Jalles Machado S.A.

Individual company and consolidated financial statements as of March 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

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Independent auditors' report on the individual company and consolidated financial statements

To the Shareholders, Board Members and Management of Jalles Machado S.A.

Goiás – Goiás

Opinion

We have audited the accompanying individual (Company) and consolidated financial statements of Jalles Machado S.A. (the "Company"), identified as individual company and consolidated financial statements, respectively, which comprise the balance sheet as of March 31, 2023, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the individual company and consolidated financial position of Jalles Machado S.A. as of March 31, 2023, and its individual company and consolidated financial performance and its individual company and consolidated cash flows for the year then ended in accordance with Brazilian accounting policies and international financial reporting standards (IFRSs) issued by the *International Accounting Standards Board* (IASB).

Basis for Opinion

We conducted our audit in accordance with International and Brazilian Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Individual Company and Consolidated Financial Statements section of our report. We are independent of the Company and its subsidiaries in accordance with the ethical requirements that are relevant to our audit of the financial statements and are set forth on the Professional Code of Ethics for Accountants and on the professional standards issued by the Regional Association of Accountants, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the individual company and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Measurement of biological assets

See Notes 2.7 g and 10 to the individual company and consolidated financial statements

Key audit matters	How the audit addressed this matter
The Company measures its biological assets in sugar cane at fair value less the estimated selling costs at the time of the cut. Fair value represents the present value of estimated cash flows for biological assets, which is determined by applying the assumptions established by discounted cash flow models, which include: the estimated harvesting area, estimated productivity (tonnes of sugarcane per hectares), total amount of recoverable sugar TRS, the amount of kg of total recoverable sugar, land care costs, harvesting and cutting, loading and transportation costs, capital costs, lease and agricultural partnership costs, taxes and discount rate. Due to the uncertainties about the assumptions made in determining fair value, the impact that possible changes in assumptions would have on the individual company and consolidated financial statements and the materiality of biological assets, we considered this to be a key audit matter.	Our audit procedures in this area included, but were not limited to: – Evaluating the design and operating effectiveness of the Company's key internal controls related to the calculation of the fair value less the estimated costs to sell biological assets; – With the help of our corporate finance experts, we evaluated the reasonableness of the assumptions used by the Company to calculate the fair value of biological assets, comparing them with internal historical information and with observable external market data; – Evaluating whether disclosures in the financial statements consider relevant information. During our audit we identified adjustments that affected the measurement and disclosure of the fair value of biological assets, which were recognized and disclosed by the Company. According to the evidence we obtained by applying the procedures summarized above, we considered that measuring the fair value of biological assets and their related disclosures are acceptable in the context of the individual company and consolidated financial statements for the year ended March 31, 2023 taken as a whole.

Business Combinations

See notes 1.1 and 8 to the individual company and consolidated financial statements

Key audit matters	How the audit addressed this matter
During the year ended March 31, 2023, the Company acquired all the shares of Santa Vitória Açúcar e Álcool Ltda., a unit that produces sugar and ethanol. Assumptions were used to recognize the fair value of assets and liabilities identified in the business combination in discounted cash flow models, which include: projected operating revenue, estimated cost of goods sold and other estimated operating expenses and the discount rate. Due to the uncertainties about the assumptions made in determining fair value, the impact that possible changes in assumptions would have on the individual company and consolidated financial statements and the materiality of the amounts recognized on the acquisition of that investment, we considered this to be a key audit matter.	Our audit procedures in this area included, but were not limited to: – Understanding the design of significant internal controls adopted by the Company for the measurement, recognition and disclosure of transactions of this nature in accordance with applicable accounting rules; – Inspect contracts, proofs of payment, reports and other documents involved in the business combination; – Evaluating the competence and objectivity of the external experts hired by the Company to issue a fair value measurement report used to allocate the acquisition price to the business combination; – With the help of our corporate finance experts, we evaluated the reasonableness of the main assumptions adopted for measuring fair value, comparing them with internal historical information and with observable external market data; – Evaluating whether disclosures in the financial statements consider relevant information. According to the evidence we obtained by applying the procedures summarized above, we considered that the fair value of the identifiable assets acquired and of the liabilities assumed by the Company and the related disclosures are acceptable in the context of the individual company and consolidated financial statements for the year ended March 31, 2023 taken as a whole.

Other issues - Statements of value added

The individual company and consolidated statements of value added for the year ended March 31, 2023, prepared under the responsibility of the Company's management, and presented as supplementary information for IFRS purposes, were submitted to the same audit procedures followed together with the audit of the Company's financial statements. In order to form our opinion, we evaluated whether these statements are reconciled to the Company's financial statements and accounting records, as applicable, and whether their form and content are in accordance with the criteria set on Technical Pronouncement CPC 09 - Statement of Value Added. In our opinion, these statements of value added have been adequately prepared, in all material respects, according to the criteria set on this Technical Pronouncement and are consistent with the individual company and consolidated financial statements taken as a whole.

Other information that accompanies the individual company and consolidated financial statements and the independent auditors' report

Management is responsible for the other information. The other information comprises the information included in the Management Report.

Our opinion on the individual company and consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the individual company and consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstateed. If, based on the work that we have performed, we conclude that there is material misstatement of this other information, then we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Individual Company and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these individual company and consolidated financial statements in accordance with accounting policies adopted in Brazil and with International Financial Reporting Standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual company and consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and its subsidiaries' financial reporting process.

Auditors' Responsibilities for the Audit of the Individual Company and Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the individual company and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with Brazilian and international standards on auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Brazilian and international standards on auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the individual company and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and its subsidiaries' internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and its subsidiaries' ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditors' report to the related disclosures in the individual company and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual company and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the individual company and consolidated financial statements. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may considerably affect our independence, including, when applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Goiânia, June 28, 2023.

KPMG Auditores Independentes

CRC GO-001203/O-2 F-GO

Original report in Portuguese signed by
Fernando Rogério Liani

Accountant CRC 1SP229193/O-2

Jalles Machado S.A.

Years ended March 31, 2023 and 2022
(In thousands of real)

		Company		Consolidated	
Assets	**Note**	**2023**	**2022**	**2023**	**2022**
Current					
Cash and cash equivalents	3	946,188	1,220,805	999,121	1,242,658
Restricted cash	4	14,149	57,792	14,149	57,792
Trade and other receivables	5	33,407	45,253	47,500	45,243
Inventories	6	136,787	131,581	196,186	131,581
Advances to suppliers		4,804	1,114	6,784	1,114
Biological assets	10	476,555	432,968	599,551	432,968
Recovered taxes	7	54,264	24,016	111,862	24,016
Recovered income and social contribution taxes		40,454	14,463	44,856	14,463
Derivative financial instruments	16	24,077	33,764	24,077	33,764
Dividends receivable	8 c	9,659	14,444	2,215	8,541
Other assets		4,865	4,345	5,082	4,347
Current assets		1,745,209	1,980,545	2,051,383	1,996,487
Non-current					
Restricted cash	4	7,611	1,081	7,611	1,081
Derivative financial instruments	16	167,913	97,373	167,913	97,373
Court deposits	14	110,617	103,247	112,068	103,247
Recovered taxes	7	23,536	9,269	103,016	9,269
Recovered income and social contribution taxes		-	-	1,662	-
Trade and other receivables	5	11,172	749	58,236	610
Investments	8	1,278,280	181,445	82,222	100,007
Property, Plant and Equipment	9	1,394,001	1,136,265	2,257,127	1,200,096
Right of use	22	1,013,976	807,739	1,262,734	733,884
Intangible assets		9,803	7,818	15,105	7,818
Non-current assets		4,016,909	2,344,986	4,067,694	2,253,385
Total assets		5,762,118	4,325,531	6,119,077	4,249,872

		Company		Consolidated	
Liabilities	**Note**	**2023**	**2022**	**2023**	**2022**
Current					
Loans and financing	11	222,814	296,528	230,719	296,528
Leases to be paid	22	88,227	86,709	113,266	50,848
Trade and other payables	12	68,570	122,140	107,104	122,140
Derivative financial instruments	16	181,306	155,996	181,306	155,996
Provisions and payroll charges		29,602	23,980	42,531	23,980
Tax liabilities		8,142	13,138	13,669	13,252
Dividends payable	15	129,557	52,428	129,557	52,428
Income and social contribution taxes payable		-	-	2,537	1,119
Advances from clients		9,349	19,727	9,670	19,727
Current liabilities		737,567	770,646	830,359	736,018
Non-current					
Loans and financing	11	1,819,729	1,152,024	1,894,010	1,152,024
Leases to be paid	22	888,916	699,527	1,111,089	658,496
Derivative financial instruments	16	141,516	124,064	141,516	124,064
Net deferred taxes	13	214,405	157,386	173,263	157,386
Tax liabilities		4,546	7,423	4,546	7,423
Trade and other payables	12	436	422	436	422
Provisions for contingencies	14	17,759	25,310	26,614	25,310
Non-current liabilities		3,087,307	2,166,156	3,351,474	2,125,125
Equity	15				
Share capital		982,096	982,096	982,096	982,096
Profit reserves		955,886	392,118	955,886	392,118
Equity valuation adjustments		13,524	14,515	13,524	14,515
Treasury share reserve		(14,261)	-	(14,261)	-
Total equity		1,937,245	1,388,729	1,937,245	1,388,729
Total equity and liabilities		5,762,118	4,325,531	6,119,077	4,249,872

The notes are an integral part of these financial statements.

Jalles Machado S.A.

Statements of profit or loss

Years ended March 31, 2023 and 2022
(In thousands of real)

	Note	Company 2023	Company 2022	Consolidated 2023	Consolidated 2022
Net revenue	17	1,499,749	1,450,524	1,707,488	1,449,073
Change in fair value of biological assets	10	(36,181)	35,530	(39,589)	35,530
Cost of sales and services	18 (a)	(915,848)	(757,576)	(1,120,868)	(729,271)
Gross profit		**547,720**	**728,478**	**547,031**	**755,332**
Operating expenses					
Selling expenses	18 (b)	(135,603)	(99,262)	(136,503)	(99,262)
Administrative and general expenses	18 (c)	(94,388)	(100,771)	(103,584)	(100,864)
Reversal (allowance) for ECLs	5	(96)	7,643	(3,973)	7,643
Other income	19	617,500	181,480	670,411	181,563
Other expenses	19	(3,767)	(8,923)	(4,706)	(8,922)
Profit (loss) before finance income (costs), share of profit (loss) of equity-accounted investees and taxes		**931,366**	**708,645**	**968,676**	**735,490**
Finance costs	20	(268,337)	(218,105)	(275,342)	(216,949)
Finance income	20	171,236	94,063	176,282	95,000
Net monetary and foreign exchange gains (losses)	20	(7,843)	24,507	(7,843)	24,507
Net derivative instruments	20	(162,043)	(200,861)	(162,043)	(200,861)
Net finance income (costs)	20	**(266,987)**	**(300,396)**	**(268,946)**	**(298,303)**
Share of profit of equity-accounted investees	8	54,750	41,295	7,957	16,454
Profit before income and social contribution taxes		**719,129**	**449,544**	**707,687**	**453,641**
Current income and social contribution taxes	13	-	-	(2,599)	(4,097)
Deferred income and social contribution taxes	13	(26,800)	(61,637)	(12,759)	(61,637)
Profit or loss for the period		**692,329**	**387,907**	**692,329**	**387,907**
Basic and diluted earnings per share (in reais)	21			2.3564	1.3163

The notes are an integral part of these financial statements.

Jalles Machado S.A.

Statements of comprehensive income

Years ended March 31, 2023 and 2022

(In thousands of real)

	Company		Consolidated	
Company and Consolidated	**2023**	**2022**	**2023**	**2022**
Profit or loss for the period	692,329	387,907	692,329	387,907
Other comprehensive income	-	-	-	-
Total comprehensive income	692,329	387,907	692,329	387,907

The notes are an integral part of these financial statements.

Jalles Machado S.A.

Statements of changes in equity

Years ended March 31, 2023 and 2022
(In thousands of real)

					Profit reserves					
	Note	**Share capital**	**Equity valuation adjustments**	**Treasury share reserve**	**Cool**	**Investment grants**	**Retained earnings**	**Proposed additional dividends**	**Retained earnings**	**Total**
Balances as of April 1, 2021		**989,045**	**15,701**	**-**	**8,618**	**57,147**	**35,399**	**30,073**	**-**	**1,135,983**
Distribution of conf. dividends August 27, 2021		-	-	-	-	-	-	(30,073)	-	(30,073)
Profit or loss for the year		-	-	-	-	-	-	-	387,907	387,907
Realization of equity valuation adjustments		-	(1,186)	-	-	-	-	-	1,186	-
Share issue expenses		(6,949)	-	-	-	-	-	-	-	(6,949)
Profit allocation:										
Statutory reserve		-	-	-	19,455	-	-	-	(19,455)	-
Payment of interest on equity capital on December 23, 2021		-	-	-	-	-	-	-	(45,711)	(45,711)
Minimum non-discretionary dividends		-	-	-	-	-	-	-	(52,428)	(52,428)
Total recovery of the reserve for investment grant		-	-	-	-	153,226	-	-	(153,226)	-
Retained earnings for investments in capital budget		-	-	-	-	-	118,273	-	(118,273)	
Balances as of March 31, 2022	**15**	**982,096**	**14,515**	**-**	**28,073**	**210,373**	**153,672**	**-**	**-**	**1,388,729**
Profit or loss for the year		-	-	-	-	-	-	-	692,329	692,329
Realization of equity valuation adjustments		-	(991)	-	-	-	-	-	991	-
Treasury share reserve		-	-	(14,261)	-	-	-	-	-	(14,261)
Profit allocation:										
Statutory reserve		-	-	-	34,666	-	-	-	(34,666)	-
Total recovery of the reserve for investment grant		-	-		-	140,444	-	-	(140,444)	-
Minimum non-discretionary dividends	**15.c**	-	-	-	-	-	-	-	(129,553)	(129,553)
Retained earnings for investments in capital budget		-	-	-	-	-	388,658	-	(388,658)	-
Balances as of March 31, 2023	**15**	**982,096**	**13,524**	**(14,261)**	**62,739**	**350,817**	**542,330**	**-**	**-**	**1,937,245**

The notes are an integral part of these financial statements.

Jalles Machado S.A.

Statement of cash flows - indirect method

Years ended March 31, 2023 and 2022
(In thousands of real)

	Note	Company 2023	Company 2022	Consolidated 2023	Consolidated 2022
Cash flows from operating activities					
Profit or loss for the year		692,329	387,907	692,329	387,907
Depreciation of property and equipment and amortization of intangible assets	18.a,b,c	137,150	98,976	162,060	98,976
Crop depreciation	18.a	97,982	91,856	105,242	91,856
Repayment of land care	18.a	181,024	152,845	214,245	152,845
Depreciation of right-of-use	18.a	96,103	73,248	100,025	54,406
Proceeds from sale of property and equipment		(3,165)	1,291	17,123	1,291
Share of profit of equity-accounted investees		(54,750)	(41,295)	(5,217)	(16,454)
Gain on bargain purchase	8.a.	(428,011)	-	(428,011)	-
Write-off of investments		-	-	923	-
Changes in the fair value of investments		1	(22)	-	(22)
Provision for contingencies	14	(7,551)	1,691	(7,554)	1,691
Repayment of loan transaction costs		6,524	5,598	6,524	5,601
Allowance for impairment loss on loans	5	96	(7,643)	96	(7,643)
Provision for derivative financial instruments		162,043	200,861	162,044	200,861
Changes in the fair value of biological assets	16	36,181	(35,530)	39,589	(35,530)
Fair value of losses	10	(12,063)	164	(12,063)	164
Remeasurements of right-of-use contracts and partnerships/leases payable		(19,447)	21,346	(23,730)	23,989
Allowance for slow movements in inventory	6	(1,123)	(184)	(1,930)	(184)
Foreign exchange gain (loss) on loans		13,555	(40,839)	13,555	(40,839)
Discounted present value	11	12,362	4,819	12,362	4,819
Current taxes		-	-	3,143	4,097
Deferred taxes and contributions	13	26,800	61,637	12,759	61,637
Adjustment for inflation of court deposits	13	(7,036)	(4,493)	(7,036)	(4,493)
Accrued interest on lease and agricultural partnership agreements	22	53,065	31,820	57,522	27,972
Yield on long-term financial investments	4	(4,437)	(364)	(4,437)	(369)
Accrued interest on loans and financing		186,694	119,893	189,783	119,913
Reversal of impairment loss on sugar cane crops	11	-	-	(8,185)	-
	9				
Changes in:					
Trade and other receivables		1,326	(1,839)	56,988	(1,689)
Inventories		107,118	18,370	220,294	9,082
Biological assets		(273,135)	(189,891)	(355,226)	(189,891)
Advances to suppliers	10	(3,690)	13,019	3,083	13,019
Recovered taxes		(44,515)	9,721	(77,517)	9,721
Recovered income and social contribution taxes		(25,991)	(8,201)	(28,448)	(8,201)
Other assets		(519)	(1,781)	(178)	(1,783)
Court deposits		(334)	(11,588)	(504)	(11,588)
Trade and other payables		(75,666)	13,620	(118,128)	13,494
Provisions and payroll charges		5,622	3,122	(321)	3,122
Tax liabilities		(20,235)	(7,211)	(23,344)	(7,181)
Advances from clients		(10,378)	8,525	(16,055)	8,525
Restricted cash investments	4	(25,740)	(244,708)	(25,740)	(248,423)
Restricted cash withdrawal	4	67,290	210,853	67,290	218,239
Settlement of derivative financial instruments		(180,134)	(187,828)	(180,134)	(187,828)
Interest paid on loans and financing		(128,660)	(73,436)	(132,197)	(73,461)
Interest paid on leases	22	(53,065)	(31,820)	(57,522)	(27,972)
Income and social contribution taxes paid		-	-	(5,076)	(3,743)
Net cash from operating activities		503,620	642,509	618,426	645,933
Cash flows from investing activities					
Acquisition of net investment in cash acquired in the consolidated financial statements		(388,223)	(714)	(503,440)	(820)
Increase in capital in investee	1.1	(248,001)	-	-	-
Acquisition of property, plant and equipment		(340,111)	(308,098)	(412,476)	(308,098)
Acquisition of intangible assets	26	(4,627)	(1,467)	(6,349)	(1,467)
Amount received from reduction in capital in investee		12,950	-	12,950	-
Dividends received		44,203	32,771	20,583	7,701
Proceeds from sale of property, plant and equipment		6,836	7,457	6,836	7,457
Crops and acquisitions of sugar cane crops		(186,722)	(116,409)	(215,508)	(116,409)
	9				
Net cash used in investing activities		(1,103,695)	(386,460)	(1,097,404)	(411,636)
Cash flows from financing activities					
Loans and financing taken		802,535	434,188	802,535	434,188
Repayment of loans and financing	11	(286,657)	(415,022)	(382,038)	(417,563)
Share issue cost	11	-	(6,949)	-	(6,949)
Lease repayment	22	(123,735)	(139,177)	(118,371)	(108,831)
Payment of dividends		(52,424)	(40,873)	(52,424)	(40,873)
Share repurchase		(14,261)	-	(14,261)	-
Payment of interest on equity capital		-	(45,711)	-	(45,711)
	15				
Net cash from (used in) financing activities		325,458	(213,544)	235,441	(185,739)
(Decrease) increase in cash and cash equivalents		(274,617)	42,505	(243,537)	48,558
Cash and cash equivalents at beginning of year		1,220,805	1,178,300	1,242,658	1,194,100
Cash and cash equivalents at end of year		946,188	1,220,805	999,121	1,242,658
(Decrease) increase in cash and cash equivalents		(274,617)	42,505	(243,537)	48,558

The notes are an integral part of these financial statements.

