost and fair value. As of December 31, 2023 and March 31, 2023 these holdings are represented in the following tables:

	Controller		Consolidated	
	31/12/2023	31/03/2023	31/12/2023	31/03/2023
Interest in other companies valued at cost				
CCLA do Vale do São Patrício LTDA.	3,092	1,981	4,079	2,660
	3,092	1,981	4,079	2,660
Interest in other companies measured at fair value				
ENGIE Brasil Energia S/A	23	21	23	21
	23	21	23	21
Total other investments	3,115	2,002	4,102	2,681

9 Property, Plant and Equipment

Controller	Buildings	Machinery, equipment and facilities	Vehicles and semi-trailers	Work in progress (a)	Furniture, equipment and fixtures	Aircraft	Other property and equipment	Sugar cane crops	Land	Total
Attributable cost and cost										
Balance as of March 31, 2022	112,964	670,779	76,237	140,095	50,156	6,547	13,524	549,338	1,801	1,621,441
Acquisitions for the period	-	39,676	13,072	83,121	2,714	-	3,955	139,574	-	282,112
Acquisitions of maintenance costs	-	79,263	-	-	-	-	-	-	-	79,263
Low	-	(130,385)	(474)	(133)	(61)	-	(449)	(98,013)	(292)	(229,807)
Transfers	7,543	13,131	589	(13,985)	63	-	(7,341)	-	-	-
Balance as of December 31, 2022	120,507	672,464	89,424	209,098	52,872	6,547	9,689	590,899	1,509	1,753,009
Acquisitions for the period	-	3,450	4,487	47,436	681	-	(1,119)	47,148	-	102,083
Acquisitions of maintenance costs	-	85,485	-	-	-	-	-	-	-	85,485
Low	-	(19,045)	(1,102)	-	(69)	-	(80)	-	-	(20,296)
Transfers	5,486	36,622	-	(42,312)	204	-	-	-	-	-
Balance as of March 31, 2023	125,993	778,976	92,809	214,222	53,688	6,547	8,490	638,047	1,509	1,920,281
Acquisitions for the period	-	35,687	5,315	69,869	2,983	-	7,985	151,657	-	273,496
Acquisitions of maintenance costs	-	63,616	-	-	-	-	-	-	-	63,616
Low	-	(146,319)	(2,093)	(91)	(208)	-	(15)	(106,692)	-	(255,418)
Transfers	38,286	48,956	175	(85,845)	785	-	(2,357)	-	-	-
Balance as of December 31, 2023	164,279	780,916	96,206	198,155	57,248	6,547	14,103	683,012	1,509	2,001,975
Depreciation										
Balance as of March 31, 2022	(20,477)	(219,473)	(30,621)	-	(18,839)	(1,165)	(3,632)	(190,969)	-	(485,176)
Depreciation in the period	(2,318)	(29,663)	(4,955)	-	(5,212)	(311)	(129)	(101,966)	-	(144,554)
Maintenance cost depreciation	-	(132,008)	-	-	-	-	-	-	-	(132,008)
Low	-	129,399	261	-	24	-	130	98,013	-	227,827
Balance as of December 31, 2022	(22,795)	(251,745)	(35,315)	-	(24,027)	(1,476)	(3,631)	(194,922)	-	(533,911)
Depreciation in the period	(303)	(2,270)	(856)	-	(1,430)	-	(140)	(1,956)	-	(6,955)
Maintenance cost depreciation	-	(4,019)	-	-	-	-	-	-	-	(4,019)
Low	-	17,930	585	-	43	-	47	-	-	18,605
Balance as of March 31, 2023	(23,098)	(240,104)	(35,586)	-	(25,414)	(1,476)	(3,724)	(196,878)	-	(526,280)
Depreciation in the period	(2,786)	(35,541)	(5,899)	-	(4,960)	(233)	(220)	(115,638)	-	(165,277)
Maintenance cost depreciation	-	(157,807)	-	-	-	-	-	-	-	(157,807)
Low	-	145,098	1,355	-	117	-	4	106,674	-	253,248
Balance as of December 31, 2023	(25,884)	(288,354)	(40,130)	-	(30,257)	(1,709)	(3,940)	(205,842)	-	(596,116)
Net carrying amount										
March 31, 2023	102,895	538,872	57,223	214,222	28,274	5,071	4,766	441,169	1,509	1,394,001
December 31, 2023	138,395	492,562	56,076	198,155	26,991	4,838	10,163	477,170	1,509	1,405,859

Jalles Machado S.A.
Interim financial statements as of
December 31, 2023

Consolidated	Buildings	Machinery, equipment and facilities	Vehicles and semi-trailers	Work in progress (a)	Furniture, equipment and fixtures	Aircraft	Other property and equipment	Sugar cane crops	Land	Total
Attributable cost and cost										
Balance as of March 31, 2022	145,245	777,111	76,238	140,094	50,154	6,547	13,522	549,337	2,169	1,760,417
Acquisitions through business combinations	204,625	1,146,273	36,280	13,181	5,932	-	15,904	385,401	10,120	1,817,716
Acquisitions for the period	-	49,383	14,606	89,366	2,759	-	5,620	168,931	-	330,665
Acquisitions of maintenance costs	-	85,560	-	-	-	-	-	-	-	85,560
Low	-	(140,719)	(842)	(152)	(61)	-	(448)	(98,013)	(292)	(240,527)
Transfers	7,573	13,131	589	(14,016)	63	-	(7,340)	-	-	-
Balance as of December 31, 2022	357,443	1,930,740	126,871	228,472	58,847	6,547	27,258	1,005,656	11,997	3,753,831
Acquisitions for the period	30	11,198	2,953	43,615	699	-	253	46,577	-	105,325
Acquisitions of maintenance costs	-	128,544	-	-	-	-	-	-	-	128,544
Low	-	(28,092)	(1,102)	(9,156)	(69)	-	(101)	-	-	(38,520)
Transfers	9,993	32,639	1,899	(44,722)	192	-	(1)	-	-	-
Balance as of March 31, 2023	367,466	2,075,028	130,621	218,210	59,669	6,547	27,409	1,052,233	11,997	3,949,180
Acquisitions for the period	-	35,734	5,315	123,582	2,996	-	33,909	230,041	-	431,577
Acquisitions of maintenance costs	-	81,319	-	-	-	-	-	-	-	81,319
Low	-	(146,319)	(2,093)	(91)	(208)	-	(15)	(106,692)	-	(255,418)
Transfers	38,286	70,549	1,073	(114,095)	1,077	-	3,110	-	-	-
Balance as of December 31, 2023	405,752	2,116,311	134,916	227,606	63,534	6,547	64,413	1,175,582	11,997	4,206,658
Depreciation										
Balance as of March 31, 2022	(29,129)	(285,971)	(30,622)	-	(18,901)	(1,165)	(3,567)	(190,966)	-	(560,321)
Acquisitions through business combinations	(62,417)	(658,342)	(12,247)	-	(3,918)	-	(3,963)	(104,120)	-	(845,007)
Depreciation in the period	(5,146)	(51,383)	(5,355)	-	(5,339)	(311)	(590)	(109,125)	-	(177,249)
Maintenance cost depreciation	-	(140,338)	-	-	-	-	-	-	-	(140,338)
Low	-	138,773	629	-	24	-	130	98,013	-	237,569
Balance as of December 31, 2022	(96,692)	(997,261)	(47,595)	-	(28,134)	(1,476)	(7,990)	(306,198)	-	(1,485,346)
Depreciation in the period	(2,711)	(13,870)	(1,346)	-	(1,547)	-	(745)	(2,009)	-	(22,228)
Maintenance cost depreciation	-	(2,975)	-	-	-	-	-	-	-	(2,975)
Low	-	16,886	585	-	43	-	47	-	-	17,561
Balance as of March 31, 2023	(99,403)	(997,220)	(48,356)	-	(29,638)	(1,476)	(8,688)	(308,207)	-	(1,492,988)
Depreciation in the period	(10,404)	(146,428)	(17,232)	-	(5,365)	(233)	(2,460)	(128,172)	-	(310,294)
Maintenance cost depreciation	-	(207,163)	-	-	-	-	-	-	-	(207,163)
Low	-	145,098	1,355	-	117	-	4	106,674	-	253,248
Balance as of December 31, 2023	(109,807)	(1,205,713)	(64,233)	-	(34,886)	(1,709)	(11,144)	(329,705)	-	(1,757,197)
Impairment loss										
Balance as of March 31, 2022	-	-	-	-	-	-	-	-	-	-
Acquisitions through business combinations	-	-	-	-	-	-	-	(207,250)	-	(207,250)
Balance as of December 31, 2022	-	-	-	-	-	-	-	(207,250)	-	(207,250)
Reversal of impairment loss	-	-	-	-	-	-	-	8,185	-	8,185
Balance as of March 31 and December 31, 2023	-	-	-	-	-	-	-	(199,065)	-	(199,065)
Net carrying amount										

Jalles Machado S.A.
Interim financial statements as of
December 31, 2023

March 31, 2023	<u>268,063</u>	<u>1,077,808</u>	<u>82,265</u>	<u>218,210</u>	<u>30,031</u>	<u>5,071</u>	<u>18,721</u>	<u>544,961</u>	<u>11,997</u>	<u>2,257,127</u>
December 31, 2023	<u>295,945</u>	<u>910,598</u>	<u>70,683</u>	<u>227,606</u>	<u>28,648</u>	<u>4,838</u>	<u>55,269</u>	<u>646,812</u>	<u>11,997</u>	<u>2,250,396</u>

- (a) Construction in progress basically consists of investments in expanding and/or improving industrial and agricultural processes, facilities and the storage structure of finished goods. Construction work is completed within less than 12 months.
- (b) Balance consisting of tools and advances to suppliers.
- (c) Additions through business combinations consist of the net recognition of property, plant and equipment of Santa Vitória Açúcar e Álcool Ltda. in Jalles Machado S.A. in the amount of R\$532,740, and of R\$232,719, recognized as property and equipment by Jalles Bioenergia S.A. in Santa Vitória Açúcar Ltda. and in the amount of R\$232,719.

As of December 31, 2023 the amount of R\$322,470 (R\$322,193 as of March 31, 2023) of the Company's and Consolidated's property, plant and equipment consists of agricultural machinery and equipment, vehicles, machinery and equipment and properties which were pledged as collateral for bank finance transactions carried out at financial institutions.

Disposal of property and equipment

During the period ended December 31, 2023, the Company lowered property, plant and equipment items with a net cost of R\$2,170 (Company and Consolidated), and earned revenue of R\$3,270. In the previous period the net cost of property, plant and equipment written off in the amount of R\$1,980 (Company) and R\$937 (Consolidated) and revenue from the sale of property, plant and equipment of R\$1,977 (Company) and R\$2,560 (Consolidated). The net gain (loss) on these disposals was recognized as part of other operating revenues in profit or loss.

Impairment loss on cash-generating units

During the nine-month period ended December 31, 2023, the Company did not find any evidence that certain assets could be higher than their recoverable value in their interim financial statements.

The cane crop was determined at fair value in the consolidated financial statements and found that the book value of Santa Vitória Açúcar e Álcool Ltda. was higher than its recoverable value. As of December 31, 2023, R\$199,065 was recognized as impairment loss. In order to determine the value in use of the cash-generating unit, cash flows were discounted at a pre-tax rate of 5.91%.

The impairment loss on the carrying amount is the result of the low productivity of the existing sugarcane area. After new investments already made in the renovation and expansion of sugarcane fields, the fair value of the sugarcane crop was reviewed and caused the reversal of R\$8,185 in March 2023. New actions expected over the next periods aim at increasing productivity per tonne per hectare and supplying the industry to reach its full grinding capacity and to reverse the total balance provided for for *impairment*.

As of December 31, 2023 the fair value of the sugar cane of Santa Vitória Açúcar e Álcool Ltda. was R\$167,812 (R\$102,958 as of March 31, 2023).

The fair value measurement of sugar cane crops is classified as level three - assets and liabilities whose prices do not exist or that these prices or valuation techniques are supported by a small or nonexistent, unobservable or illiquid market.

10 Biological assets

The biological asset should be measured at fair value less costs to sell at the moment of initial recognition and at the end of each accrual period, except for cases in which the fair value may not be measured reliably.

Biological assets consist of developing agricultural products (standing sugarcane) produced in sugar cane crops (bearer plants) that will be used as raw material for producing sugar and ethanol upon harvest. These assets are measured at fair value less selling 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 supported by a small or

nonexistent, unobservable or illiquid market.

The fair value of harvested agricultural products is determined according to the harvested quantities, valued at the CONSECANA estimated at December 31, 2023, according to the deflated prices of future sugar, ethanol and US dollar rates extracted from current quotations from the New York Stock Exchange and by BM&F (B3).

The fair values of biological assets were determined using the discounted cash flow method, considering basically the following assumptions:

Gross revenue: obtained by multiplying the (i) estimated sugarcane volume: calculated according to the estimated productivity (ton/ha) multiplied by the estimated harvest areas (ha); and (ii) unit price (R\$/ton): consisting of the total amount of recoverable sugar (-kg) multiplied by the kg value of total recoverable sugar.

The breakdown of the assumptions used in the determination of gross revenue is as follows:

	Controller		Consolidated		Impact on fair value of biological assets
	31/12/2023	31/03/2023	31/12/2023	31/03/2023	
Estimated harvested area (hectares)	63,104	61,200	95,327	93,664	Increases the assumption, increases the fair value
Estimated productivity (tonnes of cane/hectares) (i)	93.68	94.49	86.26	85.88	Increases the assumption, increases the fair value
Total recoverable sugar - total recoverable sugar (kg) (ii)	137.30	137.38	139.19	139.24	Increases the assumption, increases the fair value
Total recoverable amount of total recoverable capital (iii)	1.1144	1.3235	1.1279	1.2790	Increases the assumption, increases the fair value

- (i) Sugarcane production to be cut and its productivity, measured in tonnes per hectare and sugar concentration level, were estimated considering the projected average productivity of the sugarcane by harvest age.
- (ii) The total recoverable sugar is calculated according to the methodology set by CONSECANA - Board of Sugar Cane, Sugar and Alcohol Producers of the State of São Paulo (CONSECANA) according to future market analyses of future market in sugar cane. Sugarcane is estimated according to future estimates of the prices of sugar and ethanol and cash outflows consisting of estimated costs necessary for the sugar cane biological transformation (land care) until harvest; harvest/cutting, loading and transportation costs; capital cost (land and machinery and equipment); lease and agricultural partnership costs; taxes on positive cash flows.

Cash outflows consist of the expected costs necessary for the biological transformation of sugar cane (land care) until harvest; harvest/cutting, loading and transportation costs; capital cost (land and machinery and equipment); lease and agricultural partnership costs; taxes on positive cash flows.

All expenses incurred with obtaining agricultural produce derived from biological assets measured at fair value less selling expenses are considered as expense in the period when incurred. Expenses incurred with obtaining agricultural produce of biological assets measured at cost are recognized as assets also at cost and recognized as expenses as soon as the agricultural product is sold and measured at fair value less selling expenses. Expenses on the storage and maintenance of agricultural products are expenses during the year together with changes in the net fair values of those products.

As of December 31, 2023, cash flows were discounted at 7.18% p.a. (7.55% p.a. as of March 31, 2023), which is the *-Company's WACC (Weighted Average Capital Cost)*. The discount rate used in cash flows corresponds to the Company's weighted average cost of capital, which is reviewed annually by management. The increase in the discount rate impacts the reduction in the fair value of biological assets.

Relying on estimated revenues and costs, the Company determines the discounted cash flows to be generated and brings the related amounts to present value, considering a discount rate compatible with the return on the investment under the circumstances. Changes in fair value are recognized as biological assets, with an offsetting entry to the "Fluctuation in the fair value of biological assets" sub-account in profit or loss.

The estimated costs for this type of crop include: (i) costs necessary for the biological transformation of sugar cane (land care) until harvest; (ii) harvesting, loading and transportation costs (CTT); (iii) capital costs (equivalent to leases of land and machinery and equipment); and (iv) taxes on positive cash flows.

Sugar cane cultivation starts by planting seedlings and the first cutting occurs after a period of 12 to 18 months of planting, when the root ("stopping") continues in the soil. After each cut or year/crop, the treated stopping grows again on average for five crops.

