Annual Report

2022

SLC Agrícola

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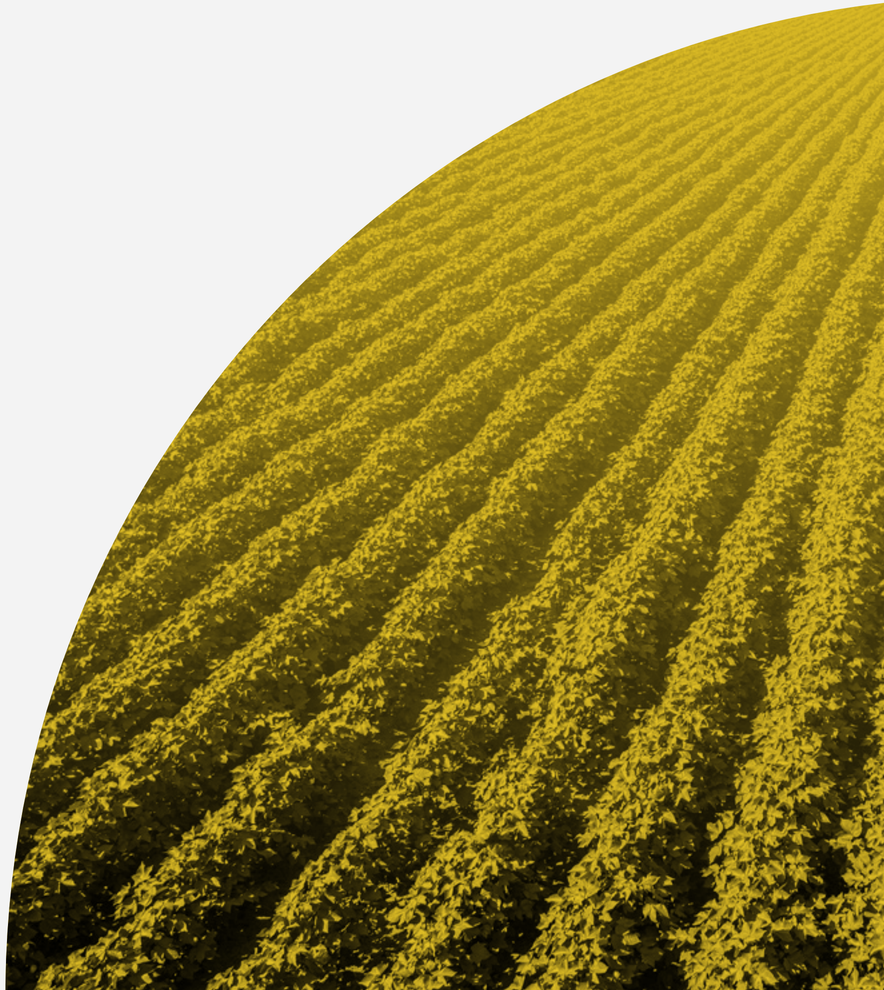
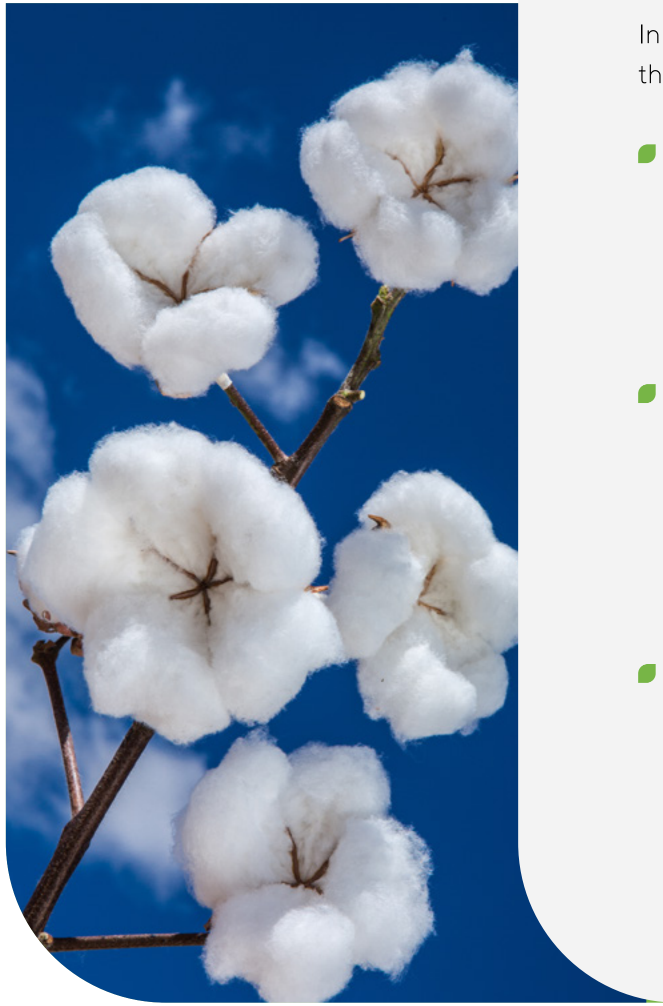


Introduction

Porto Alegre, March 8, 2023 –
SLC AGRÍCOLA S.A. (B3; SLCE3; ADRs: SLCJY; Bloomberg: SLCE3BZ; Reuters: SLCE3.SA) announces today its results for fiscal year 2022. The following financial and operating information is presented in accordance with International Financial Reporting Standards (IFRS). The information has been prepared on a consolidated basis and is presented in thousands of Brazilian real, except where stated otherwise.

NOTE: On July 1, 2021 the Company took over the management of Terra Santa Agro S.A., which became a wholly-owned subsidiary of SLC Agrícola S.A. As from 3Q21, the consolidated interim financial statements of the Company have incorporated the results of Terra Santa Agro S.A.

To maintain comparability between periods, all data for 2021 reflect the combination of the data reported by SLC Agrícola and Terra Santa Agro in both periods.



Terms

In this Earnings Release, the terms below will have the following meaning:

- **"Combined Data"**: means the sum of the data reported by SLC Agrícola S.A. (Consolidated) and of the data reported by Terra Santa Agro S.A. (Parent Company), currently a wholly-owned subsidiary of SLC Agrícola S.A.
- **"2021 combined"**: strictly means the sum of the data reported by SLC Agrícola S.A. (for 2021 – January to December 2021) and the data reported by Terra Santa Agrícola S.A. (Parent Company, for 2021 – January to June 2021), currently a wholly-owned subsidiary of SLC Agrícola S.A.
- **"2021"**: means data, based on the consolidated interim financial statements, covering the operations of the Company and its subsidiaries for the twelve-month period from January to December 2021.
- **"2022"**: means data, based on the consolidated interim financial statements, covering the operations of the Company and of its subsidiaries for the twelve-month period from January to December 2022.
- **"HA"**: means the horizontal percentage change between two periods.
- **"VA"**: refers to the percentage representativeness of the line item over a given total.

Message from **Management** 2022

Year 2022 began with several challenges, including the task of consolidating the operations we acquired in 2021 through a business combination with Terra Santa Agro and a lease agreement with Agrícola Xingú. This challenge was successfully met through the effective integration of people, processes, and technologies. We were able to maintain efficiency despite the strong 45.1% expansion in planted area compared to the 2020/21 crop year and the integration of approximately 1,000 new employees. A smooth workforce transition was extremely important for the operation's success.

Today, we have a workforce of nearly 6,000 employees, 22 production sites and around 670,000 hectares of planted cropland. Our strategic discussions are guided by our Big Dream, which is to *"Positively impact future generations, being a world leader in efficiency in the agricultural business and respect for our planet."Positively impact future generations, being a world leader in efficiency in the agricultural business and respect for our planet."* Our future is grounded in our Big Dream and in Phase 3 (current phase) of our strategy, which based on the distance from the average, technology as a "game changer", Financial strength and efficiency connected with best ESG practices.

As we pursue sustainable practices, we are strengthening our connection to Future Generations. In recognition of our journey to connect our business to ESG, we have been selected as components of the ISEB3, ICO2B3 and IGPTWB3 stock indexes, demonstrating our efforts to become a leader in sustainable agribusiness.

In May 2022 we were named to Ibovespa (IBOV), the main stock index of the Brazilian stock exchange (B3), marking our stock's debut in the index since it was first listed on the exchange, in June 2007.

We ended the year with a solid financial position and new records. **Net revenue was R$ 7.4 billion, while net income was R$ 1.3 billion, with a net margin of 18.1%. Adjusted EBITDA exceeded R$ 3 billion, with an adjusted EBITDA margin of 41.3% and Free Cash Flow of some R$ 1 billion, yielding a comfortable leverage ratio of 0.77x.**

We maintained efficiency despite the 45% expansion of our planted area.

We also highlight the significant increase in Return on Invested Capital, which ended the period at 30.1%, demonstrating high levels of efficiency and profitability.

On the operational front, we maintained good soybean yields in the 2021/22 crop year, despite the strong growth of 45% in planted area. Cotton and corn crops were affected by adverse weather and we ended the crop year with yields below initial budget. This was partially offset by higher prices invoiced.

Another important investment was our capital allocation to share buyback programs. In July, we completed a buyback of 2 million common shares.

In addition, the Board of Directors approved a new share buyback program to acquire another 4 million shares, which will be held in treasury for sale and/or cancellation.

The Company will propose, via a Management Proposal, a distribution of dividends corresponding to 50% of parent company net income (fiscal year 2022), i.e. R$ 602 million. Of this amount, R$ 71 million has already been distributed as interest on equity, paid in January 2023, and will be included in the calculation of the mandatory dividend.

In late June, the Company hired independent consulting firm Deloitte Touche Tohmatsu Ltda. to

Throughout the year, we navigated adverse weather conditions that further emphasized the importance of our geographic diversification strategy.

conduct an appraisal of our land holdings, which were assessed at a value of R$ 9.3 billion. This represents an appreciation of 34.7% in the portfolio from 2021, with the average value per arable hectare owned by the Company corresponding to R$ 48,000.

More recently, on February 23, 2023, we announced a Material Fact notice regarding our strategic capital allocation for the acquisition of 12,473.88 hectares of arable land in the municipality of São Desidério, Bahia. The transaction value was R$ 470 million, with R$ 55.1 million allocated to improvements, and the value per arable hectare corresponding to R$ 33,262.60,. This capital allocation was an excellent investment opportunity, as demonstrated by the amounts and good conditions negotiated.

OPERATING OVERVIEW 2022/23 CROP YEAR

The 2022/2023 crop year began with planting super-early and early soybean varieties, and we have already harvested 63.8% of the planted area, with yields in line with projections. The rainfall outlook in the Mid-west and Northeast is positive. First-crop cotton areas, which have already been planted and are in the plant development phase, are showing high yield potential. The planting of second-crop cotton was concluded in early February, and the planting of second-crop corn is expected to be concluded by early March. To date, we also expect to deliver the projected yield given for both crops.

INPUTS PURCHASED FOR CROP YEAR 2023/24

For the 2023/24 crop year, for which planting will begin in September 2023, we have already begun purchases and hedged most of the fertilizer demand (68% of demand for phosphate fertilizers, 50% of potassium chloride, 41% of nitrogen and 50% of glyphosate requirements). We are closely following the market and will make new purchases aligned with our strategy, i.e., achieving the best trade-off between input prices vs. commodity prices.

SEEDS

The seeds business has been successful in delivering strong results, good margins, and robust growth in production and sales, supporting our strategic focus on adding value to and diversifying our product portfolio.

Sales volume for soybean seeds, combined with internal consumption, reached 856,000 bags (200,000 seeds), while sales volume for cotton seeds, combined with own consumption, amounted to 116,471 bags (200,000 seeds). Our seeds have an average quality indicator above 90% official germination (SLC Sementes Garante program).

In this report we provide a breakdown of operations by segment, with an emphasis on the seeds business. The purpose of this breakdown is to share our results from and shareholder value created through this business. As can be seen in table 26, in 2022 the seeds business has already delivered strong added value, with an EBITDA of R$ 100.2 million, an EBITDA margin of 22.5%, a Net Profit of R$ 57.4 million and a net margin of 12.9%. For further details, see table 26 of this report.

To further capitalize on the growth opportunities in the seeds business, we have partnered with Kothe Logística, which has built a new processing and storage unit in Mato Grosso. This facility, which is fully refrigerated, will increase production capacity by over 1 million bags of soybean seeds in the coming years, marking the SLC Sementes' entry into one of Brazil's main soybean producing states.

ESG

In 2022 we took significant strides in enhancing our corporate governance and strengthening our internal controls and risk management with the establishment of a Statutory Audit Committee.

Furthermore, we made progress in obtaining certifications for our operations. Our Integrated Management System, which sets standardized ESG management policies and procedures, has been certified to ISO 14001, ISO 45001 and NBR 16001 at 13 units, including our headquarters and 12 farms, and to ISO 9001 at 7 farms. Our team and company leadership have played a crucial role in expanding certification coverage across our operations. This is achieved through internal audits which inform the development of action plans addressing identified opportunities for improvement. Our goal is to achieve 100% certification coverage for all 22 operations under our Integrated Management System (SGI)—including ISO 14001, ISO 45001, and NBR 16001—by 2026.

We have provided information on our ESG initiatives in each quarterly earnings release. Throughout the year, we have discussed topics such as Diversity, Equity, and Inclusion, as well as our stakeholder engagement efforts throughout the year. We have also provided explanations on our greenhouse gas inventory process to enhance accountability and

Who We Are

Strategy
Governance and risk management
Innovation and technology
Certifications and quality

Founded in 1977 by the SLC Group, SLC Agrícola S.A. is a publicly traded company that is listed and traded on the Brazilian stock exchange, B3, in the *Novo Mercado* segment—an enhanced-governance listing segment.

We grow commodity crops and seeds and have integrated crop-livestock farming operations using practices and technologies that support the sustainability of our business, society, and the environment.

Our customers include companies from Brazil and around the world. The main commodities we produce are soybeans, corn, and cotton. We operate 22 farms, with seven of them also integrating livestock within a sustainable model. We also market soybean and cotton seeds under the SLC Sementes brand.

In 2022, our focus was on consolidating recently acquired operations (business combination with Terra Santa Agro and lease agreement with Agrícola Xingu). We integrated the farms and adjusted their activities and processes to our high standards of efficiency, quality, yields, and safety.

Our Big Dream

Positively impact future generations, being a world leader in efficiency in the agricultural business and respect for our planet.

Our Values

We believe that those who have a passion for what they do are committed and do so with the highest quality, preserving their integrity through ethical, coherent and unquestionable conduct. These combined attitudes generate lasting and respectful relationships between all stakeholders, producing sustainable results that are economically viable, socially fair and environmentally responsible.

Our geographies

We own 23 farms, including 22 operational farms and one farm leased to a third party (where SLC Agrícola does not operate), in addition to our headquarters. Our operations are strategically located in seven states across different regions of Brazil, reflecting our proactive approach to building resilience to adverse climate developments.

Location of production operations and headquarters

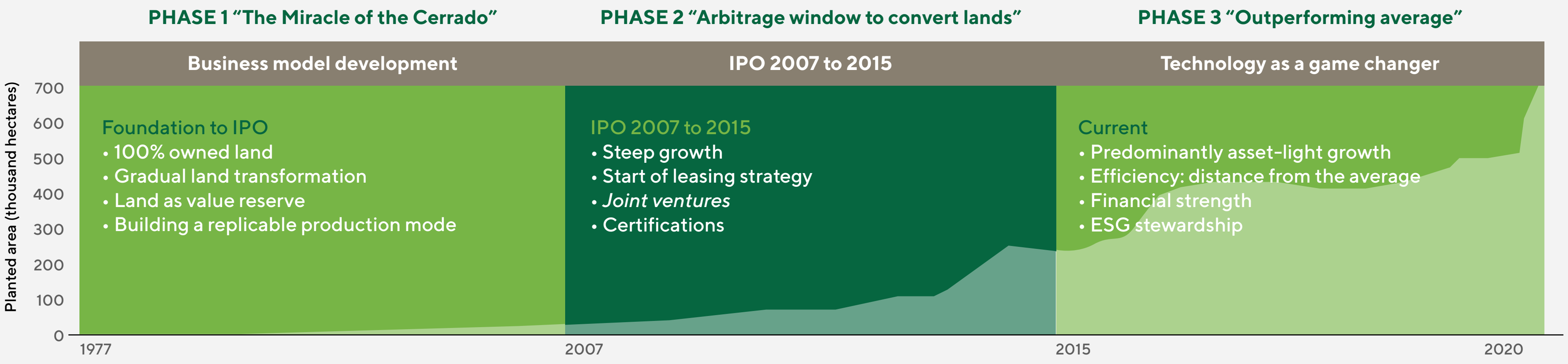
MT	1	Pioneira	35,015 ha
	2	Perdizes	27,558 ha
	3	Paiaguás	63,582 ha
	4	Planorte	31,651 ha
	5	Próspera	32,531 ha
	6	Pejuçara	14,787 ha
	7	Piracema	19,368 ha
	8	Pampeira	41,179 ha
	9	Pirapora	21,745 ha
MS	10	Pantanal	44,822 ha
	11	Planalto	22,030 ha
MA	12	Parnaíba	44,870 ha
	13	Palmeira	33,286 ha
	14	Planeste	59,084 ha
PI	15	Parnaguá	10,774 ha
BA	16	Partner	13,035 ha
	17	Palmares	25,595 ha
	18	Paladino	21,866 ha
	19	Piratini	18,534 ha
	20	Panorama	21,782 ha
	21	Paysandu	39,533 ha
GO & MG	22	Pamplona	28,088 ha
PI	23	Paineira	Leased

Notes: Includes first and second crops.

Strategy

We deliver our strategy in growth waves that are responsive to market conditions and designed to leverage emerging opportunities, trends and needs. In 2015 we launched the third phase of our strategic plan with a focus on predominantly asset-light growth; efficiency: distance from the average; financial strenght and ESG stewardship

PROGRESS ON OUR STRATEGY



Strategic sustainability map

In recent years, we have made significant progress in and received awards and recognition for sustainable development. These accolades reflect our initiatives to reconcile business with sustainability by ensuring we deliver positive social and environmental impacts and adhere to good corporate governance practices.

In 2022, we developed a strategic map to ensure that we continue to mature and maintain our leadership position for ESG (Environmental, Social, and Governance). The strategic map includes five objectives:

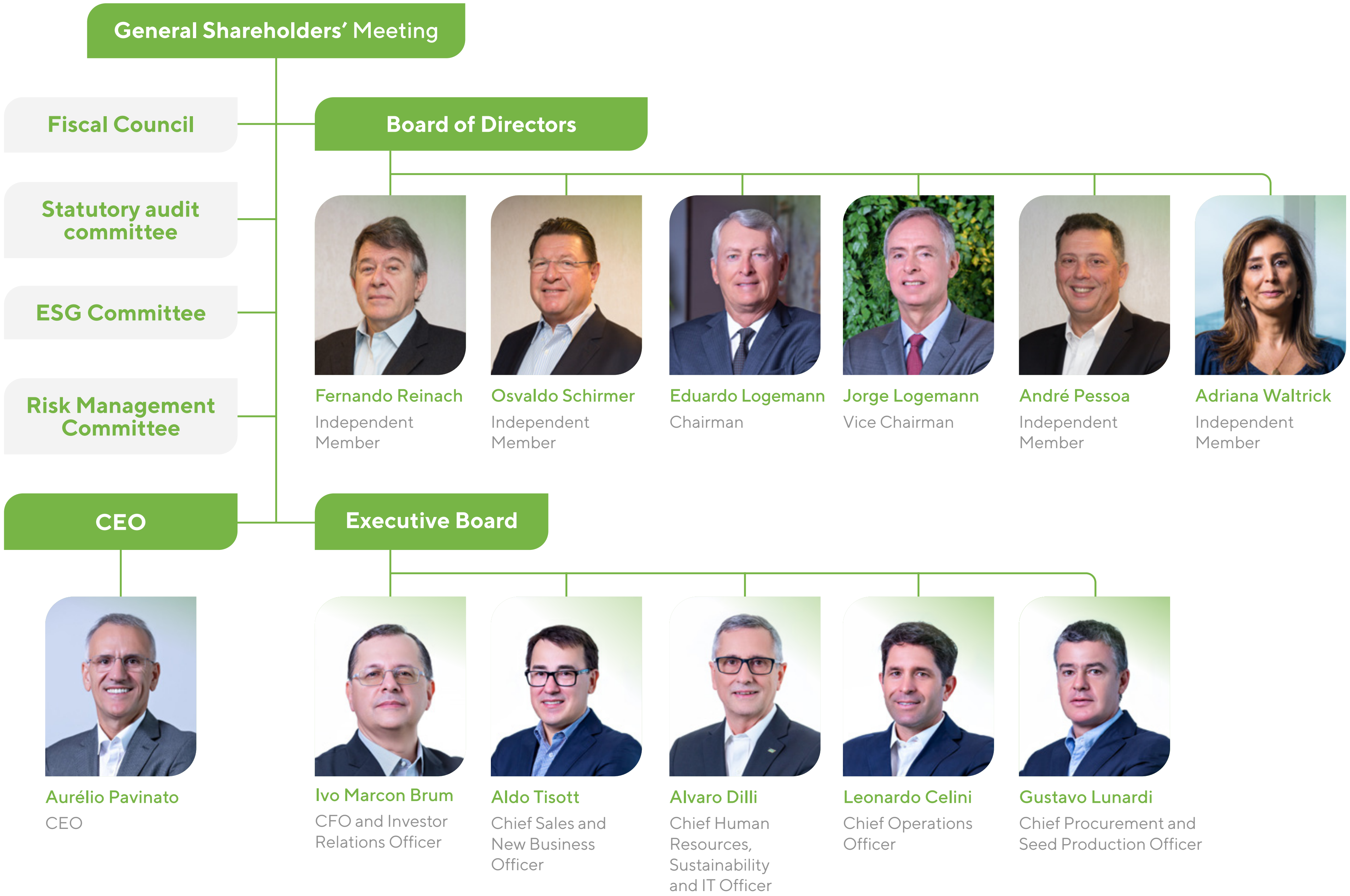
- **Farm certification**
- **Greenhouse gas (GHG) emission reduction**
- **Creating a safe environment for all**
- **Education initiatives in local communities**
- **Providing education and incentives for our employees**

Governance and risk management

SLC Agrícola is a member of B3's *Novo Mercado*, which brings together companies with enhanced governance practices. To achieve this status, we've made consistent progress over the past fifteen years as a publicly traded company in developing mechanisms and policies to perfect our decision-making processes.

Our governance structure comprises a Board of Directors, Executive Board, Oversight Board and advisory bodies, including an ESG Committee, Risk Management Committee, Statutory Audit Committee (SAC), Stock Option Management Committee, and Disclosure Policy Committee.

In 2022, in recognition of our sustainability performance, we were included as a constituent of B3's Corporate Sustainability Index (ISE), a portfolio of organizations committed to ESG-related initiatives and causes. We were also included in the Carbon Efficient Index (ICO2 B3) and the GPTW B3 Index (created in a collaboration with Great Place to Work).



Hedging

Our Policy of Management of Market Risks (Hedging Policy) establishes a set of guidelines and procedures for addressing identified risk factors. Our Risk Management Committee is responsible for monitoring risks and reporting to the Board of Directors on significant matters.

The primary risk factors on our radar are related to domestic and international commodities prices and foreign-exchange variance. To address these risks, we use a hedging strategy that covers most of our revenue, with part of our production costs indexed to foreign exchange rates. This ensures we have consistent margins to support delivery of our strategic plan.

Innovation and technology

Productivity and efficiency are the levers driving our investments in innovation, research and development.

We are constantly seeking new ways to optimize resource use and achieve our targets and goals through technology. Our digital transformation journey toward agriculture 4.0 began in 2015 with the third phase of our strategic plan, and has made consistent progress ever since.

At SLC Agrícola we are developing world-class precision agriculture capabilities using innovative tools. In 2022 we had 74 agricultural indicators being tracked, 45 more than in the previous year, covering aspects such as rainfall, yield, and soil fertility. Monitoring these indicators enables us to better target agricultural inputs, avoiding waste and mitigating environmental impacts.

Last year we also made progress in sensor-based precision application of herbicides. Herbicide application volumes fell by as much as 80%, generating cost savings of R$ 39 million. Crop coverage with the new technology reached 160,000 hectares in 2022, 40,000 hectares more than in the previous crop year.

Our Innovation Committee, created in 2016, was overhauled in 2022. During the year, we completed 12 proofs of concept with new technologies, developed four data science projects focused on machine learning, and introduced Innovation Day, an event aimed at informing and engaging our employees around innovation.

Agro-X

In 2022, our open innovation program, Agro-X, entered its fourth edition after completing three selection batches: the first two geared to domestic startups, and the third aimed at international firms. Engaging with these firms is key to developing innovative projects to tackle emerging challenges and further align our business with sustainable development.

Ideas & Results

SLC's Ideas & Results Program supports employee communications and engagement around innovation. Our team has the opportunity to to design and submit proposed suggestions and projects for operational improvements or in response to emerging challenges in our industry.

SLC Ventures

Investing in high-impact businesses is a core part of our innovation and technology efforts. Within these efforts, in the previous crop year we made an investment in Pink Farms, Brazil's market leader for vertical farms. Our SLC Ventures program works across two segments: Corporate Venture Capital and Venture Builder. The Venture Builder arm launched a startup accelerator program in the previous crop year, completing the selection, acceleration and mentoring stages.