Jalles Machado S.A.

Statement of value added

Years ended March 31, 2023 and 2022
(In thousands of real)

	Company		Consolidated	
	2023	**2022**	**2023**	**2022**
Income	**1,830,662**	**1,886,648**	**2,114,291**	**1,886,557**
Sales of merchandise, products and services	1,680,849	1,728,123	1,920,275	1,727,948
Other income	156,938	157,640	201,325	157,724
Sales return	(7,029)	(6,758)	(7,213)	(6,758)
Net reversal (recognition) of allowance for ECLs	(96)	7,643	(96)	7,643
Input acquired from third parties	**(159,341)**	**(409,681)**	**(130,857)**	**(399,983)**
Cost of goods, merchandise and services sold	(396,871)	(319,359)	(347,661)	(309,567)
Materials, energy, third-party services and others	(155,028)	(128,695)	(171,749)	(128,789)
Net gain arising from change in fair value and realization of the fair value of biological assets	(36,181)	35,530	(39,590)	35,530
Recognition of the fair value of losses on trade receivables (CBIOS)	12,063	(165)	19,620	(165)
Gain on bargain purchase in subsidiary	428,011	-	428,011	-
Loss/recovery of assets	(11,335)	3,008	(19,488)	3,008
Gross value added	**1,671,321**	**1,476,967**	**1,983,434**	**1,486,574**
Depreciation, amortization and depletion	**(512,259)**	**(416,925)**	**(574,962)**	**(398,083)**
Net value added generated by the entity	**1,159,062**	**1,060,042**	**1,408,472**	**1,088,491**
Value added received by transfer	**862,481**	**699,688**	**820,734**	**675,784**
Share of profit of equity-accounted investees	54,750	41,295	7,957	16,454
Finance income	156,046	73,239	161,786	74,176
Gain on exchange rate fluctuations	42,335	80,087	42,335	80,087
Gain on derivative transactions	609,350	505,067	608,656	505,067
Total value added to be distributed	**2,021,543**	**1,759,730**	**2,229,206**	**1,764,275**
Distribution of value added	**2,021,543**	**1,759,730**	**2,229,206**	**1,764,275**
Personnel	**109,680**	**90,567**	**154,500**	**90,567**
Direct compensation (cost)	80,094	66,890	112,758	66,890
Benefits	23,860	18,342	32,623	18,342
F.G.T.S.	5,726	5,335	9,119	5,335
Taxes fees and contributions	**157,177**	**327,285**	**313,179**	**332,986**
Federal	22,662	104,062	134,835	109,692
State	134,501	223,199	178,329	223,270
Municipal	14	24	15	24
Return on debt capital	**1,062,357**	**908,260**	**1,069,198**	**907,104**
Finance costs	207,032	96,894	214,039	95,738
Losses on exchange rate fluctuations	50,178	55,580	50,178	55,580
Loss on derivative transactions	771,393	705,928	771,392	705,928
IFRS 16 finance costs	33,754	49,858	33,589	49,858
Return on equity capital	**692,329**	**433,618**	**692,329**	**433,618**
Retained earnings	562,777	335,479	562,777	335,479
Interest on equity capital	-	45,711	-	45,711
Distribution of dividends	129,553	52,428	129,553	52,428

The notes are an integral part of these financial statements.

Management's notes to the individual company and consolidated financial statements

(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:

a. 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.

b. 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., which, for the purposes of these individual company and consolidated financial statements, is classified as property, plant and equipment.

c. 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. On May 30, 2022, the subsidiary's corporate name was changed to PUROLIM S.A.

d. 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.

e. Albioma Codora Energia 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.

f. 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.

1.1 Acquisition of subsidiary

On May 4, 2022, the Company entered into agreements for the acquisition of all the shares of Santa Vitória Açúcar e Álcool Ltda. ("Santa Vitória or SVAA" and "Acquisition"); and acquisition by Santa Vitória of all the shares of ERB MG Energias S.A. (currently called Jalles Bioenergia S.A.) ("Cogen"), a co-generation unit attached to the Santa Vitória plant. Both Santa Vitória and Cogen were controlled by Grupo Geribá Investimentos ("Geribá").

On October 3, 2022 previous conditions were met and the Company completed the acquisition transaction and on that date: (i) 100% of Santa Vitória's shares were transferred to the Company; (ii) transferring 100% of the shares of the ERB MG to Santa Vitória; and (iii) the several cash flows consisting of payments of the agreed price to the related counterparties, which is still subject to adjustments established on the related agreements.

The total transaction amounted to R$721,760, as detailed below:

Acquisition Santa Vitória: in the amount of R$386,960, including: (i) price adjustment reported on the acquisition date, according to the audited financial statements of Santa Vitória, (ii) adjustment for inflation, (iii) and possible amounts disbursed or contributed in Santa Vitória; and (iv) *earn-out*, based on 50% of Santa Vitória's results with respect to the 2022/23 crop performance, at a minimum grinding rate of 1.9 million tonnes, including a discount on the price if the effective grinding is lower.
Cogen investment: together with the completion of the acquisition, the Company committed itself to making an investment in the total amount of R$334,800 in Santa Vitória, also subject to possible closing adjustments, of which (i) R$144,867 is in cash to meet the obligation to acquire Cogen ERB and (ii) assume long-term bank debts of Cogen ERB, in the amount of R$189,933.

Therefore, total disbursements for the transaction, discounted from bank debts assumed at Cogen ERB, were R$531,827, considering the closing and *earn-out adjustments* of Santa Vitória.

The acquisition is part of the Company's plan, which started with its IPO in February 2021. After the completion of the transaction, the Company started to rely on three industrial units, with a combined capacity to process 8.5 million tonnes of sugarcane per crop, which represents a 46% increase in the capacity of current plants (5.8 million tonnes). Moreover, SVAA is located in a region with great availability of water for irrigation. It currently has an irrigation capacity of 40% of the cultivated area and land for future expansions in a multimodal environment, with access to waterways, roads and railways), and 840 km from the Port of Santos.

A. Usina Santa Vitória Açúcar e Álcool Ltda. "SVAA"

Identifiable assets and liabilities acquired from Usina Santa Vitória Açúcar e Álcool Ltda. include *inputs* of the whole agroindustrial structure, relationship with clients, production processes and organized workforce. The Company has determined that the *inputs* and processes acquired together contribute significantly to its capacity to generate revenue and concluded that the set acquired by the Company is a business.

The acquisition is expected to allow the Company to increase its share in the ethanol and electricity market by accessing the clients of Usina Santa Vitória Açúcar e Álcool Ltda. and its subsidiary Jalles Bioenergia S.A.. The Company also expects to reduce its costs through economies of scale and other administrative and management synergies.

In the year ended March 31, 2023, Usina Santa Vitória Açúcar e Álcool Ltda. contributed net revenue of R$209,242 thousand and profit of R$18,288 thousand to the consolidated financial statements. If the acquisition had occurred on April 1, 2022, management estimates that it would have increased consolidated net revenue by R$559,471 thousand and consolidated profit of R$107,840 thousand. In determining these amounts, management has determined that the fair value adjustments, determined provisionally, that applied at the date of acquisition would have been the same if the acquisition had occurred on 1 April 2022.

	Usina Santa Vitória
From the date of acquisition	
Net sales revenue for the period	209.242
Profit for the period	18.288
From beginning of year	
Net sales revenue for the period	559.471
Profit for the period	107.840

Consideration transferred

The following table summarizes the fair value at the date of acquisition of the most significant items of the consideration transferred.

Description	**Amount paid**
Base acquisition price (A)	381.659

Price adjustment1	18.739
Disbursement2	(1.145)
IPCA adjustment on price adjustment3	287
Earn-out4	(12.581)
Total (B)	**386.959**
Price adjustment (B) - (A)	**5.300**

1 – Consists of (i) changes in the working capital accounts of Usina Santa Vitória between the financial statements initially presented by the seller and the audited balance sheet and (ii) replacement of the amount obtained by the purchaser from the inventory of finished goods as of March 31, 2022, as previously agreed by the parties.

2 – Reimbursement made by the seller to the purchaser for the disbursements not expected for the transaction during the *signing* and closing *periods.* The expenses incurred consisted of payments to external counselors for the purchase and sale.

3 – Correct the amounts identified in items 1 and 2 above between the *closing date* and December 31, 2022, using the IPCA (Extended Consumer Price Index) for the period.

4 – As provided for in the purchase and sale agreement, the seller reimbursed the purchaser 50% of the amount not obtained for selling ethanol and CBIOS for not reaching the grinding of 1,900,000 tonnes of sugarcane during the 2022-23 crop. During the crop, 1,801,549 tonnes of sugarcane were ground.

Acquisition costs
The Company incurred acquisition-related costs of R$9,682 thousand on lawyers' fees, expert advisory fees and *due diligence* costs, all recorded as 'Administrative expenses' in profit or loss.

Identifiable assets acquired and liabilities assumed
The following table summarizes the amounts of assets acquired and liabilities assumed at the acquisition date.

Assets	Note	**30/09/2022**	**Market adjustments**	**30/09/2022 to market**
Circulating				
Cash and cash equivalents	3	27.127	-	27.127
Trade and other receivables	5	45.034	-	45.034
Other assets		273	-	273
Inventories	6	173.189	-	173.189
Advances to suppliers		6.270	-	6.270
Biological assets	10	54.440	-	54.440
Recovered taxes	7	25.796	-	25.796
Recovered income and social contribution taxes		2.697	-	2.697
Current assets		334.826	-	334.826
Non-current				
Advances to suppliers		4.703	-	4.703
Court deposits	14	1.281	-	1.281
Recovered taxes	7	74.394	-	74.394
Recovered income and social contribution taxes		1.266	-	1.266
Investments	8	923	-	923
Property, Plant and Equipment	9	443.863	88.878	532.741
Right of use		199.018	-	199.018
Intangible assets		4.020	-	4.020
Non-current assets		729.468	88.878	818.346
Total assets		1.064.294	88.878	1.153.172

Passive	Note	**30/09/2022**	**Market adjustments**	**30/09/2022 to market**
Circulating				
Agricultural partnerships payable		56.107	-	56.107
Leases to be paid		9.936	-	9.936
Trade and other payables	12	67.221	-	67.221
Provisions and payroll charges		17.854	-	17.854
Tax liabilities		4.822	-	4.822
Income and social contribution taxes payable		2.697	-	2.697
Advances from clients		2.004	-	2.004
Current liabilities		160.641	-	160.641
Non-current				
Loans and financing	11	-	-	-
Agricultural partnerships payable		124.114	-	124.114
Leases to be paid		14.651	-	14.651
Net deferred taxes	13	-	-	-
Trade and other payables		(281)	-	(281)
Provisions for contingencies	14	8.858	-	8.858
Non-current liabilities		147.342	-	147.342
Equity	15			
Capital social		486.272	-	486.272
Profit reserves		270.039	88.878	358.917
Total equity		756.311	88.878	845.189
Total equity and liabilities		1.064.294	88.878	1.153.172

Fair value measurement
Significant assets have been measured at fair value according to the most adequate techniques for each group of assets, as follows:

Cost class	Adjustment to fair value	Life remaining period (years)	Valuation method
Land	7.339	0,00	Market valuation
Buildings	17.398	17,89	Cost approach
Furniture and fixtures	322	5,40	Cost approach
Machinery and equipment and facilities	46.294	5,05	Cost approach
Vehicles	17.525	1,36	Cost approach
Sugar cane crops	(207.250)	3,00	MPEEM (Ministry of Labor and Finance)

- **Market approach**

The fair value of the asset is estimated by comparing it with similar or comparable assets that have been sold or listed for sale in the primary or secondary market. In the case of intangible assets, sales or market prices are rarely available, as they are typically transferred as part of a business rather than in an isolated transaction, making this approach rarely used in the valuation of intangible assets.

- **Cost approach**

Measures the investment required to reproduce a similar asset, which has the same benefit generation capacity. This approach is based on the replacement principle, whereby a prudent investor would not pay more for an asset than the cost to replace it with a comparable good/made.

- **Method for calculating surplus profits for several periods (MPEEM)**

MPEEM measures the present value of future earnings to be generated over the remaining useful life of a certain asset. Using the company's estimated results as a benchmark, the Company calculates pre-tax cash flows directly related to the asset from the base date set on the valuation that are discounted using a discount rate that will reflect the risk associated with the market, the company, the country, the size, the cost of raising funds and the capital structure. The discount rate used to evaluate the business was 11.6% p.a. As well as the Company's analysis, the cost of goods sold and other operating expenses is deducted from the projected revenue allocated to the asset, and operating profit is reported, from which the charges on the taxpayer's assets are deducted, directly related to the asset (*contributory charges*).

Gain on bargain purchase - discount
Gain on bargain purchase was recognized as a result of the acquisition and was calculated as follows:

Allocation of amount	
Consideration for the acquisition of 100.00% of Santa Vitória	386.960
100% of equity on the reporting date	(756.311)
Appreciation of fixed assets	(88.878)
Provision for income tax on fixed asset appreciation	30.218

Gain on bargain purchase	**(428.011)**

Gain from bargain purchase was mainly due to the characteristics of the large industrial plant, consisting of technologically modern equipment with little time of use, and a significant book value.

Operational capacity is idle and productivity levels are below the ideal productivity for the region, and for that reason the cash flows from the Company's activities brought to present value as of the acquisition ("economic value"), which was based on the consideration paid, are not compatible with the value of its fixed assets (which uses the equity method added to the appreciation of revalued assets) and for that reason the advantageous purchase was made.

Jalles's Management understands that implementing investments already mapped in the calculation of SVAA's Economic Value, particularly in renovating and expanding sugar cane crop areas to feed the industrial production line, should bring the optimization of SVAA's operating assets over the next years.

2 Basis of preparation

2.1 Statement of compliance and basis of preparation

The Company and Consolidated financial statements have been prepared and are presented in accordance with accounting policies adopted in Brazil, which comprise the standards issued by the Brazilian Securities and Exchange Commission ("CVM") and the pronouncements issued by the Committee of Accounting Pronouncements ("CPC"), which are in accordance with international financial reporting standards ("IFRS") issued by the International Accouting Standards Board ("IASB"), and they show all significant information characteristic of financial statements, and only that information, which is consistent with that used by management to run the Company.

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 the individual company and consolidated financial statements.

The individual (Company) and consolidated 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 the fair value measurement.

The preparation of the Company and Consolidated financial statements requires Management to make critical judgments and estimates that require management to apply 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 individual company and consolidated financial statements.

The main accounting policies applied in the preparation of these individual company and consolidated financial statements are presented in note 2.7.

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

The individual and consolidated financial statements were authorized for issue by the Board of Directors on June 28, 2023.

2.2 Individual company and consolidated financial statements

The individual financial statements include all the transactions carried out by Jalles Machado S.A. and the related share of profit (loss) of equity-accounted investees and associates, whose company has significant influence over the Company. The consolidated financial statements include the financial statements of its subsidiaries in the years ended March 31, 2023 and 2022. Its associates were held as investments accounted for using the equity method, according to note 2.3 and note 8.

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

			Ownership interest	
Group's entities	**Country**	**Classification**	**31/03/2023**	**31/03/2022**
Jalles Machado Empreendimentos Imobiliários S.A.	Brazil	Controlled	100%	100%
Purolim S.A.	Brazil	Controlled	100%	100%
Santa Vitória Açúcar e Álcool Ltda.	Brazil	Controlled	100%	0%
Jalles Bioenergia S.A.	Brazil	Indirect subsidiary	100%	0%
Albioma Codora Energia 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) Subsidiaries
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 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

			Ownership interest	
Group's entities	**Country**	**Classification**	**2023**	**2022**
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 join control ceases.