Biological assets consist of developing agricultural products (standing sugarcane) produced in sugarcane crops (production plant) that will be used as raw material for producing sugar and ethanol upon harvest.

Production plants are classified as property, plant and equipment and are not part of the fair value of Biological assets.

The fair value of harvested agricultural products is determined according to the harvested quantities, valued at the CONSECANA value of the month. The fair value of sugar cane at harvest will become the cost of raw material used to produce sugar and ethanol.

Changes in biological assets during the period are as follows:

	Controller	Consolidated
Historical cost	178,384	178,384
Fair Value	254,584	254,584
Balance as of March 31, 2022	432,968	432,968
Addition by business combination	-	54,440
Increases due to land care	243,281	272,917
Reductions arising from harvesting	(189,724)	(199,851)
Change in fair value	(41,201)	(46,073)
Balance as of December 31, 2022	445,324	514,401
Increases due to land care	29,854	51,037
Reductions arising from harvesting	(3,643)	(3,643)
Transfer to property and equipment - sugar cane crops	-	31,272
Change in fair value	5,020	6,484
Balance as of March 31, 2023	476,555	599,551
It consists of:		
Historical cost	258,152	384,556
Fair Value	218,403	214,995
	476,555	599,551
Increases due to land care	234,901	338,736
Reductions arising from harvesting	(277,811)	(443,539)
Change in fair value	(116,675)	(125,558)
Balance as of December 31, 2023	316,970	369,191
It consists of:		
Historical cost	215,242	279,753
Fair Value	101,728	89,438
Final balance of biological assets	316,970	369,191

The estimate of fair value would increase (decrease) if:

- The estimated total recoverable capital price were higher (lower);
- The estimated productivity (tonnes per hectare and amount of total total recoverable energy) were higher (lower);
- The discount rate were lower (higher); And
- The future prices of marketed products were higher (lower).

If the other variables included in the calculation of the fair value of biological assets unchanged, a variation upwards or less than 5% in the total recoverable interest rate would result in an increase or reduction of R\$38,215 (R\$53,115 - Consolidated). The increase or decrease in production volumes, on the other hand, would result in an increase or decrease by R\$29,983 (R\$42,670, Consolidated). The increase or decrease in the discount rate would result in an increase or decrease by R\$1,513 (R\$433 - Consolidated).

Risk management strategy related to agricultural activities

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

(i) *Regulatory and environmental risks*

The Company is subject to laws and regulations relating to the activities in which it operates. Management has established environmental policies and procedures aimed at compliance with environmental laws and conducts periodical analyses to identify environmental risks and to ensure that their existing systems are sufficient to manage those risks.

(ii) *Supply and demand risk*

The Company is exposed to the risks arising from fluctuations in the price and volume of sales of sugar and ethanol produced from sugar cane. When possible, the Company manages these risks by aligning its production volume with market supply. Management regularly analyzes the industry's trends to ensure that operating strategies are in line with the market and ensure that production volumes are projected to match expected demand.

(iii) *Climate and other risks*

Sugar cane farming operations are exposed to the risk of damage from climate change, pests and diseases, forest fires and other natural forces. The Company has extensive procedures consisting of resources allocated to track and mitigate those risks, including regular inspections of the sugar cane crop.

Weather conditions may historically cause volatility in the energy juice industry, and therefore to the Company's operating results because they have influenced crops by increasing or reducing harvests. Moreover, the Company's business is subject to seasonal fluctuations set by sugar cane growth in the Southeast of Brazil.

For further information about the Company's and its subsidiaries' exposure to operational risks see note 17.

11 Loans and financing

This note provides information about the terms of interest-bearing loan and financing agreements, which are measured at amortized cost. For further information about the Company's and its subsidiaries' exposure to interest rate, currency and liquidity risks, see note 16.

	Index	Currency	Average nominal rate (p.a.)	Year of maturity	Controller		Consolidated	
					31/12/2023	31/03/2023	31/12/2023	31/03/2023
Credit line								
Working capital	PRE/CDI/IPCA	R\$	12.36%	2027	315,689	246,144	315,689	246,144
Capital Market	IPCA/CDI	R\$	9.20%	2032	1,568,107	1,227,307	1,568,107	1,227,307
Multilateral	CDI	R\$	14.83%	2027	108,703	152,520	108,703	152,520
BNDES/Finame/Leasing/CDC/CDCO	PRE/SELIC/TJLP/TX. JRSVAR	R\$	12.65%	2039	323,192	260,792	400,197	342,978
Agricultural costing	PRE/TJLP/SELIC	R\$	13.60%	2028	106,758	-	106,758	-
Working capital	PRE/LIBOR	USD	6.20%	2029	65,039	106,393	65,039	106,393
Multilateral	LIBOR	USD	12.29%	2027	50,730	88,116	50,730	88,116
Total					2,538,218	2,081,272	2,615,223	2,163,458
(-) Un amortized transaction costs					(47,562)	(38,729)	(47,562)	(38,729)
					2,490,656	2,042,543	2,567,661	2,124,729
Circulating					177,365	222,814	185,244	230,719
Non-current					2,313,291	1,819,729	2,382,417	1,894,010

Debt repayment schedule

Year of maturity	Controller		Consolidated	
	31/12/2023	31/03/2023	31/12/2023	31/03/2023
2023/24	177,365	222,814	185,244	230,719
2024/25	75,086	181,541	76,988	189,096
2025/26	465,632	429,416	473,242	436,970
2026/27	86,607	59,880	94,218	67,434
2027/28	195,091	63,371	202,701	70,925
2028/29	390,767	354,321	398,377	361,875
2029/30	165,493	158,566	173,103	166,120
2030/31	340,698	153,917	348,308	161,471
2031/32	239,596	190,213	247,206	197,767
2032/33	188,497	140,101	196,107	147,655
2033/34	60,643	14,145	66,985	20,439
2034/35	19,933	14,145	19,933	14,145
2035/36	19,939	14,145	19,939	14,145
2036/37	19,945	14,145	19,945	14,145
2037/38	19,951	14,145	19,951	14,145
2038/39	19,957	17,678	19,957	17,678
2039/40	5,456	-	5,457	-
	2,490,656	2,042,543	2,567,661	2,124,729

The table below shows the changes in loans and financing in the nine-month period ended December 31, 2023 and 2022:

	Controller		Consolidated	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Changes in debt				
Previous Balance	2,042,543	1,448,552	2,124,729	1,448,552
Addition by business combination	-	-	-	178,015
Funding	561,255	518,658	561,255	518,658
Principal repayment	(169,508)	(205,417)	(174,825)	(297,254)
Interest repayment	(108,810)	(85,541)	(116,265)	(88,689)
Accrued interest	167,233	124,097	174,824	126,994
Repayment of loan transaction costs	5,525	4,715	5,525	4,715
Foreign exchange gain (loss)	(7,582)	18,745	(7,582)	18,745
	2,490,656	1,823,809	2,567,661	1,909,736

Information on the Company's assets pledged as collateral for loans and financing is disclosed in note nine.

The Company is subject to compliance with certain contractual clauses ("*covenants*") that establish the earlier maturity of loans and financing. If obligations are defaulted on or the loan and financing agreements default on due to certain situations, among which the earlier maturity of other contracts (*cross-acceleration* or *cross-default*), the loans and financing related to them may be considered to be overdue earlier by creditors.

12 Suppliers and other accounts payable

	Controller		Consolidated	
	31/12/2023	31/03/2023	31/12/2023	31/03/2023
Suppliers of goods and services	36,938	40,626	64,785	75,385
Trade payables - related parties (note 25)	-	29	-	-
Trade payables for property, plant and equipment	16,766	22,110	28,097	22,110
Other accounts payable - related parties (note 25)	589	1,081	589	1,081
Other payables	17,557	5,160	35,358	8,964
	71,850	69,006	128,829	107,540
Circulating	71,426	68,570	128,405	107,104
Non-current	424	436	424	436

Information about the Company's exposure to liquidity risks related to trade and other payables is disclosed in note 17.

13 Advances from clients

	Controller		Consolidated	
	31/12/2023	31/03/2023	31/12/2023	31/03/2023
Advances from clients	55,017	9,349	59,466	9,670

Due to the seasonal nature of the Company's operations, customer advances tend to increase over the harvest period to secure the company's receivables over the next months. At the end of the harvest, particularly in March, because inventories of products are at their lowest levels and earlier volumes tend to be lower than in the previous months.

14 Net deferred income tax and social contribution

Deferred tax assets, liabilities and profit or loss were attributed as follows:

Controller

	31/12/2023		31/03/2023		31/12/2023		31/12/2022	
	Assets	Passive	Assets	Passive	(9 months)	(9 months)	(3 months)	(3 months)
Attributable cost of property, plant and equipment	-	20,131	-	20,502	371	481	95	122
Fair value of biological assets	-	34,588	-	74,257	39,669	14,008	48,706	11,501
Gain on fixed assets in business combination	-	21,870	-	29,287	7,417	556	1,234	556
Encouraged accelerated depreciation	-	112,756	-	182,192	69,436	(52,094)	86,274	(17,018)
Recalculation of useful lives	-	31,939	-	28,667	(3,272)	(1,960)	(3,131)	(1,202)
Discounted present value	1,460	-	1,827	-	(367)	4,453	926	4,609
Fair value of investments	-	18,727	-	18,726	(1)	1	(1)	-
Leasing	-	7,691	-	6,494	(1,197)	(13,501)	(432)	3,369
CBIOS Fair Value	-	2,227	-	5,096	2,869	(2,727)	5,502	(808)
Under <i>dispute</i> taxes settled and added in previous years pending in LALUR on income tax	-	11,005	-	9,108	(1,897)	(2,290)	(548)	(2,389)
Revenue recognition - CPC 47	-	-	-	-	-	(2,148)	-	(1,381)
On temporary provisions	5,983	-	4,421	-	1,562	5,628	478	1,656
Derivative instruments	-	25,889	44,483	-	(70,372)	(19,992)	(98,075)	7,306
Income and social contribution tax losses	68,373	-	109,193	-	(40,820)	7,261	(83,685)	23,788
	75,816	286,823	159,924	374,329	3,398	(62,324)	(42,657)	30,109
Net deferred taxes		211,007		214,405				

Consolidated

	31/12/2023		31/03/2023		31/12/2023		31/12/2022		Result	
	Assets	Passive	Assets	Passive	(9 months)	(9 months)	(3 months)	(3 months)	(3 months)	(3 months)
Attributable cost of property, plant and equipment	-	20,131	-	20,502	371	481	95	122		
Accelerated depreciation encouraged - sugar cane farming	-	-	-	10,459	10,460	-	-	-		
Fair value of biological assets	24,988	34,588	19,520	74,257	45,137	36,473	65,529	33,966		
Gain on fixed assets in business combination	-	21,870	-	29,287	7,417	556	1,234	556		
Encouraged accelerated depreciation	-	112,756	-	182,192	69,436	(52,094)	86,274	(17,018)		
Recalculation of useful lives	-	31,939	-	28,667	(3,272)	(1,960)	(3,131)	(1,202)		
Discounted present value	1,460	-	1,827	-	(367)	4,453	926	4,609		
Fair value of investments	-	18,727	-	18,726	(1)	1	(1)	-		
Leasing	4,139	7,691	4,805	6,494	(1,864)	(13,583)	(3,250)	3,287		
Provisions for contingencies	2,453	-	292	-	2,161	541	1,022	541		
CBIOS Fair Value	1,397	2,227	-	5,435	4,605	(3,066)	6,758	(1,147)		
Under <i>dispute</i> taxes settled and added in previous years pending in LALUR on income tax	-	11,005	-	9,108	(1,897)	(2,290)	(548)	(2,389)		
Revenue recognition - CPC 47	-	-	-	-	-	(2,148)	-	(1,381)		
On temporary provisions	6,988	-	4,421	411	2,567	5,628	1,483	1,656		
Derivative instruments	-	25,889	44,483	-	(70,372)	(19,992)	(98,075)	7,306		
Income and social contribution tax losses	95,110	-	136,927	-	(41,406)	7,270	(83,867)	23,797		
	136,535	286,823	212,275	385,538	22,975	(39,730)	(25,551)	52,703		
Net deferred taxes	60,719	211,007	41,142	214,405						

Deferred income and social contribution taxes are recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Tax credits are recognized on income and social contribution tax losses that are not subject to the statute of limitations period and whose offsetting is limited to 30% of annual taxable profit.

Projected results are periodically reviewed and deferred tax assets are revalued if there are significant factors that may change the Company's prospects of realization.

The tax credit recovery estimates were based on estimated taxable profit considering several financial and business assumptions when they are prepared. Therefore, estimates may not be fulfilled in the future, considering the uncertainties inherent in these projections.

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

	Controller		Consolidated	
	Loss to offset	IRPJ (Corporate Income Tax)/CSLL (Social Contribution Tax) to be realized	Loss to offset	IRPJ (Corporate Income Tax)/CSLL (Social Contribution Tax) to be realized
Crop				
23/24	39,104	13,295	60,151	20,451
24/25	76,196	25,907	90,064	30,622
25/26	43,739	14,871	60,307	20,504
26/27	42,058	14,300	60,505	20,572
> 2027/28	-	-	8,709	2,961
Total	201,097	68,373	279,736	95,110

Usina Santa Vitória Açúcar e Álcool Ltda. has tax credits of R\$555,679 recognized for income and social contribution tax losses as of December 31, 2023. USV's Management considers the possibility of recognizing these credits and understood that they are not recoverable at the moment, and for that reason did not recognize them in its accounting records. Credits of this nature do not become time-barred and as soon as the Company finds it recoverable, they can be used to deficiencies in the income and social contribution taxes assessed by the Company.

The Company is investing in renovating and expanding sugarcane fields to increase its sugarcane production to meet USV's idle capacity and to build a sugar factory in the same unit. The increase in sugarcane production and the relaxation of the sugar and ethanol production mix cause the Company to estimate that the results reported by the Santa Vitória unit will be increased and start to lead to a profitability and consumption of accumulated tax losses.