Quality certifications

At SLC Agrícola, our Integrated Management System (IMS), which sets standardized ESG management policies and procedures, has been certified to ISO 14001, ISO 45001 and NBR 16001 at 13 units including our headquarters and 12 farms. Of the 12 farms with IMS certification, two are certified to ISO 14001 and ISO 45001, and seven operations, including our headquarters, are certified to ISO 9001. Our goal is to achieve 100% IMS certification coverage—including ISO 14001, ISO 45001, and NBR 16001—by 2026.

The cotton we produce has Algodão Brasileiro Responsável (ABR) and Better Cotton Initiative (BCI) certification. Our soybeans, in turn, are certified by the Round Table On Responsible Soy (RTRS Certified Soy), Sustainable Sourcing Solutions (SSS) and 2Bsvs, while our corn production is certified by RTRS, 2BSvs and RenovaBio. SLC operates 14 grain storage facilities that are certified for compliance with the Ministry of Agriculture and Food Supply's (MAPA) Regulation of June 29, 2011 for storage of agricultural products sold to the government.

Expanding certification coverage has been a priority for SLC Agrícola, and we are leading the industry on this front.

State	Operation	UAAN	3S	APR	ISO 14001	ISO 45001	ISO 9001	NBR 16001	RTRS	BCI	RenovaBio	2BSvs
PI	Parnaguá					✓		✓				
MA	Palmeira	✓										
	Parnaíba	✓		✓	✓	✓		✓	✓	✓		✓
	Planeste	✓		✓	✓	✓	✓	✓	✓	✓		✓
BA	Paladino	✓		✓						✓		✓
	Palmares	✓		✓	✓	✓		✓		✓		✓
	Panorama	✓		✓	✓	✓	✓	✓	✓	✓		
	Partner			✓		✓		✓		✓		
	Paysandu			✓						✓		
	Piratini	✓										
MT	Paiaguás	✓	✓	✓	✓	✓	✓	✓	✓	✓		
	Pampeira			✓					✓	✓	✓	✓
	Pejuçara			✓						✓	✓	
	Perdizes	✓	✓	✓	✓	✓		✓		✓		
	Piracema			✓		✓			✓	✓	✓	✓
	Pirapora			✓					✓	✓	✓	✓
	Planorte	✓	✓	✓	✓	✓	✓	✓	✓	✓		
	Pioneira				✓	✓		✓				✓
	Próspera			✓					✓	✓	✓	✓
MS	Pantanal	✓		✓						✓		
	Planalto	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓
GO	Pamplona	✓		✓	✓	✓	✓	✓	✓	✓		
Rio Grande do Sul	Headquarters				✓	✓	✓	✓				

UAAN (Certificação de Unidades Armazenadoras em Ambiente Natural); **3S** (Soluções para Suprimentos Sustentáveis); **ABR** (Algodão Brasileiro Responsável, from the Associação brasielira dos produtores de algodão (ABRAPA)); **ISO** (International Organization for Standardization); **RTRS** (Round Table on Responsible Soy Association); **RenovaBio**, a Brazilian Ministry of Mining and Energy (MME) program; **2BSvs** (Biomass Biofuel Sustainability voluntary scheme); **BCI** (Better Cotton Initiative); **NBR** (Norma Brasileira/Brazilian Regulations)

AWARDS

In 2022 we received 21 awards and accolades, which are a source of pride and motivation to go even further.

- **500 Most Influential People in Latin America – *Bloomberg Unea***
  Eduardo Loaemann
- **Great Place To Work (GPTW)**
  Categories: Rio Grande do Sul and Agribusiness
- **Best in Agribusiness – *Globo Rural* Magazine**
- **Incredible Workplaces – FIA/UOL**
- ***Top Ser Humano* – ABRH-RS**
- ***As Melhores da Dinheiro* – Business Magazine *Isto É Dinheiro***
  Category: Agribusiness
- **Top 5 Ranking 100 Startups – Open Startups**
  Category: Agribusiness – 5th place
- **500 Top Companies in the South – *Amanhã* Magazine**
- **Biggest and Best – *Exame* Magazine**
  Category: Agribusiness
- ***Destaques A Granja* – *A Granja* Magazine**
  Category: Corn Growers
- **Best for ESG 2022 – *Exame* Magazine**
  Category: Agribusiness, Food and Beverage
- **Person of the Year – *Dinheiro Rural* Magazine**
  Aurélio Pavinato
- **Prêmio Exportação RS – ADVB/RS**
  Category: Agribusiness
- **Troféu Transparência – ANEFAC**
  Category: Best Paper – Brazilian Conference on Precision Agriculture – Troféu Transparência – Poster
- **GHG Protocol Gold Status**
  Category: Greenhouse Gases
- **Prêmio Época 360° – *Época Negócios* Magazine**
  Category: Best Company in Agribusiness
- **Impact Awards 2002 – ASUG Brazil/SAP**
  Category: Mais Agro Program
- **API MEC IBRI Award – Alisandra Reis**
  Category: Top 5 Investor Relations Professionals
- ***Prêmio Expressão de Ecologia* – *Editora Expressão***

transparency in our governance practices. In addition, we have shared information from our Integrated Report, which is prepared in accordance with the Global Reporting Initiative (GRI) Standards, the Sustainability Accounting Standards Board (SASB) Standards, and the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

In this annual report, our focus is on sustainability and Carbon Disclosure Project (CDP) disclosures.

Lastly, we would like to thank our employees and stakeholders for yet another successful year!

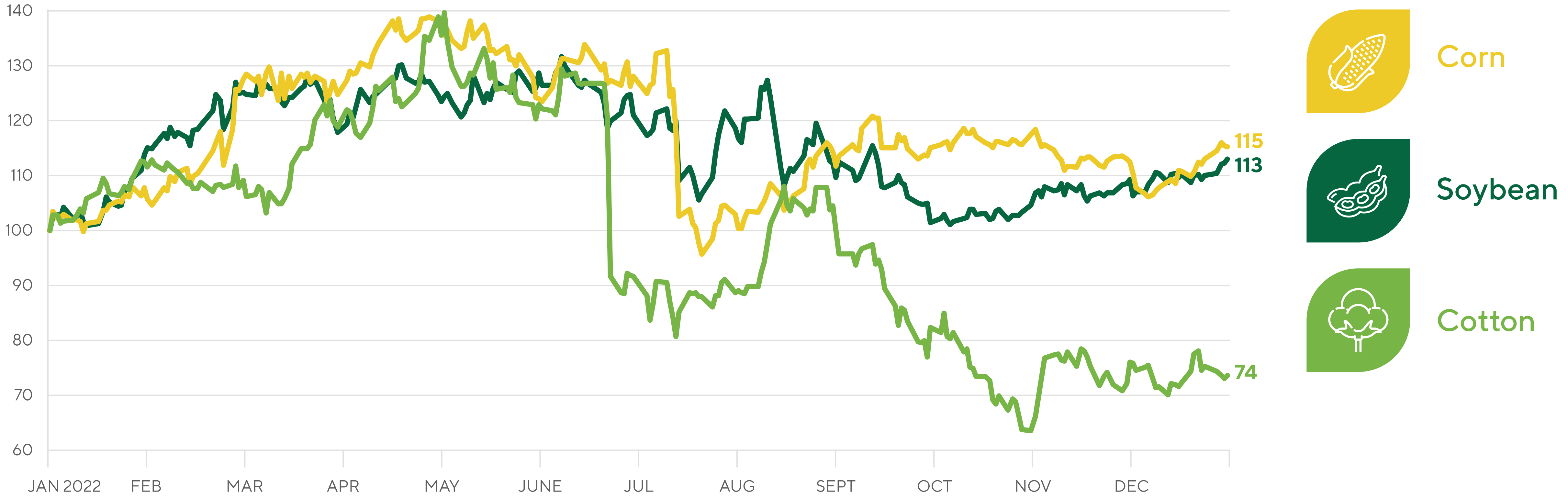
The Management

Market Overview

Commodities

Commodities

Figure 1 – Changes in selected commodities prices, January to December 2022 (Base 100)



Source: Bloomberg (Base 100)

Cotton

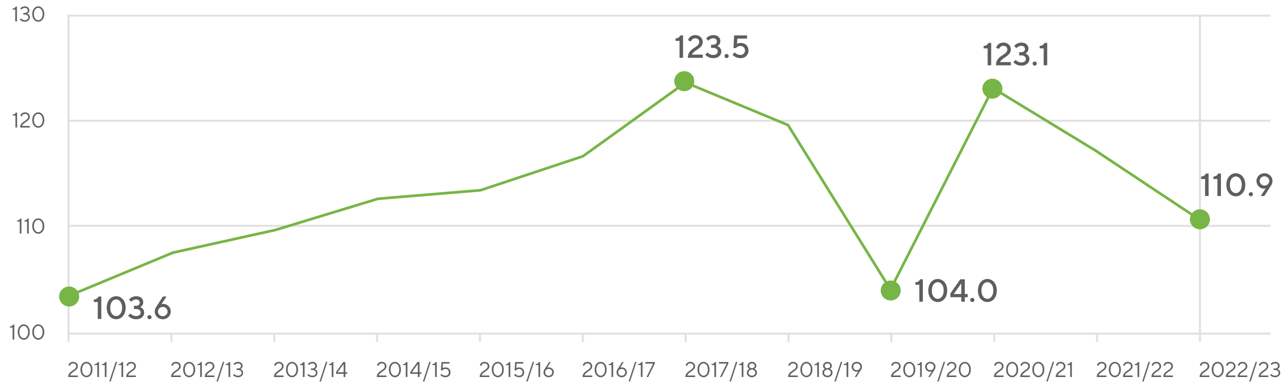
Figure 2 – Global Cotton Prices (US Cents/LB)

Source: Bloomberg

Fiscal 2022 was characterized by significant cotton price volatility, with notable events affecting supply and demand including mobility restrictions in China, the uncertain outlook for a global economic recession, and crop failure in major cotton-producing countries. Global cotton consumption is expected to decrease for the second year in a row, down from 123.1 million bales in 2020/2021.

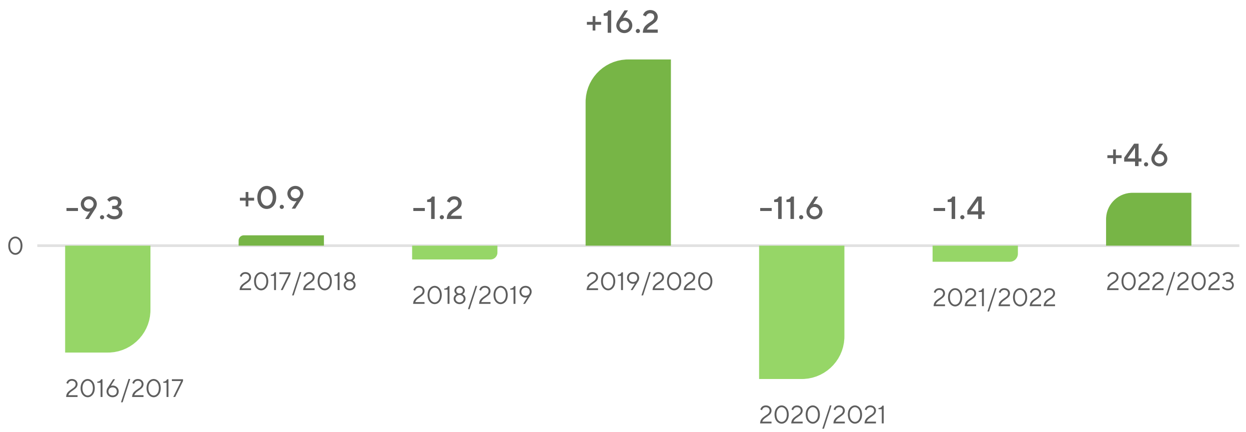
Cotton

Figure 3 – Cotton – Global cotton consumption (million bales)



Source: USDA

Figure 4 – Cotton – Global supply and demand (million bales)



Source: USDA

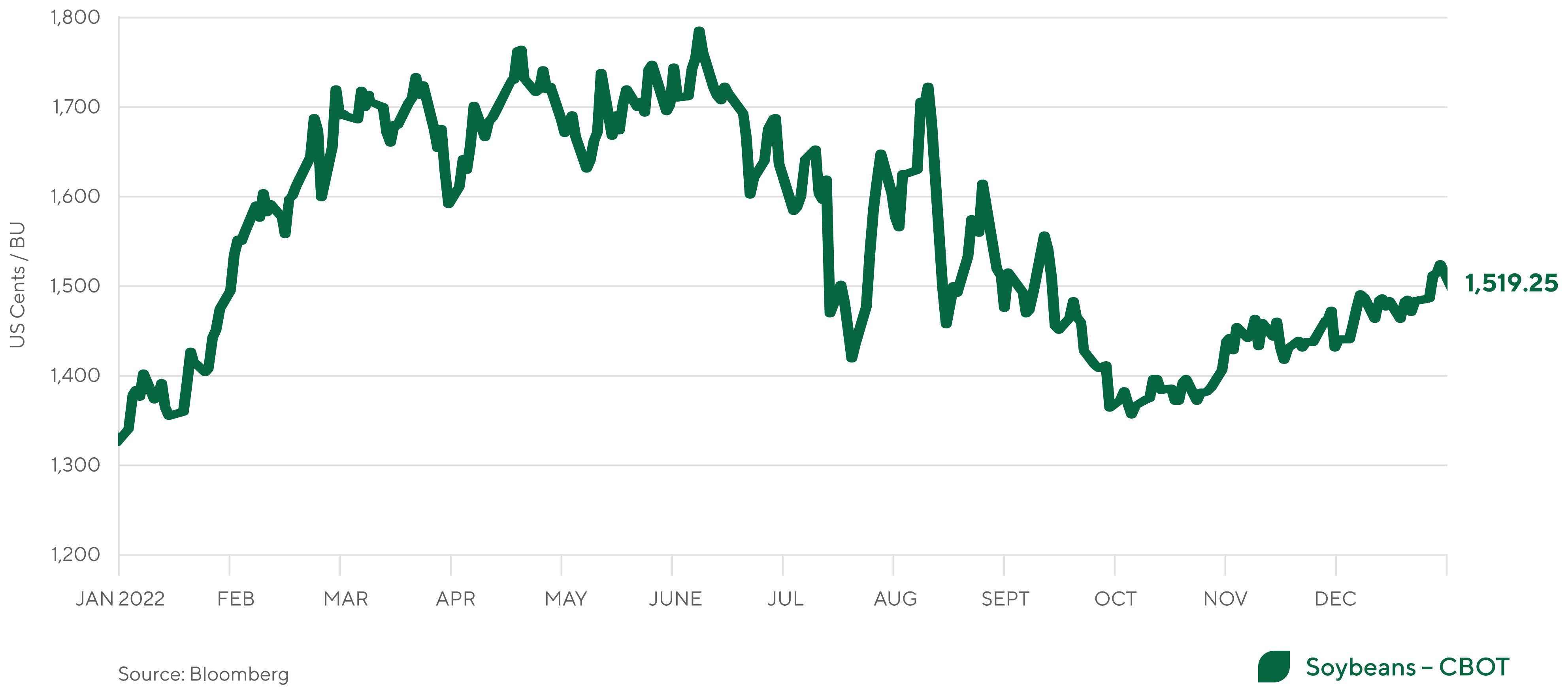
Based on USDA data for 2022/2023, projected global cotton consumption is 110.9 million bales, compared to production of 115.4 million bales. This is expected to result in a surplus of approximately 4.6 million bales at the end of the current cycle, after two consecutive cycles of consumption exceeding supply.

Current market conditions reflect crop losses in some of the world's major cotton-producing countries, in particular the U.S., where an extended drought throughout 2022 resulted in a decreased crop, with a final production of approximately 14.7 million bales—one of the lowest levels recorded in recent years.

This is expected to directly impact the global cotton market, as the U.S. is currently the world's leading cotton exporter. As a result of these losses, Brazil is likely to expand its market share and cement its position as a major global player in the textile supply chain, becoming the world's second-largest cotton exporter.

Soybean

Figure 5 – Global Soybean Prices (US Cents/BU)



Source: Bloomberg

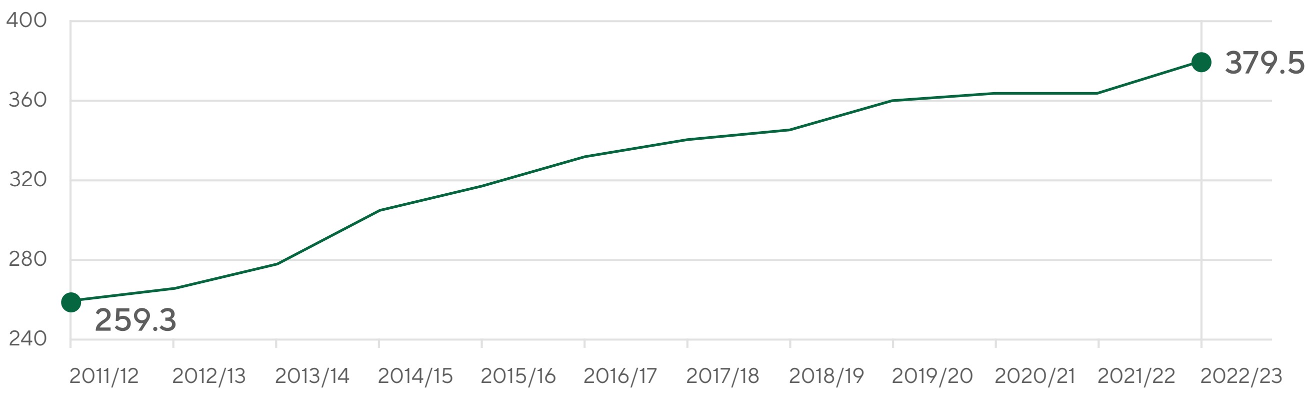
CBOT spot soybean prices trended upward throughout 2022, rising by 13% on 2021.

Following losses in the previous crop year (2021/2022) due to adverse weather conditions caused by the La Niña climate pattern in Brazil's southern states, the 2022/2023 crop has also experienced yield losses due to the lingering effects of this weather pattern throughout 2022.

The United States also recorded losses due to drought conditions during critical periods of soybean cultivation in the country. The USDA had estimated a production of 126 million metric tons, whereas the actual crop yield was 116 million metric tons. Global soybean consumption is expected to set another record at an estimated volume of 379.5 million metric tons, continuing the growth trend of the past decade.

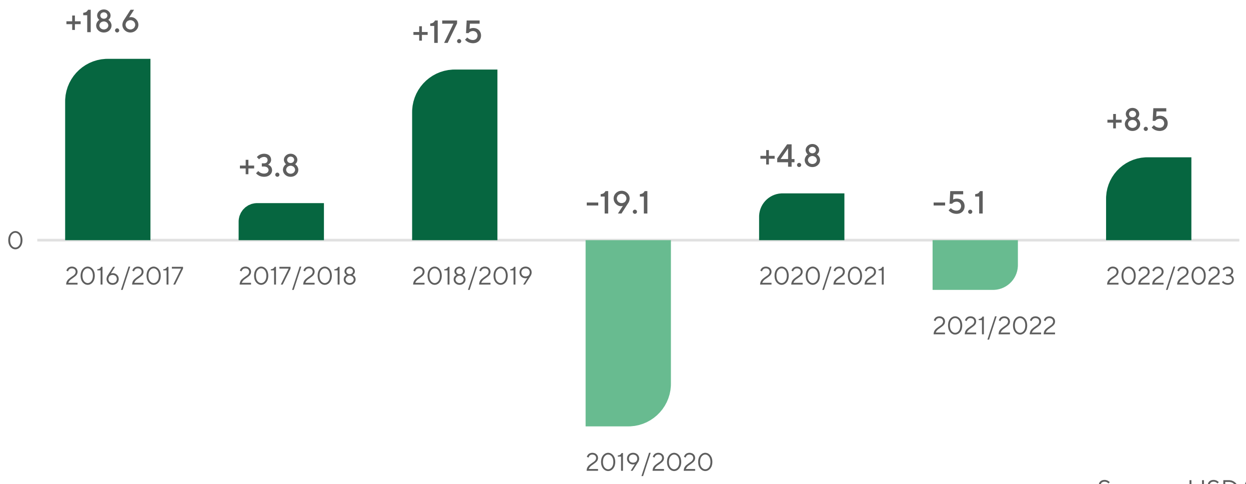
Soybean

Figure 6 – Global soybean consumption (million metric tons)



Source: USDA

Figure 7 – Soybeans – Global supply and demand (million metric tons)



Source: USDA

Globally, the supply and demand balance is expected to show a production surplus of approximately 8.5 million metric tons in the 2022/2023 crop year, following a deficit of 5.1 million metric tons in 2021/2022.

There is currently significant uncertainty around final soybean production estimates in developing soybean-producing regions in southern South America. These regions include primarily Argentina, where the initial crop estimate pointed to a total production of 51 million metric tons, which has recently been downgraded to 45.5 million metric tons. South American soybean crop development is crucial to keeping global supply and demand at currently estimated levels.

Corn

Figure 8 – Global Corn Prices (US Cents/BU)

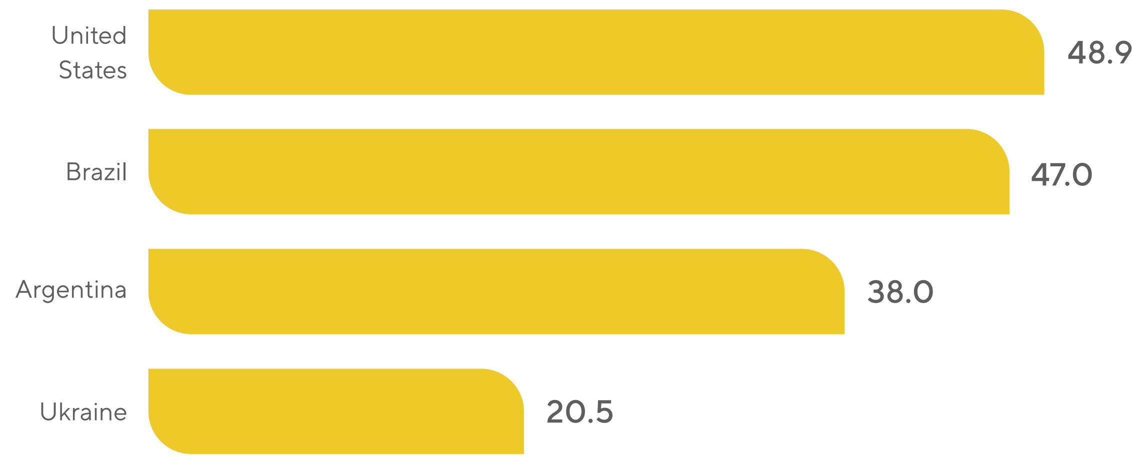
Source: Bloomberg

CBOT spot corn prices trended upward throughout 2022, rising by 15% on 2021.

In a fourth quarter marked by corn crop establishment under irregular rainfall conditions in important corn producing regions of Brazil's South and Argentina, the world continued to be faced by uncertainties caused by the Russia-Ukraine conflict. As a result, the global export outlook in major producing countries remains highly unpredictable, potentially causing continued price volatility.

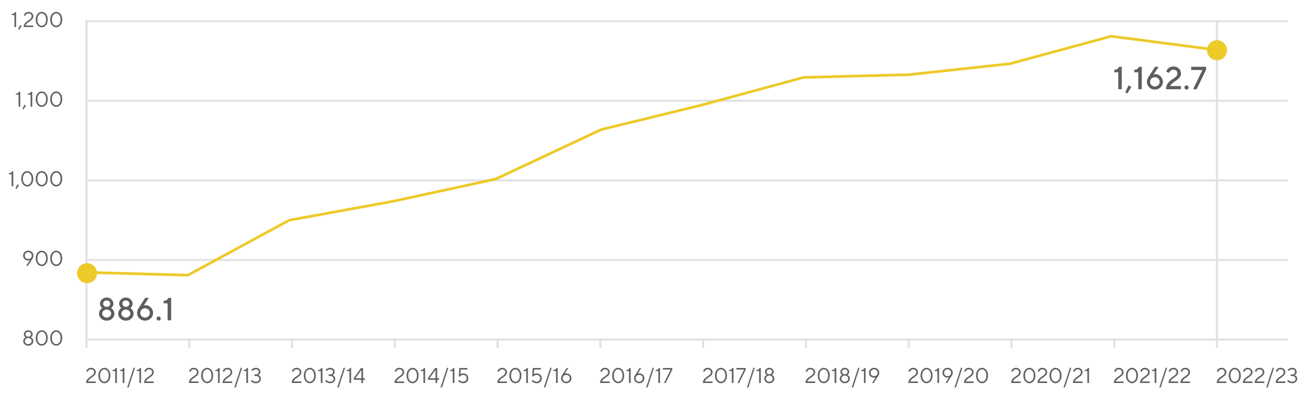
Corn

Figure 9 – Global corn exports in 2022/2023, largest global exporters (million metric tons)



Source: USDA

Figure 10 – Global corn consumption (million metric tons)

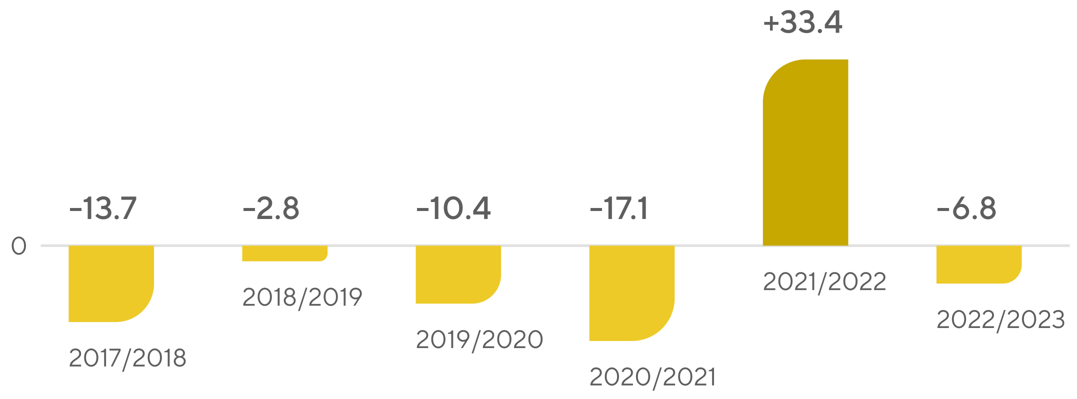


Source: USDA

According to USDA estimates, the U.S. corn harvest recorded significant losses in the year. Compared to an initial production estimate of 367 million metric tons, actual production stood at 348.8 million metric tons in the crop year. Current global corn consumption is expected to be around 1,162.7 million metric tons, slightly lower than the record-setting consumption of 1,181.5 million metric tons in the previous period (2021/2022).