(iv) Transactions eliminated on consolidation
Balances and transactions between the Company and its subsidiaries, and any unrecognized income and expenses arising from transactions between the Company and its subsidiaries, are eliminated in consolidation. 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 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 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 financial statements requires management to make judgments, estimates and assumptions 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 financial statements is included in the following notes: 8 - Investments: whether the Company and its subsidiaries have significant influence over an investee; and 17 - Net operating revenue: whether revenue from sugar, ethanol and yeast is recognized during the correct period, over time or at a point in time; and 22 - 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 for the next fiscal year are described below:

- Note 1.1: Business combination
- Assumptions were used in discounted cash flow models and market valuations to recognize the fair values of assets and liabilities found in the business combination.

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 13: 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 14: 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 22: 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 individual company and consolidated financial statements in which the changes 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 16 - Financial instruments.

2.7 Significant accounting policies

The Company applied consistently the accounting policies set out below to all years presented in these individual company and consolidated financial statements.

a. Foreign currency

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rates at the date of the transaction. Foreign currency differences arising on re-translation are generally recognized in profit or loss.

b. Revenue

CPC 47/IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces CPC - 30 (R1)/IAS 18 Revenue.

CPC 47 Technical Pronouncement/IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces all current revenue recognition requirements in accordance with CPC standards. The new standard establishes a five-step model for accounting for revenue arising from contracts with customers:

(i) When the parties to a contract approve the contract and are committed to its compliance;

(ii) When the Company can identify each party's rights in relation to the goods to be delivered;

(iii) When you can identify the terms of payment for the transferred assets; (iv) the contract has a commercial substance;

(iv) It is probable that the consideration to which the entity is entitled will receive it. According to that pronouncement, revenue is recognized in an amount that reflects the consideration to which an Entity expects to be entitled in exchange for the transfer of goods or services to a customer.

c. Short-term employee benefits

Short-term employee benefit obligations are recognized as personnel expenses as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

d. Government grants

Government grants are recognized in profit or loss over the period required to match them to the related costs, for which they are intended to compensate, on a systematic basis, provided that conditions set by CPC 07 (R1) IAS 20 - Government Grants and Disclosure of Government Assistance are met. While the requirements for recognizing them in profit or loss are not met, an offsetting entry to the government grant is recognized in a specific liability account and subsequent to that recognized in profit or loss. The portion recognized in profit or loss is reclassified from equity to retained earnings to the reserve for investment grants.

e. Finance income and finance costs

The Company's finance income and finance costs consist of:

- Interest on financial investments and restricted cash;
- Interest income;
- Gains/losses on derivative financial instruments;
- Net foreign exchange gains and losses on financial assets and liabilities;
- Granted discounts; And
- Interest expense on loans and financing.

Finance income and costs are recognized as they accrue in profit or loss, using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts during the expected life of the financial instrument to:

- The gross carrying amount of the financial asset; Or
- The amortized cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not impaired) or to the amortized cost of the liability. However, for financial assets that were impaired after initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer impaired, then the calculation of interest income reverses to the gross basis.

f. Income and social contribution taxes

In the Parent Company, in subsidiary Santa Vitória Açúcar e Álcool Ltda. and indirect subsidiary Jalles Bioenergia S.A. current and deferred income and social contribution taxes are calculated at the rate of 15%, plus a surtax of 10% on taxable profit in excess of R$240 (annual) for income tax and 9% on taxable profit for social contribution tax, and consider the offsetting of income and social contribution tax losses, limited to 30% of taxable profit in the year.

In the other subsidiaries, income and social contribution taxes are calculated according to prevailing "deemed profit" legislation. Under the income tax regime, taxable profit consists of 8% on sales of merchandise and 32% on sales of services plus other operating revenues; for social contribution tax purposes, taxable profit accounts for 12% of sales of merchandise and 32% on sales of services plus other operating revenues. Income tax is calculated at the rate of 15% on taxable deemed profit plus a surtax of 10% on amounts exceeding R$240 (annual).

Social contribution tax - calculated at the rate of 9% on taxable deemed profit.

Income and social contribution tax expenses consist of current and deferred income and social contribution taxes. Current tax and deferred tax are recognized in profit or loss, except to the extent that they relate to items directly recognized in equity or in other comprehensive income (loss).

(i) Current income and social contribution tax expenses

Current tax is the tax payable or receivable on the taxable income or loss for the year, and any adjustment in tax payable in respect of previous years. Current and non-current assets are measured at tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if legal criteria are met.

(ii) Deferred income and social contribution tax expenses

Deferred tax assets and liabilities are recognized in respect of temporary differences between the carrying amounts of assets and liabilities for individual company and consolidated financial statements and those used for taxation purposes.

A deferred tax asset is recognized for unused tax losses and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax asset will be realized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantially enacted at the reporting date.

The measurement of deferred assets and liabilities reflects the tax consequences arising from the manner in which the Company expects to recover or settle the carrying amount of its assets and liabilities.
Deferred tax assets and liabilities are offset only if some criteria are met.

g. Biological assets

Biological assets are measured at fair value less the estimated costs to sell at the time of cutoff. The Company used the discounted cash flow method to determine fair value according to the estimated productivity cycle of those assets.

Significant assumptions in determining the fair value of biological assets are shown in note 10. The fair value of biological assets is measured at each reporting date.

The gain or loss on changes in the fair value of biological assets is recognized in profit or loss for the year in which they occur, in a specific line item in the statement of profit or loss, called "Changes in the fair value of biological assets". The depletion value of biological assets is measured by the quantity of agricultural product cut/sold, stated at fair value.

h. Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is measured at the weighted average costing method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion.

The inventory of decarbonization credits is recognized at fair value less any accumulated impairment losses.

i. Property, Plant and Equipment

(i) Recognition and measurement

Items of property and equipment are measured at the historical cost of acquisition or construction, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The Company and its subsidiaries chose to revalue their property, plant and equipment using the *deemed cost* on the opening date of 2010 (April 1, 2009). The determined effect was recognized in a valuation reserve account in the Company's equity and is amortized for the depreciation, disposal or obsolescence of the assets.

Any gain or loss on disposal of an item of property and equipment is recognized in profit or loss.

(ii) Subsequent expenditure

Subsequent costs are capitalized only when it is probable that future economic benefits associated with expenses will be enjoyed by the Company. Ongoing repairs and maintenance are expensed as incurred.

(iii) Maintenance costs

The replacement cost of a property and equipment item is recognized if it is probable that the economic benefits included in the item will flow into the Company, and that its cost can be reliably measured. The carrying amount of a component that has been replaced by another is written off. On-going repairs and maintenance are expensed as incurred.

The Company annually performs maintenance in its industrial unit, approximately in the period from December to March. Main maintenance costs include labor, materials, external services and overhead expenses allocated during the off-season period. These costs are accounted for as a component of equipment cost and depreciated during the next crop. Any other type of expenditure, which does not increase your useful life or maintains your grinding capacity, is recognized in profit or loss as expense.

(iv) Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives. Depreciation is recognized in profit or loss and at production cost. Land is not depreciated.

Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is certain that the Company and its subsidiaries will obtain ownership by the end of the lease term.

Items of property, plant and equipment are depreciated from the date they are installed and are available for use or, in respect of self-constructed assets, from the day that the asset is completed and ready for use.

The weighted annual average rates for the current and comparative years are as follows:

	Company	Consolidated
Buildings	2%	3%
Machinery, equipment and facilities	6%	8%
Vehicles and semi-trailers	8%	9%
Work in progress (a)	N/a	N/a
Furniture, equipment and fixtures	13%	13%
Aircraft	5%	5%
Other property and equipment	2%	4%
Sugar cane crops	20%	20%
Out-of-season cost	100%	100%
Land	n/a	n/a

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

j. Intangible assets

(i) Other intangible assets

Other intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on trademarks and patents, is recognized in profit or loss as incurred.

(iii) Amortization

Amortization is calculated to amortize the cost of intangible assets less their estimated residual values using the straight-line basis over their estimated useful lives. Amortization is recognized in profit or loss.

The average estimated useful life for the current and comparative years is five years.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

k. Financial instruments

(i) Recognition and initial measurement

Trade receivables basically originate from the sale of sugar, ethanol, yeast seeding and by-products. They are recognized initially on the date that control over the products is transferred.

All other financial assets and financial liabilities are initially recognized when the Company and its subsidiaries become a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Financial assets
On initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI – debt investment; FVOCI – equity instruments; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company and its subsidiaries change their business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows;
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:
- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; And
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company and its subsidiaries may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets (see note 16). On initial recognition, the Company and its subsidiaries may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Business model assessment
The Company and its subsidiaries value the objective of the business model in which a financial asset is held at the portfolio because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. They include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of related liabilities or expected cash outflows, or realizing cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Management of the Company and its subsidiaries;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated – e.g. whether compensation is based on the performance of the assets managed or the contractual cash flows collected; And
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales, consistent with the Company's and its subsidiaries' continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest
For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company and its subsidiaries consider:

- Contingent events that would change the amount or timing of cash flows;
- Terms that may adjust the contractual coupon rate, including variable-rate features;
- Prepayment and extension features; And
- Terms that limit the Company's and its subsidiaries' access to cash flows from specific assets (e.g. non-recourse features).

Early payment is consistent with the principal and interest payment criterion if the prepayment amount mostly represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a lower or higher than contractual par amount, a feature that permits or requires prepayment at an amount that represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant in the initial recognition.

Financial assets – Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and *impairment* are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Financial liabilities – classification, subsequent measurement and gains and losses
Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

(iii) Derecognition

Financial assets
The Company and its subsidiaries derecognite a financial asset when the contractual rights to the cash flows from the asset expire, or they transfer the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership. of the financial asset and does not retain control over the financial asset, either.

The Company and its subsidiaries conduct transactions where the Company transfers assets recognized in the balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In such cases, financial assets are not derecognized.

Financial liabilities
The Company and its subsidiaries derecognition a financial liability when its contractual obligations are discharged or canceled, or expire. The Company and its subsidiaries also derecognize a financial liability when the terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(iv) Offsetting

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company and its subsidiaries have a legally enforceable right to offset the amounts and intend either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(v) Derivative financial instruments

The Company holds derivative financial instruments, such as forward exchange contracts, commodity forwards and swap agreements to hedge its exposures to the risks of foreign currency, interest rate and *commodity prices*.

Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met. The Company evaluated its contracts and did not find embedded derivatives.

Derivative financial instruments designated for *hedging* transactions are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes thereafter are recognized in the Company's finance income (costs). They are presented as financial assets when their fair values are positive and as financial liabilities when their fair values are negative.

l. Share capital - Company

Ordinary shares

Additional costs directly attributable to the issue of shares are recognized as a contra account to equity under CPC08/ IAS 32. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with (CPC 32) /IAS 12 - Income Taxes.

Dividends

The Company's bylaws establish a percentage not lower than 25% of profit adjusted pursuant to law to pay minimum non-discretionary dividends.

m. Impairment loss

(i) Non-derivative financial assets

Financial instruments and contract assets

The Company and its subsidiaries recognize loss allowances for ECLs on:

Financial assets measured at amortized cost;

The Company measures loss allowances at an amount equal to lifetime ECLs. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company and its subsidiaries consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the historical experience of the Company and its subsidiaries, on credit assessment and considering *forward-looking* information.

The Company and its subsidiaries assume that a financial asset's credit risk increases significantly if it is more than 30 days behind schedule.

The Company and its subsidiaries consider a financial asset to be delinquent when:

- The debtor is unlikely to pay its credit obligations to the Company and its subsidiaries in full, without recourse by the Company to actions such as realizing security (if any is held); Or
- The financial asset related to a client that has financial difficulties.

Credit-impaired financial assets
At each reporting date, the Company assesses whether financial assets measured at amortized cost and whether debt securities measured at fair value through other comprehensive income are credit-impaired. A financial asset is credit-impaired when one or more events that have a harmful impact on the estimated future cash flows of the financial asset occur.

Objective evidence that financial assets are credit-impaired includes the following observable data:

- significant financial difficulties of the borrower or issuer;
- A breach of contract such as a default or delinquency;
- Restructuring of an amount due to the Company and its subsidiaries on terms that the Company and its subsidiaries would not consider otherwise;
- It is likely that the debtor will enter bankruptcy or other financial reorganization; Or
- The disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the balance sheet
Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognized in OCI.

Low
The gross carrying amount of a financial asset is derecognized when the Company and its subsidiaries have no reasonable expectations of recovering their total or partial financial assets. For individual clients, the Company and its subsidiaries make an individual assessment of the timing and amount of write-off according to whether there is reasonable expectation of recovery. The Company does not expect any significant recovery from the amount written off. However, financial assets that are written off may still be subject to enforcement procedures for recovering amounts due.

(ii) *Non-financial assets*
The carrying amounts of the Company's and its subsidiaries' non-financial assets other than biological assets, investment property, inventories and deferred tax assets, are reviewed at each

reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or cash-generating group (CGU) exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

n. *Provisions*

A provision is recognized if, as a result of a past event, the Company and its subsidiaries have a present legal or constructive obligation that can be estimated reliably, and it is probable that an out appeal will be required to settle the obligation.

The Company and its subsidiaries recognize a provision for labor, environmental, civil and tax lawsuits. 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 by in-house and external lawyers. Those provisions are revised and adjusted to consider changes in circumstances, such as the statute of limitations period applicable to the case, completions of tax inspections or further exposures found according to new matters or court decisions. For further details, see note 14.

o. *Trade payables*

Trade payables are obligations payable for goods or services acquired over the normal course of business. They are firstly recognized at fair value and then measured at the amortized cost by using the effective interest method. In practice, trade receivables are usually measured at the original invoice amount and adjusted to present value, when applicable.

p. *Leases*

At inception of a contract, the Company and its subsidiaries assess whether a contract is, or contains, a lease.

A contract is, or contains, a lease if the contract transfers the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract transfers the right to control the use of an identified asset, the Company and its Subsidiaries use the definition of leases in CPC 06(R2) /IFRS 16.

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Company and its Subsidiaries allocate the consideration in the contract to each lease component on the basis of their stand-alone prices. However, for the leases of property the Company and its Subsidiaries have opted not to separate non-lease components and account for the lease and non-lease components as a single component.

A right of use and a lease liability are recognized at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the amount of the initial measurement of the lease liability, adjusted for any lease payments made by the date of commencement, plus any initial direct costs incurred by the lessee and an estimate of the costs to be incurred by the lessee on dismantling and removing the underlying asset, restoring the location where it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In such case, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as that of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's and its subsidiaries' incremental borrowing rate. The incremental borrowing rate is usually used as the discount rate.

The Company determines its incremental borrowing rate at the weighted-interest rate of its loans and financing.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; And
- The exercise price under a purchase option that the Group is reasonably certain to exercise and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the amount expected to be payable under a residual value guarantee, if the Company and its subsidiaries change their assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Leases of low-value assets
The Company has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

q. Measurement of fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company and its subsidiaries have access at that date. The fair value of a liability reflects its *non-performance* risk. The non-performance risk includes, among others, the credit risk of the Company and its subsidiaries.

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 (see Note 2.6).

When available, the Company and its subsidiaries measure the fair value of an instrument using the price quoted in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, the Company and its subsidiaries use valuation techniques that maximize the use of relevant observable data and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a purchase price and an ask price, then the Company and its subsidiaries measure assets at a bid price and liabilities at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Company and its subsidiaries determine that fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument, or at the time at which the valuation is wholly supported by observable market data or the transaction is closed out, whatever happens first.

r. Loan transaction costs

Transaction costs directly related to loans and financing under CPC 08/ IAS 32 are initially recognized as a write-down to the liability. They are subsequently recognized in the Company's finance income (costs) according to the flow of the term of the financing agreement to which it is related, so that finance charges reflect the actual cost of the financial instrument and not only the contractual interest rate of the instrument.

s. Earnings per share

Under CPC41/ IAS 33, the Company present basic profit and diluted profit attributable to the holders of the Company's ordinary shares.

Basic earnings and diluted earnings per share are calculated by dividing the Company's year's profit or loss by the weighted average number of ordinary shares held by shareholders during the period.

The weighted average number of total ordinary shares held by shareholders (outstanding) during the period is the total number of ordinary shares held with shareholders at the beginning of the period, adjusted by the number of ordinary shares collected or issued during the period multiplied by a time-weighting factor. The time-weighting factor is the number of days total shares, except those held at the Treasury Department, are held by shareholders as a proportion of the total number of days in the period

t. 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.
Segment reporting under CPC 22/ IFRS 8 is presented in Note 25.

2.8 Standards and interpretations issued but not yet effective

A number of new standards are effective for annual periods beginning after January 1, 2022 (April 1, 2022 for the Company). The Company has not amended the amended standards in preparing these individual company and consolidated financial statements.

The following amended standards and interpretations are not expected to have a significant impact on the Company's and its subsidiaries' individual company and consolidated 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).

3 Cash and cash equivalents

	Company		**Consolidated**	
	2023	**2022**	**2023**	**2022**
Cash and banks	36.930	42.760	51.642	42.764
Banks with related parties (a) (note 24)	2.373	2.618	5.946	2.812
Highly liquid financial investments (b)	871.808	1.107.136	876.306	1.107.136
Highly liquid financial investments with related parties (a) and (c) (note 24)	35.077	68.291	65.227	89.946
	946.188	1.220.805	999.121	1.242.658

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 98% to 105% (80%-120% as of March 31, 2022) 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) (100% as of March 31, 2022).

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.

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 16.