The reconciliation between total tax expense calculated by applying tax rates and income and social contribution tax expenses in profit or loss is as follows:

Reconciliation of the effective tax rate	Controller			
	<u>31/12/2023</u> (9 months)	<u>31/12/2022</u> (9 months)	<u>31/12/2023</u> (3 months)	<u>31/12/2022</u> (3 months)
Accounting profit (loss) before income and social contribution taxes	74,309	810,608	118,422	420,632
Combined tax rate	34%	34%	34%	34%
Income and social contribution taxes at the combined tax rate	(25,265)	(275,607)	(40,263)	(143,015)
Adjustment to calculate the effective rate				
Permanent add-backs/deductions	(10,726)	(1,131)	(6,991)	(410)
Decarbonization credits - CBIOS	9,466	7,411	7,885	937
Gain on bargain purchase	-	145,524	-	145,524
Share of profit (loss) of equity-accounted investees	8,584	17,975	(15,175)	9,797
Tax incentives	21,339	43,504	11,887	17,276
Income and social contribution taxes in profit or loss for the year	<u>3,398</u>	<u>(62,324)</u>	<u>(42,657)</u>	<u>30,109</u>
Deferred income and social contribution taxes	3,398	(62,324)	(42,657)	30,109
Effective rate	5%	-8%	-36%	7%
Reconciliation of the effective tax rate	Consolidated			
	<u>31/12/2023</u> (9 months)	<u>31/12/2022</u> (9 months)	<u>31/12/2023</u> (3 months)	<u>31/12/2022</u> (3 months)
Accounting profit (loss) before income and social contribution taxes	60,139	789,222	103,037	396,635
Combined tax rate	34%	34%	34%	34%
Income and social contribution taxes at the combined tax rate	(20,447)	(268,335)	(35,032)	(134,855)
Adjustment to calculate the effective rate				
Calculation adjustment of subsidiaries on deemed profit	5,480	5,310	1,806	1,800
Permanent add-backs/deductions	(13,131)	7,645	(18,712)	8,366
Decarbonization credits - CBIOS	18,085	7,911	10,890	1,437
Gain on bargain purchase	-	145,524	-	145,524
Share of profit (loss) of equity-accounted investees	6,242	4,106	1,889	1,161
Tax incentives	21,339	56,901	11,887	30,673
Income and social contribution taxes in profit or loss for the year	<u>17,568</u>	<u>(40,938)</u>	<u>(27,272)</u>	<u>54,106</u>
Current income and social contribution taxes	(5,407)	(1,208)	(1,721)	1,403
Deferred income and social contribution taxes	22,975	(39,730)	(25,551)	52,703
Effective rate	29%	-5%	-26%	14%

15 Provision for contingencies

The Company and its subsidiaries are parties to lawsuits involving labor, environmental, civil and tax contingencies. To face future losses on these proceedings, a provision was accrued in an amount considered by the Company's Management sufficient to cover losses considered as probable. The Company and its subsidiaries classify the risk of loss in legal proceedings as "remote", "possible" or "probable". The likelihood of unfavorable outcome of these lawsuits, as well as the amounts involved, were assessed considering the plaintiffs' claims, legal opinion about the matters and the opinion of the Company's and its subsidiaries' legal counselors. The main information about the proceedings is as follows:

	Controller			
	31/12/2023		31/03/2023	
	Court deposits	Provision	Court deposits	Provision
Excise Tax (IPI) on crystal overtax - <i>under dispute</i>	7,805	7,805	7,609	7,609
Labor contingencies	408	2,017	661	2,317
PIS/COFINS/INSS	48,904	-	98,734	-
Other	3,923	2,857	3,613	7,833
	<u>61,040</u>	<u>12,679</u>	<u>110,617</u>	<u>17,759</u>

	Consolidated			
	31/12/2023		31/03/2023	
	Court deposits	Provision	Court deposits	Provision
Excise Tax (IPI) on crystal overtax - <i>under dispute</i>	7,805	7,805	7,609	7,609
Labor contingencies	2,411	5,562	2,112	6,352
PIS/COFINS/INSS	48,904	-	98,734	-
Other	3,923	7,758	3,613	12,653
	<u>63,043</u>	<u>21,125</u>	<u>112,068</u>	<u>26,614</u>

Changes in the balances of court deposits and provisions for contingencies in the nine-month period were as follows:

Court deposits	Controller			
	31/03/2023	Additions	Rollbacks	31/12/2023
IPI (Federal VAT) on crystal sugar - <i>under dispute</i>	7,609	196	-	7,805
Labor	661	39	(292)	408
PIS/COFINS/INSS	98,734	9,032	(58,862)	48,904
Other	3,613	576	(266)	3,923
	<u>110,617</u>	<u>9,843</u>	<u>(59,420)</u>	<u>61,040</u>

Court deposits	Consolidated			
	31/03/2023	Additions	Rollbacks	31/12/2023
IPI (Federal VAT) on crystal sugar - <i>under dispute</i>	7,609	196	-	7,805
Labor	2,112	1,030	(731)	2,411
PIS/COFINS/INSS	98,734	9,032	(58,862)	48,904
Other	3,613	576	(266)	3,923
	<u>112,068</u>	<u>10,834</u>	<u>(59,859)</u>	<u>63,043</u>
Provisions for contingencies	Controller			
	31/03/2023	Additions	Rollbacks	31/12/2023
IPI (Federal VAT) on crystal sugar - <i>under dispute</i>	7,609	196	-	7,805
Labor	2,317	294	(594)	2,017
Other	7,833	358	(5,334)	2,857
	<u>17,759</u>	<u>848</u>	<u>(5,928)</u>	<u>12,679</u>
Provisions for contingencies	Consolidated			
	31/03/2023	Additions	Rollbacks	31/12/2023
IPI (Federal VAT) on crystal sugar - <i>under dispute</i>	7,609	196	-	7,805
Labor	6,352	64	(854)	5,562
Other	12,653	544	(5,439)	7,758
	<u>26,614</u>	<u>804</u>	<u>(6,293)</u>	<u>21,125</u>

The Company's management, according to the information provided by its legal counselors, analyses of the outstanding claims and previous experiences about the claimed amounts, accrued a provision in an amount considered sufficient to cover probable losses on ongoing lawsuits. The accrued amount is comprised of:

a. Federal VAT (IPI) on crystal sugar - under dispute

Injunctions granted by the Company for crop seasons prior to 2000/2001, the Company highlighted the IPI (Federal VAT) on the shipment of sugar according to the claim that the taxation was unconstitutional, grounded, among other aspects, by violating the selection principle established by article 153, paragraph three, item I of Brazil's Constitution. In May 2001 the Company decided to pay IPI (Federal VAT).

Contingent liabilities not provided for

Contingent liabilities not recognized in the individual company and consolidated interim financial statements are civil and tax proceedings whose unfavorable outcome is considered possible. in the amount of R\$68,789 as of December 31, 2023 for Company and R\$77,458 in Consolidated (R\$65,497 - Company and R\$69,209 - Consolidated as of March 31, 2023), for which no provision was accrued. The principal amount consists of tax proceedings in which the main items of discussion are: PIS (Contribution to the Social Integration Program) and COFINS (Tax for Social Security Contribution), Social Security Contribution to the FunRURAL (Rural Workers' Assistance Fund), IRPJ (Corporate Income Tax) and CSLL (Social Contribution Tax).

16 Equity - Company

Capital

Subscribed and paid-in share capital as of December 31, 2023 amounted to R\$1,039,266 (R\$982,096 as of March 31, 2023). It consists of 303,541,864 registered ordinary shares with no par value (294,697,091 registered ordinary shares with no par value as of March 31, 2023), fully paid in.

In September 2023 the Company increased net capital by R\$57,170, within the limit of its authorized capital, by issuing 8,844,733 registered ordinary shares without par value by the Company for private subscription, approved at a meeting of the Company's Board of Directors held on August 15, 2023.

Legal Reserve

The legal reserve is recognized at the rate of 5% of annual profit, up to the limit of 20% of share capital, pursuant to article 193 of Act No. 6,404/76.

Tax incentives

Consists of the reserve that is set up under the tax incentive program. The amount of the benefit in a certain year is recognized in profit or loss as a reduction in income tax with a corresponding reserve recognized in equity. Under incentive rules, tax incentives may not be used to calculate or pay dividends. The amount of incentives can only be used to increase share capital and originates from the following incentives:

- (a) Discount obtained from the early settlement of the financing agreement entered into with the Fund for Fostering the Industrialization of the State of Goiás - FOMENTAR, which is offered to the public according to article one, paragraph one of Law 13.436/1998 of December 13, 1998;
- (b) Discount from the Industrial Development Program of the State of Goiás - PRODUIZIR, according to item VII, article 20 of Law 13.591 of January 18, 2000.
- (c) Granted ICMS credit on the sale of fuel anhydrous ethanol, a tax incentive granted by the State Government of Goiás to the companies which fall into the INCENTIVE or PRODUCTION programs, equivalent to 60% of the ICMS as if due on the sales of anhydrous ethanol made to the distributors. The benefit is regulated by State Act No. 13,246/99, article three, II.

The Company recognizes an "Investment Grant Reserve" at the end of each year in which profit is reported. The Company has parallel controls to allow the reserve to be capitalized as profits are reported in subsequent years, according to Regulatory Instruction No. 1,515/14, article three and Act No. 12,973/14, article 30, paragraph three. As of December 31, 2023 and March 31, 2023 there was no balance of unrecorded tax incentive reserve.

Minimum non-discretionary dividends

The Company's bylaws establish a percentage not lower than 25% of distributed profit when paying minimum non-discretionary dividends. Minimum non-discretionary dividends payable, when due, are highlighted from equity at year end and accounted for as an obligation in liabilities.

Interest on equity capital

Interest on equity capital or interest on equity capital is the interest paid or credited by the legal entity as return on equity capital, pursuant to paragraph seven, article nine of Law 9,249, december 26, 1995.

Under the Company's dividend distribution policy, the Company may remunerate shareholders by means of dividends and/or interest on equity capital, as established on the Company's bylaws. If the Company decides to pay interest on equity capital, the amount paid, net of withholding income tax, pursuant to applicable law, will be allocated to the non-discretionary dividends due to shareholders in the year.

Equity valuation adjustments

They consist of the effect of adopting attributable cost to property, plant and equipment due to the application of IAS 16 (CPC 27) and Technical Interpretation ICPC 10 on the transition date, less the related deferred income and social contribution taxes, and that has been realized through the depreciation, disposal or write-off of the assets that gave rise to them.

Treasury share reserve

On August 11, 2022, the Company's Board of Directors approved the implementation of a Program for the repurchase of the Company's shares whose purpose is to (a) invest the Company's funds in the efficient management of its capital structure and maximize the generation of value for shareholders; and (b) if the Company approves a share-based compensation plan, meet the future exercise of the grants that may be made.

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

By December 31, 2023 the Company acquired 1,994,200 shares at an average cost of R\$7.1512, totaling R\$14,261.

17 Financial instruments

a. Accounting classification

Given the characteristics of the financial instruments held by the Company and its subsidiaries, management considers that book balances approximate fair values.

Controller

	Carrying value			Fair Value	
	Fair value through profit or loss	Amortized cost	Other financial liabilities	Total	Level 2
31/12/2023					
Financial assets					
Cash and cash equivalents	-	1,036,578	-	1,036,578	-
Restricted cash	-	20,716	-	20,716	-
Derivative financial instruments	234,220	-	-	234,220	234,220
Dividends receivable	-	3,888	-	3,888	3,888
Trade and other receivables	-	79,883	-	79,883	-
Total	<u>234,220</u>	<u>1,141,065</u>	<u>-</u>	<u>1,375,285</u>	<u>238,108</u>
Financial liabilities measured at fair value					
Derivative financial instruments	158,077	-	-	158,077	158,077
Total	<u>158,077</u>	<u>-</u>	<u>-</u>	<u>158,077</u>	<u>158,077</u>
Financial liabilities not measured at fair value					
Loans and financing	-	-	2,490,656	2,490,656	2,590,508
Trade and other payables	-	-	71,850	71,850	-
Leases to be paid	-	-	990,930	990,930	-
Total	<u>-</u>	<u>-</u>	<u>3,553,436</u>	<u>3,553,436</u>	<u>2,590,508</u>
	Carrying value			Fair Value	
	Fair value through profit or loss	Amortized cost	Other financial liabilities	Total	Level 2
31/03/2023					
Financial assets					
Cash and cash equivalents	-	946,188	-	946,188	-
Restricted cash	-	21,760	-	21,760	-
Derivative financial instruments	191,990	-	-	191,990	191,990
Dividends receivable	-	9,659	-	9,659	-
Trade and other receivables	-	44,579	-	44,579	-
Total	<u>191,990</u>	<u>1,022,186</u>	<u>-</u>	<u>1,214,176</u>	<u>191,990</u>
Financial liabilities measured at fair value					
Derivative financial instruments	322,822	-	-	322,822	322,822
Total	<u>322,822</u>	<u>-</u>	<u>-</u>	<u>322,822</u>	<u>322,822</u>
Financial liabilities not measured at fair value					
Loans and financing	-	-	2,042,543	2,042,543	2,121,811
Trade and other payables	-	-	69,006	69,006	-
Leases to be paid	-	-	977,143	977,143	-
Total	<u>-</u>	<u>-</u>	<u>3,088,692</u>	<u>3,088,692</u>	<u>2,121,811</u>

Consolidated

	Carrying value			Fair Value
	Fair value through profit or loss	Amortized cost	Other financial liabilities	Level 2
31/12/2023				
Financial assets				
Cash and cash equivalents	-	1,088,671	-	1,088,671
Restricted cash	-	20,716	-	20,716
Derivative financial instruments	234,220	-	-	234,220
Dividends receivable	-	3,888	-	3,888
Trade and other receivables	-	154,983	-	154,983
Total	<u>234,220</u>	<u>1,268,258</u>	<u>-</u>	<u>1,502,478</u>
Financial liabilities measured at fair value				
Derivative financial instruments	158,077	-	-	158,077
Total	<u>158,077</u>	<u>-</u>	<u>-</u>	<u>158,077</u>
Financial liabilities not measured at fair value				
Loans and financing	-	-	2,567,661	2,567,661
Trade and other payables	-	-	128,829	128,829
Leases to be paid	-	-	1,450,771	1,450,771
Total	<u>-</u>	<u>-</u>	<u>4,147,261</u>	<u>2,667,513</u>

	Carrying value			Fair Value
	Fair value through profit or loss	Amortized cost	Other financial liabilities	Level 2
31/03/2023				
Financial assets				
Cash and cash equivalents	-	999,121	-	999,121
Restricted cash	-	21,760	-	21,760
Derivative financial instruments	191,990	-	-	191,990
Dividends receivable	-	2,215	-	2,215
Trade and other receivables	-	105,736	-	105,736
Total	<u>191,990</u>	<u>1,128,832</u>	<u>-</u>	<u>1,320,822</u>
Financial liabilities measured at fair value				
Derivative financial instruments	322,822	-	-	322,822
Total	<u>322,822</u>	<u>-</u>	<u>-</u>	<u>322,822</u>
Financial liabilities not measured at fair value				
Loans and financing	-	-	2,124,729	2,124,729
Trade and other payables	-	-	107,540	107,540
Leases to be paid	-	-	1,224,355	1,224,355
Total	<u>-</u>	<u>-</u>	<u>3,456,624</u>	<u>2,203,996</u>

The fair values of loans classified as current approximate their book values, given that the impact of the discount is not significant. Fair values are based on discounted cash flows according to the effective rate of each contract and are based on level 2 of the fair value hierarchy.

b. Measurement of fair values

The fair value of financial assets and liabilities is the amount at which an asset can be traded or a liability can be settled in a transaction between the parties that wish to trade rather than in a sale or forced settlement. The methods and assumptions used to estimate fair value are described below.

The fair values of cash and cash equivalents, accounts receivable, other financial assets, accounts payable and other short-term obligations approximate their book values due to the short-term maturity of these instruments. The fair values of other long-term assets and liabilities approximate their book values.

The fair values of the Company's financial liabilities approximate their book values, given that they are subject to floating interest rates and the Company's credit risk has not changed significantly.

Hedging instruments are valued using valuation techniques based on observable market data and basically consist of *interest rate and NDF swaps*. The valuation techniques applied by the Company generally include pricing models and contracts with present value calculations. Models incorporate a wide range of data, including the credit standing of counterparties, spot exchange and future 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 one: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: other techniques for which all data that have a significant effect on fair value are observable, whether directly or indirectly; And
- Level 3: Techniques that use data that have a significant effect on fair value that are not based on observable market data.

There were no transfers between levels to be considered as of December 31, 2023 and March 31, 2023.

c. Financial risk management

The Company is exposed to the following risks arising from financial instruments:

- Operational risks
- Credit risks;
- Liquidity cliffs;
- Market risks;
- Interest rate risks; And
- Exchange rate risks.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Risk management framework

Management has overall responsibility for the monitoring of the Company's and its subsidiaries' risk management policies, and department managers report regularly to the Presidency on their activities.

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

(i) Operational risks

Regulatory and environmental risks

The Company, its subsidiaries and associates are subject to the laws and regulations applicable to the activities in which they operate. Therefore, the Companies have 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 associates have decreased the risks *associated* with environmental issues due to operating procedures and controls with investments in pollution control equipment.

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

The Company, its subsidiaries and associates believe that no allowance for impairment loss on environmental issues is currently required, based on current laws and regulations in effect.

Climate and other risks

The operational activities of rubber trees and sugar cane 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 funds allocated to track and mitigate these risks, including regular crop inspections.

(ii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Exposure to credit risks

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk on the date of the individual company and consolidated interim financial statements was as follows:

	Controller		Consolidated	
	31/12/2023	31/03/2023	31/12/2023	31/03/2023
Cash and cash equivalents	1,036,578	946,188	1,088,671	999,121
Restricted cash	20,716	21,760	20,716	21,760
Trade and other receivables	78,597	43,429	154,612	105,053
Related party trade and other receivables	1,286	1,150	371	683
Hedging instruments	234,220	191,990	234,220	191,990
	<u>1,371,397</u>	<u>1,204,517</u>	<u>1,498,590</u>	<u>1,318,607</u>
Circulating	1,233,548	1,017,821	1,315,461	1,084,847
Non-current	137,849	186,696	183,129	233,760

Cash and cash equivalents

The Company and its subsidiaries have the principle of working with financial institutions whose credit *rating* is "AA" or higher than those assessed by reference institutions, such as S&P Global Ratings, Fitch Ratins and Moody's Investors Service. Market conditions regarding rates, terms and volume of exposure with each bank so that funds are not too concentrated in a single bank are also evaluated when funds are invested.