Corn

Figure 11 – Corn: global supply and demand balance



Source: USDA

Currently, the global supply and demand imbalance is projected to result in production volumes falling short of consumption by approximately 6.8 million metric tons.

Operating Performance

- Crop Year 2021/2022
- Crop Year 2022/2023

Crop Year **2021/2022**

Planted area

The following table presents an overview of our cropland in the 2021/2022 crop year and a comparison with the previous season. For more details, see the “Additional Information” section of this document.

Table 1 – Planted area by crop, 2020/2021 vs. 2021/2022

Crop mix	Planted area 2020/2021 (ha)	Planted area 2021/2022 (ha)	Stake 2021/2022 (%)	Δ%
Cotton	109,605	176,985	26.3%	61.5%
Cotton, 1st crop	78,011	86,357	12.9%	10.7%
Cotton, 2nd crop	31,594	90,628	13.5%	186.9%
Soybean (Commercial + Seed)	229,449	334,891	49.8%	46.0%
Corn, 2nd crop	106,470	121,633	18.1%	14.2%
Other crops[1]	17,643	38,437	5.7%	117.9%
Total Area	**463,167**	**671,946**	**100.0%**	**45.1%**

[1] Other crops (First-crop corn 11,737 ha, Corn seed 607 ha, Popcorn 1,940 ha, Wheat 1,720 ha, Cattle 4,932, Brachiaria seed 6,684 ha, Mungo bean 10,003, Sesame 114 ha and Stylosanthes 700 ha) total: 38,437 ha.

Yields

Table 2 – Yields, 2021/2022 crop year

Yields (kg/ha)	2020/2021 Crop Year Actual (a)	2021/2022 Crop Year Budget (b)	2021/2022 Crop Year Actual (c)	Δ% (c) × (a)	Δ% (c) × (b)
Cotton lint, 1st crop	1,913	1,871	1,682	-12.1%	-10.1%
Cotton lint, 2nd crop	1,689	1,804	1,305	-22.7%	-27.7%
Cotton seed	2,312	2,299	1,833	-20.7%	-20.3%
Soybean (Commercial + Seed)	3,985	3,765	3,974	-0.3%	5.6%
Corn, 2nd crop	5,880	7,714	6,303	7.2%	-18.3%

COMMERCIAL SOYBEAN

The harvest was concluded with a yield of 3,974 kg/ha, 5.6% above budget and 31.3% above the national average (CONAB, Feb. 2023).

SOYBEAN SEEDS

Sales volume combined with internal consumption reached approximately 856,000 bags (200,000 seeds), with an average quality indicator above 90% official germination (SLC Sementes Garante). We serve the market under four licensed brands for direct sales (Brasmax, TMG, Monsoy, Genética HO, Golden Harvest) and two verticalized brands (BASF Credenz and Seedcorp HO).

COTTON SEEDS

Sales volume combined with internal consumption was 116,471 bags (200,000 seeds), with an average minimum quality indicator of 90% official germination (SLC Sementes Garante). We currently hold licenses for three cotton seed brands (TMG, IMAmt, BASF Fibermax) to offer our clients a diversified product portfolio.

FIRST-CROP COTTON

With the end of cotton lint processing, the final yield was 1,682 kg/hectare, 10.1% below budget. Our cotton crop was affected by a severe drought in March and April in the state of Bahia, causing a decline in yield.

SECOND-CROP COTTON

Second-crop cotton ended the period with a yield of 1,305 kg/ha of cotton lint, which is 27.7% below budget. The reduction in yield was observed in the state of Mato Grosso due to an abnormally severe drought season in March, April, and May. In addition, frost events further disrupted the crop cycle and the formation of cotton bolls.

SECOND-CROP CORN

The yield of second-crop corn was 7.2% higher than in the 2020/21 crop year and 18.3% below budget, at 6,303 kg/ha. In relation to the national average, the yield was 20.1% higher (Feb. 2023 CONAB). Similar to second-crop cotton, corn also was affected by drought, low temperatures for the region and frost events, which adversely affected crop development.

Production cost – 2021/2022 Crop Year

Table 3 – Budgeted Costs – 2021/2022 Crop Year (%)

	Cotton	Soybean	Corn	Average 2021/2022	Average 2020/2021
Variable costs	**81.5**	**76.6**	**80.8**	**79.6**	**79.9**
Seeds	10.7	15.7	17.5	12.7	10.5
Fertilizers	26.1	19.1	42.6	25.4	21.4
Crop protection	20.2	21.3	6.2	18.8	24.4
Air Spraying	1.6	0.8	1.1	1.3	1.8
Fuels and lubricants	4.2	5.4	4.9	4.6	3.9
Labor	0.9	0.9	0.8	0.8	0.8
Ginning	7.5	1.6	1.4	4.8	6.5
Machinery and implement maintenance	4.4	4.3	3.1	4.1	4.1
Other	5.9	7.5	3.2	7.1	6.5
Fixed costs	**18.5**	**23.4**	**19.2**	**20.4**	**20.1**
Labor	6.9	8.2	6.3	7.2	7.7
Depreciation and amortization	3.9	5.6	4.1	4.4	4.8
Right-of-use amortization – Leasing	5.4	6.9	6.6	6.2	5.1
Other	2.3	2.7	2.2	2.6	2.5

Table 4 – Production Cost in R$/hectare, 2021/2022 Crop Year

Total (R$/ha)	Actual 2020/2021[1] (a)	Budget 2021/2022 (b)	Actual 2021/2022 (c)	Δ% (c × b)	Δ% (c × a)
Cotton, 1st crop	10,971	12,658	12,580	-0.6%	14.7%
Cotton, 2nd crop	9,951	10,863	10,191	-6.2%	2.4%
Soybean	3,529	4,131	4,283	3.7%	21.4%
Corn, 2nd crop	2,990	3,939	3,711	-5.8%	24.1%
Total average cost	**5,629[2]**	**6,528[2]**	**6,425[2]**	**-1.6%**	**14.1%**

[1] The figures presented are subject to potential restatement until the conclusion of cotton processing and grain sales.

[2] Weighted by areas in the 2021/2022 crop year to avoid impacts from changes in the product mix.

The costs per hectare that were budgeted for the 2021/2022 crop year have decreased compared to our initial estimates. The average cost increase in BRL went from **16.1% to 14.1%** compared to that of the 2020/2021 crop year, with the lower yield leading to savings in variable production costs. The main factors contributing to this increase were:

- **Higher prices for our main inputs**, such as seeds and fertilizers;
- **Higher costs on fuel and energy** (higher prices and rates);
- **Higher costs on leases, which are linked to the price per soybean bag.** Higher price per soybean bag and an increase in planted area on leased properties, from 54% (2020/2021 crop year) to 66% (2021/2022 crop year).

Crop Year **2022/2023**

Planted area

Compared to our previous earnings release on 11/04/2022, we made a number of changes during soybean planting and harvesting that affected planted areas for first- and second-crop cotton and second-crop corn: a reduction of 0.8% in soybean area, which was transferred to first-crop cotton, and a reduction of 5.2% in cotton area which was transferred to second-crop corn. These changes were necessary due to the unfavorable weather, which delayed the soybean cycle, in order to achieve optimal development potential for each crop and higher profitability.

Table 5 – Planted area by crop, 2021/2021 vs. 2022/2023

Crop mix	Planted area 2022/2023 (ha) Initial plans	Planted area 2022/2023[1] (ha) *Forecast*	Stake 2022/2023 (%)	Δ%
Cotton	**171,114**	**162,202**	**24.2%**	**-5.2%**
Cotton, 1st crop	83,290	85,894	12.8%	3.1%
Cotton, 2nd crop	87,284	76,308	11.4%	-12.6%
Soybean (Commercial + Seed)	349,716	346,953	51.7%	-0.8%
Corn, 2nd crop	129,830	138,832	20.7%	6.9%
Other crops[2]	17,225	22,729	3.4%	32.0%
Total Area	**667,885**	**670,716**	**100.0%**	**-0.4%**

[1] Weather factors could affect the planted area forecast.

[2] Other crops (Brachiaria Seed 8,134.00 ha, Stylosanthes Seed 816.02 ha, Bean 1,336.08 ha, Sesame 4,048.24 ha, Millet Seed 523,26 ha, First-crop Corn 1,133.88 ha, Corn Seed 667.46 ha, Cattle 4,057.99 ha, Sorghum 1,083.82 ha and Wheat 927.98 ha) amounted to 22,728.73 ha.

Yields

The increases in yield estimates for 2022/2023 reflect our expectation regarding the production potential of the crops.

Table 6 – Projected Yields 2022/2023

Yields (kg/ha)	2021/2022 Crop Year Budget (a)	2022/2023 Crop Year Budget (b)	Δ% (b) × (a)
Cotton lint, 1st crop	1,871	1,927	3.0%
Cotton lint, 2nd crop	1,804	1,839	1.9%
Cotton seed	2,299	2,372	3.2%
Soybean (Commercial + Seed)	3,765	3,918	4.1%
Corn, 2nd crop	7,714	7,685	-0.4%

COMMERCIAL SOYBEAN

Harvesting began on January 5 and, as of March 1st, 63.8% of the 346,953 ha planted had been harvested, with yield in line with the budget.

SOYBEAN SEEDS

For 2023, we estimate sales to third parties and internal consumption of 1,119,800 bags of soybean seeds, with an average quality indicator above 90% official germination (SLC Sementes Garante). We currently produce soybean seed in five states and remain fully focused on maintaining quality and meeting our customers' needs.

COTTON SEEDS

In 2023, we estimate sales to third parties and internal consumption of 121,500 bags of cotton seeds, with an average minimum quality indicator of 90% official germination (SLC Sementes Garante).

FIRST- AND SECOND-CROP COTTON

The planted area remained within the planting window and the areas already are transitioning from the plant development phase to the flowering phase and showing good potential to achieve the budgeted yield. Second-crop cotton planting began after the harvest of early soybean varietals, in January 2023, and ended in early February.

SECOND-CROP CORN

Second-crop corn planting began in the last week of January 2023, in tandem with progress in harvesting early soybean varietals and the conclusion of second-crop cotton planting. As of March 1st, 72.9% of the total area had been planted, and planting should be concluded by early March.

Production cost – 2022/2023 Crop Year

Table 7 – Breakdown of Production Costs by Crop (%) 2022/2023 Crop Year

	Cotton	Soybean	Corn	Average 2022/2023	Average 2021/2022
Variable costs	**82.9**	**75.5**	**81.8**	**80.2**	**79.6**
Seeds	8.7	15.3	19.0	12.0	12.7
Fertilizers	25.2	18.9	36.5	24.0	25.4
Crop protection	23.4	21.8	12.4	21.5	18.8
Air Spraying	1.1	0.9	0.9	1.0	1.3
Fuels and lubricants	4.4	5.3	4.8	4.7	4.6
Labor	0.8	0.8	0.5	0.7	0.8
Ginning	9.1	2.2	2.4	5.9	4.8
Machinery and implement maintenance	3.9	4.0	2.7	3.7	4.1
Other	6.3	6.3	2.6	6.7	7.1
Fixed costs	**17.1**	**24.5**	**18.2**	**19.8**	**20.4**
Labor	5.3	6.8	5.2	5.8	7.2
Depreciation and amortization	3.8	6.2	4.2	4.7	4.4
Right-of-use amortization – Leasing	5.9	8.8	6.8	7.1	6.2
Other	2.1	2.7	2.0	2.2	2.6

Table 8 – Production Cost (R$/hectare), 2022/ 2023 Crop Year

	Budget 2021/2022[1]	Budget 2022/2023	Δ%
Cotton, 1st crop	12,658	15,163	19.8%
Cotton, 2nd crop	10,863	13,677	25.9%
Soybean	4,131	5,223	26.4%
Corn, 2nd crop	3,939	4,867	23.5%
Total average cost	**6,364[2]**	**7,649[2]**	**20.2%**

[1] The figures presented are subject to potential restatement until the conclusion of cotton processing and grain sales.

[2] Weighted by areas in the 2022/2023 crop year to avoid impacts from changes in the product mix.

The higher budgeted costs for the crop year 2022/2023 reflect the higher prices on inputs and foreign-exchange issues.

The costs per hectare budgeted for the 2022/2023 crop year registered an average increase in Brazilian real of 20.2% compared to budgeted costs in the 2021/2022 crop year, reflecting mainly the higher prices of our main inputs. Currently, 56.9% of cost is indexed to the U.S. dollar (seeds, fertilizers, and crop protection), with a correlation with commodity prices. In addition, the remaining portion of production costs is fixed in Brazilian real (43.1%) and affected by inflation, which caused a price increase in other relevant cost components, such as fuel, energy, and freight.

Financial Performance

- Income Statement Analysis
- Statement of Cash Flow Analysis
- Hedge Position
- Stock Performance
- Dividends
- Return Indicators

Income Statement **Analysis**

In the third quarter of 2021, we began reporting accounting information taking account of the merger of Terra Santa Agro S.A. (wholly owned subsidiary of SLC Agrícola), now named **SLC Agrícola Centro-Oeste S.A.** For comparison purposes, we are reporting for the period 2021 on a combined basis, i.e., the sum of the 2021 figures for SLC Agrícola S.A. and the 1Q21 and 2Q21 figures for Terra Santa Agro S.A. (parent company).

ADJUSTED EBITDA

In the year, we set a new record for Adjusted EBITDA, which exceeded **R$ 3 billion**, **increasing 62.0%** on the prior-year period. Adjusted EBITDA margin ended the period at **41.3%**, expanding 3.4 p.p. on the prior year, with this strong growth driven substantially by an increase of **63.7%** in gross income (ex-biological assets), which in turn reflects higher margins.

Table 9 - Adjusted EBITDA Reconciliation

R$ thd	2021 Combined (a)	2021 (b)	2022 (c)	HA (c x a)
Net Revenue	**4,963,121**	**4,363,210**	**7,373,034**	**48.6%**
Variation in Fair Value of Biological Assets[3]	**2,234,366**	**1,961,159**	**2,216,676**	**-0.8%**
(-) Cost of Goods Sold	**(4,801,292)**	**(4,076,725)**	**(6,458,411)**	**34.5%**
Cost of Goods Sold	(3,063,222)	(2,651,291)	(4,220,730)	37.8%
Realiz. of Fair Value of Biological Assets[4]	(1,738,070)	(1,425,434)	(2,237,681)	28.7%
Gross Income	**2,396,195**	**2,247,644**	**3,131,299**	**30.7%**
(-) Selling Expenses	**(279,205)**	**(212,559)**	**(379,664)**	**36.0%**
(-) Gen. & Admin. Expenses	**(255,081)**	**(222,496)**	**(260,230)**	**2.0%**
General and administrative	(150,048)	(124,286)	(175,815)	17.2%
Profit share program	(105,033)	(98,210)	(84,415)	-19.6%
(-) Administrative Fees	**(21,761)**	**(18,953)**	**(24,374)**	**12.0%**
(-) Other operating revenue (expense)	**130,119**	**119,731**	**38,862**	**-70.6%**
(=) Income from Activity	**1,970,267**	**1,913,367**	**2,505,293**	**27.2%**
(+) Depreciation and amortization	156,016	145,870	177,813	14.0%
EBITDA	**2,126,283**	**2,059,237**	**2,683,106**	**26.2%**
(-) Change in Fair Value of Biological Assets[3]	(2,234,366)	(1,961,159)	(2,216,676)	-0.8%
(+) Realiz. of Fair Value of Biological Assets[4]	1,738,070	1,425,434	2,237,681	28.7%
(+) Low Fixed Assets	65,349	12,781	5,806	-91.1%
(+) Other transactions - PPE[2]	835	835	278	-66.7%
(+) Cost of land sales	-	-	277	n.m.
(+) Amortization adjust. - IFRS 16[5]	169,498	133,287	310,745	83.3%
(+) Achievement added value	14,832	14,832	25,861	74.4%
Adjusted EBITDA[1,2,5]	**1,880,501**	**1,685,247**	**3,047,078**	**62.0%**
Adjusted EBITDA margin[1,2]	**37.9%**	**38.6%**	**41.3%**	**3.4 p.p.**

[1] Excludes the effects from biological assets, which are non-cash.

[2] Excludes write-offs of property, plant and equipment and other PPE transactions, which are non-cash.

[3] Changes in the fair value of biological assets (note 32 to the financial statements).

[4] Realization of the fair value of biological assets (note 31 to the financial statements).

[5] Amortization of right-of-use assets - Leases.

Table 10 – Net Revenue

R$ thd	2021 Combined (a)	2021 (b)	2022 (c)	HA (c x a)
Net Revenue	**4,963,121**	**4,363,210**	**7,373,034**	**48.6%**
Cotton lint	2,383,537	2,087,461	2,930,972	23.0%
Cotton seed	354,810	348,928	380,070	7.1%
Soybean	1,881,516	1,673,697	2,973,363	58.0%
Corn	527,282	518,078	710,473	34.7%
Cattle Herd	59,377	59,377	110,862	86.7%
Other	346,559	261,620	272,919	-21.2%
FX Hedge income	(589,960)	(585,951)	(5,625)	-99.0%

Table 11 – Volume Invoiced

Metric tons	2021 Combined (a)	2021 (b)	2022 (c)	HA (c x a)
Volume invoiced	**2,489,038**	**2,247,665**	**2,737,381**	**10.0%**
Cotton lint	255,993	219,846	277,222	8.3%
Cotton seed	320,168	310,709	300,647	-6.1%
Soybean	1,004,595	862,097	1,274,552	26.9%
Corn	775,925	765,385	783,768	1.0%
Other	132,357	89,628	101,192	-23.5%

Table 12 – Volume Invoiced

Head	2021 Combined (a)	2021 (b)	2022 (c)	HA (c x a)
Volume invoiced	**13,285**	**13,285**	**24,318**	**83.0%**
Cattle Herd	13,285	13,285	24,318	83.0%

In 2022, net revenue was R$ 7.373 billion, another record for the Company, reflecting higher prices invoiced for all crops.

Table 13 – Variation in the Fair Value of Biological Assets

R$ thd	2021 Combined (a)	2021 (b)	2022 (c)	HA (c x a)
Variation in the Fair Value of Biological Assets	**2,234,366**	**1,961,159**	**2,216,676**	**-0.8%**
Cotton lint	735,188	623,001	581,567	-20.9%
Cotton seed	142,728	143,838	43,928	-69.2%
Soybean	1,269,774	1,096,470	1,464,402	15.3%
Corn	67,143	79,678	127,214	89.5%
Cattle Herd	18,177	18,177	1,650	-90.9%
Other	1,356	(5)	(2,085)	n.m.

The calculation of Variation in the Fair Value of Biological Assets ("VFVBA") reflects the estimated gross margin (sale price at farm less unit costs incurred) of crops undergoing significant biological transformation in the reporting period.

In 2022, cotton and cottonseed VFVBA decreased from 2021. Despite the larger planted area and higher prices, yield decreased in the 2021/2022 crop year compared to the previous cycle. Soybean VFVBA increased in 2022 reflecting the expectation of better margins for 2021/2022 compared to 2020/2021.

Cost of Goods Sold

Table 14 – Costs of Goods Sold

R$ thd	2021 Combined (a)	2021 (b)	2022 (c)	HA (c x a)
Cost of goods sold	**(3,063,222)**	**(2,651,291)**	**(4,220,730)**	**37.8%**
Cotton lint	(1,220,756)	(1,082,365)	(1,831,639)	50.0%
Cotton seed	(134,769)	(133,245)	(140,849)	4.5%
Soybean	(986,071)	(793,574)	(1,449,659)	47.0%
Corn	(428,642)	(420,625)	(542,399)	26.5%
Cattle Herd	(53,800)	(53,800)	(119,413)	122.0%
Other	(239,184)	(167,682)	(136,771)	-42.8%

Cost of goods sold increased 37.8% in 2022 compared to 2021, with the main factor being the higher unit cost in the 2021/2022 crop year, which is substantially explained by a 14.1% increase in cost per hectare compared to the 2020/2021 crop year, combined with lower cotton and corn yields.

Table 15 – Realization of the Fair Value of Biological Assets

R$	2021 Combined (a)	2021 (b)	2022 (c)	HA (c x a)
Realization of the Fair Value of Biological Assets	(1,738,070)	(1,425,434)	(2,237,681)	28.7%
Cotton lint	(626,716)	(471,178)	(619,495)	-1.2%
Cotton seed	(81,781)	(81,781)	(47,622)	-41.8%
Soybean	(940,920)	(790,542)	(1,429,939)	52.0%
Corn	(79,146)	(72,426)	(122,613)	54.9%
Cattle Herd	(9,387)	(9,387)	(15,642)	n.m.
Other	(120)	(120)	(2,370)	n.m.

The Realization of Fair Value of Biological Assets (RFVBA) is the corresponding entry to Changes in Fair Value (calculated at harvest) and is recognized as products are invoiced. The increase in RFVBA in both periods reflects the higher volumes invoiced, due to the increase in planted area and in margins for the 2021/2022 crop year versus the previous crop year.

Gross Income by Crop

For a better understanding of margins by crop, in this section gains (losses) on currency hedging are broken down by cotton, soybean, corn and cattle.

In 2022, unit gross income from cotton lint improved by 44%, driven by higher unit prices invoiced.

COTTON LINT AND COTTONSEED

Table 16 – Gross Income: Cotton Lint

Cotton Lint		2021 Combined (a)	2021 (b)	2022 (c)	HA (c x a)
Volume invoiced	Tons	255,993	219,846	277,222	8.3%
Net Revenue	R$/thd	2,383,537	2,087,461	2,930,972	23.0%
FX hedge revenue	R$/thd	(561,891)	(557,882)	(160,865)	-71.4%
Net Rev. adj. for cur. hedging effects	R$/thd	1,821,646	1,529,579	2,770,107	52.1%
Unit price	R$/ton	7,116	6,958	9,992	40.4%
Total cost	R$/thd	(1,220,756)	(1,082,365)	(1,831,639)	50.0%
Unit cost	R$/ton	(4,769)	(4,923)	(6,607)	38.5%
Unit Gross Income	**R$/ton**	**2,347**	**2,035**	**3,385**	**44.2%**

Table 17 – Gross Income: Cotton Seed

Cotton seed		2021 Combined (a)	2021 (b)	2022 (c)	HA (c x a)
Volume invoiced	Tons	320,168	310,709	300,647	-6.1%
Net Revenue	R$/thd	354,810	348,928	380,070	7.1%
Unit price	R$/ton	1,108	1,123	1,264	14.1%
Total cost	R$/thd	(134,769)	(133,245)	(140,849)	4.5%
Unit cost	R$/ton	(421)	(429)	(468)	11.3%
Unit Gross Income	**R$/ton**	**687**	**694**	**796**	**15.9%**

The prices invoiced in 2022 outperformed the unit cost, leading to a 15.9% increase in unit gross income.

SOYBEAN

Table 18 – Gross Income: Soybean

Soybean		2021 Combined (a)	2021 (b)	2022 (c)	HA (c x a)
Volume invoiced	Tons	1,004,595	862,097	1,274,552	26.9%
Net Revenue	R$/thd	1,881,516	1,673,697	2,973,363	58.0%
FX hedge revenue	R$/thd	(29,291)	(29,291)	114,114	n.m.
Net rev. adj. for cur. hedging effects	R$/thd	1,852,225	1,644,406	3,087,477	66.7%
Unit price	R$/ton	1,844	1,907	2,422	31.3%
Total cost	R$/thd	(986,071)	(793,574)	(1,449,659)	47.0%
Unit cost	R$/ton	(982)	(921)	(1,137)	15.8%
Unit Gross Income	**R$/ton**	**862**	**986**	**1,285**	**49.1%**

In the year, Unit Gross Income grew 49.1% compared to 2021, mainly due to the increase in prices invoiced, which was partially offset by higher unit costs.

CORN

Table 19 – Gross Income: Corn

Corn		2021 Combined (a)	2021 (b)	2022 (c)	HA (c x a)
Volume invoiced	Metric tons	775,925	765,385	783,768	1.0%
Net Revenue	R$/thd	527,282	518,078	710,473	34.7%
FX hedge revenue	R$/thd	(318)	(318)	39,832	n.m.
Net rev. adj. for cur. hedging effects	R$/thd	526,964	517,760	750,305	42.4%
Unit price	R$/ton	679	676	957	40.9%
Total cost	R$/thd	(428,642)	(420,625)	(542,399)	26.5%
Unit cost	R$/ton	(552)	(550)	(692)	25.4%
Unit Gross Income	**R$/ton**	**127**	**126**	**265**	**108.7%**

In 2022, Unit Gross Income grew 108.7% compared to 2021, due to the increase in prices invoiced, which was partially offset by higher unit costs.