4 Restricted cash

	Company		Consolidated	
	2023	**2022**	**2023**	**2022**
Financial investments	19,957	57,717	19,957	57,717
Encourage (a)	475	1,081	475	1,081
Financial investments (b)	1,328	75	1,328	75
	21,760	58,873	21,760	58,873
Current assets	14,149	57,792	14,149	57,792
Non-current assets	7,611	1,081	7,611	1,081

(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 released in Brazilian reais and will not be subject to significant risks of fluctuations.

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	Consolidated
Balance as of March 31, 2021	**24,624**	**28,320**
Applications	244,738	248,423
Income	364	369
Rescues	(210,853)	(218,239)
Balance as of March 31, 2022	**58,873**	**58,873**
Applications	25,740	25,740
Income	4,437	4,437
Rescues	(67,290)	(67,290)
Balance as of March 31, 2023	**21,760**	**21,760**

5 Trade and other receivables

	Company		Consolidated	
	2023	**2022**	**2023**	**2022**
Trade and other receivables	32,727	45,599	44,521	45,599
Related party receivables (note 24)	5	10	-	-
	32,732	45,609	44,521	45,599
Other receivables - related parties (note 24)	1,145	1,182	683	1,043
Other receivables*	11,587	-	61,417	-
Allowance for ECLs	(885)	(789)	(885)	(789)
	11,847	393	61,215	254
	44,579	46,002	105,736	45,853

Circulating	33,407	45,253	47,500	45,243
Non-current	11,172	749	58,236	610

* The consolidated composition reflects the fair value assessment of the assets and liabilities assumed by Usina Santa Vitória Açúcar e Álcool during a business combination with its subsidiary Jalles Bioenergia S.A.. Electricity sales agreements were found which, using the present value measurement method of future earnings, justified the goodwill paid for the investment. The goodwill generated in the consolidated financial statements is recognized as receivables and classified according to the future marketing flows of the product.

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

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

	Company		**Consolidated**	
	2023	**2022**	**2023**	**2022**
Falling due	29,605	44,770	38,391	44,760
Past due 1-30 days	1,442	18	4,445	18
Past due 31–60 days	780	2	780	2
Past due 61–90 days	1	-	1	-
Past due 91-180 days	20	31	20	31
Past due 181–360 days	81	40	81	40
Past due for more than 360 days	803	748	803	748
	32,732	45,609	44,521	45,599

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		**Consolidated**	
	2023	**2022**	**2023**	**2022**
Opening balance	(789)	(8,432)	(789)	(8,432)
Estimated loss	(117)	(436)	(117)	(436)
Low	21	8,079	21	8,079
	(885)	(789)	(885)	(789)

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

	Company		**Consolidated**	
	2023	**2022**	**2023**	**2022**
External Market				
North America	8,092	1,762	8,092	1,762
South America (formerly Brazil)	48	-	48	-
Middle East and Asia	379	375	379	375
	8,519	**2,137**	**8,519**	**2,137**
Internal market				
Center-West	11,949	21,739	13,382	21,729
Northeast	5,016	5,507	8,256	5,507
North	3,057	3,912	4,606	3,912
Southeast	3,080	9,315	8,165	9,315
On	1,111	2,999	1,593	2,999
	24,213	**43,472**	**36,002**	**43,462**
Grand Total	**32,732**	**45,609**	**44,521**	**45,599**

In the year ended March 31, 2023 the impact of the provisions and reversals of allowances for impairment loss was the expense of R$96 (Company) and R$3,973 (reversal of expense of R$7,643 in the same period of 2022).

6 Inventories

	Company		Consolidated	
	2023	**2022**	**2023**	**2022**
Sugar	49,267	43,108	49,267	43,108
Ethanol	21,961	24,830	26,210	24,830
Other finished goods	1,833	1,578	1,833	1,578
Decarbonization credits - CBIOS (*)	14,989	2,926	22,617	2,926
Work in progress	424	216	424	216
Warehouse	48,275	58,892	95,797	58,892
Other - Related parties (note 24)	38	31	38	31
	136,787	131,581	196,186	131,581

(*) RenovaBio – Reports: In As of March 31, 2023, the Company had 236,304 CBIOs issued but not yet marketed (39,179 CBIOs as of March 31, 2022). During the year, 175,868 CBIOs (332,481 in 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 (CBIO), 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:

	Company		Consolidated	
	2023	**2022**	**2023**	**2022**
Opening balance	(2,529)	(2,345)	(2,529)	(2,345)
Addition: Business Combinations	-	-	(642)	-
Estimated loss	(3,102)	(1,276)	(3,985)	(1,276)
Reversal and write-off	1,979	1,092	2,055	1,092
	(3,652)	(2,529)	(5,101)	(2,529)

7 Recovered taxes

	Company		Consolidated	
	2023	**2022**	**2023**	**2022**
PIS and COFINS (a) (c)	31,645	13,070	128,418	13,070

ICMS (State VAT) (b)	45,088	20,215	85,179	20,215
IPI	1,067	-	1,067	-
INSS	-	-	214	-
	77,800	33,285	214,878	33,285
Circulating	54,264	24,016	111,862	24,016
Non-current	23,536	9,269	103,016	9,269

(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 detactively 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 the amount of R$54,570 as of March 31, 2023 (R$41,295 as of March 31, 2022) of equity-accounted investees and associates, and a gain of R$7,957 (Consolidated) as of March 31, 2023 (R$16,454 in 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:

	Company		Consolidated	
	2023	**2022**	**2023**	**2022**
Investments in subsidiaries and associates accounted for on the equity method of accounting				
Jalles Machado Empreendimentos Imobiliários S.A.	88,229	82,045	-	-
Albioma Codora Energia S.A.	51,179	67,855	51,179	67,855
Albioma Esplanada Energia S.A.	28,362	30,936	28,362	30,936
Usina Santa Vitória Açúcar e Álcool Ltda.	1,108,738	-	-	-
PUROLIM S.A.	(230)	(131)	-	-

	1,276,278	180,705	79,541	98,791
Other investments (d)	2,002	740	2,681	1,216
	1,278,280	181,445	82,222	100,007

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

	Company	Consolidated
Balance as of March 31, 2021	**175,534**	**101,554**
Share of profit of equity-accounted investees	41,295	16,454
Proposed additional dividends at the shareholders' meeting	(36,124)	(19,217)
Balance as of March 31, 2022	180,705	98,791
Acquisition of investee	386,960	-
Gain on bargain purchase	369,352	-
Appreciation - fixed assets SVAA	88,878	-
Increase in capital in investee	248,001	-
Share of profit (loss) of equity-accounted investees[1]	57,489	7,957
Amortization of appreciation - SVAA	(2,739)	-
Decrease in capital in investee[2]	(12,950)	(12,950)
Dividends proposed at the shareholders' meeting	(39,418)	(14,257)
Balance as of March 31, 2023	1,276,278	79,541

1 - Because the date when Usina Santa Vitória Açúcar e Álcool Ltda. was assuming control in October 2022, the share of profit (loss) of equity-accounted investees originates from six months of operations. The computation period for the other investments was one year.
2 - At an Extraordinary Meeting held on June 17, 2022 the shareholders of Albioma Codora Energia S.A. approved a reduction in capital from R$69,000 to R$32,000, and was allocated to Jalles Machado S.A. R.A. consisting of its 35% interest in associate.

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
2023								
Albioma Codora Energia S.A. (associate)	35,00%	31,492	111,062	142,554	27,376	78,816	106,192	36,362
Albioma Esplanada S.A. (associate)	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
PUROLM S.A.	100,00%	229	4	233	1	463	464	(231)
		366,110	1,428,597	1,794,707	192,793	425,561	618,354	1,176,353

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

2023	**Participation**	**Income**	**Expenses**	**Profit (loss)**	**Share of profit (loss) of equity-accounted investees**
Albioma Codora Energia S.A.	35,00%	55,741	(45,530)	10,211	3,574
Albioma Esplanada S.A.	40,00%	50,924	(39,852)	11,072	4,383
Usina Santa Vitória Açúcar e Álcool LTDA.	100,00%	164,631	(149,083)	15,548	15,548
Jalles Machado Empreend. Imob. S.A.	100,00%	38,111	(6,767)	31,344	31,344
PUROLM S.A.	100,00%	-	(99)	(99)	(99)
		354,018	(285,984)	68,076	54,750

2022	**Participation**	**Income**	**Expenses**	**Profit (loss)**	**Share of profit (loss) of equity-accounted investees**
Albioma Codora Energia S.A.	35,00%	55,109	(33,860)	21,249	7,437
Albioma Esplanada S.A.	40,00%	57,167	(34,623)	22,544	9,017
Jalles Machado Empreend. Imob. S.A.	99,99%	33,670	(8,805)	24,865	24,863
PUROLM S.A.	99,99%	-	(22)	(22)	(22)
		145,946	(77,310)	68,636	41,295

c. Dividends receivable

Company	Jalles Machado Empreend. Imob. S.A.	Albioma Codora Energia S.A.	Albioma Esplanada Energia S.A.	Total
Balance as of March 31, 2021	**14,066**	**-**	**-**	**14,066**
Dividends receivable	16,909	9,675	9,540	36,124
Dividends received	(25,072)	(2,898)	(4,801)	(32,771)
Offsetting against advance on 01/07/2021	-	(2,975)	-	(2,975)
Balance as of March 31, 2022	**5,903**	**3,802**	**4,739**	**14,444**
Dividends receivable	25,161	7,301	6,956	39,418
Dividends received	(23,620)	(11,103)	(9,480)	(44,203)
Balance as of March 31, 2023	**7,444**	**-**	**2,215**	**9,659**

Consolidated	Albioma Codora Energia S.A.	Albioma Esplanada Energia S.A.	Total
Balance as of March 31, 2021	**-**	**-**	**-**
Dividends receivable	9,675	9,540	19,215
Dividends received	(2,898)	(4,801)	(7,699)
Dividends proposed at the shareholders' meeting	(2,975)	-	(2,975)
Balance as of March 31, 2022	**3,802**	**4,739**	**8,541**
Dividends receivable	7,301	6,956	14,257
Dividends received	(11,103)	(9,480)	(20,583)
Balance as of March 31, 2023	**-**	**2,215**	**2,215**

d. Data about other investments

The Company has interest in other investments measured at cost. As of March 31, 2023 and 2022 these investments are represented in the following tables:

	Company		**Consolidated**	
Interest in other companies valued at cost	**2023**	**2022**	**2023**	**2022**
CCLA do Vale do São Patrício LTDA.	1,981	718	2,660	1,194
	1,981	718	2,660	1,194
Interest in other companies measured at fair value				
ENGIE Brasil Energia S/A	21	22	21	22
	21	22	21	22
Total other investments	2,002	740	2,681	1,216

9 Property, Plant and Equipment

Company	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	Out-of-season cost	Land	Total
Attributable cost and cost											
Balance as of March 31, 2021	**109,746**	**465,638**	**58,677**	**22,480**	**38,613**	**8,729**	**10,448**	**526,945**	**91,874**	**1,801**	**1,334,951**
Acquisitions for the period	-	39,163	19,379	170,044	3,117	-	7,745	116,409	137,148	-	493,005
Low	(90)	(14,622)	(1,885)	(32)	(215)	(2,182)	(582)	(94,016)	(92,891)	-	(206,515)
Transfers	3,308	44,469	66	(52,397)	8,641	-	(4,087)	-	-	-	-
Balance as of March 31, 2022	**112,964**	**534,648**	**76,237**	**140,095**	**50,156**	**6,547**	**13,524**	**549,338**	**136,131**	**1,801**	**1,621,441**
Acquisitions for the period	-	43,126	17,559	130,557	3,395	-	2,836	186,722	164,748	-	548,943
Low	-	(6,210)	(1,576)	(133)	(130)	-	(529)	(98,013)	(143,220)	(292)	(250,103)
Transfers	13,029	49,753	589	(56,297)	267	-	(7,341)	-	-	-	-
								-			
Balance as of March 31, 2023	**125,993**	**621,317**	**92,809**	**214,222**	**53,688**	**6,547**	**8,490**	**638,047**	**157,659**	**1,509**	**1,920,281**
Depreciation											
Balance as of March 31, 2021	**(17,982)**	**(194,561)**	**(27,660)**	**-**	**(15,180)**	**(1,139)**	**(3,567)**	**(186,069)**	**(5,716)**	**-**	**(451,874)**
Depreciation in the period	(2,508)	(26,767)	(3,995)	-	(3,780)	(380)	(355)	(98,916)	(94,368)	-	(231,069)
Low	13	9,048	1,034	-	121	354	290	94,016	92,891	-	197,767
Balance as of March 31, 2022	**(20,477)**	**(212,280)**	**(30,621)**	**-**	**(18,839)**	**(1,165)**	**(3,632)**	**(190,969)**	**(7,193)**	**-**	**(485,176)**
Depreciation in the period	(2,621)	(31,933)	(5,811)	-	(6,642)	(311)	(269)	(103,922)	(136,027)	-	(287,536)
Low	-	4,109	846	-	67	-	177	98,013	143,220	-	246,432
Balance as of March 31, 2023	**(23,098)**	**(240,104)**	**(35,586)**	**-**	**(25,414)**	**(1,476)**	**(3,724)**	**(196,878)**	**-**	**-**	**(526,280)**
Net carrying amount											
March 31, 2022	92,487	322,368	45,616	140,095	31,317	5,382	9,892	358,369	128,938	1,801	1,136,265
March 31, 2023	102,895	381,213	57,223	214,222	28,274	5,071	4,766	441,169	157,659	1,509	1,394,001

Consolidated	Buildings	Machinery, equipment and facilities	Vehicles and semi-trailers	Work in progress (a)	Furniture, equipment and fixtures	Aircraft	Other property and equipment	Crops	Out-of-season cost	Land	Total
Attributable cost and cost											
Balance as of March 31, 2021	**142,027**	**571,970**	**58,678**	**22,479**	**38,611**	**8,729**	**10,446**	**526,944**	**91,874**	**2,169**	**1,473,927**
Acquisitions for the period	-	39,163	19,379	170,044	3,117	-	7,745	116,409	137,148	-	493,005
Low	(90)	(14,622)	(1,885)	(32)	(215)	(2,182)	(582)	(94,016)	(92,891)	-	(206,515)
Transfers	3,308	44,469	66	(52,397)	8,641	-	(4,087)	-	-	-	-
Balance as of March 31, 2022	**145,245**	**640,980**	**76,238**	**140,094**	**50,154**	**6,547**	**13,522**	**549,337**	**136,131**	**2,169**	**1,760,417**
Acquisitions through business combinations	**204,625**	**1,137,943**	**36,280**	**13,181**	**5,932**	**-**	15,904	**385,401**	**8,330**	**10,120**	1,817,716
Acquisitions for the period	30	60,581	17,559	132,981	3,458	-	5,873	215,508	214,104	-	650,094
Low	-	(17,261)	(1,944)	(9,308)	(130)	-	(549)	(98,013)	(151,550)	(292)	(279,047)
Transfers	17,566	45,770	2,488	(58,738)	255	-	(7,341)	-	-	-	-
Balance as of March 31, 2023	**367,466**	**1,868,013**	**130,621**	**218,210**	**59,669**	**6,547**	**27,409**	**1,052,233**	**207,015**	**11,997**	**3,949,180**
Depreciation											
Balance as of March 31, 2021	**(25,804)**	**(256,278)**	**(27,661)**	**-**	**(15,242)**	**(1,139)**	**(3,502)**	**(186,066)**	**(5,716)**	**-**	(521,408)
Depreciation in the period	(3,338)	(31,548)	(3,995)	-	(3,780)	(380)	(355)	(98,916)	(94,368)	-	(236,680)
Low	13	9,048	1,034	-	121	354	290	94,016	92,891	-	197,767
Balance as of March 31, 2022	**(29,129)**	**(278,778)**	**(30,622)**	**-**	**(18,901)**	**(1,165)**	**(3,567)**	**(190,966)**	**(7,193)**	**-**	**(560,321)**
Acquisitions through business combinations	**(62,417)**	**(657,298)**	**(12,247)**	-	**(3,918)**	**-**	**(3,963)**	**(104,120)**	**(1,044)**	-	(845,007)
Depreciation in the period	(7,857)	(65,253)	(6,701)	-	(6,886)	(311)	(1,335)	(111,134)	(143,313)	-	(342,790)
Low	-	4,109	1,214	-	67	-	177	98,013	151,550	-	255,130
Balance as of March 31, 2023	**(99,403)**	**(997,220)**	**(48,356)**	**-**	**(29,638)**	**(1,476)**	**(8,688)**	**(308,207)**	**-**	**-**	**(1,492,988)**
Impairment loss											
Balance as of March 31, 2022	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-
Acquisitions through business combinations	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(207,250)**	**-**	**-**	(207,250)
Reversal of impairment losses Recoverable	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**8,185**	**-**	**-**	8,185
Balance as of March 31, 2023	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(199,065)**	**-**	**-**	**(199,065)**
Net carrying amount											
March 31, 2022	116,116	362,202	45,616	140,094	31,253	5,382	9,955	358,371	128,938	2,169	1,200,096
March 31, 2023	268,063	870,793	82,265	218,210	30,031	5,071	18,721	544,961	207,015	11,997	2,257,127

(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 Usina Santa Vitória Açúcar e Álcool in Jalles Machado S.A. in the amount of R$494,822, and of R$232,719, and of R$232,719.

As of March 31, 2023 the amount of R$322,193 (R$331,535 as of March 31, 2022) 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 financing transactions with financial institutions.

Disposal of property and equipment

During the year ended March 31, 2023, the Company lowered property, plant and equipment items with a net cost of R$3,671 (R$23,959 - Consolidated), and earned revenue of R$6,836 (Company and Consolidated). In the previous year the net cost of property, plant and equipment written off in the amount of R$8,748 and revenue from the sale of property, plant and equipment of R$7,457 in The Company and Consolidated financial statements were recognized. The net gain on such disposals has been recognized as part of other operating revenues in profit or loss.