Trade and other receivables

The Company's and its subsidiaries' exposure to credit risk is mainly influenced by each client's individual characteristics. Moreover, sales are well distributed throughout the corporate year (mainly during the harvesting period), which allows the Company and its subsidiaries to stop deliveries to clients that may pose a possible credit risk.

Impairment losses

The Company assesses the nonparity of trade and other receivables according to:

- (a) Historical experience of losses per client and segment;
- (a) Assign a credit rating to each customer according to qualitative and quantitative measures for the customer; And
- (b) Assigns an impairment loss percentage for allowance purposes according to items (a) and (b) above and the situation of the client's trade receivables (current or overdue).

The aging of trade receivables in local and foreign markets on the date of the individual company and consolidated interim financial statements, for which impairment losses were recognized according to internal risk assessments, was as follows:

	Controller					
	31/12/2023			31/12/2022		
	Weighted- average loss rate	Gross carrying amount	Allowance for impairment loss	Weighted- average loss rate	Gross carrying amount	Allowance for impairment loss
Falling due	0%	56,346	-	0%	26,222	-
Past due 1-30 days	0%	11,184	-	0%	9,618	-
Past due 31-60 days	0%	114	-	0%	15	-
Past due 61-90 days	0%	95	-	0%	13	-
Past due 91-180 days	0%	65	-	0%	59	-
Past due 181-360 days	95%	1,984	1,876	97%	29	28
Past due for more than 360 days	100%	896	896	100%	810	810
		<u>70,684</u>	<u>2,772</u>		<u>36,766</u>	<u>838</u>

	Consolidated					
	31/12/2023			31/12/2022		
	Weighted- average loss rate	Gross carrying amount	Allowance for impairment loss	Weighted- average loss rate	Gross carrying amount	Allowance for impairment loss
Falling due	0%	137,338	-	0%	32,657	-
Past due 1-30 days	0%	14,464	-	0%	12,621	-
Past due 31-60 days	0%	114	-	0%	15	-
Past due 61-90 days	0%	100	-	0%	13	-
Past due 91-180 days	0%	85	-	0%	59	-
Past due 181-360 days	95%	1,984	1,876	97%	29	28
Past due for more than 360 days	100%	898	898	100%	810	810
		<u>154,983</u>	<u>2,774</u>		<u>46,204</u>	<u>838</u>

Changes in the allowance for ECLs were:

	Controller		Consolidated	
	31/12/2023	31/03/2023	31/12/2023	31/03/2023
Beginning Balance	(885)	(789)	(885)	(789)
Estimated loss	(2,001)	(117)	(2,001)	(117)
Low	6	21	6	21
Effect of foreign currency translation	108	-	108	-
	<u>(2,772)</u>	<u>(885)</u>	<u>(2,772)</u>	<u>(885)</u>

For customers with a history of default on financial liabilities, the Company and its subsidiaries seek to work with earlier payments.

Guarantees

The Company and its subsidiaries adopt the policy of not requiring guarantees from third parties.

(iii) Liquidity Cliff

Liquidity risk is the risk that the Company and its subsidiaries will encounter difficulty in meeting the obligations associated with their financial liabilities that are settled by delivering cash or another financial asset. The Company's and its subsidiaries' approach to managing

liquidity is to ensure, as far as possible, that they will always have sufficient liquidity to meet their liabilities when due, under both normal and stressed conditions, without causing losses to third parties or risking damage to the Company's and its subsidiaries' reputation.

The Company and its subsidiaries use information systems and management tools that allow them to monitor cash flow requirements and optimize their cash returns on investments. The Company and its subsidiaries follow the policy of operating highly liquid companies to ensure compliance with operating and financial obligations at least over an operating cycle; this includes the potential impact of extreme circumstances which cannot reasonably be predicted, such as natural disasters and cyclical movements in the *commodity market*.

In order to get more *disclosure* and transparency to its *stakeholders*, Jalles Machado is evaluated by two international risk rating agencies, *Standard and Poor's* and *Fitch Rating*. The *ratings* at Standard Ando Poor's are globally rated 'BB' and 'BrAAA' at the national scale, while the ratings at Fitch are globally rated 'BB-' and 'AA-(bra)' at the national scale.

It is not expected that the cash flows included in the maturity analyses of the Company and its subsidiaries could occur significantly earlier or at significantly different amounts.

Exposure to liquidity risk

The book values of financial liabilities that pose a liquidity risk are shown below:

Controller

	31/12/2023					
	Carrying value	Contractual flow	Within 12 months	Between one and two years	Between two and five years	Over five years
Trade and other payables (note 12)	71,850	71,850	71,426	18	18	388
Leases payable	990,930	1,662,478	82,713	202,436	314,830	390,951
Derivative financial instruments	158,077	158,077	93,969	34,262	22,742	7,104
Loans and financing (note 11)	2,490,656	3,204,099	305,562	371,691	1,129,698	1,397,148
	<u>3,711,513</u>	<u>5,096,504</u>	<u>553,670</u>	<u>608,407</u>	<u>1,467,288</u>	<u>1,795,591</u>
Circulating	425,473	553,670				
Non-current	3,286,040	4,542,834				
	31/03/2023					
	Carrying value	Contractual flow	Within 12 months	Between one and two years	Between two and five years	Over five years
Trade and other payables (footnote 12)	69,006	69,006	68,570	22	22	392
Leases payable	977,143	1,585,374	88,227	132,962	305,820	450,134
Derivative financial instruments	322,822	322,822	181,306	56,784	64,934	19,798
Loans and financing (footnote 11)	2,042,543	2,562,599	393,660	269,562	806,139	1,093,238
	<u>3,411,514</u>	<u>4,539,801</u>	<u>731,763</u>	<u>459,330</u>	<u>1,176,915</u>	<u>1,563,562</u>
Circulating	560,917	729,897				
Non-current	2,850,597	3,809,904				

Consolidated

	31/12/2023					Over five years
	Carrying value	Contractual flow	Within 12 months	Between one and two years	Between two and five years	
Trade and other payables payable (note 12)	128,829	128,829	128,405	18	18	388
Leases payable	1,450,771	2,016,163	117,902	274,280	401,304	657,284
Derivative financial instruments	158,077	158,077	93,969	34,262	22,742	7,104
Loans and financing agreements (note 11)	2,567,661	3,282,854	313,431	379,286	1,152,483	1,437,654
	<u>4,305,338</u>	<u>5,585,923</u>	<u>653,707</u>	<u>687,846</u>	<u>1,576,547</u>	<u>2,102,430</u>
Circulating	525,520	653,707				
Non-current	3,779,818	4,932,216				

	31/03/2023					Over five years
	Carrying value	Contractual flow	Within 12 months	Between one and two years	Between two and five years	
Trade and other payables (footnote 12)	107,540	107,540	107,104	22	22	392
Leases payable	1,224,355	1,967,893	113,266	168,683	404,470	537,938
Derivative financial instruments	322,822	322,822	181,306	56,784	64,934	19,798
Loans and financing (footnote 11)	2,124,729	2,697,217	410,326	283,913	845,715	1,157,263
	<u>3,779,446</u>	<u>5,095,472</u>	<u>812,002</u>	<u>509,402</u>	<u>1,315,141</u>	<u>1,715,391</u>
Circulating	632,395	810,136				
Non-current	3,147,051	4,285,336				

(iv) Market risk

Market risk is the risk that changes in market prices, such as sugar prices, exchange and interest rates, will affect the Company's and its subsidiaries' results or the value of their equity in financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company uses derivatives to manage market risks. All these transactions are carried out according to the guidelines set 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 sales of sugar, ethanol produced from sugar cane. When possible, the Company and its subsidiaries manage these risks, aligning their production volumes with market supply and demand. Management regularly analyzes the industry's trend to ensure that operating strategies are in line with the market and ensure that production volumes are consistent with expected demand.

Interest rate risk

The transactions of the Company and its subsidiaries are exposed to interest rates indexed to the CDI, TJLP, TR and IPCA rates. The Company, aiming at mitigating this type of risk, seeks to diversify its investments and funding in terms of fixed and floating rates and swap agreements.

Exposure to interest rate risk

On the date of the individual company and consolidated interim financial instruments, the profile of the Company's and its subsidiaries' interest-bearing financial instruments was as follows:

	Controller		Consolidated	
	31/12/2023	31/03/2023	31/12/2023	31/03/2023
Financial assets				
Cash and cash equivalents (note 3)	964,464	906,885	1,005,057	941,533
Restricted cash (note 4)	20,716	21,760	20,716	21,760
Financial liabilities				
Loans and financing (note 11)	2,271,313	1,922,654	2,348,318	2,004,813

Cash flow sensitivity analysis for floating rate instruments

According to the debt balance, the schedule of disbursements and the interest rates of loans and financing and assets, the Company presents a sensitivity analysis of how much would have increased (decreased) equity and profit or loss for the year according to the amounts shown below. The current scenario consists of the stable conditions of interest rates, with no changes. Scenario 1 corresponds to the scenario considered most probable in interest rates on the date of the individual company and consolidated interim financial statements, with a 5% variation in interest rates. Scenario 2 corresponds to the scenario considered possible, with a change of 15% in rates. Scenario 3 corresponds to the remote scenario, with a change of 25% in rates. The effects are presented as depreciation and appreciation in rates as follows:

Interest rate risk on financial assets and liabilities - appreciation of rates - Company

Instrument	Value	Risk	31/12/2023							
			Current scenario		Scenario One		Scenario Two		Scenario Three	
			%	Value	%	Value	%	Value	%	Value
Financial assets										
Financial investments	964,464	CDI	11.65%	112,360	12.23%	117,978	13.40%	129,214	14.56%	140,450
Restricted cash	20,716	CDI	11.65%	2,413	12.23%	2,534	13.40%	2,776	14.56%	3,016
Financial liabilities										
Finame (Machinery and Equipment Financing Fund)/ Finem (Machinery and Equipment Financing)/ Agricultural funding Multilateral / Working capital / Capital Market / Agricultural Costing	(41,457)	TLP	9.65%	(3,999)	10.13%	(4,199)	11.09%	(4,599)	12.06%	(4,999)
Capital market Finem / FCO Multilateral / Working Capital Working capital	(1,760,532) (8,370) (50,730) (18,000)	CDI IPCA (Consumer Price Index) TX, JRREP LIBOR 6m LIBOR 3m	13.39%	(52,522)	14.06%	(55,148)	15.40%	(60,400)	16.74%	(65,652)
			9.15%	(161,096)	9.61%	(169,151)	10.52%	(185,260)	11.44%	(201,370)
			6.81%	(571)	7.15%	(599)	7.83%	(656)	8.51%	(713)
			12.29%	(6,233)	12.90%	(6,545)	14.13%	(7,168)	15.36%	(7,791)
			6.28%	(1,131)	6.59%	(1,187)	7.22%	(1,300)	7.85%	(1,413)
Net finance costs (estimated)				<u>(110,779)</u>		<u>(116,317)</u>		<u>(127,393)</u>		<u>(138,472)</u>
Impact on profit or loss and equity (variation)						<u>(5,538)</u>		<u>(16,614)</u>		<u>(27,693)</u>

Interest rate risk on financial assets and liabilities - depreciation of rates - Company

Instrument	Value	Risk	31/12/2023							
			Current scenario		Scenario One		Scenario Two		Scenario Three	
			%	Value	%	Value	%	Value	%	Value
Financial assets										
Financial investments	964.464	CDI	11.65%	112,360	11,07%	106,742	9,90%	95,506	8.74%	84.270
Restricted cash	20.716	CDI	11.65%	2,413	11,07%	2,293	9,90%	2,051	8.74%	1.811
Financial liabilities										
Finame (Machinery and Equipment Financing Fund)/										
Finem (Machinery and Equipment Financing)/										
Agricultural funding Multilateral / Working capital / Capital Market /	(41.457)	TLP	9.65%	(3,999)	9,16%	(3,799)	8,20%	(3,399)	7.24%	(2.999)
Agricultural Costing	(392.224)	CDI IPCA (Consumer Price Index)	13.39%	(52,522)	12,72%	(49,896)	11,38%	(44,644)	10.04%	(39.392)
Capital market	(1.760.532)	TX. JRREP	9.15%	(161,096)	8,69%	(153,041)	7,78%	(136,932)	6.86%	(120.822)
Finem / FCO	(8.370)	LIBOR 6m	6.81%	(570)	6,47%	(542)	5,79%	(485)	5.11%	(428)
Multilateral / Working Capital	(50.730)	LIBOR 3m	12.29%	(6,233)	11,67%	(5,921)	10,44%	(5,298)	9.21%	(4.675)
Working capital	(18.000)		6.28%	(1,130)	5,96%	(1,074)	5,34%	(961)	4.71%	(848)
Net finance costs (estimated)				<u>(110,777)</u>		<u>(105,238)</u>		<u>(94,162)</u>		<u>(83.083)</u>
Impact on profit or loss and equity (variation)						<u>5,539</u>		<u>16,615</u>		<u>27,694</u>

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

Instrument	Value	Risk	31/12/2023							
			Current scenario		Scenario One		Scenario Two		Scenario Three	
			%	Value	%	Value	%	Value	%	Value
Financial assets										
Financial investments	1,005,057	CDI	11.65%	117,090	12,23%	122,944	13,40%	134,653	14.56%	146,362
Restricted cash	20,716	CDI	11.65%	2,413	12,23%	2,534	13,40%	2,776	14.56%	3,016
Financial liabilities										
BNDES/Finame/Leasing/CDC	(19,969)	SELIC	17.32%	(3,459)	18,19%	(3,632)	19,92%	(3,978)	21.65%	(4,324)
Finame (Machinery and Equipment Financing Fund)/										
Finem (Machinery and Equipment Financing)/										
Agricultural funding	(98,493)	TLP	10.42%	(10,263)	10,94%	(10,776)	11,98%	(11,802)	13.03%	(12,829)
Multilateral / Working capital / Capital Market /										
Agricultural Costing	(392,224)	CDI IPCA (Consumer Price	13.39%	(52,522)	14,06%	(55,148)	15,40%	(60,400)	16.74%	(65,652)
Capital market	(1,760,532)	Index	9.15%	(161,096)	9,61%	(169,151)	10,52%	(185,260)	11.44%	(201,370)
Finem / FCO	(8,370)	TX, JRREP	6.81%	(571)	7,15%	(599)	7,83%	(656)	8.51%	(713)
Multilateral / Working Capital	(50,730)	LIBOR 6m	12.29%	(6,233)	12,90%	(6,545)	14,13%	(7,168)	15.36%	(7,791)
Working capital	(18,000)	LIBOR 3m	6.28%	(1,131)	6,59%	(1,187)	7,22%	(1,300)	7.85%	(1,413)
Net finance costs (estimated)				<u>(115,772)</u>		<u>(121,560)</u>		<u>(133,135)</u>		<u>(144,714)</u>
Impact on profit or loss and equity (variation)						<u>(5,788)</u>		<u>(17,363)</u>		<u>(28,942)</u>

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

			31/12/2023							
			Current scenario		Scenario One		Scenario Two		Scenario Three	
Instrument	Value	Risk	%	Value	%	Value	%	Value	%	Value
Financial assets										
Financial investments	1.005.057	CDI	11,65%	117,089	11,07%	111,235	9,90%	99,526	8,74%	87.817
Restricted cash	20.349	CDI	11,65%	2,413	11,07%	2,293	9,90%	2,051	8,74%	1.811
Financial liabilities										
BNDES/Finame/Leasing/CDC Finame (Machinery and Equipment Financing Fund)/ Finem (Machinery and Equipment Financing)/ Agricultural funding Multilateral / Working capital / Capital Market / Agricultural Costing	(19.969)	SELIC	17,32%	(3,459)	16,46%	(3,286)	14,72%	(2,940)	12,99%	(2.594)
	(98.493)	TLP	10,42%	(10,263)	9,90%	(9,750)	8,86%	(8,724)	7,82%	(7.697)
	(392.224)	CDI IPCA (Consumer Price Index)	13,39%	(52,522)	12,72%	(49,896)	11,38%	(44,644)	10,04%	(39.392)
Capital market	(1.760.532)	TX. JRREP	9,15%	(161,096)	8,69%	(153,041)	7,78%	(136,932)	6,86%	(120.822)
Finem / FCO	(8.370)	LIBOR 6m	6,81%	(570)	6,47%	(542)	5,79%	(485)	5,11%	(428)
Multilateral / Working Capital	(50.730)	LIBOR 3m	12,29%	(6,233)	11,67%	(5,921)	10,44%	(5,298)	9,21%	(4.675)
Working capital	(18.000)		6,28%	(1,130)	5,96%	(1,074)	5,34%	(961)	4,71%	(848)
Net finance costs (estimated)				<u>(115,771)</u>		<u>(108,982)</u>		<u>(98,407)</u>		<u>(86.828)</u>
Impact on profit or loss and equity (variation)						<u>5,789</u>		<u>17,364</u>		<u>28,943</u>

(v) *Currency risk*

The Company and its subsidiaries are subject to currency risk (US dollar) on part of their loans denominating in a currency other than the functional currency.