CATTLE HERD

Table 20 – Gross Income: Cattle Herd

Cattle Herd		2021 Combined (a)	2021 (b)	2022 (c)	HA (c x a)
Volume invoiced	Head	13,285	13,285	24,318	83.0%
Net Revenue	R$/thd	59,377	59,377	110,862	86.7%
FX hedge revenue	R$/thd	1,540	1,540	1,294	-16.0%
Net rev. adj. for cur. hedging effects	R$/thd	60,917	60,917	112,156	84.1%
Unit price	R$/head	4,585	4,585	4,612	0.6%
Total cost	R$/thd	(53,800)	(53,800)	(119,413)	122.0%
Unit cost	R$/head	(4,050)	(4,050)	(4,910)	21.2%
Unit Gross Income	**R$/head**	**535**	**535**	**(298)**	**n.m.**

The Cattle margin in both periods was negative, mainly due to the cost of cattle sourcing and high input costs, i.e., unit cost was higher than the unit prices invoiced. On the other hand, the integration of crops and cattle raising provides various agricultural and economic benefits, including increases in organic matter and other nutrients in the soil, reduced the use of chemicals given the lower occurrence of pests and disease, as well as higher yields.

GROSS INCOME

Table 21 – Gross Income

R$ thd	2021 Combined (a)	2021 (b)	2022 (c)	HA (c x a)
Gross Income	**2,396,195**	**2,247,644**	**3,131,299**	**30.7%**
Cotton lint	600,890	447,214	938,468	56.2%
Cotton seed	220,041	215,683	239,221	8.7%
Soybean	866,154	850,832	1,637,818	89.1%
Corn	98,322	97,135	207,906	111.5%
Cattle Herd	7,117	7,117	(12,061)	n.m.
Other	107,375	93,938	140,952	31.3%
Biological Assets	496,296	535,725	(21,005)	n.m.

Excluding the effects from biological assets (changes in and realization of fair value) yields the actual margins on invoiced products. In this analysis, gross income increased 65.9% year on year, mainly due to the higher prices invoiced.

Selling expenses

Selling expenses increased 36.0% in 2022 versus 2021, explained by increases in other expenses as well as freight and export expenses. Other expenses grew significantly due to the provision for royalties expenses related to soybean seeds and cotton, reflecting the higher volume invoiced. The increase in freight and export expenses is explained by the increase in unit costs on the back of higher international freight costs.

Table 22 – Selling Expenses

R$ thd	2021 Combined (a)	2021 (b)	2022 (c)	HA (c x a)
Freight	91,027	78,566	139,491	53.2%
Storage	56,255	50,302	56,582	0.6%
Commission	22,274	21,514	27,178	22.0%
Classification of Goods	1,729	1,729	2,577	49.0%
Export Expenses	41,351	41,351	47,704	15.4%
Other	66,569	19,097	106,132	59.4%
Total	**279,205**	**212,559**	**379,664**	**36.0%**
% Net Revenue	**5.6%**	**4.9%**	**5.1%**	**-0.5 p.p.**

Administrative Expenses

Table 23 – Administrative Expenses

R$ thd	2021 Combined (a)	2021 (b)	2022 (c)	HA (c x a)
Expenses with Personnel	67,509	56,783	74,921	11.0%
Fees	54,311	33,441	29,761	-45.2%
Depreciation and amortization	5,612	4,135	17,514	212.1%
Expenses with Travels	1,226	1,119	4,633	277.9%
Software maintenance	9,489	8,291	6,808	-28.3%
Marketing/Advertisement	3,034	2,381	6,312	108.0%
Communication expenses	5,276	4,725	6,186	17.2%
Rentals	2,786	2,672	5,316	90.8%
Tax, Labor & Environmental Contingencies	396	396	1,059	167.4%
Electricity	1,593	1,501	214	-86.6%
Taxes and Other Fees	2,170	2,086	2,458	13.3%
Contributions and Donations	4,630	5,032	10,043	116.9%
Other	(7,984)	1,724	10,589	n.m.
Subtotal	**150,048**	**124,286**	**175,814**	**17.2%**
% Net Revenue	3.0%	2.8%	2.4%	-0.6p.p.
Provision for profit share program	**105,033**	**98,210**	**84,416**	**-19.6%**
Total	**255,081**	**222,496**	**260,230**	**2.0%**

Administrative expenses (excluding expenses on the Profit Sharing Program) increased 17.2% in 2022 versus 2021. The most significant changes year on year were:

- Expenses with personnel: *Pay parity for the Terra Santa Agro team and* apportionment of expenses on stock options and restricted shares;
- Fees: Reduction due to non-recurring expenses in 2021, related to transactions with Agrícola Xingu and Terra Santa Agro;
- Depreciation and amortization: an increase of 212.1% due to the implementation of new software.

Net Finance Revenue (Expense)

Since a portion of the Company's debt in USD was swapped to BRL (in line with our Risk Management Policy), the exchange variation on dollar-denominated debt does not affect Finance Revenue (Expense) when analyzing aggregate figures; since any gains and losses on such liabilities in USD from exchange variation are offset by gains/losses in an equal proportion to the respective swap.

Table 24 – Adjusted Net Finance Revenue (incl. swap effects)

R$ thd	2021 Combined (a)	2021 (b)	2022 (c)	HA (c x a)
Interest	(126,089)	(91,560)	(375,604)	197.9%
FX variation	(126,123)	(120,288)	(20,972)	-83.4%
Monetary variation	(7,640)	(121)	89	-101.2%
APV-Lease (IFRS16) [1]	(193,818)	(175,150)	(280,423)	44.7%
Other finance revenue (expense)	(71,489)	15,297	(22,559)	-68.4%
Total	**(525,159)**	**(371,822)**	**(699,469)**	**33.2%**
% Net Revenue	**10.6%**	**8.5%**	**9.5%**	**-1.1p.p.**

[1] APV: Adjustment to Present Value – Lease liability (IFRS16).

In 2022, Adjusted Net Financial Income (Expense) increased 33.2% in relation to 2021, with the most significant increase being in interest expenses, due to the higher average debt balance in 2022 and a higher average CDI rate in the period, as well as the early settlement of CRAs. The exchange variation loss primarily reflects the strengthening of the local currency in the period, which impacted amounts payable to suppliers in U.S. dollars. In addition, we reported an increase in Adjustment to Present Value of Leases in 2022, reflecting the inclusion of new agreements and the higher price per soybean bag in BRL (the indexer adopted in agreements).

Net Income

Table 25 - Net Income

R$ thd	2021 Combined (a)	2021 (b)	2022 (c)	HA (c x a)
Profit or loss before tax on profit	**1,464,372**	**1,560,810**	**1,805,825**	**23.3%**
Income Tax and Social Contribution on Net Income	(397,898)	(430,051)	(469,092)	17.9%
Consolidated Net Income for the Period	**1,066,474**	**1,130,759**	**1,336,733**	**25.3%**
Parent company interest	997,831	1,062,116	1,267,459	27.0%
Non-controlling interest	68,643	68,643	69,274	0.9%
% Net Revenue	**21.5%**	**25.9%**	**18.1%**	**-3.4 p.p.**

In 2022, net income was R$ 1.3 billion, a new record for the Company and an increase of 25.3%. Net margin was 18.1%, primarily reflecting higher prices invoiced for all crops.

Operations by Segment

In this report we are starting to disclose the opening results of SLC Sementes, through the opening note by segments, which is the union of our accounting and management data. SLC Sementes sells its products directly to producers, resellers and/or breeders (verticalized production) and carries out transactions that correspond to sales and/or transfers of seeds between affiliated companies or affiliates and subsidiaries of SLC Agrícola.

In order to include managerial aspects and provide a better understanding of the economic and financial position of this operation, the Company calculates added value on a managerial basis in intercompany transactions. This calculation is performed for Revenue and Cost, maintaining parity between the cost price and the market price.

The cost of production is mostly composed of the cost of grains (valued at market price) and other costs such as processing and transportation.

Administrative Expenses refer to personnel expenses in the Sales department (management, administrative, sales and representatives).

Selling Expenses, representing 37% of Net Revenue, essentially consist of expenses on royalties, which are passed on to the selling price.

The financial result is calculated in a managerial manner, the need for working capital is evaluated and the amount of interest is calculated using he average realized financial cost of the Company as an assumption.

Income tax and social contribution are based on the average rate for the Company.

The seed sales segment posted a net income of R$ 57.4 million in 2022, with a net margin of 12.9% and a gross margin of 62%, adding value to the Company's core business.

Soybean seed sales volume plus internal consumption reached 856 thousand bags (200 thousand seeds) and cotton seed sales amounted to 116,471 bags (200 thousand seeds).

Below he is a breakdown of operations by segment, with a focus on the seed operation:

Table 26 – Operations by segment

2022 (R$ thousand)	Agricultural and Land Operations	Seed Operation	Agricultural, Land and Seed Production	Eliminations	Consolidated
Income from third parties	7,213,181	220,690	7,416,970	-	7,433,871
Intercompany Income	346,806	87,392	90,395	(495,034)	(60,836)
Added value income between segments	72,032	136,584	208,617	(208,617)	-
Products and Leasing Costs	**7,632,019**	**444,666**	**7,715,982**	**(703,651)**	**7,373,035**
Biological assets	2,216,676	-	2,216,676	-	2,216,676
Cost of goods	(6,579,797)	(97,790)	(6,665,928)	219,176	(6,458,411)
Added value costs between segments	(136,584)	(72,032)	(208,617)	208,617	-
Product and Leasing costs	**(6,716,381)**	**(169,822)**	**(6,874,545)**	**427,793**	**(6,458,411)**
Gross income	**3,132,314**	**274,844**	**3,058,113**	**(275,858)**	**3,131,300**
Operating expense / income	**(451,355)**	**(174,652)**	**(675,907)**	**-**	**(626,007)**
Selling expenses	(215,020)	(164,644)	(379,664)	-	(379,664)
General & administrative expenses	(274,598)	(10,008)	(280,751)	-	(284,606)
Other operating Income (expense)	38,263	-	(15,492)	-	38,263
Income from Activity	**2,680,959**	**100,192**	**2,382,206**	**(275,858)**	**2,505,293**
Adjusted EBITDA	**2,946,886**	**100,192**	**-**	**-**	**3,047,078**
Adjusted EBITDA Margin	**38.6%**	**22.5%**	**-**	**-**	**41.3%**
Income (loss) before financial income (loss) and taxes	**2,680,958**	**100,193**	**2,382,206**	**(275,858)**	**2,505,293**
Net financial result	(934,714)	(18,089)	(978,664)	253,335	(699,468)
Income before income tax	**1,746,244**	**82,104**	**1,403,542**	**(22,523)**	**1,805,825**
Income tax and social contribution	**(449,744)**	**(24,688)**	**(422,042)**	**5,340**	**(469,093)**
Net Income for the period	**1,296,500**	**57,415**	**981,500**	**(17,183)**	**1,336,732**
Net Margin	**17.0%**	**12.9%**	**-**	**-**	**18.1%**

Statement of Cash Flow **Analysis**

The larger planted area in 2021/2022 versus 2020/2021 and higher prices invoiced for all crops contributed to strong cash generation in the year. In 2022, the Company's cash generation was R$ 995 million, another important record, explained by a successful growth strategy combined with operating and financial efficiency gains.

Table 27 – Summary cash flow

R$ thd	2021	2022	HA
Cash Generated in Operations	**1,743,771**	**3,073,066**	**76.2%**
Changes in Assets and Liabilities	**(1,308,681)**	**(1,081,289)**	**-17.4%**
Net Cash Used in Investment Activities	**(476,195)**	**(485,813)**	**2.0%**
In Fixed assets	(400,397)	(449,044)	12.1%
Intangible assets	(36,007)	(36,433)	1.2%
Receipt of Land Sales	17,852	1,643	-90.8%
Land Return Payment	(706)	-	-100.0%
Acquisition of investment in subsidiary	(55,297)	-	-100.0%
Other investments	(1,640)	(1,979)	20.7%
Presented Free Cash	**(41,105)**	**1,505,964**	**n.m.**
Variations of financial investments[1]	21	(63)	n.m.
Paid Leases[2]	(230,940)	(511,338)	121.4%
Payment of CRA Costs	(228)	-	-100%
Share Buyback	237	-	-100%
Adjusted Free Cash	**(272,015)**	**994,563**	**n.m.**

[1] The changes in this line item are non-cash.

[2] Due to the adoption of IFRS 16, lease payments are now accounted for in the Statement of Cash Flows under Financing Activities. However, theseshould be considered as operating cash disbursements.

We posted cash flows of R$ 995 million, a new record for the Company, reflecting a successful growth strategy and operating and financial efficiencies.

PPE/CAPEX

Table 28 - CAPEX

R$ thd	2021 Combined (a)	2021 (b)	2022 (c)	HA (c x a)
Machinery, implements and equipment	172,340	171,854	247,530	43.6%
Land acquisition	322	322	188	-41.6%
Soil correction	112,481	110,644	145,633	29.5%
Buildings and facilities	60,877	58,296	104,544	71.7%
Cotton ginning plant	2,991	2,874	2,138	-28.5%
Grain storage	1,493	1,269	12,325	725.5%
Soil cleaning	42,701	42,701	41,695	-2.4%
Vehicles	3,686	3,541	4,876	32.3%
Aircraft	2,624	1,494	24	-99.1%
Software	37,030	37,030	28,692	-22.5%
Improvements on own properties	-	-	1,036	n.m.
Improvements on third-party real estate	940	940	912	-3.0%
Other	20,442	19,869	19,619	-4.0%
Total	**457,927**	**450,834**	**609,348**	**33.1%**

Capital expenditure was a total of R$ 609.3 million in 2022, 33.1% higher than in 2021, reflecting expenditure on: (i) machinery, implements and equipment for renovation of the machinery at SLC Centro-Oeste and the Paysandu farm; (ii) soil correction at the Paysandu, Palmeira, Perdizes and Parnaíba farms; and (iii) buildings and facilities, mainly at the Piratini and Paysandu farms, for the irrigation project.

Debt

Gross debt in 2022 was affected by the rising basic interest rate (SELIC), as the Company's debt is essentially indexed to the CDI rate. Due to the fact that the CRAs issued in 2020 contained a covenant restricting the Company's growth, in December 2022 a General Meeting of CRA Holders approved the early full settlement of these CRAs. During this period we raised additional funding at more competitive interest rates.

Adjusted Net Debt ended 2022 at R$ 2.3 billion, R$ 55.1 million lower than in 2021, mainly due to higher cash generation in 2022. The Net Debt/Adjusted EBITDA ratio decreased from 1.42x in late 2021 to 0.77x in 2022, reflecting a reduction in Net Debt and an increase in Adjusted EBITDA in the period.

Figure 12 – Change in Net Debt/Adjusted EBITDA Ratio

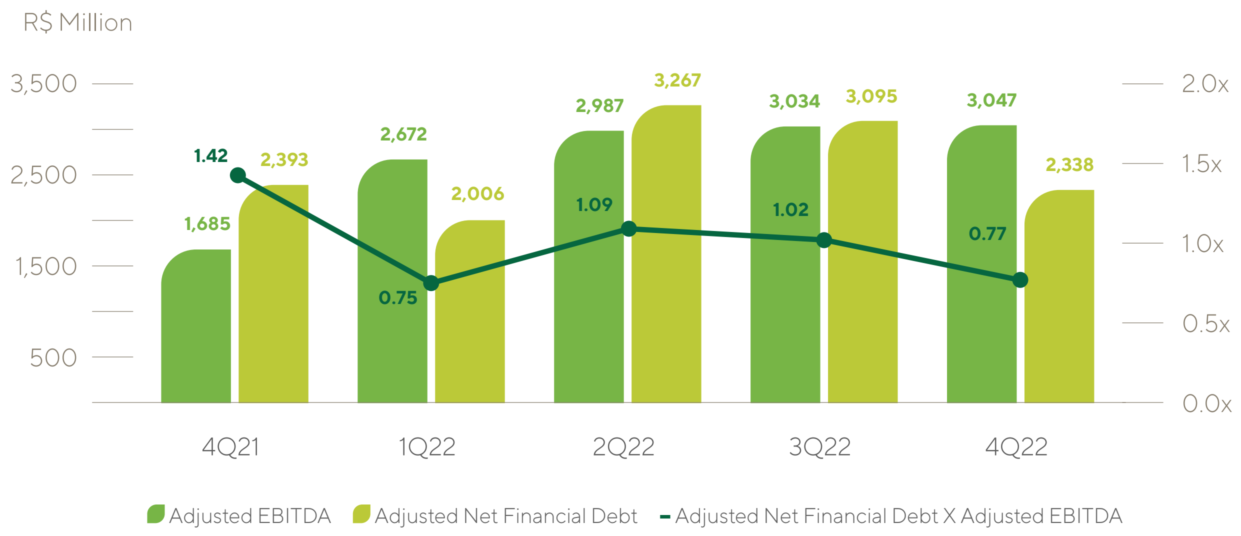


Table 29 – Net Financial Debt

Credit Line	Average annual interest rates (%)			Parent company		Consolidated	
R$ thd	Index	2021	**2022**	2021	**2022**	2021	**2022**
Applied in Fixed Assets							
Finame – BNDES	Fixed	5.6%	**6.1%**	25,866	**23,920**	42,529	**40,986**
Applied in working capital							
Rural credit	Fixed	5.5%	**12.0%**	4,070	**3,063**	18,299	**15,283**
Rural credit	CDI [1]	10.3%	**14.7%**	153,315	**470,301**	153,315	**631,199**
CRA	CDI [1]	11.0%	-	534,015	-	534,015	-
Working capital	CDI [1]	10.3%	**14.8%**	673,721	**1,086,391**	699,354	**1,181,891**
Export loans	CDI [1]	10.4%	**14.9%**	989,998	**1,569,696**	1,151,711	**1,584,912**
Total				**2,355,119**	**3,129,451**	**2,556,693**	**3,413,285**
Total Indebtedness [3]		**10.4%**	**14.7%**	**2,380,985**	**3,153,371**	**2,599,222**	**3,454,271**
(+/-) Gains and losses with deriv. connected with applications and debts [2]						65,678	**(120,262)**
(=) Adjusted Gross Debt						2,533,544	**3,574,533**
(-) Cash						140,464	**1,236,522**
(=) Net debt (adjusted)						**2,393,081**	**2,338,011**
EBITDA (last 12 months)						**1,685,247**	**3,047,078**
Adjusted net debt/Adjusted EBITDA						**1.42x**	**0.77x**

[1] Final interest rate with swap.

[2] Transactions with gains and losses on derivatives (note 25 to the financial statements).

[3] Total indebtedness differs from the book position due to the costs of CRA transactions (see note 18 to the financial statements).

Hedge **Position**

Currency and agricultural commodity hedge

The Company's sales revenues are generated mainly by trading in agricultural commodities such as cotton, soybean and corn, which are quoted in U.S. dollars on international exchanges, such as the Chicago Board of Trade (CBOT) and Intercontinental Exchange Futures US (ICE).

As a result, we are actively exposed to variations in foreign exchange rates and in the prices of these commodities. To hedge against currency variation we use derivative instruments, with our derivatives portfolio basically comprising non-deliverable forwards (NDFs).

In line with our Risk Management Policy, whose purpose is to obtain a pre-established operating margin with a combination of factors such as Price, Exchange Rate and Cost, most of the instruments for hedging against commodity price variation are via advanced sales arrangements directly with customers (forward contracts). We also use exchange-traded futures and options contracts as well as swap and option transactions with financial institutions.

Our hedge position for commodities (in relation to the estimated total volume invoiced) and currency (in relation to the total estimated revenue in U.S. dollars) is shown below, broken down by commercial hedges and financial hedges and updated **as of February 22**:

Table 30 – Updated Hedge Position

Foreign-exchange hedge – Soybean		
Crop Year	2021/22	2022/23
%	100	55.3
R$/USD	5.3913	5.576
Commitments %[1]	-	12.5

Commodity Hedge – Soybean		
Crop Year	2021/22	2022/23
%	100	53.0
USD/bu[2]	14.55	14.64
Commitments %[1]	-	7.5

Foreign-exchange hedge – Cotton		
Crop Year	2021/22	2022/23
%	97.3	59.8
R$/USD	5.8504	5.7971
Commitments %[1]	3.6	13.4

Commodity Hedge – Cotton		
Crop Year	2021/22	2022/23
%	84.8	61.4
US¢/lb[2]	77.26	91.32
Commitments %[1]	-	-

Foreign-exchange hedge – Corn		
Crop Year	2021/22	2022/23
%	98.9	58.3
R$/USD	5.6479	5.827
Commitments %[1]	-	7.1

Commodity Hedge – Corn		
Crop Year	2021/22	2022/23
%	100	59.9
R$/bag[3]	57.22	62.37
Commitments %[1]	-	-

[1] Payment commitments for US dollar-denominated fixed-rate securities, a natural hedge with payments related to land purchases and lease agreements based on soybean bags.

[2] Based on FOB Port - prices at our production facilities also are influenced by shipping expenses and any discounts for quality.

[3] Farm price.

Capital markets

The Company's capital stock is divided into 212,422,599 common shares without par value, with a free-float of 45.3% on the reporting date of December 31, 2022. Shares in SLC Agrícola (SLCE3) are traded on the Brazilian stock exchange (B3), in the enhanced-governance, Novo Mercado listing segment. The Company's Level 1 ADRs are also traded on the U.S. over-the-counter market, under the ticker symbol "SLCJY." SLCE3 is a constituent of the following indexes: IBOVESPA; AGFS B3 (IAGRO); GPTW B3; B3; IBRX100 B3; IDIV B3; ISE B3; ICO2 B3; Small Caps (SMLL B3); IBRA B3; ICON B3; IGCT B3; IGCX B3; IGNM B3; and ITAG B3.

In 2022 we were named to the following indexes Ibovespa B3; ISE B3 (Corporate Sustainability Index); and AGFS (B3 Agribusiness Index – IAGRO). Ibovespa is the main index tracking the performance of stocks traded on B3, and comprises the 85% most traded stocks on the exchange.

ISE is the main sustainability index for Brazilian companies listed on B3. This index tracks the average stock performance of companies recognized for their commitment to corporate sustainability. The index is repopulated annually, with SLC being named to the portfolio in 2022. In all, 70 listed companies have been recognized for embedding more sustainable practices within their business models. We are extremely proud to have received this recognition, which aligns with our strategy to be recognized as a leader for ESG.

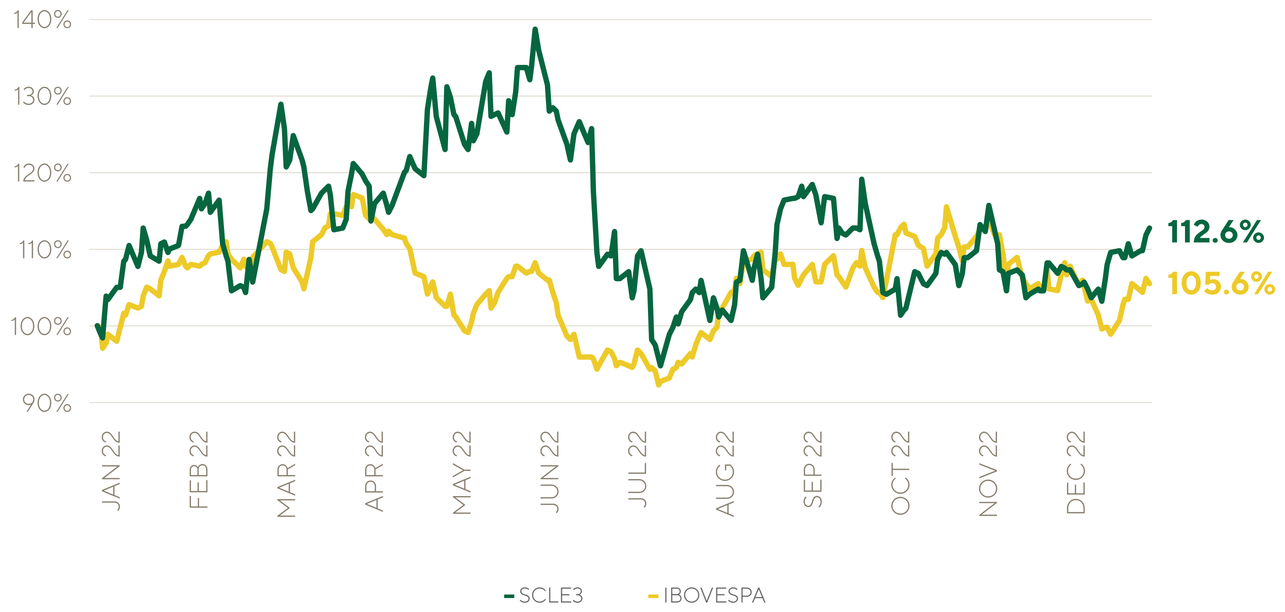
IAGRO B3 is a theoretical portfolio of assets on B3 created in 2022. This index tracks the performance of the leading agribusiness stocks.