Impairment loss on cash-generating units

During the year ended March 31, 2023, the Company did not find any evidence that the carrying values of certain assets could be higher than their recoverable value in their individual financial statements.

The cane crop was determined at fair value in the consolidated financial statements and found that the book value of Usina Santa Vitória Açúcar e Álcool Ltda. was higher than its recoverable value.
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 a reversal of R$8,185. 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*.

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 by harvested quantities, valued at the CONSECANA estimated at March 31, 2023, according to the deflated prices of future sugar, ethanol and US dollar rates extracted from current quotations from the Chicago Stock Exchange and BM&F (B3).

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

(a) Gross revenue: obtained by multiplying the (i) estimated sugarcane volume: calculated according to the estimated productivity (ton/ha) times 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:

	Company		Consolidated		
	2023	**2022**	**2023**	**2022**	**Impact on fair value of biological assets**
Estimated harvested area (hectares)	61,200	60,674	93,664	60,674	Increases the assumption, increases the fair value
Estimated productivity (t. of Cana/hectares) (i)	94.49	92.99	85.88	92.99	Increases the assumption, increases the fair value
Total amount of sugar recoverable amount - TRS (kg) (i)	137.38	132.95	139.24	132.95	Increases the assumption, increases the fair value
Total recoverable amount of total recoverable capital (ii)	1.3235	1.2824	1.2790	1.2824	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 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.

(b) 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 March 31, 2023, cash flows were discounted at 7.55% p.a. (7.95% p.a. as of March 31, 2022), 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 in third parties and the first cutting occurs after a period of 12 to 18 months of planting, when the root ("stupping") continues in the soil. After each cut or year/crop, the treated stupping 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 year are as follows:

	Company	Consolidated
Historical cost	150,845	150,845
Fair value	219,054	219,054
Balance as of March 31, 2021	**369,899**	**369,899**
Increases due to land care	189,891	189,891
Reductions arising from harvesting	(162,352)	(162,352)
Change in fair value	35,530	35,530
Balance as of March 31, 2022	**432,968**	**432,968**
It consists of:		
Historical cost	178,384	178,384
Fair value	254,584	254,584
	432,968	**432,968**
Addition by business combination	-	54,440
Increases due to land care	273,135	323,954
Reductions arising from harvesting	(193,367)	(203,494)
Transfer to property and equipment, sugar cane	-	31,272
Change in fair value	(36,181)	(39,589)
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
Final balance of biological assets	**476,555**	**599,551**

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$39,493 (R$54,405, Consolidated). The increase or decrease in production volumes, on the other hand, would result in an increase or reduction of R$32,990 (R$44,958, Consolidated). The increase or decrease in the discount rate would result in an increase or decrease by R$1,981 (R$2,140 - 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 16.

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.

					Company		Consolidated	
Credit line	**Index**	**Currency**	**Average nominal rate (p.a.)**	**Year of maturity**	**2023**	**2022**	**2023**	**2022**
Working capital	PRE/CDI/IPCA	R$	13.49%	2027	246,144	256,255	246,144	256,255
Capital Market	IPCA/CDI	R$	10.78%	2032	1,227,307	750,931	1,227,307	750,931
Multilateral	CDI	R$	16.90%	2027	152,520	179,361	152,520	179,361
BNDES/Finame/Leasing/CDC/FCO	PRE/SELIC/TJLP/TX. JRSVAR	R$	18.76%	2039	260,792	91,005	342,978	91,005
Working capital	PRE/LIBOR	USD	6.69%	2029	106,393	93,450	106,393	93,450
Multilateral	LIBOR	USD	8.26%	2027	88,116	105,641	88,116	105,641
Total					**2,081,272**	**1,476,643**	**2,163,458**	**1,476,643**
(-) Un amortized transaction costs					(38,729)	(28,091)	(38,729)	(28,091)
					2,042,543	1,448,552	2,124,729	1,448,552
Circulating					222,814	296,528	230,719	296,528
Non-current					1,819,729	1,152,024	1,894,010	1,152,024

Debt repayment schedule

Year of maturity	Company		Consolidated	
	2023	2022	2023	2022
2022/23	-	296,528	-	296,528
2023/24	222,814	190,165	230,719	190,165
2024/25	181,541	105,785	189,096	105,785
2025/26	429,416	340,960	436,970	340,960
2026/27	59,880	26,684	67,434	26,684
2027/28	63,371	26,644	70,925	26,644
2028/29	354,321	316,403	361,875	316,403
2029/30	158,566	48,945	166,120	48,945
2030/31	153,917	48,313	161,471	48,313
2031/32	190,213	48,125	197,767	48,125
2032/33	140,101	-	147,655	-
2033/34	14,145	-	20,439	-
2034/35	14,145	-	14,145	-
2035/36	14,145	-	14,145	-
2036/37	14,145	-	14,145	-
2037/38	14,145	-	14,145	-
2038/39	17,678	-	17,678	-
	2,042,543	1,448,552	2,124,729	1,448,552

The table below shows the changes in loans and financing in the years ended March 31, 2022 and 2023:

	Company		Consolidated	
Changes in debt	2023	2022	2023	2022
Previous balance	1,448,552	1,420,713	1,448,552	1,420,713
Addition by business combination	-	-	178,015	-
Funding	802,535	434,188	802,535	434,188
Principal repayment	(286,657)	(417,563)	(382,038)	(417,563)
Interest repayment	(128,660)	(73,461)	(132,197)	(73,461)
Accrued interest	186,694	119,913	189,783	119,913
Repayment of loan transaction costs	6,524	5,601	6,524	5,601
Foreign exchange gain (loss)	13,555	(40,839)	13,555	(40,839)
	2,042,543	1,448,552	2,124,729	1,448,552

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. The Company monitors its obligations and as of March 31, 2023 all of them were being complied with.

12 Trade and other payables

	Company		Consolidated	
	2023	**2022**	**2023**	**2022**
Suppliers of goods and services	40,626	41,434	75,385	41,434
Suppliers of goods and services - Related parties (note 24)	29	-	-	-
Trade payables for property, plant and equipment	22,110	68,498	22,110	68,498
Other accounts payable - Related parties (Note 24)	1,081	7,315	1,081	7,315
Other payables	5,160	5,315	8,964	5,315
	69,006	122,562	107,540	122,562
Circulating	68,570	122,140	107,104	122,140
Non-current	436	422	436	422

Information about the Company's exposure to liquidity risks related to trade and other payables is disclosed in note 16.

13 Net deferred taxes

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

Company

	2023		2022		Result	
Company	**Assets**	**Passive**	**Assets**	**Passive**	**2023**	**2022**
Attributable cost of property, plant and equipment	-	20,502	-	21,013	511	611
Fair value of biological assets	-	74,257	-	86,559	12,302	(12,079)
Gain on fixed assets in business combination	-	29,287	-	-	932	-
Encouraged accelerated depreciation	-	182,192	-	113,485	(68,707)	(50,988)
Recalculation of useful lives	-	28,667	-	23,165	(5,502)	(3,065)
Discounted present value	1,827	-	-	2,365	4,192	1,638
Fair value of investments	-	18,726	-	18,727	1	(8)
Leasing		6,494	-	3,420	(3,074)	(3,556)
Provisions for contingencies	-	-	562	-	(562)	(391)
CBIOS Fair Value	-	5,096	-	995	(4,101)	55
Under *dispute* taxes settled and added in previous years pending at LALUR on income tax	-	9,108	-	5,462	(3,646)	(736)
Revenue recognition - CPC 47	-	-	2,148	-	(3,673)	163
On temporary provisions	4,421	-	3,965	-	1,981	(1,078)
Derivative instruments	44,483	-	50,634	-	(6,151)	4,431
Income tax loss and social contribution tax losses	109,193	-	60,496	-	48,697	3,366
	159,924	374,329	117,805	275,191	(26,800)	(61,637)
Net deferred taxes		214,405		157,386		

Consolidated

	2023		2022			Result
	Assets	**Passive**	**Assets**	**Passive**	**2023**	**2022**
Attributable cost of property, plant and equipment	-	20,502	-	21,013	511	611
Accelerated depreciation encouraged - sugar cane farming	-	10,459	-	-	(10,459)	-
Fair value of biological assets	-	54,737	-	86,559	31,822	(12,079)
Gain on fixed assets in business combination	-	29,287	-	-	932	-
Encouraged accelerated depreciation	-	182,192	-	113,485	(68,707)	(50,988)
Recalculation of useful lives	-	28,667	-	23,165	(5,502)	(3,065)
Discounted present value	1,827	-	-	2,365	4,192	1,638
Fair value of investments	-	18,726	-	18,727	1	(8)
Leasing	4,805	6,494	-	3,420	1,731	(3,556)
Provisions for contingencies	292	-	562	-	(270)	(391)
CBIOS Fair Value	-	5,435	-	995	(4,440)	55
Under *dispute* taxes settled and added in previous years pending in LALUR on income tax	-	9,108	-	5,462	(3,646)	(736)
Revenue recognition - CPC 47	-	-	2,148	-	(3,673)	163
On temporary provisions	4,010	-	3,965	-	1,570	(1,078)
Derivative instruments	44,483	-	50,634	-	(6,151)	4,431
Income and social contribution tax losses	136,927	-	60,496	-	49,330	3,366
	192,344	365,607	117,805	275,191	(12,759)	(61,637)
Net deferred taxes		173,263		157,386		

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:

	Company		**Consolidated**	
Crop	**Loss Compensate**	**IRPJ (Corporate Income Tax)/CSLL (Social Contribution Tax) to be realized**	**Prejudice to offset**	**IRPJ (Corporate Income Tax)/CSLL (Social Contribution Tax) to be done**
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	58,928	20,036	77,375	26,308
> 2027/28	103,189	35,084	114,830	39,042
Total	**321,156**	**109,193**	**402,727**	**136,927**

Usina Santa Vitória Açúcar e Álcool Ltda. as of March 31, 2023 had tax credits of R$527,173 consisting of income and social contribution tax losses. SVAA'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 reconciliation between total tax expense calculated by applying tax rates and income and social contribution tax expenses in profit or loss is as follows:

	Company		Consolidated	
Reconciliation of the effective tax rate	**2023**	**2022**	**2023**	**2022**
Accounting profit (loss) before income and social contribution taxes	719,139	449,544	707,697	453,641
Combined tax rate	34%	34%	34%	34%
Income and social contribution taxes at the combined tax rate	(244,507)	(152,845)	(240,617)	(154,238)
Adjustment to calculate the effective rate				
Calculation adjustment of subsidiaries on deemed profit	-	-	7,111	5,742
Permanent add-backs/deductions	(1,538)	(826)	916	(826)
Decarbonization credits - CBIOS	7,411	7,992	7,911	7,992
Deduction of interest on equity capital	-	15,542	-	15,542
Gain on bargain purchase*	145,524	-	145,524	-
Share issue expenses	-	2,363	-	2,363
Share of profit (loss) of equity-accounted investees	18,615	14,040	2,705	5,594
Tax incentives	47,692	52,097	61,089	52,097
Income and social contribution taxes in profit or loss for the year	(26,800)	(61,637)	(15,358)	(65,734)
Current income and social contribution taxes	-	-	(2,599)	(4,097)
Deferred income and social contribution taxes	(26,800)	(61,637)	(12,759)	(61,637)
Effective rate	-4%	-14%	-2%	-14%

* The Parent Company does not intend to dispose of/incorporate its investments in Santa Vitória Açúcar e Álcool Ltda. in the foreseeable future, and therefore has measured the deferred taxes related to the bargain purchase gain using the income tax rates applicable to dividends, which are zero, because these dividends are tax-exempt. As a result, deferred tax has not been recognized. The gain from a bargain purchase is deducted from the income and social contribution taxes and will be taxed if the investment is made through the sale/merger of Santa Vitoria Açúcar e Álcool Ltda. by the parent company, and the gain can be taxed in up to sixty months.

14 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:

	Company			
	2023		2022	
	Court deposits	**Provision**	**Court deposits**	**Provision**
Excise Tax (IPI) on crystal overtax - *under dispute*	7,609	7,609	14,527	14,527
Labor contingencies	661	2,317	676	3,396
PIS/COFINS/INSS	98,734	-	84,576	-
Other	3,613	7,833	3,468	7,387
	110,617	17,759	103,247	25,310

	Consolidated			
	2023		2022	
	Court deposits	**Provision**	**Court deposits**	**Provision**
Excise Tax (IPI) on crystal overtax - *under dispute*	7,609	7,609	14,527	14,527
Labor contingencies	2,112	6,352	676	3,396
PIS/COFINS/INSS	98,734	-	84,576	-
Other	3,613	12,653	3,468	7,387
	112,068	26,614	103,247	25,310

Changes in the balances of court deposits and provisions for contingencies in the year were as follows:

Court deposits	Company			
	2022	**Additions**	**Rollbacks**	**2023**
Product Tax				
Processed goods (IPI) on sugar				
Cristal - *Sub Judice*	14,527	460	(7,378)	7,609
Labor	676	134	(149)	661
PIS/COFINS/INSS	84,576	14,158	-	98,734
Other	3,468	394	(249)	3,613
	103,247	15,146	(7,776)	110,617

Court deposits	Consolidated				
	2022	**Addition: Combination business**	**Additions**	**Rollbacks**	**2023**
Product Tax					
Processed goods (IPI) on sugar					
Cristal - *Sub Judice*	14,527		460	(7,378)	7,609
Labor	676	1,281	505	(350)	2,112
PIS/COFINS/INSS	84,576	-	14,158	-	98,734
Other	3,468	-	394	(249)	3,613
	103,247	1,281	15,517	(7,977)	112,068

Provisions for contingencies	Company			
	2022	**Additions**	**Rollbacks**	**2023**
Product Tax				
Processed goods (IPI) on sugar				
Cristal - *Sub Judice*	14,527	460	(7,378)	7,609
Labor	3,396	126	(1,205)	2,317
Other	7,387	863	(417)	7,833
	25,310	1,449	(9,000)	17,759

Provisions for contingencies	Consolidated				
	2022	**Addition: business combination**	**Additions**	**Rollbacks**	**2023**
IPI (Federal VAT) on crystal sugar - *under dispute*	14,527	-	460	(7,378)	7,609
Labor	3,396	3,808	512	(1,364)	6,352
Other	7,387	5,050	1,805	(1,589)	12,653
	25,310	8,858	2,777	(10,331)	26,614

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 potential losses on ongoing lawsuits. The accrued amount is comprised of:

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

Injunctions granted by 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).

b. Contingent liabilities not provided for

Contingent liabilities not recognized in the individual company and consolidated financial statements are civil and tax proceedings considered to pose a possible risk of possible unfavorable outcome. They total R$65,497 (March 31, 2023), Company and R$69,209 (R$28,176 as of March 31, 2022), 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 (Contribution for Social Security Contribution), Social Security Contribution (FUNRURAL), IRPJ (Corporate Income Tax) and CSLL (Social Contribution Tax).

15 Equity - Company

Share capital

Subscribed and paid-in share capital as of March 31, 2022 and March 31, 2023 is R$982,096. It consists of 294,697,091 registered ordinary shares with no par value, fully paid in.

Statutory reserve

The legal reserve is recognized at the rate of 5% of annual profit, up to the limit of 20% of share capital, pursuance 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 benefit amount in a certain year is recognized in profit or loss as other operating revenues with a corresponding reserve recognized in equity. Under incentive rules, tax incentives may not be used to calculate or pay dividends. During the year ended March 31, 2023 the Company recognized R$140,444 in profit or loss which were allocated to the reserve for investment grant. As of March 31, 2023 there are no balances to be recognized. 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 - PRODUZIR, 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 a "Tax Incentive 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.

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. Minimum non-discretionary dividends payable were calculated as follows:

	2023
Profit or loss for the year	692,329
Realization of equity valuation adjustments	991
Adjusted profit (loss) for the year	**693,320**
Statutory reserve - 5%	(34,666)
Reassembly of the investment grant	(140,444)
Calculation base for the minimum non-discretionary dividends	**518,210**
Minimum non-discretionary dividends (25%)	**129,553**
Capital budget reserve	388,658
Balances of retained earnings as of March 31	-

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, pursuance 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, pursuance to applicable law, will be allocated to the non-discretionary dividends due to shareholders in the year.

Appropriated retained earnings

Under article 196 of Act No. 6,404/76, the Company recognized a retained earnings reserve according to the capital budget after statutory and statutory appropriations, as proposed by Management. The capital budget is submitted to shareholders for consideration and approval by the Annual Shareholders' Meeting.

The proposed revenue retention reserve, in the amount of R$388,658, aims at supporting the investment plan for the next five years, basically related to the plan for expanding the industrial facilities and increasing the productivity of the sugarcane industry.

According to a proposed capital budget, retained earnings will be allocated to acquire property, plant and equipment (agricultural and industrial machinery and equipment and expand the sugarcane). The purpose is to increase the sugar cane grinding capacity and therefore to increase the production of sugar and ethanol.

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.

Until the year ended March 31, 2023 the Company acquired 1,994,200 shares at an average cost of R$7.1512, totaling R$14,261 during the year.

16 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.