Regarding other monetary assets and liabilities denominated in foreign currency, the Company and its subsidiaries ensure that their net exposure is kept at acceptable levels by buying or selling foreign currencies at spot market rates, when necessary, to handle short-term instabilities.

The short-term portions of monetary liabilities denominated in foreign currencies are backed by assets that are also denominated in foreign currency (export of sugar at a price denominated in foreign currency).

Foreign currency exposure

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

Company and Consolidated	31/12/2023		31/03/2023	
	RS	US\$	RS	US\$
Cash and cash equivalents	64,225	13,266	33,987	6,690
Trade and other receivables	28,691	5,926	15,050	2,962
Loans and financing	(115,769)	(23,913)	(194,509)	(38,286)
Net exposure	<u>(22,853)</u>	<u>(4,721)</u>	<u>(145,472)</u>	<u>(28,634)</u>

Sensitivity analysis - Currency risk

The sensitivity analysis is based on the exposure of loans and financing to monetary fluctuation in the US dollar. The Company presents three scenarios that would increase and reduce the risk variable by 5%, 10% and 15%. We present below the possible impacts of how much would have increased (decreased) equity and profit or loss for the year by the related amounts. These scenarios may have impacts on the Company's future results and/or cash flows, as described below:

- Scenario I: 5% variation in the main risk factor of the financial instrument in relation to the level reported in the probable scenario;
- Scenario II: 10% variation in the main risk factor of the financial instrument in relation to the level reported in the probable scenario; And
- Scenario III: 15% variation in the main risk factor of the financial instrument in relation to the level reported in the probable scenario.

Scenarios	Company and Consolidated							
			Increase (RS)			Decrease (RS)		
			Scenario One	Scenario Two	Scenario Three	Scenario One	Scenario Two	Scenario Three
	USD	RS						
<i>Financial instruments</i>								
<i>Assets</i>								
Cash and cash equivalents	13,266	64,225	3,211	6,422	9,634	(3,211)	(6,422)	(9,634)
Trade and other receivables	5,926	28,691	1,434	2,869	4,303	(1,434)	(2,869)	(4,303)
<i>Passive</i>								
Loans and financing	(23,913)	(115,769)	(5,789)	(11,577)	(17,366)	5,789	11,577	17,366
<i>Impact on profit or loss and Equity</i>								
			<u>(1,144)</u>	<u>(2,286)</u>	<u>(3,429)</u>	<u>1,144</u>	<u>2,286</u>	<u>3,429</u>

(vi) *Commodity price risk*

Following the risk management policy approved by the Board of Directors, the Company makes use of *commodity derivatives* to minimize the volatility of its results caused by natural fluctuations in commodity prices. Therefore, The Company sets product prices and makes the accounting recognition of assets and liabilities, rights and obligations at fair value, valued according to *commodity prices* at the Local and International Stock Exchanges (BM&F, ICE/NYBOT) and indexes disclosed by CEPEA/ESALQ.

The market uses as sales price benchmark for sugar the *Sugar #11/ICE sugar* obtained from the New York Stock Exchange, and ethanol the CEPEA/ESALQ indicator. The net exposure between assets (production expectations) and liabilities (fixing contracts) for sugar is managed and hedged (*hedged*) through Sugar #11/ICE (futures or over-the-counter) *derivative financial instruments* linked to the same stock exchange. With respect to ethanol, due to the lack of net derivative financial instruments for hedging purposes, the Company's exposure is managed according to the policies implemented for selling physical ethanol and has a proper storage structure to carry the product to its products at moments when the Company understands that selling it is unfavorable. The Bank monitors exposure and risks according to risk limits approved and pre-established by the Board of Directors.

Gains or losses arising from these hedging instruments are recognized in profit or loss.

Exposure to commodity price risk

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

Consolidated	Maturity (crop)	Volume		Notional (RS mil)	
		31/12/2023	31/03/2023	31/12/2023	31/03/2023
Physical/receivables					
Goods					
Sugar (tonnes)	2023-24	55,889	265,000	123,509	664,201
Sugar (tonnes)	2024-25	370,000	265,000	834,676	619,621
Sugar (tonnes)	2025-26	370,000	265,000	841,388	602,889
Ethanol (m3)	2023-24	194,126	400,000	389,193	1,161,500
Ethanol (m3)	2024-25	400,000	400,000	801,940	1,161,500
Ethanol (m3)	2025-26	400,000	400,000	801,940	1,161,500
Total				3,792,646	5,371,211
Futures contracts (forward)					
Short position					
Goods					
Sugar (tonne)	2023-24	-	229,653	-	(575,606)
Sugar (tonne)	2024-25	371,360	211,537	(837,743)	(494,614)
Sugar (tonne)	2025-26	236,787	45,162	(525,454)	(102,746)
				(1,363,197)	(1,172,966)
Total				2,429,449	4,198,245

* Sugar and ethanol volumes are based on the Company's estimates of production and revenues per crop.

The Company uses *non-deliverable forward* contracts to control the exposure of *commodities*, basically futures derivative contracts traded directly by the Company on a stock exchange (ICE/NYBOT) or over-the-counter financial institutions.

The fair value of futures and option contracts at the stock exchange is equivalent to the market value for the reversal of these positions. Transactions carried out at the stock exchange environment require initial margins to be offered and adjustments are made daily, according to fluctuations in benchmark prices. If the Company has a credit limit available with the institution that is intermediating the setting, margin coverage is realized by the institution itself, and the gain or loss of the position is only realized by the Company when the screen expires or the position is repurchased.

The fair value of over-the-counter contracts is measured at market values through public information. This measurement follows the usual market models and is monthly calculated by the Company and by the banks that broker the transactions. Margin deposits are not required for these contracts. The impact on the Company's cash flows is only on the settlement date.

Sensitivity analysis for commodity risk

The Company has adopted three scenarios for the sensitivity analysis, one probable of which consists of using as reference the prices used in the Company's budget for the 2023/24 crop, and the other two that may show the effects of depreciation of the fair value of the Company's financial instruments considering fluctuations of 25% and 50% on the market rate of December 31, 2023.

Production	Notional	Likely		Elevation		Reduction	
		31/12/2023	25%	50%	25%	50%	
Sugar	1,799,573	288,424	449,893	899,787	(449,893)	(899,787)	
Ethanol	1,993,073	668,648	498,268	996,537	(498,268)	(996,537)	
	<u>3,792,646</u>	<u>957,072</u>	<u>948,161</u>	<u>1,896,324</u>	<u>(948,161)</u>	<u>(1,896,324)</u>	
Futures contracts (forward)							
Goods							
Sugar	(1,363,197)	(232,264)	340,799	681,599	(340,799)	(681,599)	
	<u>(1,363,197)</u>	<u>(232,264)</u>	<u>340,799</u>	<u>681,599</u>	<u>(340,799)</u>	<u>(681,599)</u>	
Total effect on the Company's profit or loss							
	<u>2,429,449</u>	<u>724,808</u>	<u>1,288,960</u>	<u>2,577,923</u>	<u>(1,288,960)</u>	<u>(2,577,923)</u>	

Due to the seasonal fluctuations in *commodity prices* - sugar, this scenario is subject to fluctuations during the year/crop.

d. Capital management

The purpose of the Company's and its subsidiaries' capital management is to balance equity and debt, the return for shareholders and the risk for shareholders and creditors.

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

e. Hedging financial instruments

The Company is exposed to market risks, as follows:

- (i) Volatility in the prices of sugar and by-products;
- (ii) Exchange rate volatility; And

- (iii) Volatility of interest rates. The purchase of financial instruments for hedging purposes is made according to an analysis of the risk exposure that Management seeks to cover.

As of December 31 and March 31, 2023 the fair values of transactions with derivative financial instruments for hedging purposes measured according to observable factors, such as prices quoted in active markets or discounted cash flows according to market curves, are as follows:

			31/12/2023	
			Company and Consolidated	
Hedge	Winning	Notional	Assets	Passive
NDF - Sugar	From January 2024 to December2024	226,885,921	63,650	75,944
NDF - Currency	From January 2024 to December2024	90,768,216	43,399	3,025
SWAP	From January 2024 to December2024	1,796,085,973	7,092	15,000
NDF - Sugar	From January 2025 to December2025	130,921,156	26,259	20,359
NDF - Currency	From January 2025 to December2025	44,654,184	19,559	1,742
SWAP	From January 2025 to December2025	1,875,563,850	2,281	12,162
NDF - Sugar	From January 2026 to December2026	16,823,139	3,391	113
NDF - Currency	From January 2026 to December2026	960,960	20	-
SWAP	From January 2026 to December2026	1,631,564,488	6,189	6,679
SWAP	From January 2027 to December2027	1,568,887,647	1,357	6,645
SWAP	From January 2028 to December2028	1,404,420,347	23,946	9,306
SWAP	From January 2029 to December 2033	1,849,541,351	37,077	7,102
			234,220	158,077
Circulating			114,141	93,969
Non-current			120,079	64,108

			31/03/2023	
			Company and Consolidated	
Hedge	Winning	Notional	Assets	Passive
NDF - Sugar	From April 2023 to March 2024	183,366,842	-	133,923
NDF - USD	From April 2023 to March 2024	28,175,298,24	20,128	-
SWAP	From April 2023 to March 2024	1,501,737,774	3,949	47,383
NDF - Sugar	From April 2024 to March 2025	103,061,726	4,581	28,568
NDF - USD	From April 2024 to March 2025	19,031,000	12,171	849
SWAP	From April 2024 to March 2025	1,357,195,756	595	27,359
NDF - Currency	From April 2024 to March 2025	-	1,946	7
NDF - Sugar	From April 2025 to March 2029	19,986,373	-	3,279
NDF - USD	From April 2025 to March 2029	8,374,632	152	-
SWAP	From April 2025 to March 2029	1,461,073,587	24,149	27,718
NDF - Currency	From April 2025 to March 2029	-	115	-
SWAP	From April 2026 to March 2027	1,062,510,550	-	17,951
SWAP	From April 2027 to March 2028	1,061,700,983	-	15,986
SWAP	From April 2028 to March 2033	2,040,606,952	124,204	19,799
			191,990	322,822
Circulating			24,077	181,306
Non-current			167,913	141,516

Derivative financial instruments do not qualify for hedge accounting. Changes in the fair value of any of these derivative instruments are recognized directly in profit or loss.

Income from hedging instruments

The Company recognized the gains and losses on those transactions in profit or loss for the year. As of December 31, 2023, the impacts recognized in profit or loss are shown below:

	Company and Consolidated			
	31/12/2023 (9 months)	31/12/2022 (9 months)	31/12/2023 (3 months)	31/12/2022 (3 months)
Hedging transactions, net				
Settled transactions				
Sugar transactions	(158,022)	(108,890)	(2,989)	(197,418)
Foreign exchange transactions	14,302	18,121	719	27,154
Index transactions	(16,607)	(29,302)	(11,109)	(30,096)
	<u>(160,327)</u>	<u>(120,071)</u>	<u>(13,379)</u>	<u>(200,360)</u>
Outstanding transactions				
Sugar transactions	152,212	77,758	231,044	162,118
Foreign exchange transactions	30,915	(6,621)	26,788	(21,540)
Index transactions	23,850	(12,338)	30,624	(3,432)
	<u>206,977</u>	<u>58,799</u>	<u>288,456</u>	<u>137,146</u>
	<u>46,650</u>	<u>(61,272)</u>	<u>275,077</u>	<u>(63,214)</u>

In order to reduce the volatility of its cash flows and asset protection due to fluctuations in sugar and foreign exchange prices, the Company has implemented a Commodity and Liquidity Risk Management Policy, which consists of several *hedging* instruments to hedge a portion of projected sales volume at floating prices. with the sole purpose of mitigating the risks arising from the mismatches between assets and liabilities (prices of commodities, interest rates or exchange rates).

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

- i. Setting future prices of sugar in US dollar;
- ii. Purchase or sale of foreign exchange on demand or future;
- iii. *Foreign* currency swaps;
- iv. Early payment or proceeds of foreign currency financing;
- v. Purchase and sale of foreign exchange options and commodity prices;
- vi. Investments in foreign currency funds;
- vii. Purchase and sale of sugar options; And
- viii. Maintenance of cash and cash equivalents in foreign currency.

18 Net revenue

The Company generates revenue mainly from the sale of products derived from the processing of sugar cane. Revenue is recognized when title to the goods sold is transferred at the amount considered by the Company to be probable that the consideration to which it is entitled will be collected.

The Company's and its subsidiaries' operating revenues consist of revenue from the sale of goods, as shown below:

	Controller			
	31/12/2023 (9 months)	31/12/2022 (9 months)	31/12/2023 (3 months)	31/12/2022 (3 months)
External market				
White sugar	49,988	22,465	19,089	4,999
Organic sugar	161,513	175,869	59,358	60,583
	<u>211,501</u>	<u>198,334</u>	<u>78,447</u>	<u>65,582</u>
Domestic market				
Ethanol	251,341	626,384	99,081	150,352
Sugar	631,098	494,677	220,257	142,839
Organic sugar	25,690	31,690	7,821	13,456
Soybean	2,149	742	-	-
Sanitizing	36,404	57,115	11,510	15,916
Derivatives of levedura	8,061	6,060	1,711	1,521
CBIOS	27,841	21,798	23,192	2,757
Other sales	4,914	3,663	1,098	843
	<u>987,498</u>	<u>1,242,129</u>	<u>364,670</u>	<u>327,684</u>
Gross revenue	<u>1,198,999</u>	<u>1,440,463</u>	<u>443,117</u>	<u>393,266</u>
(-) Taxes on sales	(128,252)	(154,426)	(51,661)	(40,118)
(-) Returns	(4,175)	(6,568)	(2,179)	(3,124)
Total net operating revenue	<u>1,066,572</u>	<u>1,279,469</u>	<u>389,277</u>	<u>350,024</u>
Reconciliation of net revenue per market				
Domestic market				
Gross revenue	987,498	1,242,129	364,670	327,684
(-) Taxes on sales	(128,252)	(154,426)	(51,661)	(40,118)
(-) Returns	(4,175)	(6,568)	(2,179)	(3,124)
Net revenue	<u>855,071</u>	<u>1,081,135</u>	<u>310,830</u>	<u>284,442</u>
External market				
Gross revenue	211,501	198,334	78,447	65,582
(-) Returns	-	-	-	-
Net revenue	<u>211,501</u>	<u>198,334</u>	<u>78,447</u>	<u>65,582</u>
Total net revenue	<u>1,066,572</u>	<u>1,279,469</u>	<u>389,277</u>	<u>350,024</u>

	Consolidated			
	31/12/2023 (9 months)	31/12/2022 (9 months)	31/12/2023 (3 months)	31/12/2022 (3 months)
External market				
White sugar	49,988	22,465	19,089	4,999
Organic sugar	161,513	175,869	59,358	60,583
	<u>211,501</u>	<u>198,334</u>	<u>78,447</u>	<u>65,582</u>
Domestic market				
Ethanol	551,218	784,367	191,866	308,335
Sugar	631,098	494,677	220,257	142,839
Organic sugar	25,690	31,690	7,821	13,456
Soybean	2,361	742	-	-
Electricity	81,413	23,419	27,613	23,419
Sanitizing	36,404	57,115	11,510	15,916
Derivatives of levedura	8,061	6,060	1,711	1,521
CBIOS	53,192	23,268	32,031	4,227
Other sales	12,587	4,375	3,249	1,586
	<u>1,402,024</u>	<u>1,425,713</u>	<u>496,058</u>	<u>511,299</u>
Gross revenue	<u>1,613,525</u>	<u>1,624,047</u>	<u>574,505</u>	<u>576,881</u>
		1,600,628		
(-) Taxes on sales	(202,499)	(179,523)	(76,463)	(64,505)
(-) Returns	(4,175)	(6,568)	(2,179)	(3,124)
Total net operating revenue	<u>1,406,851</u>	<u>1,437,956</u>	<u>495,863</u>	<u>509,252</u>
Reconciliation of net revenue per market				
Domestic market				
Gross revenue	1,402,024	1,425,713	496,058	511,299
(-) Taxes on sales	(202,499)	(179,523)	(76,463)	(64,505)
(-) Returns	(4,175)	(6,568)	(2,179)	(3,124)
Net revenue	<u>1,195,350</u>	<u>1,239,622</u>	<u>417,416</u>	<u>443,670</u>
External market				
Gross revenue	211,501	198,334	78,447	65,582
(-) Returns	-	-	-	-
Net revenue	<u>211,501</u>	<u>198,334</u>	<u>78,447</u>	<u>65,582</u>
Total net revenue	<u>1,406,851</u>	<u>1,437,956</u>	<u>495,863</u>	<u>509,252</u>

Performance obligations and revenue recognition policies

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

The Company recognizes revenue when it recognizes the consideration it expects to receive in exchange for control of the merchandise. Sales are not estimated and there is no loyalty program. The Company considers that all performance obligations are fulfilled when the product is delivered, which is also the moment revenue is recognized.