On July 13, 2022, we disclosed through a Material Fact notice that our Board of Directors had approved a new Share Buyback Program for the repurchase of 4 million shares. The buyback program is already functioning, and the shares purchased will be held in treasury for subsequent sale or cancellation. The Company will inform its shareholders when the program is finalized.

From January to December 2022, SLCE3 stocks appreciated by 12.6%, compared to a 5.6% appreciation of the Ibovespa index during the same period, as shown in the graph.

The average daily trading volume in the spot market in 2022 reached R$ 79 million, a 33.9% increase compared to 2021, with an average of 1,669 thousand shares traded per day, a growth of 26.2% for the year.

Figure 12 – SLCE3 stock performance (base 100)



Dividends

The distribution of dividends in the last five fiscal years has corresponded to an average payout of 50% of adjusted net income.

On March 8, 2023, the Board of Directors approved a Management Proposal which will be submitted to the Shareholders Meeting to be held on 4/27/2023. The Proposal recommends distributing R$ 602.0 million in dividends, representing 50% of the adjusted income of the parent company for the year ended on 12/31/2022. Of this amount, R$ 71 million has already been distributed as interest on equity, paid in January 2023, and will be included in the calculation of the mandatory dividend.

The dividend will be paid equally to all outstanding shares in the company (excluding treasury shares), amounting to R$ 2.947363237* per common share.

The dividend per share will be restated on the payment date based on the updated treasury shares balance.

* Considering the treasury share position as of 12/31/2022. The final treasury share position will be recalculated in the dividend payment proposal.

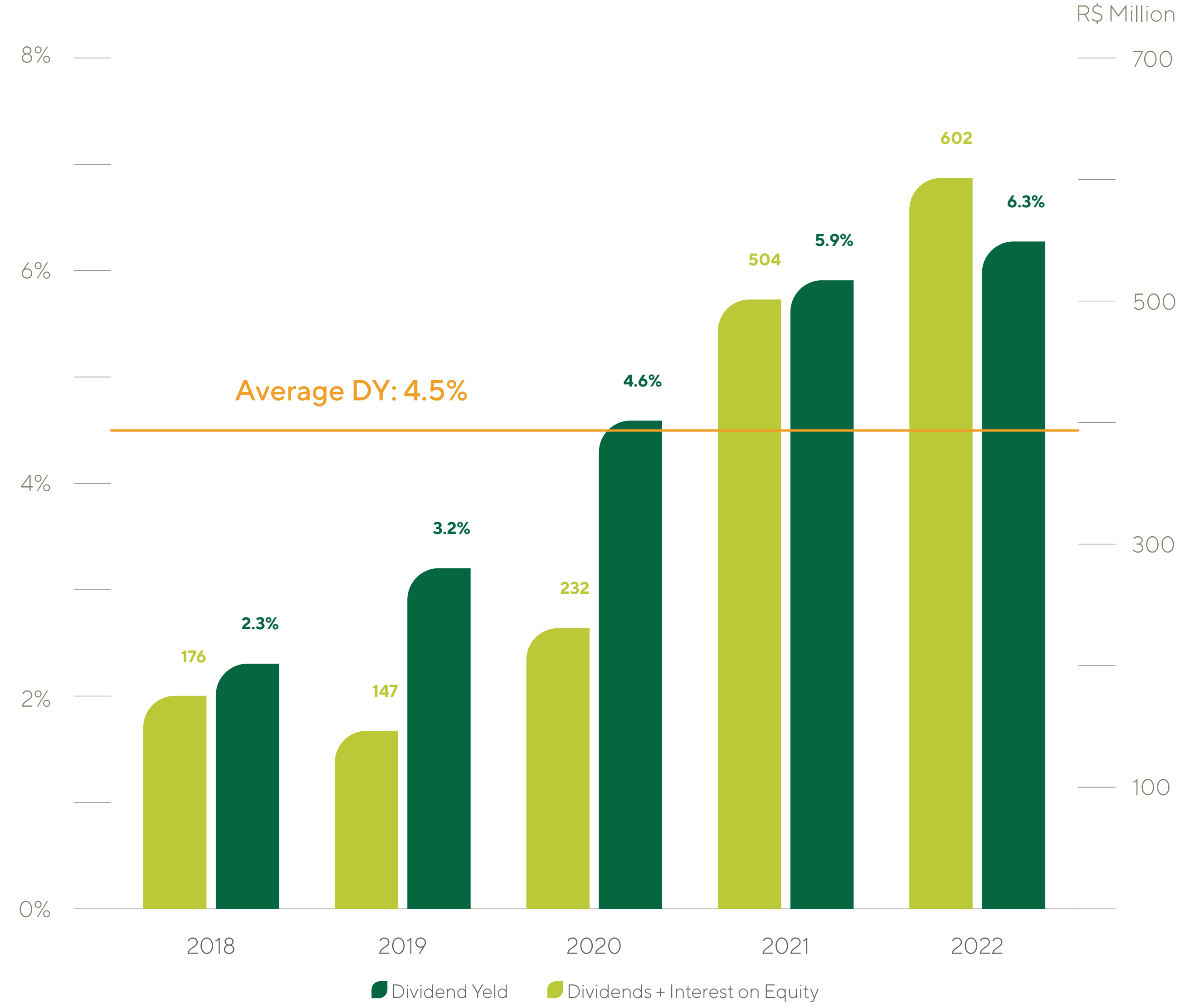
Table 31 – Proposed distribution of net income

(R$ thousand)	2021	2022
Net income for the period – parent company	**1,062,116**	**1,267,459**
Appropriation of subvention reserve	149	**247**
Appropriation of legal reserve	53,098	**63,360**
Dividend calculation base	1,008,868	**1,203,852**
Minimum mandatory dividend of 25% (a)	252,217	**229,963**
Interest on Equity (Gross)1 (b)	0	**71,000**
Taxes on Interest on Equity	0	**9,133**
Interest on Equity (Net)	0	**61,867**
Proposed 25% added dividend (c)	252,217	**300,963**
Proposed Dividends (a+b+c)	**504,434**	**601,926**
% of Net Income for the Year	**50%**	**50%**

Highlight

19.3% increase in parent company Net Income and proposed dividends compared to 2021.

Figure 13 – Dividends + Interest on Equity and Dividend Yield



Note: Dividend Yield based on the price per share as of December 31

Return Indicators

The Company believes that the calculation of Return on Equity, Return on Net Assets and Return on Invested Capital should consider, in addition to net income or operating income for the period, the net annual appreciation of its land (based on an independent report prepared annually by Deloitte Touche Tohmatsu Consultores Ltda.).

Table 32 – Return on equity

R$ million	2018	2019	2020	2021	2022
Net income[1]	405	293	511	1,131	1,330
Net Land Appreciation [2]	110	142	216	2,626	2,203
Subtotal	**515**	**435**	**727**	**3,757**	**3,533**
Shareholders Equity[3]	4,447	4,809	5,192	8,443	11,765
Return	**11.5%**	**9.0%**	**14.0%**	**44.5%**	**30.1%**
Net CDI [4]	5.5%	5.1%	2.3%	3.8%	10.5%

[1] Even in periods that encompass net income from the land sales, in this analysis only the profit of the "agricultural operation" is considered, since the gains from appreciation of land are being considered in a specific item. .

[2] Based on the independent report (Deloitte), net of taxes, updated in 2022.

[3] Adjusted for land appreciation.

[4] Net CDI: The cumulative CDI rate for each period, net of income taxes.

Table 33 – Return on invested capital

R$ million	2018	2019	2020	2021	2022
Operating income[1]	657	536	780	1,913	2,505
IRPJ Rate (Income tax rate)	30.5%	24.0%	26.0%	27.6%	26.3%
Adjusted IR	(200)	(129)	(203)	(528)	(658)
Adjusted Operating Income	457	407	577	1,385	1,847
Net Land Appreciation[2]	110	142	216	2,626	2,203
Operating results w/ land	**567**	**549**	**794**	**4,011**	**4,049**
Invested Capital	**5,420**	**5,783**	**6,154**	**10,908**	**14,173**
Gross Debt (ST and LT)	1,586	1,859	2,313	2,573	3,574
Cash	643	885	1,520	108	1,166
Net Debt	943	974	793	2,465	2,408
Shareholder's Equity [3]	4,477	4,809	5,192	8,443	11,765
Return on invested capital	**10.5%**	**9.5%**	**12.9%**	**36.8%**	**28.6%**

[1] Even in periods that encompass operational results from the land sales, in this analysis only the results of the "agricultural operation" is considered, since the gains from appreciation of land are being considered in a specific item.

[2] Based on the independent report (Deloitte), net of taxes, updated in 2022.

[3] Adjusted for land price appreciation.

Table 34 – Net Asset Value (NAV)

R$ million	2022
SLC Agrícola's Farms [1]	6,559
SLC LandCo Farms [1]	1,758
Infrastructure (excl. land)	1,907
Credit related to tax loss [2]	408
Accounts Receivable (excl. derivatives)	123
Inventories	3,193
Biological Assets	1,670
Cash	1,166
Subtotal	**16,784**
Suppliers	1,477
Gross debt adjusted by results of operations with derivatives	3,426
Outstanding debt related to land acquisition	-
Advance to costumers	231
Subtotal	**5,134**
Net Asset Value	**11,650**
Net Asset Value per Share (212,422,599 shares)	**54.84**

[1] Based on an independent appraisal report (Deloitte, 2022), net of taxes.

[2] Tax loss, related to a wholly-owned subsidiary – SLC Centro-Oeste.

NOTE: All line items are adjusted for SLC Agrícola's interest in subsidiaries/joint ventures.

Table 35 – Free Cash Flow Yield

Free Cash Flow Yield		2018	2019	2020	2021	2022
Total Number of Shares [1]	Un.	95,297,500	190,595,000	190,595,000	193,111,454	212,422,599
Share Price [2]	R$ /share	41.86	24.80	27.45	40.93	46.85
Market Cap [3]	R$ thd	3,989,153	4,726,756	5,231,833	7,904,052	9,951,999
Cash Flow [4]	R$ thd	208,367	213,073	415,352	(272,252)	994,561
Total	**%**	**5.2%**	**4.5%**	**7.9%**	**-3.4%**	**10.0%**

[1] Total number of shares: Total shares in the Company.

[2] Share price: SLCE3 price as of December 31 each year.

[3] Market Cap : SLCE3 share price as of December 31 each year, multiplied by total shares in the Company.

[4] Cash Flow: The cash flow reported annually by the Company.

Table 36 – Interest Coverage Ratio

Interest Coverage Index		2018	2019	2020	2021	2022
EBIT [1]	R$ thd	657,757	558,712	780,930	1,913,367	2,505,293
Net interest (finance expense excluding APV) [2]	R$ thd	(72,676)	(96,443)	(30,645)	(177,408)	(419,045)
Total	**%**	**11.0%**	**17.3%**	**3.9%**	**9.3%**	**16.7%**

[1] EBIT: Result before Financial Result and taxes

[2] Net Interest: Financial Income, net of Financial Expenses (Financial Expenses Excluding of Adjustment to Present Value)

Table 37 – Dividend Yield

Dividend Yield		2018	2019	2020	2021	2022
Dividends and Interest on Own Capital [1]	R$ thd	176,311	147,500	232,039	504,434	601,926
Dividends and Interest on Own Capital/share [2]	R$ /share	0.95	0.79	1.26	2.43	2.95
Share Price Dec. 31 [3]	R$/share	41.86	24.80	27.45	40.93	46.85
Total	**%**	**2.3%**	**3.2%**	**4.6%**	**5.9%**	**6.3%**

[1] Dividends and Interest on Own Capital: Dividend and Interest on Own Capital paid by the Company

[2] Dividend and Interest on Own Capital/share: Dividends and Interest on Own Capital paid by the Company, divided by the total shares issued in each period.

[3] Share price: SLCE3 price as of December 31 each year.

Table 38[1] – Price/Profit

Price/Profit		2018	2019	2020	2021	2022
Share Price Dec. 31[1]	R$/share	41.86	24.80	27.45	40.93	46.85
Earnings per Share [2]	R$/share	4.27	1.65	2.68	5.86	6.27
Total	**Ratio**	**9.8**	**15.0**	**10.2**	**7.0**	**7.5**

* 1:2 stock split in 2019

[1] Share price: SLCE3 price as of December 31 each year.

[2] Earnings per share: Net income each year, divided by total shares in the Company in each reporting period.

ESG Performance

Environment | Social | Governance

Our Material Topics

SLC has compiled a list of ten material topics that we believe have the greatest impact on our business, both positive and negative, and which are the focus of our efforts toward sustainable development.

These material topics are periodically updated to accurately reflect the perspectives and expectations of our stakeholders.

The most recent update to our material topics was in 2021 (for more details, click here), when we held 23 qualitative interviews with a group of stakeholders, including SLC directors and managers, to align our materiality matrix with our corporate strategy. Additionally, we invited interested stakeholders to answer an online questionnaire to evaluate and rank a tentative list of ESG topics.

The identified topics were then correlated with the three material topics in our ESG agenda, which informed our selection of disclosures from the GRI, SASB, and TCFD frameworks to be addressed in our Integrated Report. We have also mapped our material topics to the 17 Sustainable Development Goals (SDGs) as part of the United Nations 2030 Agenda.

Material topics

E Environmental

- Climate change
- Environmental Management System

S Social

- Social and economic impacts
- Developing people
- Diversity and inclusion
- Health and safety

G Governance

- Product certification and traceability
- Ethics and compliance
- Innovation and productivity
- Risk management

Stakeholders engaged

- Financial services industry
- Shareholders and investors
- Regulatory agencies
- Customers
- Government
- Capital market
- Employees
- Suppliers
- Partners

10 **identified material** topics

23 **qualitative** engagement interviews

Environment

Climate change

We are working on multiple fronts to mitigate our carbon footprint. These include adopting soil management methods to sequester carbon, committing to a Zero Deforestation Policy that prohibits the conversion of native vegetation, and participating in initiatives and commitments to environmental preservation.

In 2022, to further bolster our stance, we decided to go beyond our previous commitment to reduce greenhouse gas emissions by 25%. SLC Agrícola has set a target to achieve net zero emissions across scopes 1 and 2 by 2030, from a 2019 baseline.

CO_2

Net Zero

We have set a goal to achieve net zero by 2030 across scope 1 and 2 emissions.

Biodiversity

SLC Agrícola's commitment to leading the ESG agenda and advancing sustainable development in the value chain extends to initiatives and commitments to protect and preserve biodiversity in the areas where we operate.

A key aspect of this commitment is our Zero Deforestation Policy, established in 2021. This policy is a milestone in our journey and establishes that SLC Agrícola's operational expansion in the coming years will not involve the conversion of lands hosting native vegetation.

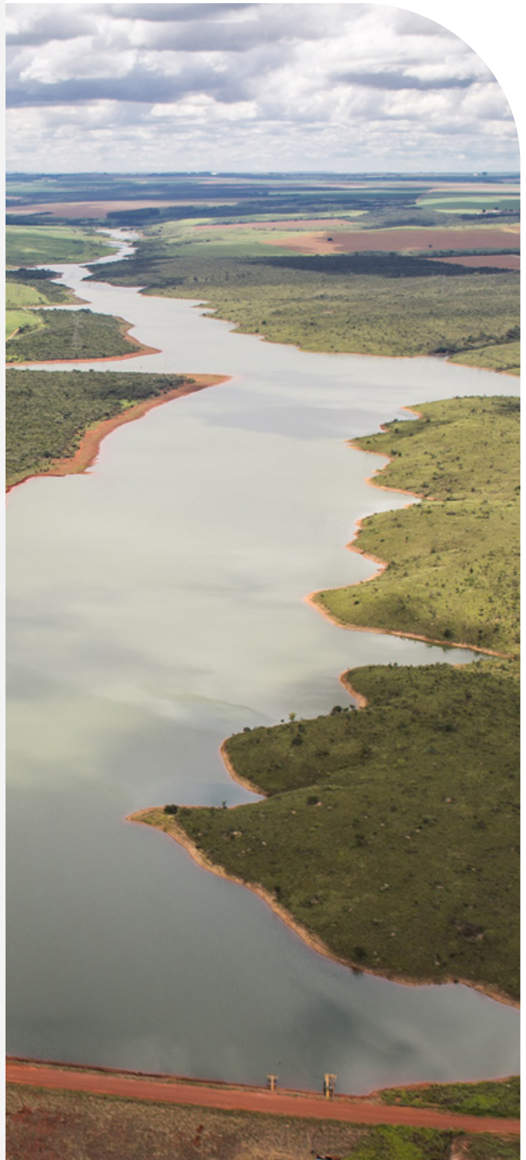
Our protected areas cover 1,180 km² of land in the following states: Goiás, Mato Grosso do Sul, Bahia, Piauí and Maranhão. The eleven farms currently certified to ISO 14001 are periodically audited by independent firms to confirm the effectiveness of our environmental rehabilitation and conservation practices and assess compliance with other requirements. Our monitoring efforts are supported by SLC Agrícola's Remote Sensing Program and georeferencing system, as well as data from the Brazilian Institute for Agrarian Reform (INCRA) and the National Rural Environmental Registry System (SICAR).

In line with our Zero Deforestation Policy, we do not expand our operations through the conversion of land hosting native vegetation.

Water and effluents

SLC Agrícola's approach to water management includes practices and initiatives to ensure water resources are preserved and used efficiently , and to raise awareness in our team. We are constantly working to find solutions to mitigate our impact and enhance engagement and communication in order to promote responsible waste management.

In our operations, rainwater is the primary source of irrigation for our crops (98% rainfed area). For supporting activities such as washing machinery and vehicles, we use reclaimed water for a significant portion of our needs, with the remaining sourced from groundwater. At our Pamplona (GO), Paysandu, and Palmares (BA) farms, additional irrigation is necessary at times due to reduced rainfall. At these farms, digital precision agriculture technologies and practices allow for the efficient use of water, minimizing waste.



Waste management

We classify and separate the waste generated in our operations into hazardous (class I) and non-hazardous (class II), in compliance with ABNT 10.004. We use specialized companies for compliant collection and disposal. The main types of waste generated by the Company are plastic tarpaulins used in cotton harvesting and processing, as well as organic waste such as food scraps and outhouse waste.

Our Temporary Waste Centers are equipped with all necessary environmental control provisions. Our Class I Waste Storage Center has an impervious floor, containment gutters, air outlets with grilles, and containment tanks for any spills.

The disposal method for each waste material is determined based on its classification. All third-party waste management companies undergo a screening process that includes providing all necessary documents for accreditation. Disposed of materials are accompanied by a Waste Waybill that allows tracking of all stages of waste management, including transportation, treatment, and final disposal.

In 2022, we successfully completed a pilot circular economy and zero landfilling program at our Pamplona farm. An industry first, this program will increase recycling rates in our operations and eliminate the disposal of waste materials in landfills. Through this project, we achieved a remarkable recycling rate of 99.8% on this farm in less than six months, improving significantly from 29% prior to implementation. This was achieved through measures such as composting of food waste in our Ecofactory, which can be later used as biofertilizers on the farm. In 2023 we plan to extend the Circular Economy Program practices to our Planalto, Pioneira, Parceiro and Parnaguá farms.

Social

Suppliers

We aim to create opportunities and positive impacts throughout the entire value chain. The relationships we build with suppliers and partners are essential to ensure our operations are healthy, address seasonal challenges, and maintain our standards of excellence.

At SLC Agrícola, our main suppliers operate in the machinery and soil amendments segments. Through our risk management system, all suppliers are screened against 40 criteria including ESG-related aspects such as forced a slave labor practices.

100%

of suppliers are screened against 40 criteria, including ESG aspects

Local communities

Contributing to the development of the communities where we operate is a strategic practice at SLC. It is crucial that our operations generate positive social impacts on surrounding areas, with contributions mainly in the areas of education, volunteering, and donations.

The SLC Institute, founded in 2019, spearheads many of our efforts on this front (*learn more here*). The Institute supports people development and engagement and collaboration with charitable organizations and local communities themselves. Education as a catalyst for transformation is the overarching theme of initiatives run by the Institute, which is also responsible for managing the SLC Group's Private Social Investment (PSI). Since 2019, we have invested R$ 15 million in social programs benefiting 60,000 people in 80 locations.

People management

Recent seasons have seen us exceed goals, set new production and financial records, and implement a wide range of impactful projects. All of this has been the result of the efforts and commitment of our team, which brings together skilled and engaged professionals who are aligned with our purpose.

Our people management function is constantly scanning the market for emerging trends and best practices. We offer our employees structured initiatives spanning development and training, performance review, talent management, diversity and inclusion promotion, and health and well-being.

As of the end of 2022, we had 5,220 employees, including 4,632 men and 588 women—all of whom are covered by collective bargaining agreements, except for interns and executives. Our team management performance continues to excel: for the third consecutive year, we have been ranked by Great Place to Work Brazil among the best agribusiness companies to work for in the country.

Governance

Reflecting our pioneering spirit, SLC Agrícola was one of the first companies in the grains and fibers sector to be listed on the Brazilian stock exchange (B3). We have been a publicly traded company since 2007, and over more than fifteen years of close engagement with investors, we have evolved our governance practices, risk management structure and decision-making process, especially as it relates to ESG aspects.

We are listed in Novo Mercado, an enhanced governance segment that brings together companies demonstrating good corporate governance practices, and we have bodies, mechanisms, and policies aimed at aligning our decisions with the expectations of our stakeholders and tour strategic plan.

In all of our relationships, whether internal or external, our conduct is guided by ethics and integrity as core values. Throughout our journey, we have built a solid reputation by developing initiatives, materials, documents, and mechanisms related to ethics and integrity, including our Code of Ethics and Conduct, our policies (*click here*) and our Ethics Hotline.

In 2021 we joined the Business Pact for Integrity and Against Corruption, and in our communication with employees and other stakeholders, we regularly address aspects related to Brazilian anti-corruption legislation. We are committed to maintaining high levels of transparency and effectively managing ethics within the company. This includes implementing mechanisms and initiatives for action, guidance, training, and prevention.

In 2022, SLC Agrícola joined the Ethos Institute and became part of the Integrity Working Group. In addition, we regularly provide communications and training on anti-corruption policies and procedures. In 2022, 100% of our employees were notified, including our six directors, and 78.48% of the team completed e-learning training on our Code of Ethics and Conduct.

Additional Information

- Independent Audit

Planted area – 2021/2022 and 2022/2023

Table 39 – Planted Area by Crop, 2021/2022 and 2022/2023

Area mix	Planted area 2021/2022 (ha)	Planted area 2022/2023[1] (ha)	Share 2021/2022 (%)	Δ%
1st Crop Area	448,567	446,992	66.6	-0.4
Owned Area	111,825	113,911	17.0	1.9
Leased Area	250,775	241,294	36.0	-3.8
Joint Venture Area[2]	41,316	41,669	6.2	0.9
SLC LandCo Areas [3]	44,651	50,118	7.5	12.2
2nd Crop Area	223,379	223,723	33.4	0.2
Owned Area	54,241	59,480	8.9	9.7
Leased Area	138,082	130,605	19.5	-5.4
Joint Venture Area[2]	14,491	15,212	2.3	5.0
SLC LandCo Areas[3]	16,565	18,427	2.7	11.2
Total Area	671,946	670,716	100.0	-0.2

[1] Weather factors could affect the planted area forecast.

[2] Areas owned by Grupo Roncador and Mitsui.

[3] SLC Agrícola holds an 81.23% interest in SLC LandCo.

Property Portfolio

The portfolio of properties under our management as of **March 8, 2023** is as follows:

Table 40 – Property Portfolio, crop year 2022/2023 (ha)

State	Farm	Owned[1]	SLC LandCo[2]	Leased	Joint Ventures	Under control	Total planted[3]
GO & MG	Pamplona	18,063		8,552		26,615	28,088
MS	Pantanal			26,046		26,046	44,822
	Planalto	15,006		1,613		16,619	22,030
MT	Pampeira			23,787		23,787	41,179
	Piracema			10,054		10,054	19,368
	Pejuçara			7,393		7,393	14,787
	Pirapora			11,403		11,403	21,745
	Próspera			17,015		17,015	32,531
	Planorte	23,454				23,454	31,651
	Paiaguás	28,038		17,321		45,359	63,582
	Perdizes[5]	28,847	13,276			42,123	27,558
	Pioneira[4]				19,803	19,803	35,015
Bahia	Panorama		10,373	14,246		24,619	21,782
	Paladino[5]				21,866	21,866	21,866
	Paysandu			34,245		34,245	39,533
	Piratini		25,355			25,355	18,534
	Palmares	16,190	858	16,943		33,991	25,595
	Partner	27,487	3,680	6,943		38,110	13,035
MA	Parnaíba	26,126		10,907		37,033	44,870
	Palmeira		10,200	18,233		28,433	33,286
	Planeste		23,041	16,592		39,633	59,084
PI	Parnaguá	19,237				19,237	10,774
	Paineira[6]	12,882				12,882	
Total		215,330	86,783	241,294	41,669	585,076	670,716

[1] Own property, including Legal Reserves.

[2] SLC Agrícola currently holds an 81.23% interest in LandCo, while the Valiance fund holds 18.77%.

[3] Including the second crop. Weather factors could affect the planted area forecast.

[4] The Pioneira Farm is part of the joint arrangement with Grupo Roncador.

[5] The Perdizes and Paladino Farms are part of joint arrangements with Mitsui in SLC-Mit.

[6] Farm leased to third parties.