Company

2023	Carrying value Fair value through profit or loss	Amortized cost	Other financial liabilities	Total	Fair value Level 2
Financial assets					
Cash and cash equivalents	-	39,303	-	39,303	-
Financial investments	-	906,885	-	906,885	-
Restricted cash	-	21,760	-	21,760	-
Derivative financial instruments	191,990	-	-	191,990	191,990
Trade and other receivables	-	44,579	-	44,579	-
Total	191,990	1,012,527	-	1,204,517	191,990
Financial liabilities measured at fair value					
Derivative financial instruments	322,822	-	-	322,822	322,822
Total	322,822	-	-	322,822	322,822
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	-	-	3,088,692	3,088,692	2,121,811

2022	Carrying value Fair value through profit or loss	Amortized cost	Other financial liabilities	Total	Fair value Level 2
Financial assets					
Cash and cash equivalents	-	45,378	-	45,378	-
Financial investments	-	1,175,427	-	1,175,427	1,175,427
Restricted cash	-	58,873	-	58,873	58,873
Derivative financial instruments	131,137	-	-	131,137	131,137
Trade and other receivables	-	46,002	-	46,002	-
Total	**131,137**	**1,325,680**	**-**	**1,456,817**	**1,365,437**
Financial liabilities measured at fair value					
Derivative financial instruments	280,060	-	-	280,060	280,060
Total	**280,060**	**-**	**-**	**280,060**	**280,060**
Financial liabilities not measured at fair value					
Loans and financing	-	-	1,448,552	1,448,552	-
Trade and other payables	-	-	122,562	122,562	-
Leases to be paid			786,236	786,236	-
Total	**-**	**-**	**2,357,350**	**2,357,350**	**-**

Consolidated

Carrying value	Fair value

2023	Fair value through profit or loss	Amortized cost	Other financial liabilities	Total	Level 2
Financial assets					
Cash and cash equivalents	-	57,588	-	57,588	-
Financial investments	-	941,533	-	941,533	941,533
Restricted cash	-	21,760	-	21,760	21,760
Derivative financial instruments	191,990	-	-	191,990	191,990
Trade and other receivables	-	105,736	-	105,736	-
Total	191,990	1,126,617	-	1,318,607	1,155,283
Financial liabilities measured at fair value					
Derivative financial instruments	322,822	-	-	322,822	322,822
Total	322,822	-	-	322,822	322,822
Financial liabilities not measured at fair value					
Loans and financing	-	-	2,124,729	2,124,729	2,203,996
Trade and other payables	-	-	107,540	107,540	-
Leases to be paid	-	-	1,224,355	1,224,355	-
Total	-	-	3,456,624	3,456,624	2,203,996

	Carrying value				**Fair value**
2022	**Fair value through profit or loss**	**Amortized cost**	**Other financial liabilities**	**Total**	**Level 2**
Financial assets					
Cash and cash equivalents	-	45,576	-	45,576	-
Financial investments	-	1,197,082	-	1,197,082	1,197,082
Restricted cash	-	58,873	-	58,873	58,873
Derivative financial instruments	131,137	-	-	131,137	131,137
Trade and other receivables	-	45,853	-	45,853	-
Total	**131,137**	**1,347,384**	**-**	**1,478,521**	**1,387,092**
Financial liabilities measured at fair value					
Derivative financial instruments	280,060	-	-	280,060	280,060
Total	**280,060**	**-**	**-**	**280,060**	**280,060**
Financial liabilities not measured at fair value					
Loans and financing	-	-	1,448,552	1,448,552	-
Trade and other payables	-	-	122,562	122,562	-
Leases to be paid	-	-	709,344	709,344	
Total	**-**	**-**	**2,280,458**	**2,280,458**	**-**

The fair values of loans classified as current are equal to their book values, given that the impact of the discount is not material. 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 do not differ significantly from 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 (unadettled) 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 March 31, 2022 and 2023.

c. Financial risk management

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

- Operational risks
- Credit risks;
- Liquidity risks;
- 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.

(ii) 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.

Risk of supply of input
The Company's operations are exposed to the global availability of agricultural input. The world has been facing logistics difficulties both in importing agricultural input, particularly fertilizers, as well as in shipping organic sugar abroad, the consequences still arising from the corona virus pandemic and currently, the war between Russia and Ukraine compromising major sea routes.

The Company's Management understands that its operations are less aggravated by the recognition of approximately 23 thousand hectares of organic land (more than 30% of the cultivated area), which does not use fertilizers and pesticides. Another relevant point is that, among the three main agricultural inputs used, nitrogen, phosphorus and potassium, the Company has almost 70% of its self-sufficiency in potassium obtained from the application of the vineyard, by-product of sugarcane. Despite the strategy of keeping operations stocked and avoiding the negative effects of inflation and foreign exchange gains and losses, the Company has been keeping inventories of input at higher levels that serve a longer period of operations than those previously carried out.

(iii) *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 financial statements was as follows:

	Company		Consolidated	
	2023	**2022**	**2023**	**2022**
Cash and cash equivalents	946,188	1,220,805	999,121	1,242,658
Restricted cash	21,760	58,873	21,760	58,873
Trade and other receivables	43,461	44,810	105,085	44,810
Related party trade and other receivables	1,150	1,192	683	1,043
Hedging instruments	191,990	131,137	191,990	131,137
	1,204,517	1,456,817	1,318,607	1,478,521
Circulating	1,017,821	1,357,614	1,084,847	1,379,457
Non-current	186,696	99,203	233,760	99,064

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 two 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;

(b) Assign a credit rating to each customer according to qualitative and quantitative measures for the customer; And

(c) 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 financial statements, for which impairment losses were recognized according to internal risk assessments, was as follows:

						Company
			2023			**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%	29,604	-	0%	44,769	-
Past due 1-30 days	0%	1,442	-	0%	18	-
Past due 31–60 days	0%	780	-	0%	2	-
Past due 61–90 days	0%	1	-	0%	-	-
Past due 91-180 days	0%	20	-	0%	31	-
Past due 181–360 days	100%	81	81	100%	41	41
Overdue for more than 360 days	100%	804	804	100%	748	748
Days						
		32,732	885		45,609	789

						Consolidated
			2023			**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%	38,389	-	0%	44,759	-
Past due 1-30 days	0%	4,445	-	0%	18	-
Past due 31–60 days	0%	780	-	0%	2	-
Past due 61–90 days	0%	1	-	0%	-	-
Past due 91-180 days	0%	20	-	0%	31	-
Past due 181–360 days	100%	81	81	100%	41	41
Past due for more than 360 days	100%	805	805	100%	748	748
		44,521	886		45,599	789

Changes in the allowance for ECLs were:

		Company		**Consolidated**
	2023	**2022**	**2023**	**2022**
Opening balance	(789)	(8,432)	(789)	(8,432)
Estimated loss	(117)	(436)	(117)	(436)
Low	21	8,079	21	8,079
	(885)	(789)	(885)	(789)

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.

(iv) Liquidity risk

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:

Company

	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)	69,006	69,006	68,570	22	22	392
Leases payable	977,143	1,585,374	88,204	132,962	305,820	450,153
Derivative financial instruments	322,822	322,822	179,440	56,359	64,938	19,797
Loans and financing (note 11)	2,042,543	2,562,599	393,660	269,562	806,139	1,093,238
	3,409,526	4,528,498	730,386	458,903	1,176,919	1,561,086
Circulating	561,406	730,386				
Non-current	2,848,120	3,798,112				

	2022					
	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)	122,562	122,562	122,140	16	47	359
Leases payable	786,236	1,195,852	150,854	149,958	329,722	565,318
Derivative financial instruments	280,060	280,060	155,996	75,640	48,424	-
Loans and financing (note 11)	1,448,552	2,125,309	388,519	287,584	883,872	565,334
	2,637,410	3,723,783	817,509	513,198	1,262,065	1,131,011
Circulating	661,373	817,509				
Non-current	1,976,037	2,906,274				

Consolidated

	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)	107,540	107,540	107,104	22	22	392
Leases payable	1,224,355	1,967,893	113,244	168,683	404,470	537,955
Derivative financial instruments	322,822	322,822	179,440	56,359	64,938	19,797
Loans and financing (note 11)	2,124,729	2,697,217	410,326	283,913	845,715	1,157,263
	3,777,459	5,084,169	810,626	508,975	1,315,145	1,712,913
Circulating	632,885	810,626				
Non-current	3,144,574	4,273,543				

	2022					
	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)	122,562	122,562	122,140	16	47	359
Leases payable	709,344	1,113,848	114,408	113,512	320,610	565,318
Derivative financial instruments	280,060	280,060	155,996	75,640	48,424	-
Loans and financing (note 11)	1,448,552	2,125,309	388,519	287,584	883,872	565,334
	2,560,518	3,641,779	781,063	476,752	1,252,953	1,131,011
Circulating	625,512	781,063				
Non-current	1,935,006	2,860,716				

(v) 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 and latex and from rubber trees. 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
At the reporting date the profile of the Company and its subsidiaries' interest-bearing financial instruments was as follows:

	Company		Consolidated	
	2023	**2022**	**2023**	**2022**
Financial assets				
Cash and cash equivalents (note 3)	906,885	1,175,427	941,533	1,197,082
Restricted cash (note 4)	21,760	58,873	21,760	58,873
Financial liabilities				
Loans and financing (note 11)	1,922,654	1,448,552	2,004,813	1,448,552

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 is the stable condition in interest rates, with no changes. The current scenario is the stable condition in 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 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

			2023							
			Current scenario		Scenario One		Scenario Two		Scenario Three	
Instrument	**Value**	**Risk**	**%**	**Value**	**%**	**Value**	**%**	**Value**	**%**	**Value**
Financial assets										
Financial investments	906.885	CDI	13,65%	123,790	14,33%	129,980	15,70%	142,359	17,06%	154,738
Restricted cash	21.285	CDI	13,65%	2,905	14,33%	3,050	15,70%	3,340	17,06%	3,631
Financial liabilities										
BNDES/Finame/Leasing/CDC	(4.819)	SELIC	12,75%	(615)	13,39%	(646)	14,67%	(708)	15,94%	(769)
Finame (Machinery and Equipment Financing Fund)/Finem (Machinery and Equipment Financing)/Agricultural funding	(49.246)	TLP	9,60%	(4,730)	10,09%	(4,967)	11,05%	(5,440)	12,01%	(5,913)
Multilateral / Working Capital / Capital Markets / Agricultural Funding	(374.319)	CDI	15,25%	(57,074)	16,01%	(59,928)	17,53%	(65,635)	19,06%	(71,342)
Capital market	(1.338.993)	IPCA (Consumer Price Index	10,48%	(140,260)	11,00%	(147,273)	12,05%	(161,299)	13,09%	(175,325)
Finem / FCO	(9.374)	TX. JRREP	6,82%	(639)	7,16%	(671)	7,84%	(735)	8,52%	(799)
Multilateral / Working Capital	(88.116)	LIBOR 6m	8,26%	(7,281)	8,68%	(7,645)	9,50%	(8,373)	10,33%	(9,101)
Working capital	(57.787)	LIBOR 3m	7,13%	(4,120)	7,49%	(4,326)	8,20%	(4,738)	8,91%	(5,150)
Net finance costs (estimated)				(88,024)		(92,426)		(101,229)		(110,030)
Impact on profit or loss and equity (variation)						(4,402)		(13,205)		(22,006)

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

2023

			Current scenario		Scenario One		Scenario Two		Scenario Three	
Instrument	**Value**	**Risk**	**%**	**Value**	**%**	**Value**	**%**	**Value**	**%**	**Value**
Financial assets										
Financial investments	906.885	CDI	13,65%	123.790	12,97%	117.600	11,60%	105.221	10,24%	92.842
Restricted cash	21.285	CDI	13,65%	2.905	12,97%	2.760	11,60%	2.470	10,24%	2.179
Financial liabilities										
BNDES/Finame/Leasing/CDC	(4.819)	SELIC	12,75%	(615)	12,11%	(584)	10,84%	(522)	9,56%	(461)
Finame (Machinery and Equipment Financing Fund)/Finem (Machinery and Equipment Financing)/Agricultural funding	(49.246)	TLP	9,60%	(4.730)	9,12%	(4.493)	8,16%	(4.020)	7,20%	(3.547)
Multilateral / Working Capital / Capital Markets / Agricultural Funding	(374.319)	CDI	15,25%	(57.074)	14,49%	(54.220)	12,96%	(48.513)	11,44%	(42.806)
Capital market	(1.338.993)	IPCA (Consumer Price Index	10,48%	(140.260)	9,95%	(133.247)	8,90%	(119.221)	7,86%	(105.195)
Finem / FCO	(9.374)	TX. JRREP	6,82%	(639)	6,48%	(607)	5,79%	(543)	5,11%	(479)
Multilateral / Working Capital	(88.116)	LIBOR 6m	8,26%	(7.281)	7,85%	(6.917)	7,02%	(6.189)	6,20%	(5.461)
Working capital	(57.787)	LIBOR 3m	7,13%	(4.120)	6,77%	(3.914)	6,06%	(3.502)	5,35%	(3.090)
Net finance costs (estimated)				(88.024)		(83.622)		(74.819)		(66.018)
Impact on profit or loss and equity (variation)						4.402		13.205		22.006

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

			31/03/2023							
			Current scenario		Scenario One		Scenario Two		Scenario Three	
Instrument	**Value**	**Risk**	**%**	**Value**	**%**	**Value**	**%**	**Value**	**%**	**Value**

Financial assets										
Financial investments	941.533	CDI	13,65%	128.519	14,33%	134.945	15,70%	147.797	17,06%	160.649
Restricted cash	21.285	CDI	13,65%	2.905	14,33%	3.050	15,70%	3.340	17,06%	3.631
Financial liabilities										
BNDES/Finame/Leasing/CDC	(25.796)	SELIC	18,18%	(4.689)	19,09%	(4.923)	20,90%	(5.392)	22,72%	(5.861)
Finame (Machinery and Equipment Financing Fund)/Finem (Machinery and Equipment Financing)/Agricultural funding	(110.428)	TLP	10,37%	(11.449)	10,89%	(12.021)	11,92%	(13.166)	12,96%	(14.311)
Multilateral / Working Capital / Capital Markets / Agricultural Funding	(374.319)	CDI	15,25%	(57.074)	16,01%	(59.928)	17,53%	(65.635)	19,06%	(71.342)
Capital market	(1.338.993)	IPCA (Consumer Price Index	10,48%	(140.260)	11,00%	(147.273)	12,05%	(161.299)	13,09%	(175.325)
Finem / FCO	(9.374)	TX. JRREP	6,82%	(639)	7,16%	(671)	7,84%	(735)	8,52%	(799)
Multilateral / Working Capital	(88.116)	LIBOR 6m	8,26%	(7.281)	8,68%	(7.645)	9,50%	(8.373)	10,33%	(9.101)
Working capital	(57.787)	LIBOR 3m	7,13%	(4.120)	7,49%	(4.326)	8,20%	(4.738)	8,91%	(5.150)
Net finance costs (estimated)				(94.088)		(98.792)		(108.201)		(117.609)
Impact on profit or loss and equity (variation)						(4.704)		(14.113)		(23.521)

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

			31/03/2023							
			Current scenario		**Scenario One**		**Scenario Two**		**Scenario Three**	
Instrument	**Value**	**Risk**	**%**	**Value**	**%**	**Value**	**%**	**Value**	**%**	**Value**
Financial assets										
Financial investments	941.533	CDI	13,65%	128.519	12,97%	122.093	11,60%	109.241	10,24%	96.389
Restricted cash	21.285	CDI	13,65%	2.905	12,97%	2.760	11,60%	2.470	10,24%	2.179

Financial liabilities										
BNDES/Finame/Leasing/CDC	(25.796)	SELIC	18,18%	(4.689)	17,27%	(4.455)	15,45%	(3.986)	13,63%	(3.517)
Finame (Machinery and Equipment Financing Fund)/Finem (Machinery and Equipment Financing)/Agricultural funding	(110.428)	TLP	10,37%	(11.449)	9,85%	(10.877)	8,81%	(9.732)	7,78%	(8.587)
Multilateral / Working Capital / Capital Markets / Agricultural Funding	(374.319)	CDI	15,25%	(57.074)	14,49%	(54.220)	12,96%	(48.513)	11,44%	(42.806)
Capital market	(1.338.993)	IPCA (Consumer Price Index	10,48%	(140.260)	9,95%	(133.247)	8,90%	(119.221)	7,86%	(105.195)
Finem / FCO	(9.374)	TX. JRREP	6,82%	(639)	6,48%	(607)	5,79%	(543)	5,11%	(479)
Multilateral / Working Capital	(88.116)	LIBOR 6m	8,26%	(7.281)	7,85%	(6.917)	7,02%	(6.189)	6,20%	(5.461)
Working capital	(57.787)	LIBOR 3m	7,13%	(4.120)	6,77%	(3.914)	6,06%	(3.502)	5,35%	(3.090)
Net finance costs (estimated)				(94.088)		(89.384)		(79.975)		(70.567)
Impact on profit or loss and equity (variation)						4.704		14.113		23.521

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	**2023**		**2022**	
	R$	**US$**	**R$**	**US$**
Cash and cash equivalents	33,987	6,690	41,041	8,662
Trade and other receivables	15,050	2,962	10,264	2,166
Loans and financing	(194,509)	(38,286)	(199,091)	(42,022)
Net exposure	(145,472)	(28,634)	(147,786)	(31,194)

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 (R$)			Decrease (R$)		
	USD	R$	Scenario One	Scenario Two	Scenario Three	Scenario One	Scenario Two	Scenario Three
Instruments Financial								
Assets								
Cash and Equivalent cash	6,690	33,987	1,699	3,399	5,098	(1,699)	(3,399)	(5,098)
Trade and other receivables	2,962	15,050	752	1,505	2,257	(752)	(1,505)	(2,257)
Passive								
Loans and Financing	(38,286)	(194,509)	(9,725)	(19,451)	(29,176)	9,725	19,451	29,176
Impact on profit or loss and equity			(7,274)	(14,547)	(21,821)	7,274	14,547	21,821

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 (R$ thousand)	
		2023	2022	2023	2022
Physical/receivables					
Goods					
Sugar (tonnes)	2022-23	-	250,000	-	553,000
Sugar (tonnes)	2023-24	265,000	250,000	664,201	562,750
Sugar (tonnes)	2024-25	265,000	250,000	619,621	563,250
Sugar (tonnes)	2021-22	265,000	-	602,889	-
Ethanol (m3)	2022-23	-	200,000	-	696,000
Ethanol (m3)	2023-24	400,000	200,000	1,161,500	696,000
Ethanol (m3)	2024-25	400,000	200,000	1,161,500	696,000
Ethanol (m3)	2025-26	400,000	-	1,161,500	-
Total				**5,371,211**	**3,767,000**
Futures contracts (*Forward*)					
Long position					
Goods					
Sugar (tonne)	2022-23	-	16,511	**-**	**33,821**
Short position					
Goods					
Sugar (tonne)	2022-23	-	217,688	-	(464,084)
Sugar (tonne)	2023-24	229,653	207,426	(575,606)	(448,213)
Sugar (tonne)	2024-25	211,537	107,599	(494,614)	(230,910)
Sugar (tonne)	2025-26	45,162	-	(102,746)	-
				(1,172,966)	**(1,143,207)**
Total				**4,198,245**	**2,657,614**

(*) 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 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 March 31, 2023.