19 Operating costs and expenses by nature

a. Cost of sales

	Controller			
	31/12/2023 (9 months)	31/12/2022 (9 months)	31/12/2023 (3 months)	31/12/2022 (3 months)
Amortization of biological assets	(181,561)	(156,916)	(69,130)	(46,948)
Crop depreciation	(76,784)	(84,962)	(29,231)	(26,117)
Depreciation of machinery, equipment and facilities	(97,833)	(107,345)	(44,188)	(43,977)
Depreciation of right-of-use	(63,766)	(80,998)	(26,536)	(37,614)
Services rendered by third parties	(57,368)	(66,447)	(20,699)	(20,219)
Personnel costs	(52,868)	(56,071)	(19,827)	(16,832)
Operation and maintenance	(63,774)	(74,302)	(24,085)	(23,706)
Raw material / industrial input	(42,382)	(66,552)	(14,319)	(22,171)
Freight	(25,770)	(37,291)	(9,211)	(8,943)
Other expenses	(16,023)	(30,800)	(5,837)	(6,265)
CBIOS	(26,878)	(16,722)	(24,065)	(3,286)
	<u>(705,007)</u>	<u>(778,406)</u>	<u>(287,128)</u>	<u>(256,078)</u>

	Consolidated			
	31/12/2023 (9 months)	31/12/2022 (9 months)	31/12/2023 (3 months)	31/12/2022 (3 months)
Amortization of biological assets	(270,747)	(190,237)	(113,311)	(80,269)
Crop depreciation	(55,195)	(92,122)	(2,577)	(33,277)
Depreciation of machinery, equipment and facilities	(200,287)	(127,641)	(88,100)	(64,273)
Depreciation of right-of-use	(89,383)	(73,248)	(37,861)	(28,455)
Services rendered by third parties	(69,679)	(69,268)	(26,525)	(23,040)
Personnel costs	(104,949)	(100,606)	(38,833)	(61,367)
Operation and maintenance	(85,288)	(89,549)	(25,475)	(38,953)
Raw material / industrial input	(71,624)	(97,488)	(29,630)	(53,107)
Freight	(25,770)	(37,350)	(9,211)	(9,002)
Other expenses	(242)	(42,692)	(1,483)	(34,143)
CBIOS	(36,382)	(16,722)	(23,790)	(3,286)
	<u>(1,009,546)</u>	<u>(936,923)</u>	<u>(396,796)</u>	<u>(429,172)</u>

b. Selling expenses

	Controller			
	31/12/2023 (9 months)	31/12/2022 (9 months)	31/12/2023 (3 months)	31/12/2022 (3 months)
Transportation expenses	(39,568)	(38,420)	(11,949)	(10,879)
Sales commissions	(6,984)	(8,801)	(2,377)	(2,778)
Personnel costs	(13,164)	(10,892)	(4,295)	(3,722)
Other expenses	(9,621)	(8,038)	(3,031)	(1,964)
Services rendered by third parties	(14,640)	(26,713)	(4,784)	(7,452)
Storage / greenhouse / inspection - sugar	(8,704)	(6,287)	(3,514)	(2,182)
Depreciation	(4,078)	(4,320)	(1,347)	(1,304)
Insurance expenses	(1,853)	(1,810)	(627)	(615)
Advertising	(1,223)	(927)	(378)	(281)
	<u>(99,835)</u>	<u>(106,208)</u>	<u>(32,302)</u>	<u>(31,177)</u>

	Consolidated			
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	(9 months)	(9 months)	(3 months)	(3 months)
Transportation expenses	(39,568)	(38,420)	(11,949)	(10,879)
Sales commissions	(7,534)	(8,801)	(2,596)	(2,778)
Personnel costs	(13,188)	(10,894)	(4,304)	(3,724)
Other expenses	(11,760)	(8,124)	(3,757)	(2,050)
Services rendered by third parties	(14,640)	(26,713)	(4,784)	(7,452)
Storage / greenhouse / inspection - sugar	(8,704)	(6,304)	(3,514)	(2,199)
Depreciation	(4,239)	(4,372)	(1,363)	(1,356)
Insurance expenses	(1,853)	(1,810)	(627)	(615)
Advertising	(1,223)	(927)	(378)	(281)
	<u>(102,709)</u>	<u>(106,365)</u>	<u>(33,272)</u>	<u>(31,334)</u>

c. General and administrative expenses

	Controller			
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	(9 months)	(9 months)	(3 months)	(3 months)
Personnel costs	(32,225)	(31,826)	(10,737)	(10,537)
Services rendered by third parties	(24,328)	(25,092)	(7,055)	(11,108)
Other expenses	(7,549)	(4,746)	(2,099)	(2,430)
Depreciation	(2,717)	(2,523)	(930)	(875)
Tax expenses - Protege/GO	(11,419)	(14,119)	(5,076)	(2,970)
Early production	(2,475)	(4,336)	(1,159)	(1,342)
Tax expenses	(5,705)	6,700	(4,559)	505
Aid and donations	(1,427)	(1,402)	(313)	(425)
Reversal/(Provision) for contingencies	5,011	15	(3,949)	(39)
	<u>(82,834)</u>	<u>(77,329)</u>	<u>(27,979)</u>	<u>(29,221)</u>

	Consolidated			
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	(9 months)	(9 months)	(3 months)	(3 months)
Personnel costs	(36,151)	(34,836)	(11,012)	(13,547)
Services rendered by third parties	(29,353)	(28,297)	(9,915)	(14,280)
Other expenses	(13,409)	(2,881)	(5,602)	(541)
Depreciation	(3,749)	(2,871)	(1,301)	(1,223)
Tax expenses - Protege/GO	(11,419)	(14,119)	(5,076)	(2,970)
Early production	(2,475)	(4,336)	(1,159)	(1,342)
Tax expenses	(9,923)	6,464	(5,648)	274
Aid and donations	(1,427)	(1,402)	(313)	(425)
Reversal/(Provision) for contingencies	5,011	15	(3,949)	(39)
	<u>(102,895)</u>	<u>(82,263)</u>	<u>(36,077)</u>	<u>(34,093)</u>

20 Other operating revenues (expenses) net

	Controller			
	31/12/2023 (9 months)	31/12/2022 (9 months)	31/12/2023 (3 months)	31/12/2022 (3 months)
Tax incentive - produce (a)	24,745	43,361	11,588	13,420
Tax incentive - boosting (b)	19,142	30,178	13,470	16,383
Granted credit on anhydrous ethanol (c)	21,142	38,285	10,434	5,718
Credit grant on ethanol Carb, Left	584	2,253	32	-
Disposal of property, plant and equipment items	3,270	1,977	1,368	1,234
Decarbonization credit rating (d)	18,439	24,742	7,883	5,662
Other operating income	7,533	7,561	2,531	1,566
Gain on bargain purchase in subsidiary	-	428,011	-	428,011
	<u>94,855</u>	<u>592,699</u>	<u>47,306</u>	<u>488,325</u>
(-) Other expenses	(493)	(75)	(36)	(28)
(-) Cost of disposal of assets written off	(2,135)	(1,980)	(1,232)	(1,124)
	<u>(2,628)</u>	<u>(2,055)</u>	<u>(1,268)</u>	<u>(1,152)</u>
Other operating income	<u>92,227</u>	<u>590,644</u>	<u>46,038</u>	<u>487,173</u>

	Consolidated			
	31/12/2023 (9 months)	31/12/2022 (9 months)	31/12/2023 (3 months)	31/12/2022 (3 months)
Tax incentive - produce (a)	24,745	43,361	11,588	13,420
Tax incentive - boosting (b)	19,142	30,178	13,470	16,383
Granted credit on anhydrous ethanol (c)	21,142	38,285	10,434	5,718
Credit grant on ethanol Carb, Left	584	2,253	32	-
Disposal of property, plant and equipment items	3,270	1,977	1,368	1,234
Decarbonization credit rating (d)	20,315	29,780	7,776	10,700
Other operating income	8,437	10,384	2,552	4,257
Gain on bargain purchase in subsidiary	-	428,011	-	428,011
	<u>97,635</u>	<u>630,111</u>	<u>47,220</u>	<u>525,605</u>
(-) Other expenses (e)	(18,530)	(1,580)	(6,630)	(1,533)
(-) Cost of disposal of assets written off	(2,135)	(2,809)	(1,234)	(1,953)
	<u>(20,665)</u>	<u>(4,389)</u>	<u>(7,864)</u>	<u>(3,486)</u>
Other operating income	<u>76,970</u>	<u>625,722</u>	<u>39,356</u>	<u>522,119</u>

- (a) Tax incentive, regulated by article 20 of State Law 13.591/2000, granted by the State Government of Goiás consisting of a discount on the payment of 73% of the ICMS due on the sales of incentive products offered by the Otávio Lage Unit.
- (b) Tax incentive obtained from the early settlement of the financing agreement entered into with the Fund for Fostering the Industrialization of the State of Goiás - FOMENTAR, which is offered to the public according to article one, paragraph one of Law 13.436/1998 of December 13, 1998.
- (c) Tax incentive granted by the State Government of Goiás to the companies covered by the INCENTIVE or PRODUCTION programs, equivalent to 60% of the ICMS amount as if due on the sale of anhydrous ethanol to distribution companies. The benefit is regulated by State Act No. 13,246/99, article three, II.
- (d) Decarbonization credits - CBIOS are recognized when revenue is recognized for anhydrous ethanol product and hydrated at market value. When the inventory valuation of CBIOS is identified, the impairment loss is recognized as other operating revenues (expenses), net. The sale of credits is recognized as gross revenue and the write-off of inventories on the cost of goods sold.
- (e) In April 2023 Jalles Bioenergia S.A. was punished by R\$10,524 thousand, against which the National Operator of the Electricity System (ONS) punished the Company for breaching the agreement for availability of electricity. On December 4, 2023, the National Electricity Agency – ANEEL upheld the request made by Jalles Bioenergia S.A. for the National Operator of the Electric System – ONS to change the classification of the operating status of UG1 of UTE

Santa Vitória de Desligamento em Urgência (DUR) for An Emergency Termination. Therefore, the Company is waiting for ONS's formalization with respect to the inflation adjustment in the unbilled amounts to reverse the punishment previously recognized.

21 Net finance income (costs)

	Controller			
	31/12/2023 (9 months)	31/12/2022 (9 months)	31/12/2023 (3 months)	31/12/2022 (3 months)
Finance costs				
Interest	(218,734)	(140,697)	(76,494)	(65,219)
Granted discounts	(1,352)	(1,908)	(1,140)	(539)
Other	(15,230)	(27,371)	(8,541)	(9,967)
	<u>(235,326)</u>	<u>(169,976)</u>	<u>(85,175)</u>	<u>(75,725)</u>
Finance income				
Income from financial investments	80,169	111,412	25,338	31,491
Interest	9,176	14,351	2,542	1,496
Other	13,213	8,228	4,683	2,813
	<u>102,558</u>	<u>133,991</u>	<u>32,563</u>	<u>35,800</u>
Foreign exchange and monetary fluctuations, net				
Trade payables	(456)	2,909	(1,204)	(1,641)
Cash equivalents	(2,403)	3,809	(1,737)	2,011
Loans and financing	7,293	(18,640)	3,784	7,719
	<u>4,434</u>	<u>(11,922)</u>	<u>843</u>	<u>8,089</u>
Hedging transactions, net				
Settled transactions				
Sugar transactions	(158,022)	(108,890)	(2,989)	(197,418)
Foreign exchange transactions	14,302	18,121	719	27,154
Index transactions	(16,607)	(29,302)	(11,109)	(30,096)
	<u>(160,327)</u>	<u>(120,071)</u>	<u>(13,379)</u>	<u>(200,360)</u>
Outstanding transactions				
Sugar transactions	152,212	77,758	231,044	162,118
Foreign exchange transactions	30,915	(6,621)	26,788	(21,540)
Index transactions	23,850	(12,338)	30,624	(3,432)
	<u>206,977</u>	<u>58,799</u>	<u>288,456</u>	<u>137,146</u>
	<u>46,650</u>	<u>(61,272)</u>	<u>275,077</u>	<u>(63,214)</u>
Net finance costs	<u>(81,684)</u>	<u>(109,179)</u>	<u>222,308</u>	<u>(95,050)</u>

	Consolidated			
	31/12/2023 (9 months)	31/12/2022 (9 months)	31/12/2023 (3 months)	31/12/2022 (3 months)
Finance costs				
Interest	(240,561)	(145,535)	(85,705)	(72,691)
Granted discounts	(1,362)	(2,242)	(1,162)	(873)
Other	(15,415)	(27,440)	(8,602)	(10,033)
	<u>(257,338)</u>	<u>(175,217)</u>	<u>(95,469)</u>	<u>(83,597)</u>
Finance income				
Income from financial investments	83,976	114,812	26,221	33,406
Interest	9,589	14,377	2,805	1,543
Other	13,243	8,240	4,740	2,825
	<u>106,808</u>	<u>137,429</u>	<u>33,766</u>	<u>37,774</u>
Foreign exchange and monetary fluctuations, net				
Trade payables	(456)	2,909	(1,204)	(1,641)
Cash equivalents	(2,403)	3,809	(1,737)	2,011
Loans and financing	7,293	(18,640)	3,784	7,719
	<u>4,434</u>	<u>(11,922)</u>	<u>843</u>	<u>8,089</u>
Hedging transactions, net				
Settled transactions				
Sugar transactions	(158,022)	(108,890)	(2,989)	(197,418)
Foreign exchange transactions	14,302	18,121	719	27,154
Index transactions	(16,607)	(29,302)	(11,109)	(30,096)
	<u>(160,327)</u>	<u>(120,071)</u>	<u>(13,379)</u>	<u>(200,360)</u>
Outstanding transactions				
Sugar transactions	152,212	77,758	231,044	162,118
Foreign exchange transactions	30,915	(6,621)	26,788	(21,540)
Index transactions	23,850	(12,338)	30,624	(3,432)
	<u>206,977</u>	<u>58,799</u>	<u>288,456</u>	<u>137,146</u>
	<u>46,650</u>	<u>(61,272)</u>	<u>275,077</u>	<u>(63,214)</u>
Net finance costs	<u>(99,446)</u>	<u>(110,982)</u>	<u>214,217</u>	<u>(100,948)</u>

22 Earnings per share

The calculation of basic and diluted earnings per share was based on profit attributable to ordinary shareholders.