Landbank

Table 41 Production cost – Breakdown into R$ per hectare – Crop Year 2022/23

R$/ha	Cotton 1st crop	Cotton 2nd crop	Soybean	Corn	Average 2022/23	Average 2021/22
Variable Costs	**12,161**	**10,969**	**4,189**	**3,903**	**6,134**	**5,066**
Seeds	1,820	1,641	627	584	918	808
Fertilizers	3,639	3,282	1,254	1,168	1,836	1,616
Crop protection	3,260	2,941	1,123	1,046	1,645	1,196
Aerial Spraying	152	137	52	49	76	83
Fuels and lubricants	713	643	245	229	360	293
Labor	106	96	37	34	54	51
Ginning	895	807	308	287	451	305
Maintenance of machines and implements	561	506	193	180	283	261
Other	1,016	916	350	326	512	452
Fixed Costs	**3,002**	**2,708**	**1,034**	**964**	**1,515**	**1,298**
Labor	879	793	303	282	444	458
Depreciation and amortization	713	643	245	229	360	280
Right-of-Use Amor-tization - Leasing	1,077	971	371	346	543	395
Other	334	301	115	107	168	165
Total	**15,163**	**13,677**	**5,223**	**4,867**	**7,649**	**6,364**

The current position of our landbank is presented below:

Table 42 – Landbank (ha)

	In process of agricultural development*	In licensing process
SLC Agrícola	**3,990**	
Parnaíba	1,464	–
Partner	2,526	–
SLC LandCo	**1,633**	
Piratini	1,633	–
Total	**5,623**	**–**

[1] Areas already cleared and under development for commercial planting.

Table 43 – Machinery Base and Storage Capacity

	2020	2021	2022[1]
Machinery (quantity)	**871**	**1,173**	**1,195**
Tractors	211	350	338
Grains Combiners	196	217	254
Cotton Pickers	92	103	127
Planters	210	297	276
Self propelled sprayers	162	206	200
Storage capacity			
Grains (metric tons)	764,000	1,054,920	1,054,920
Production (%)	44%	61%	43%[1]
Cotton (metric tons)	125,148	190,447	190,447
Production (%)	63%	72%	62%[1]

[1] Estimate based on the planted area and yield for 2022/23 crop year for 4Q22.

Indebtedness

Figure 14 – Changes in Adjusted Gross Debt

(R$ thousand)

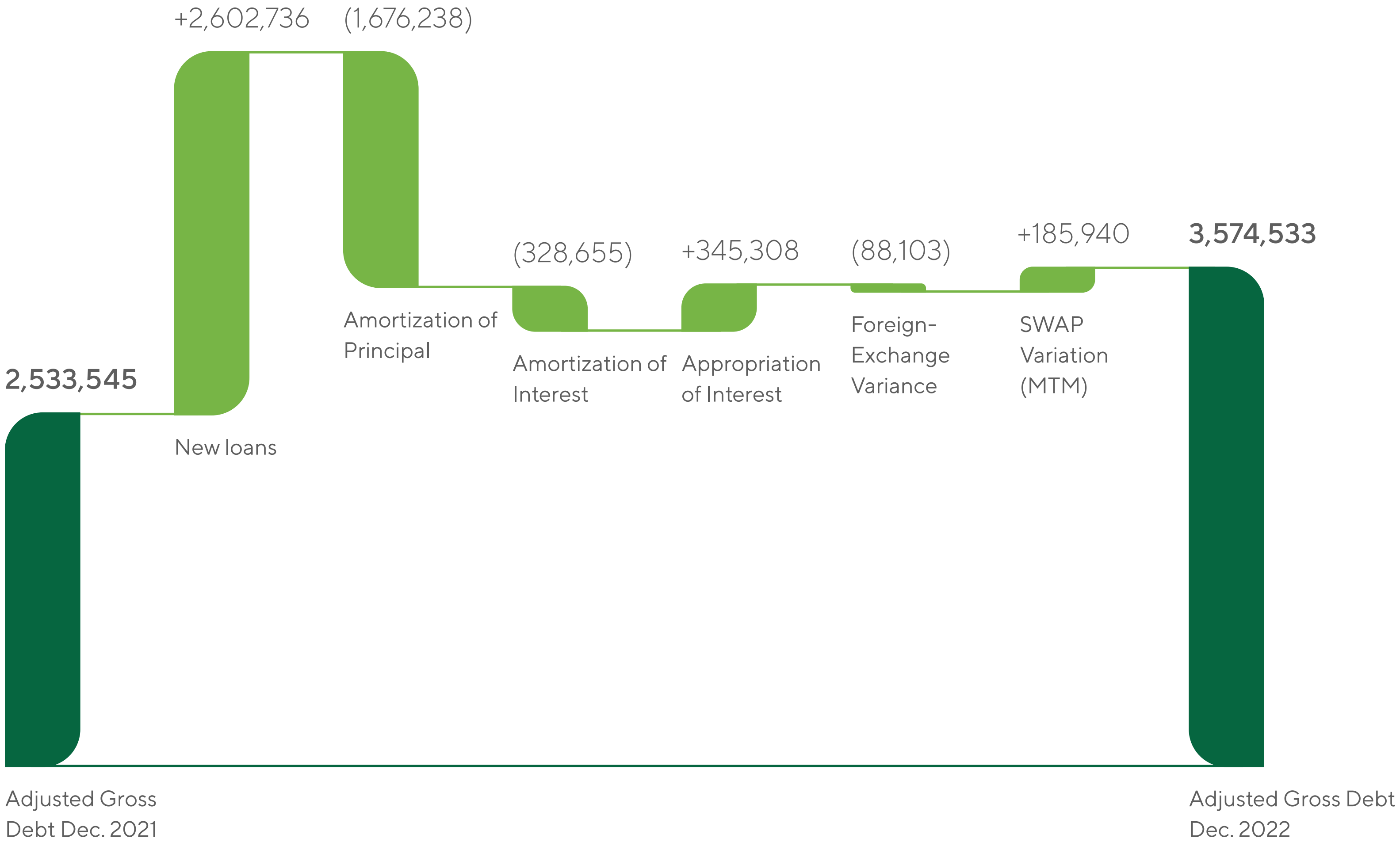


Figure 15 – Adjusted Gross Debt Amortization Schedule

(R$ thousand)

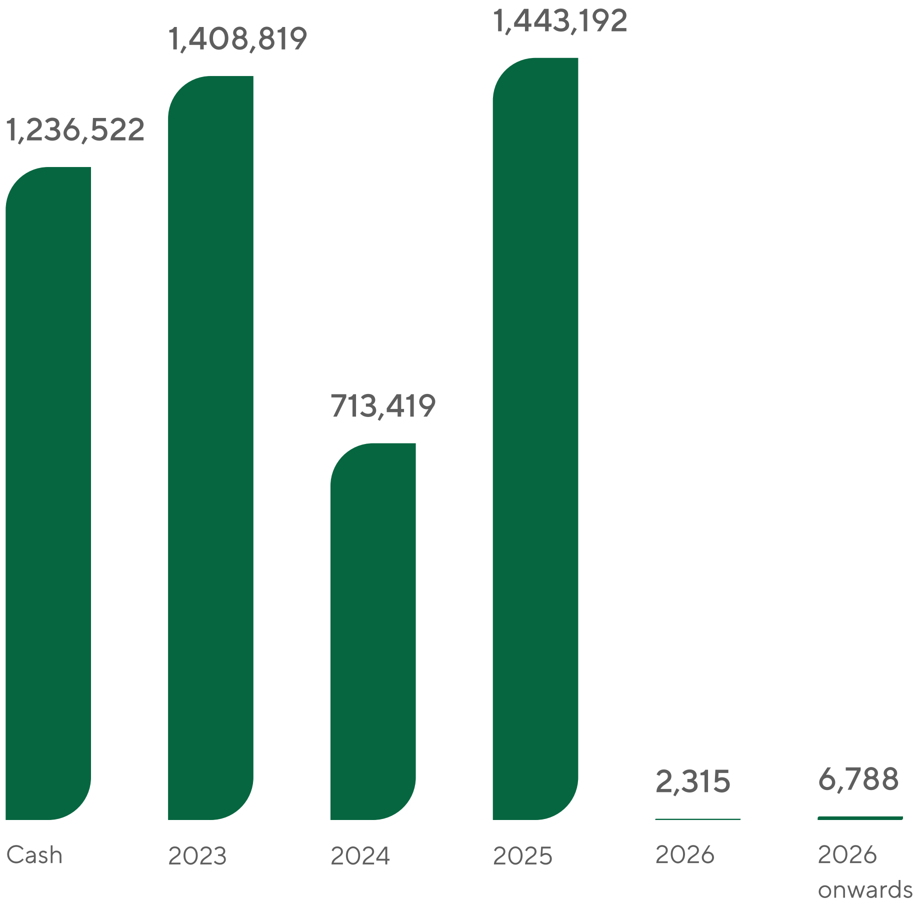


Figure 16 – Adjusted Gross Debt Profile

%

61 Long term
39 Short term

Figure 17 – Adjusted Gross Debt by Index and Instrument

%

47.61 Export financing
33.06 Working capital
18.18 Agricultural loans
1.15 BNDES

98.43 CDI
1.57 Fixed

Independent Audit

Consistent with CVM Directive 381/03, SLC Agrícola hereby declares that KPMG provided the following services over fiscal year 2022:

a. audit of the separate and consolidated financial statements for the fiscal year ended December 31, 2022, for total fees of R$ 474,857.14.

Submission to Arbitration Chamber

The Company is subject, pursuant to its Bylaws, to arbitration by the Novo Mercado Arbitration Chamber.

Disclaimer

We make forward-looking statements that are subject to risks and uncertainties. These statements are based on the beliefs and assumptions of our Management and on the information currently available to the Company. Forward-looking statements include information on our current plans, beliefs or expectations, as well as those of the Company's directors and officers. Forward-looking statements include information on potential or assumed results of operation as well as statements that are preceded, followed by or include the words "believe," "may," "will," "continue," "expect," "project," "intend," "plan," "estimate" or similar expressions. Forward-looking statements and information provide no assurance of performance. Because they refer to future events, they involve risks, uncertainties and assumptions and as such are contingent on circumstances that may or may not occur. The Company's future results and creation of shareholder value may differ significantly from the figures expressed or suggested in the forward-looking statements. Many factors that will determine these results and values are beyond our capacity to control or predict.

Additional Information

Fiscal Council Opinion

The Fiscal Council of SLC Agrícola S.A., in compliance with the legal and statutory provisions, examined the Management Report and the individual and consolidated Financial Statements of SLC Agrícola S.A., all referring to the quarter ended on December 31st, 2022.

The Fiscal Council also examined the report of KPMG Auditores Independentes, dated March 08th, 2022, as well as received the information and clarifications requested during the quarter.

Porto Alegre, State of Rio Grande do Sul, March 08th, 2022..

Edirceu Rossi Werneck
Chairman of the Fiscal Council

Paulo Roberto Kruse
Advisor

Mauricio Rocha Alves de Carvalho
Advisor

Board of Executive Officers´ Opinion on FSs

In compliance with the established in Article 31 of CVM Resolution No. 80 of 29th March 2022, the Board declares that reviewed, discussed and agreed with the Financial Statements (Parent Company and Consolidated) for the quarter ended on December 31st, 2022.

Porto Alegre/RS, March 08th, 2023..

Aurélio Pavinato
Chief Executive Officer

Ivo Marcon Brum
CFO and Investor Relations

Gustavo Macedo Lunardi
Supplies and Seed Production Director

Aldo Roberto Tisott
Director of Sales and New Business

Alvaro Luiz Dilli Gonçalves
Director of Human Resources, Sustainability and IT

Leonardo Celini
Chief Operating Officer

Board of Executive Officers´ Opinion on the Auditing Report

In compliance with the established in Article 31 of CVM Resolution No. 80 of 29th March 2022, the Board declares that reviewed, discussed and agreed with the opinion expressed in the Independent Auditors' Report, dated on March 08th, 2023, on to the Financial Statements (Parent Company and Consolidated) for the quarter ended on December 31st, 2022.

Porto Alegre/RS, March 08th, 2023.

Aurélio Pavinato
Chief Executive Officer

Ivo Marcon Brum
CFO and Investor Relations

Gustavo Macedo Lunardi
Supplies and Seed Production Director

Aldo Roberto Tisott
Director of Sales and New Business

Alvaro Luiz Dilli Gonçalves
Director of Human Resources, Sustainability and IT

Leonardo Celini
Chief Operating Officer

SLC AGRÍCOLA S.A.
Corporate Taxpayer ID (CNPJ): 89.096.457/0001-55
Company Registry (NIRE): 43.300.047.521

Annual report of the statutory audit committee

REPORT OF THE STATUTORY AUDIT COMMITTEE

INTRODUCTION

The Statutory Audit Committee ("Audit Committee") of SLC Agrícola S.A. ("Company") was approved by the Annual and Extraordinary Shareholders Meeting held on April 29, 2022 and implemented in the Board of Directors meeting held on May 11, 2022.

During 2022, the Audit Committee was formed by Messrs. Osvaldo Burgos Schirmer, independent member of the Board of Directors (Coordinator), João Carlos Sfreddo and Wladimir Omiechuk, both external, who all hold recognized experience in corporate accounting matters.

According to its Charter, the Audit Committee is a statutory advisory body linked to the Board of Directors, of a permanent nature and subject to governing law and regulations, as established in articles 34 and 35 of the Company's Bylaws, with its main duties as follows:

I. issuing an opinion on the engagement or removal of the Company's independent auditors;

II. assessing the quarterly financial information and the interim and annual financial statements;

III. monitoring the activities of the internal audit and of the internal control area of the Company;

IV. assessing and monitoring the Company's risk exposures;

V. assessing, monitoring and recommending to the management corrections or improvements to the Company's internal policies, including the policy on related-party transactions;

VI. having the means to receive and treat information on violations of legal or regulatory provisions applicable to the Company, as well as internal regulations and codes, including those establishing specific procedures for protecting whistleblowers and maintaining the confidentiality of information; and

VII. assisting the Board of Directors in the monitoring and quality control of the financial statements, in the internal controls, in risk management and in compliance.

ACTIVITIES

O The Audit Committee met five (5) times from May to December 2022, with all members attending all meetings. On March 7, 2023, the Audit Committee analyzed and recommended the approval, by the Board of Directors, of the financial statements for the fiscal year ended December 31, 2022 which were audited by KMPG Auditores Independentes LTDA.

During the meetings held in 2022, the Audit Committee remained in contact with the Financial Department, Legal & Compliance Area, Internal & Risk Control Area, Internal Audit Coordination, among other areas of the company, to further their understanding of the Company's activities, promote discussions and evaluate situations that could result in high risk exposure. The Audit Committee also held meetings with the Independent

Auditors to examine the quarterly reviews of the Company's financial statements.

Inn every ordinary meeting of the Board of Directors, the Audit Committee Coordinator presented the recommendations of the body for the knowledge of and discussion with the directors.

TOPICS DISCUSSED

We present below the main topics discussed by the Audit Committee during 2022, and the recommendations made by the Body:

1. Discussing and analyzing the quarterly and annual financial statements of the Company, including the Key Audit Matters (KAMs) for fiscal year 2022, through meetings with the auditors of KPMG Auditores Independentes LTDA.;

2. Discussing and analyzing the quarterly and annual results of the Company, through meetings with the Financial Department, Financial Area, Accounting Area, Tax Area and Planning & Costs Area;

3. Monitoring the Integrity Program of SLC Agrícola S.A., covering the Compliance mechanisms and treatment of reports via the Whistleblowing Channel, as well as the approval of the Code of Ethics for Third Parties;

4. Monitoring the work of the Internal Audit, with approval of a new action plan and the recommendation for adjusting the structure to comply with the plan, in addition to discussions about the main issues described in the reports issued during the period;

5. Monitoring the work of the Internal Controls, with approval of the Internal Controls Policy, the action plan for 2022 and 2023, and discussion of the main issues observed in the processes of both the Procurement area and the Seeds segment;

6. Presenting and discussing the current Corporate Risk Policy, with the recommendation to update said policy and the Corporate Risks Map, which, on the date hereof is in progress, in accordance with the established schedule;

7. Presenting and discussing the Market Risk Management Policy, including its structuring and monitoring established by the Company;

8. Presenting and discussing the Procurement Policy, including the performance indicators and treatment of instances of non-compliance;

9. Presenting and discussing the Cybersecurity Program, with presentation of the Company's evolution as well as recommendation for improvement of the monitoring panels; and

10. Presenting and discussing the Insurance Policies contracted and the Company's event loss table.

CONCLUSION

The Statutory Audit Committee of SLC Agrícola S.A., in its first year of operation, had the opportunity to analyze the various Policies of the Company, review its financial statements, meet with the independent auditors and carry out recommendations for improvement.

REPORT OF THE STATUTORY AUDIT COMMITTEE

The members of the Statutory Audit Committee of SLC Agrícola S.A., in the exercise of their duties and legal responsibilities, and as prescribed in the Charter, reviewed and analyzed the financial statements, accompanied by the independent auditors' report and the annual Management report for the fiscal year ended December 31, 2022.

Considering the information provided by the Company's Management and KPMG Auditores Independentes LTDA., the Audit Committee members declared that they unanimously agree with the financial position of the Company and its subsidiaries and recommended the approval of the documents by the Company's Board of Directors so that they be submitted to the Annual Shareholders Meeting, as established by Brazilian Corporation Law.

Porto Alegre, March 8, 2023.

Osvaldo Burgos Schirmer
Coordinator of the Statutory Audit Committee and member of the Board of Directors

João Carlos Sfreddo
Member of the Statutory Audit Committee

Wladimir Omiechuk
Member of the Statutory Audit Committee

Independent auditors' report on the individual and consolidated financial statements

(A free translation of the original in Portuguese, as filed with the Brazilian Securities and Exchange Commission (CVM), prepared in accordance with the accounting practices adopted in Brazil and the International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board - IASB)

To the Board of Directors and Shareholders of
SLC Agrícola S.A.
Porto Alegre - RS

OPINION

We have audited the individual and consolidated financial statements of SLC Agrícola S.A. ("the Company"), referred to as parent company and consolidated, respectively, which comprise the financial position as of December 31, 2022, and the respective statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including significant accounting policies and other explanatory information.

In our opinion, the accompanying individual and consolidated financial statements present fairly, in all material respects, the individual and consolidated financial statements of SLC Agrícola S.A. as of December 31, 2022, and its individual and consolidated financial performance and its individual and consolidated cash flows for the year then ended in accordance with accounting practices adopted in Brazil and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

BASIS FOR OPINION

We conducted our audit in accordance with Brazilian and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the individual and consolidated Financial Statements section of our report. We are independent of the Company and its subsidiaries, in accordance with the relevant ethical requirements included in the Accountants Professional Code of Ethics ("Código de Ética Prossional do Contador") and in the professional standards issued by the Brazilian Federal Accounting Council ("Conselho Federal de Contabilidade"), and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained its sufficient and appropriate to provide a basis for our audit opinion.

KEY AUDIT MATTERS

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

VALUATION OF BIOLOGICAL ASSETS - INDIVIDUAL AND CONSOLIDATED

See Notes 03(c) and 08 to the individual and consolidated financial statements.

Key audit matter

The Company and its subsidiaries calculate biological assets, which comprises the cultivation of agricultural products, specially soybean, corn and cotton, based on their fair value as from the pre-harvest stage. It is a significant estimate based on several assumptions adopted by the Company, specially related to productivity volume, profitability, estimated costs to put the goods in condition for sale, prices and discount rate. We considered it to be a key audit matter due to the significance of the biological assets' amounts of total assets and profit and loss, and to the level of uncertainty inherent in the assumptions used to determine the fair value of biological assets, whose sensitivity might impact the values of those assets in the individual and consolidated financial statements.

How the audit addressed this matter

Our audit procedures included, but were not limited to:

- Evaluation of the Company's policies about the technique of measuring biological assets, in particular the determination whether the phenological stage of crops is affected.
- With the assistance of corporate finance experts, we performed the evaluation of :
  - the assumptions used by the Company, comparing it with external information about the agricultural segment, such as prices of commodities charged in the main market of each crop;
  - productivity indicators and estimated costs to sell crops;
  - the information used to determine the fair value of biological assets, as well as the fair value of biological assets;
  - the disclosures made by the Company.

According to the evidence we obtained by applying the abovementioned procedures, we considered the balance of biological assets and the related disclosures to be acceptable in the context of the financial statements for the year ended December 31, 2022 taken as a whole.

VALUATION OF FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING - INDIVIDUAL AND CONSOLIDATED

See Notes 3(i) and 25 to the individual company consolidated financial statements.

Key audit matter

The Company and its subsidiaries account for derivative financial instruments to protect the operations from the risk of fluctuations in exchange rates and agricultural products prices in relation to a highly-probable revenue and respective hedge accounting. The designation of financial instruments for hedge accounting and the measurement of their effectiveness require compliance with certain formal obligations and the application of significant estimates on highly probable revenue.

Due to the large number of operations performed by the Company, the complexity to calculate the fair value of transactions, the hedge effectiveness, and the possible impact that changes in estimated future revenue may have on the Company's profit or loss and cash flows, we considered it to be a key audit matter

How the audit addressed this matter

Our audit procedures in this area included, but were not limited to:

- Understanding the design of the risk management process and of the hedge accounting framework, including the analysis of the policy applied by the Company;
- Tie in the amount recorded by the Company with the information provided by financial institutions through confirmation letters;
- Analyzing the disclosures in notes to the individual and consolidated financial statements.

With the assistance of our experts in financial instrument:

- We recalculated the fair value of derivative financial instruments designated as hedging instruments using observable external data.
- We have audited whether the designation documentation agrees with accounting standards.
- We have audited whether the hedging instrument and hedged item qualify for cash flow hedge accounting.
- We have audited whether prospective effectiveness tests prepared by the Company present a proper economic rationale to show the existence of a high probability of effectiveness.

According to the evidence we obtained by applying the abovementioned procedures, we considered that the designation and measurement of hedge accounting and the related disclosures are acceptable in the context of the financial statements for the year ended December 31, 2022 taken as a whole.

OTHER ISSUES

Statements of value added

The individual and consolidated statements of value added for the year ended December 31, 2022, 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.

Audit of the financial statements for the previous year

The individual and consolidated of financial position as of December 31, 2021, and the individual and consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows, and the related notes for the year then ended, presented as related amounts in the individual and consolidated financial statements for the current year, were previously audited by other independent auditors, who issued an unqualified audit report dated March 15, 2022. The corresponding amounts for the individual and consolidated statements of value added for the year ended December 31, 2021 were submitted to the same audit procedures by those independent auditors and, based on their audit, those auditors issued an unqualified audit report.

OTHER INFORMATION ACCOMPANYING THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS AND THE AUDITORS' REPORT

Management is responsible for this other information that includes the Management's Report.

Our opinion of the individual and consolidated financial statements does not cover the Management's Report and we do not express any form of assurance conclusion thereon.

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

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

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

In preparing the individual 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 or to cease operations, or has no realistic alternative but to do so.

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

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AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the individual 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 is not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing will always detect possible existing material misstatements. 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 individual and consolidated financial statements.

As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the individual 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 internal control.
- 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 and its subsidiaries' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the individual 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 to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the individual and consolidated financial statements, including the disclosures, and whether the individual 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 and consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. 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 reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the individual and consolidated financial statements of the current period 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.