		Likely	Elevation		Reduction	
Production	**Notional**	**31/03/2023**	**25%**	**50%**	**25%**	**50%**

Sugar	1,886,711	263,609	471,678	943,356	(471,678)	(943,356)
Ethanol	3,484,500	425,739	871,125	1,742,250	(871,125)	(1,742,250)
	5,371,211	**689,348**	**1,342,803**	**2,685,606**	**(1,342,803)**	**(2,685,606)**
Futures contracts (*Forward*)						
Goods						
Sugar	(1,172,966)	(142,520)	293,242	586,483	(293,242)	(586,483)
Ethanol	-	-	-	-	-	-
	(1,172,966)	**(142,520)**	**293,242**	**586,483**	**(293,242)**	**(586,483)**
Total effect on the Company's profit or loss	**4,198,245**	**546,827**	**1,636,045**	**3,272,089**	**(1,636,045)**	**(3,272,089)**

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:

(v) Volatility in the prices of sugar and by-products;

(vi) Exchange rate volatility; And

(vii) 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 March 31, fair values related to transactions with derivative financial instruments for hedging purposes measured using observable factors, such as prices quoted in active markets or discounted cash flows according to market curves and are presented below:

			31/03/2023	
			Company and Consolidated	
Hedge	**Winning**	**Notional**	**Assets**	**Passive**
NDF - Sugar	04/2023 a 03/2024	183,366,842	-	133,923
SWAP	04/2023 a 03/2024	1,501,737,774	3,949	47,383
NDF - Sugar	04/2024 a 03/2025	103,061,726	4,581	28,568
NDF - USD	04/2024 a 03/2025	19,031,000	12,171	849
SWAP	04/2024 a 03/2025	1,357,195,756	595	27,359
NDF - Currency	04/2024 a 03/2025	-	1,946	7
NDF - Sugar	04/2025 a 03/2029	19,986,373	-	3,279
NDF - USD	04/2025 a 03/2029	8,374,632	152	-
SWAP	04/2025 a 03/2029	1,461,073,587	24,149	27,718
NDF - Currency	04/2025 a 03/2029	-	115	-
SWAP	04/2026 a 03/2027	1,062,510,550	-	17,951
SWAP	04/2027 a 03/2028	1,061,700,983	-	15,986
SWAP	04/2028 a 03/2033	2,040,606,952	124,204	19,799
			191,990	**322,822**
Circulating			24,077	181,306
Non-current			167,913	141,516

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

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 March 31, the impacts recognized in profit or loss are shown below:

	Company and Consolidated	
	2023	**2022**
Hedging transactions, net		
Settled transactions		
Sugar transactions	(120,973)	(165,317)

Foreign exchange transactions	(591)	(17,804)
Index transactions	(58,570)	(4,707)
	(180,134)	(187,828)
Outstanding transactions		
Sugar transactions	12,410	(9,183)
Foreign exchange transactions	(2,045)	30,806
Index transactions	7,726	(34,656)
	18,091	(13,033)
	(162,043)	(200,861)

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.

17 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:

	Company		**Consolidated**	
	2023	**2022**	**2023**	**2022**
External market				
White sugar	27,182	37,130	27,182	37,130
Organic sugar	234,683	166,179	234,683	166,179
	261,865	203,309	261,865	203,309
Internal market				
Ethanol	725,439	756,673	917,960	756,673
Sugar	548,810	543,726	548,810	543,726
Organic sugar	39,253	32,040	39,253	32,040
Soybean	742	3,770	742	3,770
Electricity	-	-	42,210	-
Sanitizing	71,872	157,397	71,872	157,397
Yeast by-products	6,060	6,424	6,060	6,424
CBIOS	21,798	20,731	23,268	20,731
Other sales	5,010	4,053	8,237	3,878
	1,418,984	1,524,814	1,658,412	1,524,639
Gross revenue for tax purposes	1,680,849	1,728,123	1,920,277	1,727,948
(-) Taxes on sales	(174,071)	(270,841)	(205,575)	(272,117)
(-) Returns	(7,029)	(6,758)	(7,214)	(6,758)
Total net operating revenue	1,499,749	1,450,524	1,707,488	1,449,073
Reconciliation of net revenue per market				
Internal market				
Gross revenue	1,418,984	1,524,814	1,658,412	1,524,639
(-) Taxes on sales	(174,071)	(270,841)	(205,575)	(272,117)
(-) Returns	(7,029)	(6,437)	(7,214)	(6,437)
Net revenue	1,237,884	1,247,536	1,445,623	1,246,085
External market				
Gross revenue	261,865	203,309	261,865	203,309
(-) Returns	-	(321)	-	(321)
Net revenue	261,865	202,988	261,865	202,988
Total net revenue	1,499,749	1,450,524	1,707,488	1,449,073

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.

18 Operating costs and expenses by nature

a. Cost of sales

	Company		Consolidated	
	2023	**2022**	**2023**	**2022**
Amortization of biological assets	(181,024)	(152,845)	(214,245)	(152,845)
Crop depreciation	(97,982)	(91,856)	(105,242)	(91,856)
Depreciation of machinery, equipment and facilities	(128,084)	(93,132)	(155,653)	(93,132)
Depreciation of right-of-use	(96,103)	(73,248)	(93,251)	(54,406)
Services rendered by third parties	(76,963)	(70,338)	(81,154)	(70,338)
Personnel costs	(61,396)	(57,695)	(116,289)	(57,695)
Operation and maintenance	(98,372)	(69,241)	(128,926)	(69,241)
Raw material / industrial input	(95,476)	(80,737)	(144,291)	(80,737)
Freight	(41,540)	(38,619)	(41,599)	(38,619)
Other expenses	(22,186)	(14,805)	(31,681)	(5,342)
CBIOS	(16,722)	(15,060)	(16,722)	(15,060)
Reversal of *impairment* - sugar cane crop	-	-	8,185	-
	(915,848)	**(757,576)**	**(1,120,868)**	**(729,271)**

b. Selling expenses

	Company		Consolidated	
	2023	**2022**	**2023**	**2022**
Transportation expenses	(49,599)	(33,096)	(49,639)	(33,096)
Sales commissions	(10,849)	(12,612)	(10,966)	(12,612)
Personnel costs	(13,741)	(10,562)	(13,741)	(10,562)
Other expenses	(8,584)	(7,650)	(8,600)	(7,650)
Services rendered by third parties	(34,162)	(23,388)	(34,749)	(23,388)
Storage / greenhouse / inspection - sugar	(9,315)	(6,064)	(9,315)	(6,064)
Depreciation	(5,652)	(3,154)	(5,792)	(3,154)
Insurance expenses	(2,411)	(1,701)	(2,411)	(1,701)
Advertising	(1,290)	(1,035)	(1,290)	(1,035)
	(135,603)	(99,262)	(136,503)	(99,262)

c. General and administrative expenses

	Company		Consolidated	
	2023	**2022**	**2023**	**2022**
Personnel costs	(38,351)	(32,148)	(42,626)	(32,148)
Services rendered by third parties	(33,313)	(19,977)	(37,702)	(20,048)
Other expenses	(5,330)	(9,017)	(4,767)	(9,024)
Depreciation	(3,414)	(2,690)	(4,159)	(2,690)
Tax expenses - Protege/GO	(16,334)	(23,729)	(16,334)	(23,729)
Early production	(4,920)	(8,195)	(4,920)	(8,195)
Tax expenses	8,833	(5,884)	8,484	(5,899)
Aid and donations	(1,733)	(764)	(1,733)	(764)
Reversal/(Provision) for contingencies	174	1,633	173	1,633
	(94,388)	(100,771)	(103,584)	(100,864)

19 Other operating revenues (expenses) net

	Contr Company oller		Consolidated	
	2023	**2022**	**2023**	**2022**
Tax incentive - produce (a)	49,199	81,951	49,199	81,951
Tax incentive - encourage (b)	30,178	47,976	30,178	47,976
Granted credit on anhydrous ethanol (c)	43,762	23,299	43,762	23,299
Credit grant on ethanol Carb.	16,331	-	55,733	-
Left	2,333	1,882	2,333	1,882
Disposal of property, plant and equipment items	6,836	7,457	6,836	7,457
Decarbonization credit rating (d)	28,785	14,895	36,342	14,895
PIS and COFINS calculated on ICMS (e)	3,661	-	3,661	-

Other operating income	8,404	4,020	14,356	4,103
Gain on bargain purchase in subsidiary	428,011	-	428,011	-
	617,500	181,480	670,411	181,563
(-) Other expenses	(95)	(176)	(205)	(175)
(-) Cost of disposal of assets written off	(3,672)	(8,747)	(4,501)	(8,747)
	(3,767)	(8,923)	(4,706)	(8,922)
Other operating income	613,733	172,557	665,705	172,641

(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) PIS and COFINS credits on ICMS for the period from July 2003 to June 2008, according to note 7(c).

20 Net finance income (costs)

	Company		Consolidated	
	2023	**2022**	**2023**	**2022**
Finance costs				
Interest	(236,918)	(189,757)	(243,393)	(188,595)
Granted discounts	(2,616)	(1,908)	(2,950)	(1,908)
Other	(28,803)	(26,440)	(28,999)	(26,446)
	(268,337)	(218,105)	(275,342)	(216,949)
Finance income				
Income from financial investments	138,013	68,129	143,037	69,048
Interest	25,096	3,904	25,098	3,922
Other	8,107	22,030	8,147	22,030
	171,236	94,063	176,282	95,000
Foreign exchange and monetary fluctuations, net				
Trade payables	2,946	(4,396)	2,946	(4,396)
Cash equivalents	2,661	(12,153)	2,661	(12,153)
Loans and financing	(13,450)	41,056	(13,450)	41,056
	(7,843)	24,507	(7,843)	24,507
Hedging transactions, net				
Settled transactions				
Sugar transactions	(136,708)	(180,991)	(136,708)	(180,991)
Foreign exchange transactions	15,599	(1,265)	15,599	(1,265)
Index transactions	(59,025)	(5,572)	(59,025)	(5,572)
	(180,134)	(187,828)	(180,134)	(187,828)
Outstanding transactions				
Sugar transactions	12,410	(9,183)	12,410	(9,183)
Foreign exchange transactions	(2,045)	30,806	(2,045)	30,806
Index transactions	7,726	(34,656)	7,726	(34,656)
	18,091	(13,033)	18,091	(13,033)
	(162,043)	(200,861)	(162,043)	(200,861)
Net finance costs	**(266,822)**	**(300,396)**	**(268,782)**	**(298,303)**

21 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	
	2023	**2022**
Profit (loss) from continuing operations	692.339	387.907
Weighted average number of shares available to shareholders	293.804.269	294.697.091
Basic and diluted earnings per share (in reais)	2,3564	1,3163

22 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 agreements using its incremental borrowing rate as of March 31, 2023, which was 8.50% p.a. (8.50% p.a. as of March 31, 2022).

Agricultural partnership agreements are distributed as follows:

	Company		**Consolidated**	
	2023	**2022**	**2023**	**2022**
Partnership area	71,072 hectares	71,992 hectares	103,536 hectares	71,992 hectares

Changes in the right of use during the year ended March 31, 2023 were as follows:

				Company
	Agricultural partnership	**Industrial plant**	**Rents**	**Total**
2021	507,237	82,108	-	589,345
Additions	167,986	-	3,782	171,768
Depreciation	(59,831)	(33,740)	(473)	(94,044)
Remeasurements	183,591	25,487	-	209,078
Low	(68,408)	-	-	(68,408)
2022	**730,575**	**73,855**	**3,309**	**807,739**
Additions	314,573	-	-	314,573
Depreciation	(93,390)	(34,083)	(379)	(127,852)
Remeasurements	65,889	3,357	182	69,428
Low	(49,912)	-	-	(49,912)
2023	**965,735**	**43,129**	**3,112**	**1,013,976**

			Consolidated
	Agricultural partnership	**Rents**	**Total**
2021	507,237	-	507,237
Additions	167,986	3,782	171,768
Depreciation	(59,831)	(473)	(60,304)
Remeasurements	183,591	-	183,591
Low	(68,408)	-	(68,408)
2022	730,575	3,309	733,884
Addition by business combination	176,054	22,962	199,016
Additions	421,699	-	421,699
Depreciation	(113,412)	(9,061)	(122,473)
Remeasurements	80,338	182	80,520
Low	(49,912)	-	(49,912)
2023	1,245,342	17,392	1,262,734

Changes in lease and agricultural partnership liabilities during the year ended March 31, 2023 were as follows:

	Agricultural partnership	Industrial plant	Rents	**Company** Total
Balance as of March 31, 2021	507,237	84,394	-	591,631
Additions	167,986	-	3,782	171,768
Depreciation	(108,358)	(30,346)	(473)	(139,177)
Low	(68,410)	-	-	(68,410)
Repayment of interest	(27,845)	(3,848)	(127)	(31,820)
Accrued interest	27,845	3,848	127	31,820
Subsequent measurements	207,580	22,844		230,424
Balance as of March 31, 2022	706,035	76,892	3,309	786,236
Additions	314,573	-	-	315,573
Depreciation	(89,359)	(33,991)	(385)	(123,735)
Low	(49,912)	-	-	(49,912)
Repayment of interest	(47,710)	(5,253)	(102)	(53,065)
Accrued interest	47,710	5,253	102	53,065
Subsequent measurements	46,224	3,575	182	49,981
Balance as of March 31, 2023	925,573	46,476	3,106	977,143

	Agricultural partnership	Rents	**Consolidated** Total
Balance as of March 31, 2021	507,237	-	507,237
Additions	167,986	3782	171,768
Depreciation	(108,358)	(473)	(108,831)
Low	(68,410)	-	(68,410)
Repayment of interest	(27,845)	(127)	(27,972)
Accrued interest	27,845	127	27,972
Subsequent measurements	207,580	-	207,580
Balance as of March 31, 2022	**706,035**	**3,309**	**709,344**
Addition by business combination	180,218	24,587	204,805
Additions	421,699	-	421,699
Depreciation	(109,261)	(9,110)	(118,371)
Low	(49,912)	-	(49,912)
Repayment of interest	(56,209)	(1,313)	(57,522)
Accrued interest	56,209	1,313	57,522
Subsequent measurements	55,951	839	56,790
Balance as of March 31, 2023	**1,204,730**	**19,625**	**1,224,355**

The maturities of the installments recognized as liabilities are as follows:

Company

	2023				
	Carrying value	**Within 12 months**	**Between one and two years**	**Between two and five years**	**Over five years**
Agricultural partnerships payable	444,847	27,079	59,172	139,217	219,379
Agricultural partnerships payable (parties related)	480,714	22,919	64,787	165,469	229,539
Urban property leases (parts related)	3,106	378	378	1,134	1,216
Leases payable (parties) related)	46,476	37,851	8,625	-	-
	977,143	88,227	132,962	305,820	450,134
Circulating	88,227				
Non-current	888,916				

	2022				
	Carrying value	Within 12 months	Between one and two years	Between two and five years	Over five years
Agricultural partnerships payable	195,848	13,815	36,300	78,270	67,463
Agricultural partnerships payable (related parties)	510,187	36,655	63,713	162,726	247,093
Leases (related parties)	76,892	35,861	32,824	8,207	-
Leases (related parties)	3,309	378	378	1,134	1,419
	786,236	86,709	133,215	250,337	315,975
Circulating	86,709				
Non-current	699,527				

Consolidated

	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 (related parties)	482,714	22,919	64,787	165,469	229,539
Leases	16,518	7,442	4,256	4,820	-
Leases (related parties)	3,106	378	378	1,134	1,216
	1,224,355	113,266	168,683	404,470	537,938
Circulating	113,266				
Non-current	1,111,089				

	2022				
	Carrying value	Within 12 months	Between one and two years	Between two and five years	Over five years
Agricultural partnerships payable	195,848	13,815	36,300	78,270	67,463
Agricultural partnerships payable (related parties)	510,187	36,655	63,713	162,726	247,093
Leases (related parties)	3,309	378	378	1,134	1,419
	709,344	50,848	100,391	242,130	315,975
Circulating	50,848				
Non-current	658,496				

23 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	**2023**	**2022**
Sugar (in tonnes) - Jalles Machado Unit	21,320	24,096
Ethanol (m³)	8,889	1,344

Crop commitments are the following:

Sugar

Crop	**2023**	**2022**
2019/2020 (in tonnes)	-	598
2020/2021 (in tonnes)	88	824
2021/2022 (in tonnes)	123	19,674
2022/2023 (in tonnes)	21,133	3,000
	21,320	24,096

Ethanol

Crop	**2023**	**2022**
2021/2022 (m³)	-	1,344
2022/2023 (m³)	8,889	-
	8,889	1,344

24 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. During the year ended March 31, 2023, key management personnel compensation totaled R$8,891 (R$7,486 as of March 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 March 31, 2023 and 2022, as well as the transactions that had an impact on profit or loss for the years ended March 31, 2023 and 2022 with respect to transactions with related parties, consist mainly of transactions with shareholders and companies related to the same economic group.