Weighted-average number of ordinary shares (basic and diluted):

	Consolidated			
	31/12/2023 (9 months)	31/12/2022 (9 months)	31/12/2023 (3 months)	31/12/2022 (3 months)
Profit (loss) from continuing operations	77,707	748,284	75,765	450,741
Weighted average number of shares available to shareholders	<u>296,015,661</u>	<u>294,103,719</u>	<u>296,015,661</u>	<u>294,103,719</u>
Basic and diluted earnings per share (in reais)	<u>0.2625</u>	<u>2.5443</u>	<u>0.2559</u>	<u>1.5326</u>

23 Leases to be paid

The Company has urban property lease agreements and its branch's industrial park and agreements entered into with shareholders and third parties to guarantee part of its production for the next harvesting periods.

After an evaluation and inventory of contracts, Jalles Machado S.A. recognized assets and liabilities related to agreements: agricultural partnerships for sugar cane cultivation which, although the legal nature is a rural partnership under the Land Constitution (Act No. 4,504 of November 30, 1964, with amendments to Act No. 11,443 of January 5, 2007) came to fall into the concept of right to use the accounting standard in compliance with CPC 06(R2)/IFRS 16.

When measuring lease liabilities for those leases previously classified as operating leases, the Company discounted the lease payments and the assets identified in the rural partnership contracts using its incremental borrowing rate as of December 31, 2023, which was 5.5% p.a. (8.50% p.a. as of March 31, 2023).

Agricultural partnership agreements are distributed as follows:

	Controller		Consolidated	
	31/12/2023	31/03/2023	31/12/2023	31/03/2023
Partnership area	73.185 hectares	71.992 hectares	115.211 hectares	71.992 hectares

Changes in the right of use during the nine-month period ended December 31, 2023 were as follows:

	Controller			
	Agricultural partnership	Planta industrial	Rents	Total
Balance as of March 31, 2022	730,575	73,855	3,309	807,739
Additions	306,014	-	-	306,014
Depreciation	(93,552)	(25,458)	(283)	(119,293)
Remeasurements	81,538	3,357	-	84,895
Low	(49,912)	-	-	(49,912)
Balance as of December 31, 2022	<u>974,663</u>	<u>51,754</u>	<u>3,026</u>	<u>1,029,443</u>
Additions	8,559	-	-	8,559
Depreciation	162	(8,625)	(96)	(8,559)
Remeasurements	(15,649)	-	182	(15,467)
Balance as of March 31, 2023	<u>967,735</u>	<u>43,129</u>	<u>3,112</u>	<u>1,013,976</u>
Additions	73,934	-	-	73,934
Depreciation	(103,598)	(25,878)	(301)	(129,777)
Remeasurements	32,325	-	-	32,325
Low	(3,267)	-	-	(3,267)
Balance as of December 31, 2023	<u>967,129</u>	<u>17,251</u>	<u>2,811</u>	<u>987,191</u>

	Consolidated		
	Agricultural partnership	Rents	Total
Balance as of March 31, 2022	730,575	3,309	733,884
Addition by business combination	176,054	22,962	199,016
Additions	340,215	-	340,215
Depreciation	(105,342)	(4,854)	(110,196)
Remeasurements	72,982	-	72,982
Low	(49,912)	-	(49,912)
Balance as of December 31, 2022	<u>1,164,572</u>	<u>21,417</u>	<u>1,185,989</u>
Additions	81,484	-	81,484
Depreciation	(8,070)	(4,207)	(12,277)
Remeasurements	7,356	182	7,538
Balance as of March 31, 2023	<u>1,245,342</u>	<u>17,392</u>	<u>1,262,734</u>
Addition by business combination	-	-	-
Additions	270,523	-	270,523
Depreciation	(136,447)	(6,545)	(142,992)
Remeasurements	57,544	-	57,544
Low	(3,267)	-	(3,267)
Balance as of December 31, 2023	<u>1,433,695</u>	<u>10,847</u>	<u>1,444,542</u>

Changes in lease and agricultural partnership liabilities during the nine-month period ended December 31, 2023 were as follows:

	Controller			
	Agricultural partnership	Planta industrial	Rents	Total
Balance as of March 31, 2022	706,035	76,892	3,309	786,236
Additions	306,014	-	-	306,014
Depreciation	(51,180)	(25,365)	(283)	(76,828)
Low	(49,912)	-	-	(49,912)
Repayment of interest	(36,054)	(3,835)	(76)	(39,965)
Accrued interest	36,054	3,835	76	39,965
Subsequent measurements	45,266	3,575	-	48,841
Balance as of December 31, 2022	<u>956,223</u>	<u>55,102</u>	<u>3,026</u>	<u>1,014,351</u>
Additions	8,559	-	-	8,559
Depreciation	(38,179)	(8,626)	(102)	(46,907)
Repayment of interest	(11,656)	(1,418)	(26)	(13,100)
Accrued interest	11,656	1,418	26	13,100
Subsequent measurements	958	-	182	1,140
Balance as of March 31, 2023	<u>927,561</u>	<u>46,476</u>	<u>3,106</u>	<u>977,143</u>
Additions	73,934	-	-	73,934
Depreciation	(63,030)	(25,876)	(298)	(89,204)
Low	(3,268)	-	-	(3,268)
Repayment of interest	(36,017)	(4,255)	(79)	(40,351)
Accrued interest	36,017	4,255	79	40,351
Subsequent measurements	32,325	-	-	32,325
Balance as of December 31, 2023	<u>967,522</u>	<u>20,600</u>	<u>2,808</u>	<u>990,930</u>

Consolidated

	December 31, 2023				
	Carrying value	Within 12 months	Between one and two years	Between two and five years	Over five years
Agricultural partnerships payable	962,435	82,107	167,865	237,342	475,121
Agricultural partnerships payable (related parties)	476,763	30,632	101,928	162,441	181,762
Leases payable	8,765	4,656	4,109	-	-
Leases payable (related parties)	2,808	507	378	1,521	402
	<u>1,450,771</u>	<u>117,902</u>	<u>274,280</u>	<u>401,304</u>	<u>657,285</u>
Circulating	117,902				
Non-current	1,332,869				

	March 31, 2023				
	Carrying value	Within 12 months	Between one and two years	Between two and five years	Over five years
Agricultural partnerships payable	722,017	82,527	99,262	233,047	307,183
Agricultural partnerships payable (parties related)	482,714	22,919	64,787	165,469	229,539
Leases	16,518	7,442	4,256	4,820	-
Leases (parties related)	3,106	378	378	1,134	1,216
	<u>1,224,355</u>	<u>113,266</u>	<u>168,683</u>	<u>404,470</u>	<u>537,938</u>
Circulating	113,266				
Non-current	1,111,089				

24 Commitments

Sugar sales commitments

The Parent Company has several agreements in the sugar market whereby it commits itself to selling these products in future crops. These volumes related to commitments are as follows:

Product	31/12/2023	31/03/2023
Sugar (in tonnes) - Jalles Machado Unit	48,447	21,320
Ethanol (m ³)	29,203	8,889

Crop commitments are the following:

Sugar	31/12/2023	31/03/2023
Crop		
2020/2021 (in tonnes)	-	64
2021/2022 (in tonnes)	-	123
2022/2023 (in tonnes)	1,689	21,133
2023/2024 (in tonnes)	46,758	-
	<u>48,447</u>	<u>21,320</u>
Ethanol		
Crop		
2022/2023 (m ³)	29,203	8,889
	<u>29,203</u>	<u>8,889</u>

25 Related parties

Transactions with key management personnel

Key management personnel compensation

Key management personnel consist of Top Management and members of the Board of Directors and Audit elected at the Annual Shareholders' Meeting. The amounts relating to the compensation paid to key management personnel during the nine-month period ended December 31, 2023 as short-term benefits were R\$8,159 (R\$4,471 as of December 31, 2022), recorded as administrative expenses, and include salaries, fees, variable compensation and direct and fringe benefits.

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

Other related party transactions

The main balances of assets and liabilities as of December 31, 2023 and March 31, 2023, as well as the transactions that had an impact on profit or loss for the nine-month period ended December 31, 2023 and 2022 with respect to transactions with related parties, originate mainly from transactions with shareholders and companies related to the same economic group.

Jalles Machado S.A.
Interim financial statements as of
December 31, 2023

	Controller							
	Assets		Passive		Result			
	31/12/2023	31/03/2023	31/12/2023	31/03/2023	31/12/2023 (9 months)	31/12/2022 (9 months)	31/12/2023 (3 months)	31/12/2022 (3 months)
Circulating								
Banks - checking account (note 3) (c)	3,870	2,373	-	-	-	-	-	-
Financial investments (note 3) (c)	24,273	35,077	-	-	3,491	8,181	915	2,922
Inventories (note 6)	-	38	-	-	(346)	(273)	(179)	(93)
	<u>28,143</u>	<u>37,488</u>	<u>-</u>	<u>-</u>	<u>3,145</u>	<u>7,908</u>	<u>736</u>	<u>2,829</u>
Dividends receivable								
Albioma Codora Energia S,A,	3,888	-	-	-	-	-	-	-
Albioma Esplanada Energia S,A,	-	2,215	-	-	-	-	-	-
	<u>3,888</u>	<u>2,215</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Circulating								
Trade receivables and trade payables (note 5) (note 12)								
Albioma Codora Energia S/A (a) (b)	-	-	-	-	1,204	807	(152)	335
Albioma Esplanada Energia S/A,	-	-	-	-	(69)	(6,522)	-	(87)
Santa Vitória Açúcar e Alcool Ltda,	400	-	-	29	360	-	400	-
Jalles Machado Empreendimentos Imobiliários S/A	5	5	-	-	45	45	15	15
Vera Cruz Agropecuária Ltda,	-	-	-	-	9	24	2	20
Solo Verde S,A,	22	-	-	-	328	549	127	86
Return on guarantees to shareholders (h)	-	-	589	1,081	(3,843)	(4,272)	(2,216)	(1,253)
	<u>427</u>	<u>5</u>	<u>589</u>	<u>1,110</u>	<u>(1,966)</u>	<u>(9,369)</u>	<u>(1,824)</u>	<u>(884)</u>
Leases (note 22)								
Leases payable (c)	-	-	21,107	38,229	(4,266)	(4,455)	(1,421)	(1,453)
Agricultural partnerships payable (d)	-	-	30,632	22,919	(3,203)	(4,065)	(589)	144
	<u>-</u>	<u>-</u>	<u>51,739</u>	<u>61,148</u>	<u>(7,469)</u>	<u>(8,520)</u>	<u>(2,010)</u>	<u>(1,309)</u>
Non-current (note 5)								
Purolim S/A	510	463	-	-	47	46	15	25
Solo Verde S,A, (i)	-	682	-	-	-	95	-	30
	<u>510</u>	<u>1,145</u>	<u>-</u>	<u>-</u>	<u>47</u>	<u>141</u>	<u>15</u>	<u>55</u>
Right of use (note 22)								
Right-of-use - partnerships (f)	476,763	482,714	-	-	35,438	8,095	11,822	23,918
Right of use - leases (g)	23,408	49,582	-	-	(26,179)	(22,384)	(8,726)	(8,719)
	<u>500,171</u>	<u>532,296</u>	<u>-</u>	<u>-</u>	<u>9,259</u>	<u>(14,289)</u>	<u>3,096</u>	<u>15,199</u>
Leases (note 22)								
Leases payable (c)	-	-	2,301	11,353	(68)	(3,031)	(27)	9
Agricultural partnerships payable (d)	-	-	446,131	459,795	(30,474)	(40,854)	(5,608)	2,341
	<u>-</u>	<u>-</u>	<u>448,432</u>	<u>471,148</u>	<u>(30,542)</u>	<u>(43,885)</u>	<u>(5,635)</u>	<u>2,350</u>

	Consolidated							
	Assets		Passive		Result			
	31/12/2023	31/03/2023	31/12/2023	31/03/2023	31/12/2023 (9 months)	31/12/2022 (9 months)	31/12/2023 (3 months)	31/12/2022 (3 months)
Circulating								
Banks - checking account (note 3) (c)	4,385	5,946	-	-	-	-	-	-
Financial investments (note 3) (c)	55,532	65,227	-	-	6,615	10,269	1,650	3,534
Inventories (note 6)	-	38	-	-	(346)	(273)	(179)	(93)
	<u>59,917</u>	<u>71,211</u>	<u>-</u>	<u>-</u>	<u>6,269</u>	<u>9,996</u>	<u>1,471</u>	<u>3,441</u>
Dividends								
Albioma Codora Energía S,A,	3,888	-	-	-	-	-	-	-
Albioma Esplanada Energía S,A,	-	2,215	-	-	-	-	-	-
	<u>3,888</u>	<u>2,215</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Circulating								
Trade payables								
Vera Cruz Agropecuária Ltda,	-	-	-	-	9	24	2	20
Solo Verde S,A, (i)	22	-	-	-	328	549	127	86
Albioma Codora Energía S/A	-	-	-	-	1,204	807	(152)	335
Albioma Esplanada Energía S/A,	-	-	-	-	(69)	(6,522)	-	(87)
Return on guarantees to shareholders (h)	-	-	589	1,081	(3,843)	(4,272)	(2,216)	(1,253)
	<u>22</u>	<u>-</u>	<u>589</u>	<u>1,081</u>	<u>(2,371)</u>	<u>(9,414)</u>	<u>(2,239)</u>	<u>(899)</u>
Leases (note 22)								
Agricultural partnerships payable (d)	-	-	30,632	22,919	(3,203)	(4,065)	(589)	144
Leases payable (e)	-	-	507	378	(11)	(9)	(4)	(3)
	<u>-</u>	<u>-</u>	<u>31,139</u>	<u>23,297</u>	<u>(3,214)</u>	<u>(4,074)</u>	<u>(593)</u>	<u>141</u>
Non-current - trade and other receivables (note 5)								
Solo Verde S,A, (i)	-	682	-	-	-	95	-	30
	<u>-</u>	<u>682</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>95</u>	<u>-</u>	<u>30</u>
Right of use (note 22)								
Right of use - agricultural partnerships (f)	476,763	482,714	-	-	35,438	8,095	11,822	23,918
Right of use - leases (g)	2,808	3,106	-	-	(301)	(283)	(100)	(93)
	<u>479,571</u>	<u>485,820</u>	<u>-</u>	<u>-</u>	<u>35,137</u>	<u>7,812</u>	<u>11,722</u>	<u>23,825</u>
Leases (note 22)								
Agricultural partnerships payable (d)	-	-	446,131	459,795	(30,474)	(40,854)	(5,608)	2,341
Leases payable (e)	-	-	2,301	2,728	(68)	(67)	(27)	(23)
	<u>-</u>	<u>-</u>	<u>448,432</u>	<u>462,523</u>	<u>(30,542)</u>	<u>(40,921)</u>	<u>(5,635)</u>	<u>2,318</u>

- (a) Sale of merchandise and provision of sundry services to affiliated company Albioma Codora Energia S.A. and Albioma Esplanada Energia S.A.
- (b) Acquisition and sale of merchandise and services from associate Albioma Esplanada Energia S.A. and Albioma Esplanada Energia S.A.
- (c) Balance consisting of checking accounts and financial investments bearing interest at market remuneration with Banco Coopercred, a credit cooperative in which the Company is a shareholder.
- (d) Agricultural partnerships are with shareholders and companies of the same economic group to grow sugar cane. although the legal nature of the partnership is rural in accordance with Earth's bylaws (Act No. 4,504 of November 30, 1964, with amendments to Act No. 11,443 of January 5, 2007) they fall into the concept of right to use the accounting standard in accordance with CPC 06(R2)/IFRS 16. The calculation of sugarcane prices for partnership payment purposes is based on the total recoverable sugarcane priced using Consecana's methodology using the mix of products and prices charged by Jalles Machado S.A.. This amount is adjusted according to the contractual term, production volume, irrigation capacity, feasibility of organic sugarcane production, extension of the farm, distance, soil quality, relief and strategic interest. These specific conditions were duly negotiated by the parties.
- (e) Agreement for the lease of the industrial facilities of subsidiary Jalles Machado Empreendimentos Imobiliários S.A. where the Company has installed the branch in Unidade Otávio Lage and urban properties leased by Agrojalles S.A.
- (f) Rights of use of land leased as agricultural partnerships. Agricultural partnerships with shareholders and companies of the same economic group for cultivating sugar cane, although the legal nature of the partnership is rural in accordance with Earth's bylaws (Act No. 4,504 of November 30, 1964, with amendments to Act No. 11,443 of January 5, 2007) they fall into the concept of right to use the accounting standard in accordance with CPC 06(R2)/IFRS 16. The calculation of sugarcane prices for partnership payment purposes is based on the total recoverable sugarcane priced using Consecana's methodology using the mix of products and prices charged by Jalles Machado S.A.. This amount is adjusted according to the contractual term, production volume, irrigation capacity, feasibility of organic sugarcane production, extension of the farm, distance, soil quality, relief and strategic interest. These specific conditions were duly negotiated by the parties.
- (g) Right of use on the lease of an industrial park between the parent company and Jalles Machado Empreendimentos Imobiliários S.A.
- (h) Compensation for guarantees (real and personal) pledged under financial agreements entered into by Jalles Machado S.A., where shareholders assumed joint liability for fulfilling all main and accessory obligations. Term: term of each financial agreement, i.e. while the guarantee lasts. Yield rate: 1.60% p.a., equivalent to 80% of the value of the letter of guarantee - according to a price quotation made with three major banking institutions.
- (i) Sale of 25% of the aircraft to Solo Verde S.A. (formerly called Agrojalles S.A.) according to an agreement entered into by the parties on December 7, 2021. On December 22, 2021 Agrojalles S.A. paid 25% of the difference between the aircraft's market value and the debt balance and will pay the percentage equivalent to 25% of each falling due portion of the debt agreed on July 20, 2018. On the date the agreement was signed there remained 33 installments to be paid.