Porto Alegre, March 08, 2023

KPMG Auditores Independentes Ltda.
CRC SP-014428/F-7

(Original report in Portuguese signed by)
Cristiano Jardim Seguecio
Accountant CRC SP-244525/O-9 T-RS

Statements of financial position

December 31, 2022 and 2021 (In thousands of Reais)

		Parent Company		Consolidated	
	Note	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Assets					
Current assets					
Cash and cash equivalentes	5	845,445	46,046	1,235,775	139,780
Accounts receivable	6	123,834	117,841	174,291	147,414
Advances to suppliers		9,247	15,963	14,924	29,502
Inventories	7	2,360,370	1,931,023	3,343,980	2,806,365
Biological assets	8	1,257,897	1,177,298	1,799,576	1,690,969
Recoverable taxes	9	73,882	49,616	139,817	126,936
Securities and credits receivable	10	-	-	25,852	21,919
Operations with derivatives	25	192,100	49,225	272,728	107,676
Intercompany transactions	16	63,637	52,351	-	20
Other accouns receivable		47,340	21,957	15,012	23,977
Prepaid expenses		7,864	8,860	10,183	14,275
Assets held for sale		498	525	545	573
Total current assets		4,982,114	3,470,705	7,032,683	5,109,406

		Parent Company		Consolidated	
	Note	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Non-current assets					
Lomg-term interest earning bank deposits	5	747	684	747	684
Recoverable taxes	9	137,511	97,517	204,094	152,690
Deferred inceome and social contribution taxes	20	-	-	281,819	405,662
Operations with derivatives	25	51,138	183,326	61,677	183,607
Securities and credits receivable	10	-	-	31,650	26,962
Intercompany transactions	16	-	6,649	-	-
Advances to suppliers		-	2,785	79,805	74,202
Other credits		2,439	2,431	40,174	19,770
Prepaid expenses		58	19	458	19
		191,893	293,411	700,424	863,596
Investments	11	4,008,749	3,658,256	3,618	1,640
Investment property	12	-	-	385,817	333,269
Right of use in lease	13	4,486,842	4,400,728	2,881,262	3,042,185
Property, plant and equipment	14	1,308,599	1,066,733	3,733,112	3,398,063
Intangible	15	83,455	69,954	131,473	118,184
		9,887,645	9,195,671	7,135,282	6,893,341
Total non-current assets		10,079,538	9,489,082	7,835,706	7,756,937
Total assets		15,061,652	12,959,787	14,868,389	12,866,343

		Parent Company		Consolidated	
	Note	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Liabilities					
Current liabilities					
Suppliers	17	1,090,965	671,234	1,564,582	1,009,194
Loans and financing	18	1,137,091	503,252	1,281,537	669,735
Credit Assignment	18	-	31,004	-	39,004
Taxes, rates and sundry contributions		189,140	20,215	207,688	57,832
Social charges and labor legislation obligations		109,192	103,609	149,756	148,613
Advances from clients		159,845	408,985	238,942	568,043
Debts with related parties	16	6,386	117,621	2,482	79
Intercompany lease liability	13	327,505	287,194	-	-
Third party lease liability	13	367,182	331,920	523,573	511,932
Operations with derivatives	25	137,320	341,879	139,585	394,582
Securities payable	21	-	-	86,102	93,775
Provisions for environmental, civil, labor and tax risks	19	3,497	2,975	38,257	32,002
Dividends payable	22.h	291,852	252,226	302,370	269,803
Leases to pay	24.2	-	-	14,146	15,048
Others accounts payables		30,413	11,787	40,670	22,338
Total current liabilities		3,850,388	3,083,901	4,589,690	3,831,980

		Parent Company		Consolidated	
	Note	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Non-current liabilities					
Loans and financing	18	2,016,280	1,866,270	2,172,734	1,918,024
Deferred taxes	20	330,182	271,443	443,717	360,906
Intercompany lease liability	13	2,513,411	2,310,609	-	-
Third party lease liability	13	1,732,000	1,776,588	2,730,474	2,824,456
Operations with derivatives	25	20,074	126,155	20,546	139,966
Securities payable	21	-	-	14,276	14,862
Other debits		520	73	520	73
Total non-current liabilities		6,612,467	6,351,138	5,382,267	5,258,287
Shareholders' equity					
Capital	22.a	1,512,522	1,512,522	1,512,522	1,512,522
Capital reserves	22.b	168,544	164,953	168,544	164,953
(-) Treasury shares	22.c	(280,170)	(116,846)	(280,170)	(116,846)
Profit reserves	22.d.e.f.g	1,891,460	1,174,813	1,891,460	1,174,813
Other comprehensive income	22.j	1,306,441	789,306	1,306,441	789,306
Total attributable to shareholders		4,598,797	3,524,748	4,598,797	3,524,748
Non-controlling shareholders in subsidiaries		-	-	297,635	251,328
Total shareholders' equity		4,598,797	3,524,748	4,896,432	3,776,076
Total liabilities and shareholders' equity		15,061,652	12,959,787	14,868,389	12,866,343

See accompanying notes.

Statement of profit or loss

Years ended December 31, 2022 and 2021 (In thousands Reais, except profit per share)

		Parent Company		Consolidated	
	Note	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Income from sales of goods and/or services	30	**5,562,931**	3,355,575	**7,373,034**	4,363,210
Biological assets	8	**1,683,304**	1,505,696	**2,216,676**	1,961,159
Cost of goods sold	31	**(4,847,771)**	(3,173,798)	**(6,458,411)**	(4,076,725)
Cost of goods and/or services sold		**(3,117,991)**	(2,044,294)	**(4,220,730)**	(2,651,291)
Biological assets cost		**(1,729,780)**	(1,129,504)	**(2,237,681)**	(1,425,434)
Gross income		**2,398,464**	1,687,473	**3,131,299**	2,247,644
Operating income (expenses)					
Sales expenses	31	**(305,421)**	(166,407)	**(379,664)**	(212,559)
General and administrative expenses	31	**(224,337)**	(181,750)	**(260,230)**	(222,496)
Management compensation	14.d	**(23,966)**	(18,036)	**(24,374)**	(18,953)
Equity income	11	**579,297**	480,121	**-**	-
Added value investment		**(17,068)**	(9,789)	**(25,861)**	(14,832)
Other operating (expenses) income		**(23,158)**	14,373	**64,123**	134,563
		(14,653)	118,512	**(626,006)**	(334,277)
Operating result		**2,383,811**	1,805,985	**2,505,293**	1,913,367
Financial income	23	**572,738**	319,899	**846,817**	494,709
Financial expenses	23	**(1,418,531)**	(769,357)	**(1,546,285)**	(847,266)
		(845,793)	(449,458)	**(699,468)**	(352,557)

		Parent Company		Consolidated	
	Note	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Result before income and social contribution taxes		**1,538,018**	1,356,527	**1,805,825**	1,560,810
Income and social contribution taxes	20				
Current		**(426,195)**	(104,137)	**(544,401)**	(174,507)
Deferred assets		**155,636**	(190,274)	**75,309**	(255,544)
Net Income		**1,267,459**	1,062,116	**1,336,733**	1,130,759
Attributable to:					
Controlling shareholders		**1,267,459**	1,062,116	**1,267,459**	1,062,116
Not controlling interest in subsidiaries		**-**	-	**69,274**	68,643
		1,267,459	1,062,116	**1,336,733**	1,130,759
Earnings per share attributable to shareholders from continuing operations at end of the year (expressed in reais per share):					
Basic earnings per share - R$	22.i			**6.05911**	5.10395
Diluted net income per share - R$	22.i			**6.04694**	5.07616

See accompanying notes.

Statement of comprehensive income

Years ended December 31, 2022 and 2021 ((In thousands of Reais))

	Parent Company		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Income for the year	1,267,459	1,062,116	1,336,733	1,130,759
Other comprehensive income to be reclassified to the result for the year in subsequent periods:				
Derivatives - cash flow hedge	630,509	(212,894)	829,371	(280,993)
Derivatives - cash flow hedge - subsidiaries	104,164	(37,524)	-	-
Income and social contribution taxes	(214,373)	72,384	(281,988)	95,537
	520,300	(178,034)	547,383	(185,456)
Other comprehensive income not reclassified to the result for the year in subsequent periods:				
Assigned cost adjustment, fixed assets in subsidiary	(797)	-	(797)	-
Other comprehensive income, net of taxes	519,503	(178,034)	546,586	(185,456)
Total other comprehensive income for the year, net of taxes	1,786,962	884,082	1,883,319	945,303
Attributable to:				
Controlling shareholders	1,786,962	884,082	1,786,962	884,082
Not controlling interest in subsidiaries	-	-	96,357	61,221
	1,786,962	884,082	1,883,319	945,303

See accompanying notes.

Statement of changes in equity

December 31, 2022 and 2021 (In thousands of Reais)

		Capital reserves				Profit reserves									
	Capital	Goodwill in the issue of shares	Recognized options granted	Reserve investment acquisition	Treasury shares	Investment incentivized reserve	Legal reserve	Expansion reserve	Profit retention reserve	Additional dividend proposed	Other comprehensive income	Retained earnings	Total interest of controlling shareholders	Interest of non-controlling shareholders	Total shareholders' equity
Balances at December 31, 2020	947,522	38,923	58,581	-	(52,921)	15,042	87,136	754,249	5,628	116,019	970,200	-	2,940,379	210,679	3,151,058
Capital increase	565,000	-	-	65,856	-	-	-	(500,000)	-	-	-	-	130,856	-	130,856
Goodwill on Sale of Shares	-	(4,874)	(2,434)	-	5,304	-	-	-	-	-	-	-	(2,004)	-	(2,004)
Share-based compensation exercized in the year	-	-	8,901	-	-	-	-	-	-	-	-	-	8,901	-	8,901
Share-based compensation recognized in the year	-	-	-	-	7,675	-	-	-	-	-	-	-	7,675	-	7,675
Share-based compensation recognized in the year	-	-	-	-	(76,904)	-	-	-	-	-	-	-	(76,904)	-	(76,904)
Unrealized gains/losses with hedging instruments, net of tax effects	-	-	-	-	-	-	-	-	-	-	(178,034)	-	(178,034)	(7,422)	(185,456)
Realization of depreciation of the deemed cost	-	-	-	-	-	-	-	-	-	-	(2,860)	2,860	-	-	-
Net income for the year	-	-	-	-	-	-	-	-	-	-	-	1,062,116	1,062,116	68,643	1,130,759
Constitution of reserves	-	-	-	-	-	149	53,099	507,293	-	-	-	(560,541)	-	-	-
Additional dividends approved for the year 2020	-	-	-	-	-	-	-	-	-	(116,019)	-	-	(116,019)	-	(116,019)
Minimum mandatory dividends	-	-	-	-	-	-	-	-	-	-	-	(252,218)	(252,218)	(20,572)	(272,790)
Proposed additional dividends	-	-	-	-	-	-	-	-	-	252,217	-	(252,217)	-	-	-
Balances at December 31, 2021	1,512,522	34,049	65,048	65,856	(116,846)	15,191	140,235	761,542	5,628	252,217	789,306	-	3,524,748	251,328	3,776,076

		Capital reserves				Profit reserves									
	Capital	Goodwill in the issue of shares	Recognized options granted	Reserve investment acquisition	Treasury shares	Investment incentivized reserve	Legal reserve	Expansion reserve	Profit retention reserve	Additional dividend proposed	Other comprehensive income	Retained earnings	Total interest of controlling shareholders	Interest of non-controlling shareholders	Total shareholders' equity
Balances at December 31, 2021	1,512,522	34,049	65,048	65,856	(116,846)	15,191	140,235	761,542	5,628	252,217	789,306	-	3,524,748	251,328	3,776,076
Goodwill on Sale of Shares	-	(4,712)	-	-	-	-	-	-	-	-	-	-	(4,712)	-	(4,712)
Share-based compensation recognized in the year	-	-	15,800	-	-	-	-	-	-	-	-	-	15,800	-	15,800
Share-based compensation exercized in the year	-	-	-	-	18,752	-	-	-	-	-	-	-	18,752	-	18,752
Share-based compensation repurchased in the year	-	(2,671)	(4,826)	-	(182,077)	-	-	-	-	-	-	-	(189,574)	-	(189,574)
Share issue expenses	-	-	-	-	1	-	-	-	-	-	-	-	1	-	1
Unrealized gains/losses with hedging instruments, net of tax effects	-	-	-	-	-	-	-	-	-	-	520,300	-	520,300	27,083	547,383
Carrying out the depreciation of the cost attributed to fixed assets net of tax effects	-	-	-	-	-	-	-	-	-	-	(2,368)	2,368	-	-	-
Assigned cost adjustment, fixed assets in subsidiary	-	-	-	-	-	-	-	-	-	-	(797)	-	(797)	-	(797)
Net income for the year	-	-	-	-	-	-	-	-	-	-	-	1,267,459	1,267,459	69,274	1,336,733
Destinations for the year															
Constitution of reserves	-	-	-	-	-	247	63,360	604,294	-	-	-	(667,901)	-	-	-
Additional dividends approved for the year 2022	-	-	-	-	-	-	-	-	-	(252,217)	-	-	(252,217)	(31,411)	(283,628)
Minority share dividends	-	-	-	-	-	-	-	-	-	-	-	(229,963)	(229,963)	(18,639)	(248,602)
Interest on equity	-	-	-	-	-	-	-	-	-	-	-	(71,000)	(71,000)	-	(71,000)
Proposed additional dividends	-	-	-	-	-	-	-	-	-	300,963	-	(300,963)	-	-	-
Balances at December 31, 2022	1,512,522	26,666	76,022	65,856	(280,170)	15,438	203,595	1,365,836	5,628	300,963	1,306,441	-	4,598,797	297,635	4,896,432

See accompanying notes.

Statement of cash flows

Years ended December 31, 2022 and 2021 (In thousands of Reais)

	Parent Company		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Net cash from operational activities				
Net income before IRPJ/CSLL	**1,538,018**	1,356,527	**1,805,825**	1,560,810
Adjustments to reconcile net income to cash provided by operating activities:				
Depreciation and amortization	**116,285**	94,305	**177,814**	145,870
Income from write-off of property, plant and equipment	**2,577**	11,890	**8,858**	13,246
Equity in net income of subsidiaries	**(579,297)**	(480,121)	**-**	-
Interest, exchange and monetary variation	**300,038**	162,475	**319,329**	214,580
Share-based compensation	**15,800**	8,901	**15,800**	8,901
Variation in biological assets	**46,476**	(376,192)	**21,005**	(535,725)
Provision of profit sharing and labor contingencies	**68,216**	77,382	**85,356**	98,621
AVP - Lease Liabilities (Note 13)	**404,369**	315,157	**280,423**	175,149
Amortization of Right of Use	**324,556**	175,064	**310,743**	133,287
Fair value for investment property	**-**	-	**(52,549)**	(105,675)
Other adjustments	**50,289**	33,553	**87,184**	38,487
Provision for losses taxes recover	**12,304**	(3,135)	**13,278**	(3,780)
	2,299,631	1,375,806	**3,073,066**	1,743,771

	Parent Company		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Changes in assets and liabilities:				
Trade accounts receivable	**(5,993)**	60,244	**(26,876)**	77,916
Inventories and biological assets	**(466,721)**	(640,800)	**(685,879)**	(958,924)
Recoverable taxes	**(75,895)**	(52,061)	**(77,563)**	(71,403)
Short-term interest earnings bank deposits	**(63)**	(21)	**(63)**	(21)
Other accounts receivable	**(24,404)**	(9,782)	**(19,656)**	23,611
Advance to suppliers	**17,887**	(9,290)	**10,102**	(22,556)
Suppliers	**389,005**	(78,696)	**434,178**	(221,475)
Taxes and social payables	**(52,789)**	(103,370)	**(136,550)**	(109,154)
Liabilities with related parties	**(115,872)**	85,032	**2,422**	(51)
Operations with derivatives	**309,183**	(144,771)	**411,830**	(242,856)
Notes payable	**-**	-	**(8,259)**	9,514
Advances from clients	**(249,140)**	351,752	**(329,101)**	482,916
Lease payable	**-**	-	**(902)**	9,765
Other accounts payable	**27,892**	30,766	**50,013**	(8,533)
Income tax and social contribution tax on profit paid	**(265,520)**	(113,755)	**(376,330)**	(171,484)
Dividends received	**392,249**	247,782	**-**	-
Interest on paid loans	**(297,475)**	(79,103)	**(328,655)**	(105,946)
	(417,656)	(456,073)	**(1,081,289)**	(1,308,681)

	Parent Company		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Net cash provided by operating activities	**1,881,975**	919,733	**1,991,777**	435,090
Net cash used in investment activities				
In property, plant and equipment	**(334,835)**	(329,681)	**(449,044)**	(400,397)
Receipt for sale of land (Note 10)	**-**	-	**1,643**	17,852
Payment land return	**-**	-	**-**	(706)
In intangible assets	**(41,640)**	(35,789)	**(36,433)**	(36,007)
Capital payment	**(77,138)**	-	**-**	-
Acquisition of investment	**-**	(1,132,000)	**-**	(55,297)
Other investments	**-**	-	**(1,979)**	(1,640)
Net cash used for investing activities	**(453,613)**	(1,497,470)	**(485,813)**	(476,195)
Net cash generated in financing activities				
Sale and repurchase of shares	**(175,535)**	(71,233)	**(175,533)**	(71,233)
Dividends Paid	**(504,422)**	(199,690)	**(558,383)**	(205,339)
Loans and financing obtained	**2,285,726**	1,320,031	**2,602,726**	1,427,030
Loans and financing paid	**(1,458,634)**	(1,109,339)	**(1,676,238)**	(2,154,523)
Leases paid	**(690,900)**	(486,723)	**(511,338)**	(230,940)
Derivatives Received	**(54,194)**	21,231	**(52,199)**	3,700
Credit Assignment	**(31,004)**	(169,784)	**(39,004)**	(191,863)
Net cash provided by financing activities	**(628,963)**	(695,507)	**(409,969)**	(1,423,168)
Increase in cash and cash equivalents	**799,399**	(1,273,244)	**1,095,995**	(1,464,273)

	Parent Company		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Opening balance of cash and cash equivalents	**46,046**	1,319,290	**139,780**	1,604,053
Closing balance of cash and cash equivalents	**845,445**	46,046	**1,235,775**	139,780
Increase in cash and cash equivalents	**799,399**	(1,273,244)	**1,095,995**	(1,464,273)

See accompanying notes.

Statement of value added

December 31, 2022 and 2021 (In thousands of Reais)

	Parent Company		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Revenues				
Sale of merchandise, products and services	5,654,851	3,945,418	7,599,496	5,078,601
Other income	16,085	22,957	89,048	139,905
Income from construction of own assets	257,018	204,025	299,554	208,257
Variation of the fair value of biological assets	1,683,304	1,505,696	2,216,676	1,961,159
	7,611,258	5,678,096	10,204,774	7,387,922
Inputs acquired from third parties				
Raw materials used	(1,811,953)	(1,057,712)	(2,543,771)	(1,430,866)
Cost of goods, merchandise and services sold	(70,569)	(34,498)	(102,387)	(48,883)
Materials, Energy, Third-party services and other	(899,803)	(762,568)	(1,276,153)	(940,621)
Loss/recovery of asset values	-	-	(395)	-
Adjustment to fair value of biological assets	(1,729,780)	(1,129,504)	(2,237,681)	(1,425,434)
	(4,512,105)	(2,984,282)	(6,160,387)	(3,845,804)
Gross added value	3,099,153	2,693,814	4,044,387	3,542,118
Retentions				
Depreciation, amortization and depletion	(116,285)	(94,305)	(177,814)	(145,870)
Amortization of Right of Use	(324,556)	(175,064)	(310,743)	(133,287)
Net added value produced	2,658,312	2,424,445	3,555,830	3,262,961

	Parent Company		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Added value received as transfer				
Equity Income	579,297	480,121	-	-
Financial income	572,738	319,899	889,226	494,709
Other	8,309	7,344	11,169	9,326
	1,160,344	807,364	900,395	504,035
Total added value payable	3,818,656	3,231,809	4,456,225	3,766,996
Distribution of added value	3,818,656	3,231,809	4,456,225	3,766,996
Taxes, duties and contributions	628,265	491,189	970,268	697,431
Federal	460,377	383,109	805,189	565,835
State	166,935	107,571	163,868	130,926
Municipal	953	509	1,211	670
Personnel	474,103	387,131	608,734	489,704
Direct remuneration	251,840	209,371	343.415	267,758
Benefits	197,802	159,862	234,058	199,575
FGTS	24,461	17,898	31,261	22,371
Third-party capital remuneration	1,448,829	1,291,373	1,540,490	1,449,102
Interest	1,436,185	1,274,906	1,521,715	1,426,879
Rents	12,644	16,467	18,775	22,223
Remuneration of own capital	1,267,459	1,062,116	1,336,733	1,130,759
Dividends and interest on equity	300,963	252,217	359,839	288,353
Retained Earnings/Loss for the period	966,496	809,899	907,621	773,763
Interest of non-controlling shareholders	-	-	69,273	68,643

See accompanying notes.

Explanatory notes to the financial statements

December 31, 2022 (In thousands of Reais, unless otherwise indicated)

1. OPERATIONS

SLC Agrícola S.A., founded in 1977, hereinafter referred to as "Parent Company", "SLC" or "Company", and its subsidiaries (jointly referred to as "the Group" or "Consolidated"), has its headquarters located at Avenida Doutor Nilo Peçanha, 2900/301, in the city of Porto Alegre, RS, Brazil and has as its corporate purpose the activities of agriculture and cattle raising; production and marketing of seeds and seedlings; processing and marketing of its products, being able to export and import goods for its own use and consumption; supply of primary agricultural goods and products and goods in general; reception, cleaning, drying and storage services of cereals for third parties; provision of services with agricultural machinery and implements for third parties; trade, import and export of agricultural products; agro-industrial activity of industrialization of sugar cane, alcohol and its derivatives; and participation in other companies; lease of own property.

On September 1, 2022, the Company and subsidiaries began its cultivation of the 2022/2023 crop with operations at twenty-two production units and a total planted area of 670.72 thousand hectares, including company-owned areas and areas leased from third parties and realted parties, which are located in seven Brazilian states: Mato Grosso, Mato Grosso do Sul, Goiás, Bahia, Piauí, Maranhão and Minas Gerais.

2. BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

a) Conformity declaration

The individual and consolidated financial statements were prepared in accordance with accounting practices adopted in Brazil, which include the provisions of corporate law, provided for in Law No. 6,404/76 with amendments to Law No. 11,638/07 and Law No. 11,941/09, and the accounting pronouncements, interpretations and guidelines issued by the Accounting Pronouncements Committee ("CPC"), approved by the Brazilian Securities and Exchange Commission ("CVM") and also in accordance with international accounting standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

The Company's Management understands that all relevant information specific to the financial statements is being disclosed and corresponds to that used by it in its management, as provided for in OCPC 7 – Disclosure in the Disclosure of General Purpose Accounting and Financial Statements. We also emphasize that the accounting policies considered immaterial were not included in the financial statements.

The issuance of the individual and consolidated financial statements was authorized by the executive board on March 08, 2023.

b) Measurement base

The individual and consolidated financial statements were prepared based on the historical cost, with the exception of the following material items recognized in the balance sheets:

- Financial instruments measured at fair value;
- Biological assets, not classified as bearer plants, measured at fair value, using the market approach, less selling expenses and pre-harvest costs to be incurred;
- Investment properties, measured at fair value; and
- Share-based payment transactions, measured at fair value on the grant date.

c) Functional currency and transactions and balances in foreign currency

The individual and consolidated financial statements are presented in Reais (R$), which is the functional currency of the Company and its subsidiaries. All financial information presented in Reais has been rounded to the nearest thousand, unless otherwise indicated.

Transactions in foreign currency are initially recorded at the functional currency exchange rate in effect on the date of the transaction. Monetary assets and liabilities denominated in foreign currency are reconverted at the exchange rate of the functional currency in effect at the balance sheet date.

Foreign exchange gains and losses resulting from the settlement of these transactions and from the translation at year-end exchange rates relating to monetary assets and liabilities denominated in foreign currencies are recognized in the income statement, except when deferred in equity as qualifying cash flow hedge transactions

d) Operations eliminated on consolidation

Intragroup balances and transactions, and any unrealized income or expenses arising from intragroup transactions, are eliminated in the preparation of the consolidated financial statements. Unrealized gains arising from transactions with investees recorded under the equity method are eliminated against the Group's investment in the investee.

Unrealized losses are eliminated in the same way as unrealized gains are eliminated, but only to the extent that there is no evidence of impairment loss.

e) Judgments, estimates and significant accounting assumptions

The preparation of individual and consolidated financial statements requires the use of certain critical accounting estimates and also the exercise of judgment by the of Management in the process of applying accounting policies, for the accounting for certain assets, liabilities, income and expenses.

Estimates and the exercise of judgment are continually reviewed and the results of this process are recognized in a timely manner and in any future periods affected. Actual results may differ from these estimates when it actually takes place.

Information about judgments, estimates and accounting assumptions that may result in significant effects on the amounts recognized in the financial statements financial statements are presented below:

Notes	Nature
3.c and 8	Measurement of the fair value of biological assets
3.e, 14 and 15	Selection of useful lives of fixed and intangible assets
3.q and 13	Discount rate applied in the measurement of the lease liability
3.j and 19	Provision for environmental, civil, labor and tax risks and contingent assets and liabilities
3.h and 20	Deferred income tax and social contribution
3.i and 25	Measurement of the fair value of financial instruments
3.k and 28	Measurement of the fair value of share-based payment transactions on the grant date
12	Measurement of the fair value of investment properties
15	Impairment of assets with indefinite useful lives - goodwill for expected future profitability

f) Business combination and goodwill

Acquisition of Terra Santa Agro S.A

On November 26, 2020, the Company signed a non-binding Memorandum of Understanding with Terra Santo Agro S.A. ("Terra Santa") that requires assumptions, terms and conditions indicative of a transaction for SLC Agrícola to acquire as operations of Terra Santa, through the merger of Terra Santa shares by the Company. In preparation for the business combination with Terra Santa, as parties to submit the transaction for approval by the Administrative Council for Economic Defense - CADE, the transaction having been approved on January 7, 2021, without restrictions. Subsequently, on March 25, 2021, SLC Agrícola and Terra Santa signed the Association Agreement and Other Covenants, where the terms and conditions for a transaction were detailed and finally agreed. At the same time, the Terra Santa diligence was carried out, which ended in March 2021 and, on June 21, 2021, were prepared as approvals for the incorporation of shares in extraordinary general meetings of the Company and of Terra Santa.

On June 30, 2021, part of the conditions precedent for the implementation of the combination of the Company's businesses with those of the agricultural operation of Terra Santa, excluding land and improvements, were completed, except (i) obtaining registration with the Brazilian Securities Commission. publicly-held company of TS Agro S.A. ("TS Agro"), in the category A of issuers and listing in the Novo Mercado segment of B3 SA - Brasil, Bolsa, Balcão; and (ii) the implementation of the effective consummation of the capital reduction of Terra Santa (items (i) and (ii) together, "Remaining Condition"). On this date, the Company, TS Agro and their shareholders signed the 1st Amendment to the Association Agreement and Other Covenants and the Pre-Closing Agreement, through which the parties agree to carry out a pre-closing of the transaction.

Through these instruments, an operational transition was established, in which SLC started, as of July 1, 2021 (acquisition date for the application of IFRS 3 and CPC 15 (R1), to have management control and guidelines of the affairs of the Terra Sant, to the greatest extent possible, for all legal purposes.

After the consummation of the merger of shares, new common shares issued by SLC Agrícola were issued to the shareholders of Terra Santa, traded on the Novo Mercado segment of B3, replacing the shares issued by Terra Santa previously held by them, according to the share exchange ratio, described below.