	Company					
	Assets		Passive		Result	
	2023	2022	2023	2022	2023	2022
Circulating						
Banks - checking account (note 3) (c)	2,373	2,618	-	-	-	-
Financial investments (note 3) (c)	35,077	68,291	-	-	9,124	5,328
Inventories (note 6)	38	31	-	-	(370)	(344)
	37,488	70,940	-	-	8,754	4,984
Dividends						
Jalles Machado Empreendimentos Imobiliários S/A	7,445	5,905	-	-	-	-
Albioma Codora Energia S.A.	-	3,801	-	-	-	-
Albioma Esplanada Energia S.A.	2,215	4,740	-	-	-	-
	9,660	14,446	-	-	-	-
Circulating						
Trade receivables and trade payables (note 5) (note 12)						
Albioma Codora Energia S/A (a) (b)	-	-	-	-	807	870
Albioma Esplanada Energia S/A.	-	-	-	-	(6,522)	(760)
Goiás Látex S/A - Sales	-	-	-	-	-	139
Usina Santa Vitória Açúcar e Álcool Ltda.	-	-	29	-	(17)	-
Jalles Machado Empreendimentos Imobiliários S/A	5	10	-	-	60	60
Vera Cruz Agropecuária Ltda.	-	-	-	-	28	8
Only Verde S.A.	-	-	-	-	612	101
Other related parties	-	-	-	-	-	11
Return on guarantees to shareholders (h)	-	-	1,081	7,315	(4,988)	(7,736)
	5	10	1,110	7,315	(10,020)	(7,307)
Leases (note 22)						
Leases payable (e)	-	-	38,229	36,239	(7,100)	(11,878)
Agricultural partnerships payable (d)	-	-	22,919	36,655	(4,571)	(14,721)
	-	-	61,148	72,894	(11,671)	(26,599)
Non-current (note 5)						
Purolim S/A	463	139	-	-	68	3
Only Verde S.A. (i)	682	1,043	-	-	124	1,428
	1,145	1,182	-	-	192	1,431
Right of use (note 22)						
Right-of-use - partnerships (f)	482,714	510,187	-	-	12,612	(89,883)
Right of use - leases (g)	49,582	80,201	-	-	(30,923)	(8,726)
	532,296	590,388	-	-	(18,311)	(98,609)
Leases (note 22)						
Leases payable (e)	-	-	11,353	43,962	(2,012)	(14,941)
Agricultural partnerships payable (d)	-	-	459,795	473,532	(45,443)	(152,107)
	-	-	471,148	517,494	(47,455)	(167,048)

	Consolidated					
	Assets		Passive		Result	
	2023	2022	2023	2022	2023	2022
Circulating						
Banks - checking account (note 3) (c)	5,946	2,812	-	-	-	-
Financial investments (note 3) (c)	65,227	89,946	-	-	10,865	5,687
Inventories (note 6)	38	31	-	-	(370)	(344)
	71,211	92,789	-	-	10,495	5,343
Dividends						
Albioma Codora Energia S.A.	-	3,801	-	-	-	-
Albioma Esplanada Energia S.A.	2,215	4,740	-	-	-	-
	2,215	8,541	-	-	-	-
Circulating						
Trade payables						
Vera Cruz Agropecuária Ltda.	-	-	-	-	28	8
Only Verde S.A. (i)	-	-	-	-	612	101
Goiás Látex S.A.	-	-	-	-	-	139
Albioma Codora Energia S/A	-	-	-	-	807	870
Albioma Esplanada Energia S/A.	-	-	-	-	(6,522)	(760)
Return on guarantees to shareholders (h)	-	-	1,081	7,315	(4,988)	(7,736)
Other related parties	-	-	-	-	-	11
	-	-	1,081	7,315	(10,063)	(7,367)
Leases (note 22)						
Agricultural partnerships payable (d)	-	-	22,919	36,655	(4,571)	(14,721)
Leases payable (e)	-	-	378	378	(37)	(15)
	-	-	23,297	37,033	(4,608)	(14,736)
Non-current - trade and other receivables (note 5)						
Only Verde S.A. (i)	682	1,043	-	-	124	1,428
	682	1,043	-	-	124	1,428
Right of use (note 22)						
Right of use - agricultural partnerships (f)	482,714	510,187	-	-	12,612	(89,883)
Right of use - leases (g)	3,106	3,309	-	-	(197)	(473)
	485,820	513,496	-	-	12,415	(90,356)
Leases (note 22)						
Agricultural partnerships payable (d)	-	-	459,795	473,532	(45,443)	(152,107)
Leases payable (e)	-	-	2,728	2,931	(247)	(112)
	-	-	462,523	476,463	(45,690)	(152,219)

(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. 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:

	Company		Consolidated	
	2023	**2022**	**2023**	**2022**
Power	22,220	10,781	26,545	10,781
Transport	26,411	16,681	32,122	16,681
Profit sharing	11,955	11,186	11,955	11,186
Medical/dental care	10,431	9,995	13,286	9,995
Education	1,690	1,212	1,700	1,212
Scholarship	50	50	50	50
Other	18,750	8,725	18,955	8,725
	91,507	**58,630**	**104,613**	**58,630**

25 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:

	2023				
	AED	**AED**	**Energy**	**Other**	**Total**

	Goiás	**Minas Gerais**			
Gross revenue					
Internal market					
Ethanol	725,439	192,521	-	-	917,960
White sugar	548,810		-	-	548,810
Organic sugar	39,253		-	-	39,253
Soybean	742		-	-	742
Electricity	-		42,210	-	42,210
Sanitizing	71,872		-	-	71,872
Yeast by-products	6,060		-	-	6,060
CBIOS	21,798	1,470	-	-	23,268
Other sales	4,952	735	2,550	-	8,237
	1,418,926	194,726	44,760	-	1,658,412
External market					
White sugar	27,182	-	-	-	27,182
Organic sugar	234,683	-	-	-	234,683
	261,865	-	-	-	261,865
(-) Taxes, at and sales deductions	(181,101)	(24,489)	(5,755)	(1,444)	(212,789)
Net revenue	**1,499,690**	**170,237**	**39,005**	**(1,444)**	**1,707,488**
Cost of sales	(889,008)	(196,273)	(35,587)	-	(1,120,868)
Changes in the market value of biological assets	(36,180)	(3,409)	-	-	(39,589)
Gross profit	**574,502**	**(29,445)**	**3,418**	**(1,444)**	**547,031**
Selling expenses	(135,602)	(273)	(628)	-	(136,503)
Other operating expenses, net	519,248	41,437	(2,569)	32	558,148
Operating profit	**958,148**	**11,719**	**221**	**(1,412)**	**968,676**
Share of profit of equity-accounted investees	7,957	-	-	-	7,957
Net finance income (costs)	(261,516)	(4,484)	(5,933)	2,987	(268,946)
Profit before taxes	704,589	7,235	(5,713)	1,575	707,687
Current and deferred income and social contribution taxes	(26,799)	16,515	248	(5,322)	(15,358)
Profit or loss for the year	**677,790**	**23,750**	**(5,465)**	**(3,747)**	**692,329**

	2022			
	AED	**Rubber**	**Other**	**Total**
Gross revenue				
Internal market				
Ethanol	756,673	-	-	756,673
White sugar	543,726	-	-	543,726
Organic sugar	32,040	-	-	32,040
Soybean	3,770	-	-	3,770
Sanitizing	157,397	-	-	157,397
Yeast by-products	6,424	-	-	6,424
CBIOS	20,731	-	-	20,731
Other sales	3,878	-	-	3,878
	1,524,639	-	-	1,524,639
External market				
White sugar	37,130	-	-	37,130
Organic sugar	166,179	-	-	166,179
	203,309	-	-	203,309
(-) Taxes, at and sales deductions	(277,599)	-	(1,276)	(278,875)
Net revenue	**1,450,349**	**-**	**(1,276)**	**1,449,073**
Cost of sales	(729,271)	-	-	(729,271)
Changes in the market value of biological assets	35,530	-	-	35,530
Gross profit	**756,608**	**-**	**(1,276)**	**755,332**
Selling expenses	(99,262)	-	-	(99,262)
Other operating expenses, net	79,430	-	(10)	79,420
Operating profit	**736,776**	**-**	**(1,286)**	**735,490**
Share of profit of equity-accounted investees	16,454	-	-	16,454
Net finance income (costs)	(299,192)	-	889	(298,303)
Profit before taxes	454,038	-	(397)	453,641
Current and deferred income and social contribution taxes	(61,637)	-	(4,097)	(65,734)
Profit or loss for the year	**392,401**	**-**	**(4,494)**	**387,907**

In the year ended March 31, 2023 and 2022, no Company's client accounted for 10% or more of net revenues of sugar, ethanol and by-products. In the year ended March 31, 2023, a Company client accounted for 10% or more of net revenues in the electricity industry (in the year ended March 31, 2022, the Company did not operate in the electricity industry).

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

						2023
		Company			**Consolidated**	
	Gross revenue	**Taxes and returns**	**Net revenue**	**Gross revenue**	**Taxes and returns**	**Net revenue**
Foreign market						
North America	154,364	-	154,364	154,364	-	154,364
South America (formerly Brazil)	502	-	502	502	-	502
Europa	95,885	-	95,885	95,885	-	95,885
Oceania	1,993	-	1,993	1,993	-	1,993
Middle East and Asia	9,121	-	9,121	9,121	-	9,121
	261,865	-	261,865	261,865	-	261,865
Internal market						
Center-West	785,311	(82,268)	703,043	792,618	(84,637)	707,981

Northeast	361,211	(57,252)	303,959	376,527	(58,794)	317,733
North	105,240	(15,629)	89,611	110,499	(16,161)	94,338
Southeast	107,178	(16,199)	90,979	316,744	(43,245)	273,499
On	60,044	(9,752)	50,292	62,024	(9,952)	52,072
	1,418,984	(181,100)	1,237,884	1,658,412	(212,789)	1,445,623
Total	**1,680,849**	**(181,100)**	**1,499,749**	**1,920,277**	**(212,789)**	**1,707,488**

						2022
			Company			**Consolidated**
	Gross revenue	**Taxes and returns**	**Net revenue**	**Gross revenue**	**Taxes and returns**	**Net revenue**
External market						
North America	101,208	-	101,208	101,208	-	101,208
South America (formerly Brazil)	9,957	-	9,957	9,957	-	9,957
Europa	81,181	(321)	80,860	81,181	(321)	80,860
Oceania	1,048	-	1,048	1,048	-	1,048
Middle East and Asia	9,915	-	9,915	9,915	-	9,915
	203,309	(321)	202,988	203,309	(321)	202,988
Internal market						
Center-West	806,784	(161,476)	645,308	806,609	(162,752)	643,857
Northeast	410,853	(66,075)	344,778	410,853	(66,075)	344,778
North	109,609	(16,236)	93,373	109,609	(16,236)	93,373
Southeast	141,541	(24,003)	117,538	141,541	(24,003)	117,538
On	56,027	(9,488)	46,539	56,027	(9,488)	46,539
	1,524,814	(277,278)	1,247,536	1,524,639	(278,554)	1,246,085
Total	**1,728,123**	**(277,599)**	**1,450,524**	**1,727,948**	**(278,875)**	**1,449,073**

Operating assets and liabilities by segment

The Operating assets and liabilities of the Company and its subsidiaries were segregated by segment and are presented below.

Assets	AED			Energy		Total	
	2023 Goiás	2023 Minas Gerais	2022	2023	2022	2023	2022
Circulating							
Cash and cash equivalents	979,911	11,843	1,242,658	7,367	-	999,121	1.242.658
Restricted cash	14,149	-	57,792	-	-	14,149	57.792
Trade and other receivables	33,372	3,110	45,243	11,018	-	47,500	45.243
Inventories	136,787	50,392	131,581	9,007	-	196,186	131.581
Advances to suppliers	4,808	1,498	1,114	478	-	6,784	1.114
Biological assets	476,555	122,996	432,968	-	-	599,551	432.968
Derivative financial instruments	24,077	-	33,764	-	-	24,077	33.764
Recovered taxes	54,264	54,354	24,016	3,244	-	111,862	24.016
Recovered income and social contribution taxes	40,834	2,696	14,463	1,326	-	44,856	14.463
Dividends receivable	2,215	-	8,541	-		2,215	8.541
Other assets	4,865	214	4,347	3	-	5,082	4.347
Current assets	1.771.837	247,103	1,996,487	32,443	-	2,051,383	1,996,487
Non-current							
Long-term assets							
Restricted cash	7,611	-	1,081	-	-	7,611	1.081
Trade and other receivables	10,710	47,526	610	-	-	58,236	610
Derivative financial instruments	167,913	-	97,373	-	-	167,913	97.373
Court deposits	110,617	1,451	103,247	-	-	112,068	103.247
Recovered taxes	23,536	72,959	9,269	6,521	-	103,016	9.269
Recovered income and social contribution taxes	-	1,662	-	-	-	1,662	-
Investments	82,222	-	100,007	-	-	82,222	100.007
Property, Plant and Equipment	1,539,407	542,692	1,200,096	175,028	-	2,257,127	1.200.096
Right of use	970,847	291,887	733,884	-	-	1,262,734	733.884
Intangible assets	9,803	4,072	7,818	1,230	-	15,105	7.818
Non-current assets	2.922.666	976,068	2,253,385	210,102	-	4,067,694	2,253,385
Total assets	4.694.503	1,223,171	4,249,872	242,545	-	6,119,077	4,249,872

	AED			**Energy**		**Total**	
Passive	**2023 Goiás**	**2023 Minas Gerais**	**2022**	**2023**	**2022**	**2023**	**2022**
Circulating							
Loans and financing	222,814	-	296,528	7,905	-	230,719	296.528
Leases to be paid	50,376	62,890	50,848	-	-	113,226	50.848
Trade and other payables	68,542	32,319	122,140	6,243	-	107,104	122.140
Derivative financial instruments	181,306	-	155,996	-	-	181,306	155.996
Provisions and payroll charges	29,603	11,958	23,980	970	-	42,531	23.980
Tax liabilities	8,267	2,739	13,252	2,663	-	13,669	13.252
Dividends payable	129,557	-	52,428	-	-	129,557	52.428
Income and social contribution taxes payable	1,364	-	1,119	1,173	-	2,537	1.119
Advances from clients	9,348	192	19,727	130	-	9,670	19.727
Current liabilities	701.177	110,098	736,018	19,084	-	830.359	736,018
Non-current							
Loans and financing	1,819,729	-	1,152,024	74,281	-	1,894,010	1.152.024
Leases to be paid	880,289	230,800	658,496	-	-	1,111,089	658.496
Derivative financial instruments	141,516	-	124,064	-	-	141,516	124.064
Net deferred taxes	214,405	-	157,386	-	-	173,263	157.386
Tax liabilities	4,546	-	7,423	-	-	4,546	7.423
Trade and other payables	436	-	422	-	-	436	422
Provisions for contingencies	17,760	8,854	25,310	-	-	26,614	25.310
Non-current liabilities	3.078.681	239,654	2,125,125	74,281	-	3.351.474	2,125,125
Equity							
Capital social	247,824	506,852	982,096	227,420	-	982,096	982.096
Profit reserves	667,566	366,567	392,118	(78,240)	-	955,886	392.118
Equity valuation adjustments	13,524	-	14,515	-	-	13,524	14.515
Treasury share reserve	(14,261)	-	-	-	-	(14,261)	-
Total equity	914.653	873,419	1,388,729	149,180	-	1.937.245	1,388,729
Total equity and liabilities	4.692.526	1,223,171	4,249,872	242,545	-	6.119.077	4,249,872

26 Statements of cash flows

Property, plant and equipment

During the years ended March 31, as mentioned in note nine, property, plant and equipment were acquired at the total cost of R$340,111 (Company) (R$308,098 as of March 31, 2022) and R$450,332 (Consolidated) (R$308,098 as of March 31, 2022) in the following manner:

	Company		Consolidated	
	2023	**2022**	**2023**	**2022**
Cost of acquisition of property, plant and equipment	548,943	493,005	650,094	493,005
Balance of trade payables at the end of the period	(22,110)	(68,498)	(22,110)	(68,498)
Acquisition of Farming	(186,722)	(116,409)	(215,508)	(116,409)
	340,111	**308,098**	**412,476**	**308,098**

27 Subsequent events

On June 21, 2023, the Board of Directors approved the implementation of a VHP sugar plant in SVAA to start operations for the 2024/25 crop. With an estimated investment of R$170,000, the new plant will have the capacity to produce 15,000 sacks of 50kg of VHP sugar (equivalent to 750 tonnes) per day, totaling 150 thousand tonnes per crop. Moreover, it will add flexibility to SVAA's production mix whose sugar production may reach up to 52% during the 2024/25 crop.

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Board of Directors

Paula Bernardes Neto’s Oscar
Independent Chairman and Board Member

Alexandre Lahóz Mendonça de Barros
Vice-President and Independent Member

Pleany Mario Nastari
Executive Board Member

Otávio Lage de Siqueira Filho
Member

Silvia Regina Fontoura de Siqueira
Member

Clóvis Ferreira de Morais

Member

Gibrail Kinjo Esber Brahim Son
Member

Executive Management

Otávio Lage de Siqueira Filho
CEO

Rodrigo Penna de Siqueira
CFO

Henrique Penna de Siqueira
CCO

Joel Soares Alves da Silva
COO

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