On April 22, 2015, the Company entered into an agreement with its associate, Albioma Codora Energia S.A. com to gather assets, input, technical, human and financial resources from the parties to produce electricity and water vapor, which uses biomass (bagasse and straw of sugar cane, wood cava, sawdust, among other compounds) and is in effect until March 15, 2035, the Company is in charge of supplying input, receiving in exchange for electricity.

Employee benefits

The Company and its subsidiaries provide their employees with benefits that basically consist of food, transportation, scholarships, 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, which is eligible for all collaborators hired under formal employment agreements. The goals and criteria for calculating and distributing the rewards are agreed by the parties, including the trade unions that represent the interests of collaborators. They include productivity, competitiveness and motivation gains and participants' engagements.

The amounts related to employee benefits recognized as administrative expenses and cost of goods sold in profit or loss are as follows:

	Controller			
	31/12/2023 (9 months)	31/12/2022 (9 months)	31/12/2023 (3 months)	31/12/2022 (3 months)
Power	18,945	17,101	5,687	5,945
Transport	23,394	21,454	7,104	6,368
Profit sharing	15,923	17,948	4,094	3,993
Medical/dental care	5,653	9,497	246	5,277
Education	1,222	1,146	412	460
Scholarship	70	46	19	19
Other	17,535	14,426	5,579	5,162
	82,742	81,618	23,141	27,224

	Consolidated			
	31/12/2023 (9 months)	31/12/2022 (9 months)	31/12/2023 (3 months)	31/12/2022 (3 months)
Power	19,928	19,739	6,029	8,583
Transport	33,889	24,289	10,594	9,203
Profit sharing	18,436	17,948	4,094	3,993
Medical/dental care	10,397	10,610	184	6,390
Education	1,222	1,156	412	470
Scholarship	70	46	19	19
Other	17,623	14,556	5,615	5,292
	101,565	88,344	26,947	33,950

26 Segment reporting

An operating segment is a component of the Company and its subsidiaries that carry out business activities on 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 for assessing its performance, for which individual company financial information is available.

The Company and its subsidiaries have two operating segments: one - sugar, ethanol and by-products of the agroindustrial sugarcane process; 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 Company's and its subsidiaries' operating segments according to the reports used for making strategic decisions, reviewed by the main decision makers, among which: Executive Board according to the levels set by the procedures implemented by the Company and its subsidiaries.

Analyses are conducted segmenting business from the standpoint of industrial processes by the Company and its subsidiaries, and consist of the following segments:

Sugar, ethanol and by-products from the agroindustrial process of sugar cane (AED).
Electricity.

The performance of operating segments is evaluated according to the statement of income per business, with a focus on profitability:

	31/12/2023				Total
	AED Goiás	AED Minas Gerais	Energy	Other	
Gross revenue					
Domestic market					
Ethanol	251,342	299,876	-	-	551,218
White sugar	631,098		-	-	631,098
Organic sugar	25,690		-	-	25,690
Soybean	2,149	212	-	-	2,361
Electricity	-		81,413	-	81,413
Sanitizing	36,404		-	-	36,404
Derivatives of yeast	8,061		-	-	8,061
CBIOS	27,841	25,351	-	-	53,192
Other sales	4,859	577	7,151	-	12,587
	<u>987,444</u>	<u>326,016</u>	<u>88,564</u>	<u>-</u>	<u>1,402,024</u>
External market					
White sugar	49,988	-	-	-	49,988
Organic sugar	161,513	-	-	-	161,513
	<u>211,501</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>211,501</u>
(-) Taxes, at and sales deductions	<u>(132,427)</u>	<u>(58,692)</u>	<u>(14,455)</u>	<u>(1,100)</u>	<u>(206,674)</u>
Net revenue	<u>1,066,518</u>	<u>267,324</u>	<u>74,109</u>	<u>(1,100)</u>	<u>1,406,851</u>
Cost of sales	(701,464)	(255,460)	(52,622)	-	(1,009,546)
Changes in the market value of biological assets	<u>(116,676)</u>	<u>(8,882)</u>	<u>-</u>	<u>-</u>	<u>(125,558)</u>
Gross profit	<u>248,378</u>	<u>2,982</u>	<u>21,487</u>	<u>(1,100)</u>	<u>271,747</u>
Selling expenses	(99,835)	(570)	(2,304)	-	(102,709)
Other operating expenses, net	7,511	(20,609)	(14,851)	137	(27,812)
Operating profit	<u>156,054</u>	<u>(18,197)</u>	<u>4,332</u>	<u>(963)</u>	<u>141,226</u>
Share of profit of equity-accounted investees	18,359	-	-	-	18,359
Net finance income (costs)	<u>(80,265)</u>	<u>(14,081)</u>	<u>(8,273)</u>	<u>3,173</u>	<u>(99,446)</u>
Result before two tributes	<u>94,148</u>	<u>(32,278)</u>	<u>(3,941)</u>	<u>2,210</u>	<u>60,139</u>
Current and deferred income and social contribution taxes	<u>3,396</u>	<u>19,159</u>	<u>(629)</u>	<u>(4,358)</u>	<u>17,568</u>
Profit or loss for the period	<u>97,545</u>	<u>(13,119)</u>	<u>(4,570)</u>	<u>(2,148)</u>	<u>77,707</u>

	31/12/2022				Total
	AED Goiás	AED Minas Gerais	Energy	Other	
Gross revenue					
Domestic market					
Ethanol	626,384	157,983	-	-	784,367
White sugar	494,677	-	-	-	494,677
Organic sugar	31,690	-	-	-	31,690
Soybean	742	-	-	-	742
Electricity	-	-	23,419	-	23,419
Sanitizing	57,115	-	-	-	57,115
Derivatives of yeast	6,060	-	-	-	6,060
CBIOS	21,798	1,470	-	-	23,268
Other sales	3,619	64	692	-	4,375
	<u>1,242,085</u>	<u>159,517</u>	<u>24,111</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>-</u>	<u>198,334</u>
(-) Taxes, at and sales deductions	(160,994)	(20,682)	(3,338)	(1,077)	(186,091)
Net revenue	<u>1,279,425</u>	<u>138,835</u>	<u>20,773</u>	<u>(1,077)</u>	<u>1,437,956</u>
Cost of sales	(757,964)	(159,942)	(19,017)	-	(936,923)
Changes in the market value of biological assets	(41,201)	(4,872)	-	-	(46,073)
Gross profit	<u>480,260</u>	<u>(25,979)</u>	<u>1,756</u>	<u>(1,077)</u>	<u>454,960</u>
Selling expenses	(106,208)	(157)	-	-	(106,365)
Other operating expenses, net	513,266	30,166	(3,951)	51	539,532
Operating profit	<u>887,318</u>	<u>4,030</u>	<u>(2,195)</u>	<u>(1,026)</u>	<u>888,127</u>
Share of profit of equity-accounted investees	12,077	-	-	-	12,077
Net finance income (costs)	(105,126)	(4,452)	(3,521)	2,117	(110,982)
Result before two tributes	<u>794,269</u>	<u>(422)</u>	<u>(5,716)</u>	<u>1,091</u>	<u>789,222</u>
Current and deferred income and social contribution taxes	(62,325)	25,282	35	(3,930)	(40,938)
Profit or loss for the period	<u>731,944</u>	<u>24,860</u>	<u>(5,681)</u>	<u>(2,839)</u>	<u>748,284</u>

In the nine-month period ended December 31, 2023 and 2022, no Company's client accounted for 10% or more of the net revenues reported by the sugar, ethanol and by-products industry in Goiás. In the nine-month period ended December 31, 2023 a client accounted for 18.93% of the net revenues reported by the sugar, ethanol and by-products industry in Minas Gerais, and one client accounted for 10.70% of net revenues in the electricity industry in Minas Gerais (in the same period in 2022, two clients accounted for 28.51% of net revenues, of sugar, ethanol and by-products in Minas Gerais and one client accounted for 10% or more of net revenues reported by the electricity industry in Minas Gerais).

The tables below show revenue for the Company and its subsidiaries by geographic region:

Assets	AED			Energy		Total	
	31/12/2023 Goiás	31/12/2023 Minas Gerais	31/03/2023	31/12/2023	31/03/2023	31/12/2023	31/03/2023
Circulating							
Cash and cash equivalents	1,068,352	7,652	991,754	12,667	7,367	1,088,671	999,121
Restricted cash	13,232	-	14,149	-	-	13,232	14,149
Trade and other receivables	69,192	2,082	36,482	28,143	11,018	99,417	47,500
Inventories	451,111	262,034	187,179	9,942	9,007	723,087	196,186
Advances to suppliers	2,607	1,819	6,306	745	478	5,171	6,784
Biological assets	316,970	52,221	599,551	-	-	369,191	599,551
Derivative financial instruments	114,141	-	24,077	-	-	114,141	24,077
Recovered taxes	36,532	34,519	108,618	960	3,244	72,011	111,862
Recovered income and social contribution taxes	34,462	-	43,530	9	1,326	34,471	44,856
Dividends receivable	3,888	-	2,215	-	-	3,888	2,215
Other assets	2,104	729	5,079	15	3	2,848	5,082
Current assets	2,112,591	361,056	2,018,940	52,481	32,443	2,526,128	2,051,383
Non-current							
Long-term assets							
Restricted cash	7,484	-	7,611	-	-	7,484	7,611
Trade and other receivables	9,775	45,791	58,236	-	-	55,566	58,236
Derivative financial instruments	120,079	-	167,913	-	-	120,079	167,913
Deferred taxes	60,719	32,977	13,819	27,742	27,323	60,719	41,142
Court deposits	61,040	1,960	112,068	43	-	63,043	112,068
Recovered taxes	22,197	74,384	96,495	6,215	6,521	102,796	103,016
Recovered income and social contribution taxes	-	458	1,662	-	-	458	1,662
Total long-term assets	281,294	155,570	457,804	34,000	33,844	410,145	491,648
Investments	94,865	2	82,222	-	-	94,867	82,222
Property, Plant and Equipment	1,526,054	565,013	2,082,099	159,338	175,028	2,250,396	2,257,127
Right of use	969,939	474,603	1,262,734	-	-	1,444,542	1,262,734
Intangible assets	9,924	3,626	13,875	1,222	1,230	14,772	15,105
	2,600,773		3,440,930	160,560	176,258	3,804,577	3,617,188
Non-current assets	2,882,067	1,198,814	3,898,734	194,560	210,102	4,214,722	4,108,836
Total assets	4,994,658	1,559,870	5,917,674	247,041	242,545	6,740,850	6,160,219

	AED			Energy		Total	
	31/12/2023 Goiás	31/12/2023 Minas Gerais	31/03/2023	31/12/2023	31/03/2023	31/12/2023	31/03/2023
Passive							
Circulating							
Loans and financing	177,365	-	222,814	7,879	7,905	185,244	230,719
Leases to be paid	62,114	55,788	113,266	-	-	117,902	113,266
Trade and other payables	71,026	43,680	100,861	13,699	6,243	128,405	107,104
Derivative financial instruments	93,969	-	181,306	-	-	93,969	181,306
Provisions and payroll charges	27,208	13,759	41,561	1,671	970	42,638	42,531
Tax liabilities	13,922	4,624	11,006	3,116	2,663	21,662	13,669
Dividends payable	-	-	129,557	-	-	-	129,557
Income and social contribution taxes payable	1,363	-	1,364	1,116	1,173	2,479	2,537
Advances from clients	55,019	4,371	9,540	76	130	59,466	9,670
Current liabilities	501,986	122,222	811,275	27,557	19,084	651,765	830,359
Non-current							
Loans and financing	2,313,292	-	1,819,729	69,125	74,281	2,382,417	1,894,010
Leases to be paid	908,216	424,653	1,111,089	-	-	1,332,869	1,111,089
Derivative financial instruments	64,108	-	141,516	-	-	64,108	141,516
Deferred taxes	271,726	-	214,405	-	-	211,007	214,405
Tax liabilities	5,013	-	4,546	-	-	5,013	4,546
Trade and other payables	424	-	436	-	-	424	436
Provisions for contingencies	12,679	8,446	26,614	-	-	21,125	26,614
Non-current liabilities	3,575,458	433,099	3,318,335	69,125	74,281	4,016,963	3,392,616
Capital social	154,994	656,852	754,676	227,420	227,420	1,039,266	982,096
Profit reserves	747,804	347,697	955,885	(77,061)	-	1,018,440	955,885
Equity valuation adjustments	12,803	-	13,524	-	-	12,803	13,524
Treasury share reserve	(14,261)	-	(14,261)	-	-	(14,261)	(14,261)
Accrued profits	15,874	-	78,240	-	(78,240)	15,874	-
Total equity	917,214	1,004,549	1,788,064	150,359	149,180	2,072,122	1,937,244
Total equity and liabilities	4,994,658	1,559,870	5,917,674	247,041	242,545	6,740,850	6,160,219

27 Statements of cash flows

Property, plant and equipment

During the nine-month period ended December 31, 2023, consisted of expenses on the acquisition of property, plant and equipment of R\$ 168,689 (Company) (R\$195,132 as of December 31, 2022) and R\$ 254,758 in the Consolidated financial statements (R\$218,868 as of December 31, 2022) in the following manner:

	Controller		Consolidated	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Cost of acquisition of property, plant and equipment	337,112	361,375	512,896	416,592
Balance of trade payables at the end of the period	(16,766)	(26,669)	(28,097)	(28,793)
Acquisition of Farming	(151,657)	(139,574)	(230,041)	(168,931)
	168,689	195,132	254,758	218,868

* * *

Board of Directors

Oscar de Paula Bernardes Neto
Independent Chairman and Board Member

Alexandre Lahóz Mendonça de Barros
Vice-President and Independent Member

Plinio Mário Nastari
Executive Board Member

Otávio Lage de Siqueira Filho
Member

Silvia Regina Fontoura de Siqueira
Member

Clóvis Ferreira de Moraes
Member

Gibrail Kinjo Esber Brahim Filho
Member

Executive Management

Otávio Lage de Siqueira Filho
CEO

Rodrigo Penna de Siqueira
CFO

Henrique Penna de Siqueira
CSO

Joel Soares Alves da Silva
COO

Accountant

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