In order to facilitate the business combination between the Company and Terra Santa, Terra Santa shares were incorporated by SLC, in accordance with articles 252, 224 and 225 of the Brazilian Corporation Law, with the exchange of all shares and subscription bonus da Terra Santa and consequent acquisition of control of Terra Santa, the Company issued a total of 2,516,454 common shares, which represent, on a fully diluted basis, 1.3% of the Company's total and voting capital. The shares were attributed to the shareholders of Terra Santa and the remaining Bonus holders, on the Closing Date, in accordance with the Exchange Ratio foreseen for each modality, given that such common shares have the same rights as the other outstanding common shares issued for the company.

The measurement of the fair values of the identifiable assets acquired and liabilities assumed, as provided for in CPC 15 (R1) - Business Combination (IFRS 3), is displayed as below:

Number of common shares issued by SLC Agrícola on the transaction date	2,516,454
Multiplied by the share price of SLC Agrícola on the transaction date (a) (in R$)	52.00
Fair value of shares issued in the transaction (In thousands of reais) (a)	130,856
Cash consideration arising from the right to use the lease between Terra Santa and TS Brasil S.A. (b)	70,002
Change in assets and liabilities (c)	(203,488)
Present value of tax credits (d)	195,488
Fair value of transferred consideration	192,858

According to a material fact disclosed on October 29, 2021, the parties agreed on a price adjustment of R$ 20,000, R$ 8,000 of which referring to the variation of assets and liabilities and present value of tax credits, as shown in the table above, in addition to the debt assumption for Terra Santa Properties Agrícolas in the amount of R$ 12,000.

a) The fair value of the common shares transferred by the Company was determined based on the quotation of the Company's shares, traded on B3 on the acquisition date (July 1, 2021).

b) Refers to the consideration to be transferred in cash in the amount of R$ 70,002, arising from the additional remuneration, complementary to the payment of the lease (which already reflects the fair value of a lease under similar conditions) referring to lease agreements that were entered into between Terra Santa and TS Brasil SA in connection with the transaction. This remuneration is being treated as part of the transaction price given: (i) the nature of the contracts; (ii) that the lease agreements were negotiated in conjunction with the transaction; and (iii) that it was a condition for signing the Transaction Agreement, that is, a condition for obtaining control of Terra Santa.

c) Variation from June 30, 2020 to June 30, 2021 in property, plant and equipment, net debt, tax credits and working capital, as provided for in the terms defined in the Transaction Agreement. The adjustment was concluded by mutual agreement between the parties on October 29, 2021. Working capital was defined in the agreement as (i) the sum of the items of current assets; and (ii) the sum of current liability items. Among the items of current assets that go into the definition of working capital are: (a) accounts receivable; (b) stocks; (c) biological assets; (d) miscellaneous advances to third parties and employees; (e) prepaid expenses. Among the items of current liabilities that are included in the definition of working capital are: (a) salaries and social contributions; (b) suppliers; (c) taxes to be collected; (d) advances from customers; (e) taxes in installments – current and non-current. The biological assets account was updated on the base date of September 15, 2021, with updated information on yields, costs and prices, as defined in the Agreement.

d) As described in the Agreement, the price paid in cash also includes an amount equivalent to 50% of the final value of the tax benefit arising from tax losses and negative social contribution base, calculated by Terra Santa and validated by SLC Agrícola through credit report, which was brought to present value at a discount rate of future CDI plus 1.5%, considering 4 annual installments from the closing date, 30% each in the first three years and 10% in the fourth year.

Thus, the value of the goodwill on the transaction is as follows:

Fair value of transferred consideration	192,858
Value of acquired assets and liabilities	145,503
Value of goodwill due to expected future profitability	47,355

The goodwill calculated, in the amount of R$ 47,355, represents the expected future economic benefit of the synergies arising from the acquisition, such as the sum of expertise of both companies in agricultural planning and operation, since practically all of the Terra Santa operational team, more efficient use of machines and cotton processing units, sharing of administrative structures, commercial areas (sales, logistics and supplies), information technology, among other gains in operational efficiency.

3. ACCOUNTING POLICIES

The accounting policies described in detail below have been consistently applied to all years presented in these individual and consolidated financial statements.

a) Revenue recognition

CPC 47 (IFRS 15) Revenue from Customer Contracts establishes a model that aims to show whether or not the accounting criteria were met.

(i). The identification of the contract with the client;

(ii). The identification of performance obligations;

(iii). Transaction price determination;

(iv). The allocation of the transaction price; and

(v). The recognition of revenue by meeting the performance obligation

Considering the above aspects, revenues are recorded at the amount that reflects the expectation that the Company has to receive in return for the products and services offered to customers. Revenue is measured based on the fair value of the consideration received, excluding discounts, rebates and sales taxes or charges. The Company assesses revenue transactions against specific criteria to determine whether it is acting as an agent or principal and ultimately concluded that it is acting as a principal in all of its revenue agreements. Revenue is not recognized if there is significant uncertainty as to its realization. The following specific criteria must also be met before revenue recognition:

Sale of goods

Operating revenue from the Sale of goods in the normal course of business is recognized in income, when control of the products is transferred to the customer and the Company and its subsidiary no longer have control or responsibility over the products sold.

Land sales

Some subsidiaries are engaged in land sales. Sales take place in line with the current real estate gains realization strategy, being recognized as provided for in the Revenue recognition section above.

In the consolidated financial statements, these revenues are classified in the group "other operating income", as they do not represent the main object of the Group's business.

b) Inventories

Agricultural produce from biological assets is measured at fair value less selling expenses at the point of harvest when it is transferred from the biological asset group to the inventory group and measured at the weighted average of fair harvest values.

Inventories of seeds, fertilizers, pesticides, fuels, lubricants, packaging and wrapping material, spare parts and other Inventories were valued at average purchase cost.

Provisions for slow-moving or obsolete inventories are set up when deemed necessary by management.

The provision for adjustment of inventory to market value of agricultural products is set up when the fair value recorded in the inventory is higher than the realizable value. The realizable value is the estimated selling price in the normal course of business less the estimated costs necessary to sell them.

c) Biological assets

Based on technical pronouncement CPC 29 (R2), which corresponds to IAS 41 in international standards, the Company measures its biological assets at the end of each period. The Company's biological assets are represented by crops and cattle herd.

c.1 Crops

Crops are substantially made up of soybean, corn, cotton and other less relavant crops, whose agricultural products are sold to third parties. The biological assets of crops are measured by the expenses incurred with the formation of crops up to the point of significant biological transformation, when they start to be valued at fair value, deducting sales expenses and production costs for the current agricultural year to be incurred.

CPC 46, in item 72, to increase consistency and comparability in fair value measurements, establishes a fair value hierarchy.

The fair value measurement of biological assets of crops includes prices quoted in an active market, adjusted to reflect new information, which results in the classification as level 3.

This measurement is an accurate estimate based on several assumptions and methodologies adopted by the Company's management, for which internal and external information was used, mainly related to: productivity volume, profitability, costs required for placing under sale condition, prices and discount rate.

The fair value of biological assets is determined using income approach where to convert future values (discounted cash flows to a single discounted present value), considering basically:

a. Cash inflows obtained by multiplying (i) estimated production (hectares planted multiplied by estimated productivity), and (ii) market price (farm prices) / contract prices.

b. Cash outflows represented by the total cost of production for the crop such as: (i) seeds, fertilizers, agricultural pesticides, depreciation and labor applied to crops.

Based on the estimated revenues and costs, the Company determines the discounted cash flows to be generated and brings the corresponding amounts at present value, considering a discount rate, compatible with the weighted average cost of capital.

Changes in fair value are recorded under the caption biological assets and have a corresponding entry en the account "Changes in fair value of biological assets" in the statement of income for the year.

The application of CPC 25 – Provisions, contingent liabilities and contingent assets, in item 66, addresses that, if the entity has an onerous contract, the present obligation according to the contract must be recognized and measured as a provision. The Company captures the effects existing in its contracts when measuring the fair value of its biological assets, considering the value of its contracts in its price assumption. The reconciliation of this effect is presented in the disclosure in the explanatory note of changes in the period (explanatory note 8)..

c.2 Bovine herd

The biological assets made up of cattle herds are composed of rearing and fattening cattle and are valued at fair value, using market methodology, deducting selling expenses, acquisition costs, from their registration in inventory or at the time from weaning for born calves, until the moment of their slaughter.

In relation to the fair value hierarchy, the measurement of the cattle herd is classified as level 2 - quoted prices for identical or similar assets or liabilities in markets that are not active.

This measurement is based on several assumptions adopted by the Company's management, for which internal and external information was used, mainly related to: number of head of cattle existing at the end of each measurement period, sex, breed, age, weight, yield estimated market price in each region (farm price) and the costs necessary to put it in salable condition.

The valuation of biological assets at fair value considers certain estimates, which are subject to uncertainties and may have effects on future results as a result of their variations..

d) Investments (Parent Company)

Investments in subsidiary are determined by the equity method of accounting, as CPC18 (R2) (IAS

28), for the purpose of the parent company's financial statements.

After the application of the equity method for the purposes of the parent company's financial statements, the Company determines whether it is necessary to recognize an additional impairment loss on the Company's investment in each of its subsidiaries. The Company determines, at each balance sheet closing date, whether there is objective evidence that investments in subsidiaries have suffered impairment losses. If so, the Company calculates the amount of the impairment loss as the difference between the subsidiary's recoverable amount and book value and recognizes the amount in the parent company's income statement.

e) Fixed assets

Recognition and measurement

Property, plant and equipment items are stated at historical acquisition or construction cost, net of accumulated depreciation and impairment losses.

The cost includes expenses that are directly attributable to the acquisition of an asset. The cost of assets built by the Company itself includes:

- The cost of materials and direct labor;
- Costs of loans on qualifying assets;
- Any other costs to place the assets on the premises and conditions necessary for them to be able to operate in the manner intended by Management

When parts of an asset item have different useful lives, they are recorded as individual asset items (main components). Gains or losses on the disposal of an item of property, plant and equipment (calculated as the difference between the proceeds from disposal and the book value of the asset), are recognized in other operating income/expenses in profit or loss.

Subsequent costs

Subsequent expenses are capitalized to the extent that it is probable that future benefits associated with the expenses will be received by the Group. Recurring maintenance and repair expenses are recorded in the result.

Depreciation

Property, plant and equipment items are depreciated using the straight-line method in income for the year based on the estimated economic useful life of each component. Leased assets are depreciated over the shorter of the estimated useful life of the asset and the term of the lease unless it is certain that the Group will obtain ownership of the asset at the end of the lease. Land and land plots are not depreciated.

Fixed asset items are depreciated from the date they are installed and are available for use, or in the case of assets built in-house, from the day construction is completed and the asset is available for use.

The estimated useful lives for the current year are as follows:

Description	Rate	Average lifetime
Soil correction and development	18.96%	5 years
Buildings and improvements	3.15%	32 years
Furniture and fixtures	9.84%	10 years
Office equipment and facilities	18.38%	5 years
Agricultural equipment and industrial facilities	9.59%	10 years
Vehicles	8.03%	12 years
Other	20.00%	5 years

An item of property, plant and equipment is written off when sold or when no future economic benefit is expected from its use or sale. Any gain or loss resulting from the write-off of the asset (calculated as the difference between the net sale value and the book value of the asset) is included in the income statement in the year the asset is written off.

In the year ended December 31, 2022, the Company found that its fixed assets were not above recoverable value, and consequently no provision for impairment of fixed assets was required.

The Company calculates for certain asset classes the residual value considering the revenue it would obtain from the sale less estimated selling expenses if the asset had the expected age and condition at the end of its useful life.

Assets' residual values and useful lives and depreciation methods are reviewed at year end, and are adjusted on a prospective basis, if applicable.

f) Reduction to recoverable value

Financial assets (including receivables)

A financial asset not measured at fair value through profit or loss is evaluated at each reporting date to determine whether there is objective evidence that an impairment loss has occurred. An asset has a loss in its recoverable amount if objective evidence indicates that a loss event occurred after the initial recognition of the asset, and that loss event had a negative effect on projected future cash flows that can be reliably estimated.

The objective evidence that financial assets have lost value may include non-payment or delayed payment by the debtor, restructuring of the amount due to the Group under conditions that the Group would not consider in other transactions, indications that the debtor or issuer will go bankrupt, or the disappearance of an active market for a security. In addition, for an equity instrument, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

Financial assets measured at amortized cost

The Group considers evidence of loss of value of assets measured at amortized cost, both at the individualized and collective levels. Individually significant assets are assessed for loss of specific value. All individually significant receivables and investment securities held to maturity that are identified as not having suffered a loss in value are then collectively valued for any loss in value that has occurred but has not yet been identified. Individually important assets are collectively valued for the loss in value by grouping these securities together with similar risk characteristics.

CPC 48 (IFRS 9), requires the Company to perform a risk assessment of expected credit losses, evaluating the credit with the counterparty and recording the effects when there are indications of losses. The Company has evaluated its financial assets and established the values found to be immaterial.

Non-financial assets

The book values of the Group's non-financial assets, other than biological assets, investment property, inventories and deferred income and social contribution taxes, are reviewed at each reporting date to determine whether there are indications of impairment losses. If such indication occurs, the asset's recoverable amount is estimated.

g) Government subsidies

Government grants are recognized when it is reasonably certain that the benefit will be received and that all the corresponding conditions will be met. When the benefit refers to an item of expense, it is recognized as revenue over the period of the benefit, systematically in relation to the costs whose benefit is intended to offset.

In line with Article 30 of Law 12,973/14, this subsidy was excluded from the calculation basis for income tax and social contribution, as it is an investment subsidy.

The investment subsidy amount cannot be distributed to shareholders as dividends, which is why the annual benefit amount was transferred from the retained earnings item to the tax incentive reserve, in Shareholders' Equity. This reserve can only be used to be added to the share capital or to absorb losses.

h) Taxes

Income and social contribution taxes

The Income and social contribution taxes for the current and deferred fiscal year are calculated based on the rates of 15%, plus an additional 10% on taxable income exceeding R$ 240 per year for income tax and 9% on taxable income for social contribution on net income, and take into account the offsetting of tax losses and negative basis of social contribution, which for the rural activity is up to 100% of the annual actual profit and in the other activities is limited to 30% of the annual taxable income.

For companies taxed by the presumed profit, the Income Tax and Social Contribution for the current year, are calculated on a cash basis, based on the rates of 15%, plus an additional 10% on the basis of a surplus of R$ 240 annually for income tax and 9% on the basis of presumption for social contribution on net income.

Income and social contribution taxes expenses include current and deferred taxes. Current and deferred tax are recognized in profit or loss unless they are related to the business combination, or items directly recognized in equity or other comprehensive income.

Current tax is the tax payable or receivable expected on the taxable profit or loss for the year at the tax rates enacted or substantively enacted at the date of presentation of the financial statements and any adjustment to the taxes payable in respect of prior years.

Deferred tax is recognized with respect to temporary differences between the book values of assets and liabilities for accounting purposes and the corresponding amounts used for taxation purposes.

Deferred tax is measured at the rates applicable to temporary differences when reversed, based on laws that have been enacted or substantively enacted by the reporting date of the financial statements.

In determining current and deferred income taxes, the Company takes into consideration the impact of uncertainties related to tax positions taken and whether additional income and interest tax payments must be made. The Company believes the provision for income tax in liabilities is adequate for all outstanding tax periods based on its assessment of several factors, including interpretations of tax laws and past experience. This assessment is based on estimates and assumptions that may involve a series of judgments about future events. New information can be available which would cause the Company to change its judgment as to the adequacy of the existing provision; such changes will impact the income tax expense for the year in which they are made, if applicable.

A deferred income tax and social contribution asset and liability are compensated when there is a legally enforceable right of the Company to compensate the current asset and liability, and if they correlated to the income tax estimated by the same tax agency over the same taxable entity.

A deferred income tax asset is recognized for tax losses, tax credits and unused deductible temporary differences when it is probable that future taxable profit will be available against which it will be used.

Deferred income and social contribution tax assets are reviewed at each reporting date and will be reduced to the extent that their realization is no longer probable.

Sales taxes

Income and assets are recognized, net of sales taxes, except for:

- When sales taxes incurred on the purchase of goods or services are not recoverable from the tax authorities, in which case the sales tax is recognized as part of the cost of acquisition of the asset or expense item, as appropriate;
- When the amounts receivable and payable are presented together with the amount of sales taxes;
- The amount net of sales tax, recoverable or payable, is included as a component of the amounts receivable or payable on the balance sheet

Sales revenues are subject to the following taxes and contributions at the following basic rates:

	Rates
ICMS - Value-Added Tax on Sales and Services	0% to 18.00%
COFINS - Contribution for social security funding	7.60%
PIS - Social Integration Program	1.65%
Rural Worker Assistance - Funrural	0.25% and 2.05%

In the income statement, revenues are shown net of these taxes. The consideration is in taxes payable on liabilities. The amounts of taxes payable are offset against any tax credits arising from the purchase of inputs and property, plant and equipment, on farms that allow for credit.

i) Financial instruments

Non-derivative financial assets

The Group recognizes loans and receivables initially at the date they originated. All other assets are initially recognized on the date of negotiation when the Group becomes a party to the contractual provisions of the instrument.

The Group writes-off a financial asset when the contractual rights to the cash flows from the asset expire, or when the Group transfers the rights to receive the contractual cash flows from a financial asset in a transaction in which essentially all risks and rewards of ownership of the financial asset are transferred. Any interest that is created or retained by the Group in financial assets is recognized as an individual asset or liability.

Financial assets or liabilities are offset and the net amount shown on the balance sheet when, and only when, the Group has the legal right to offset the amounts and intends to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as being measured at fair value through profit or loss:

- Is held within a business model whose objective is to hold financial assets to receive contractual cash flows; and
- Its contractual terms generate, on specific dates, cash flows that are related only to the payment of principal and interest on the outstanding principal amount.

Amortized cost

Financial assets with fixed or calculable payments that are not quoted on the market. Such assets are initially recognized at fair value plus any attributable transaction costs. They are measured at amortized cost using the effective interest method, less any impairment loss. They cover accounts receivable from customers and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and financial investments with original maturities of three months or less from the date of contracting. Items classified as cash and cash equivalents are subject to an insignificant risk of change in value and are used in the management of short-term obligations.

Non-derivative financial liabilities

The Group recognizes debt securities issued and subordinated liabilities initially at the date they arise. All other financial liabilities are initially recognized on the trade date on which the Group becomes a party to the contractual provisions of the instrument. The Group discharges a financial liability when its contractual obligations have been discharged, cancelled or expired.

The Group classifies non-derivative financial liabilities in the category of liabilities measured at amortized cost. Such financial liabilities are initially recognized at fair value plus any attributable transaction costs. After initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

The Group has the following non-derivative financial liabilities: financing and loans, suppliers, loan agreements and related party leases, third-party leases, securities payable and other accounts payable

Derivative financial instruments, including hedge accounting

The Company uses derivative financial instruments such as currency forward contracts, commodities forward contracts and interest rate swaps to hedge against the risk of changes in foreign exchange rates, the risk of changes in commodities prices and the risk of changes in interest rates. Embedded derivatives are separated from their master contracts and recorded individually if the economic characteristics and risks of the master contract and the embedded derivative are not intrinsically related; or an individual instrument with the same conditions as the embedded derivative meets the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss.

At the time of the initial hedge assignment, the Group formally documents the relationship between the hedge instruments and the hedged items, including the risk management objectives and strategy in conducting the hedging transaction, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group assesses whether the forecasted or contracted hedging items remain in the same amount and term of the hedging instrument. In addition, continuous monitoring is performed to check whether the hedge instruments are expected to be "highly effective" in offsetting changes in the fair value or cash flows of the respective hedged items during the year for which the hedge is designated.

Derivatives are initially recognized at fair value; attributable transaction costs are recognized in profit or loss as incurred. After initial recognition, derivatives are measured at fair value, and changes in fair value are recorded as described below.

Hedges of cash flows

When a derivative is designated as a hedging instrument in a hedge of variability in cash flows attributable to a specific risk associated with a recognized asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective portion of the changes in the derivative's fair value is recognized in other comprehensive income and presented in the equity valuation reserve. Any ineffective portion of the changes in the fair value of the derivative is recognized immediately in profit or loss.

When the hedged item is a non-financial asset, the amount recognized in other comprehensive income is transferred to the asset's book value when the asset is realized. The value recognized in other comprehensive income is reclassified to net income in the same year as the hedged cash flows affect net income on the same line in the income statement as the hedged item. If there are no longer expectations that the forecast transaction will occur, then the balance in other comprehensive income is recognized immediately in the income statement. In other cases the value recognized in other comprehensive income is transferred to net income in the same fiscal year as the hedged item affects the result.

If the hedging instrument no longer meets the criteria for hedge accounting, expires, i.e. sold, closed, exercised, or has its designation revoked, then hedge accounting is discontinued prospectively. The retained earnings, previously recognized in other comprehensive income and presented in the equity valuation reserve, remain there until the forecast transaction affects profit or loss.

For the years ended December 31, 2022 and 2021, the Group had operations classified as cash flow hedge.

j) Provisions

A provision is recognized, based on a past event, if the Group has a legal or constructive obligation that can be reliably estimated, and it is probable that an economic resource will be required to settle the obligation.

Provisions for environmental, civil, labor and tax risks

Provisions are made for all disputes relating to legal proceedings for which an outflow of resources is likely to be made to settle the litigation/obligation and a reasonable estimate can be made. The evaluation of the probability of loss includes the evaluation of available evidence, the hierarchy of laws, available jurisprudence, the most recent court decisions and their relevance in the legal system, as well as the evaluation of external lawyers. The provisions are reviewed and adjusted to consider changes in circumstances, such as applicable statute of limitations, tax inspection findings or additional exposures identified based on new matters or court decisions.

k) Share-based payment

The Company has a Stock Option Plan and a Restricted Stock Plan for directors and managers, under the administration of a management committee, created by the Board of Directors. In the years ended December 31, 2022 and 2021, the Company measured and recognized these benefits as an expense in accordance with CPC 10 (R1) (IFRS 2). Details of the Company's programs can be found in note 28.

The fair value of share-based payment benefits at the grant date is recognized as personnel expenses, with a corresponding increase in equity, for the period in which the employees unconditionally acquire the right to the benefits. The amount recognized as an expense is adjusted to reflect the number of shares for which there is an expectation that the conditions of service and non-market vesting conditions will be met, so that the amount finally recognized as an expense is based on the actual number of awards meeting these conditions at vesting date. For share-based payment awards with a non-market vesting condition, the fair value at grant date is measured to reflect such conditions and there is no change for differences between expected and actual benefits.

l) Financial income and financial expenses

Financial income includes interest income, foreign exchange variation in receivables and payables balances, changes in fair value of financial assets measured at fair value through profit or loss, gains on hedge instruments that are recognized in profit or loss and reclassifications of gains previously recognized in other comprehensive income. Interest income is recognized in income using the effective interest method.

Financial expenses include interest expense on loans, foreign exchange variation in accounts receivable and payable balances, changes in fair value of financial assets measured at fair value through profit or loss, impairment losses recognized on financial assets (except receivables), AVP-present value adjustment of lease contracts and losses on hedge instruments that are recognized in profit or loss. Loan costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are measured in income using the effective interest method.

m) Earnings per share

The basic calculation of earnings per share is made by dividing net income for the year, attributed to the holders of the parent company's common shares, by the weighted average number of common shares outstanding during the year in accordance with technical pronouncement CPC 41 (IAS 33). The calculation of diluted earnings per share is the division of net income for the year adjusted for any dividends or other items related to dilutive potential common shares that have been deducted to determine profit or loss attributable to the holders of the Company's common equity, any interest recognized in the period related to the dilutive potential common shares, and any other changes in revenues or expenses that would result from the conversion of the dilutive potential common shares into the weighted average number of common shares that would be issued on the conversion of all dilutive potential common shares into common shares (Note 22.i).

n) Employee benefits

Benefits granted to the Company's employees and managers include, in addition to fixed compensation (salaries and social security contributions INSS, vacation, 13th salary), variable compensation such as profit sharing and a stock option plan and restricted stock for directors and managers. These benefits are recorded in income for the year when the Company has an accrued obligation as incurred.

o) Segment information

The Company concentrates its activities on the production and sale of agricultural products (soybeans, corn, cotton and other minor crops) and on the acquisition and development of land for agriculture, thus it is organized in two business segments: agricultural production and land investments. The operating results are regularly reviewed by the Company's chief operating manager for decisions on resources to be allocated to the segment and for the evaluation of its performance. The Company's products are not controlled and managed by Management as independent segments, and the Company's results are monitored, monitored and evaluated in an integrated manner. There are no other segments or any aggregation of operating segments.

p) Statements of value added and cash flows

The Group has prepared individual and consolidated Value Added Statements (VAS) in accordance with CPC 09 - Value Added Statement (NBC TG 09), which are presented as an integral part of the financial statements in accordance with BRGAAP applicable to public companies, while for IFRS they represent supplementary financial information.

The Group has prepared individual and consolidated cash flow statements in accordance with technical pronouncement CPC 03 (R2) - Cash Flow Statement (IAS 7), using the indirect method.

q) Leasing operations

The Company recognizes the lease liability and the right to use asset on the date the lease agreement is signed. The Company's main contracts refer rations, in addition to other less relevant contracts that involve the rental of cotton and vehicles.

The Company's management considers as a lease component only the minimum fixed amount for purposes of measuring the lease liability. The measurement of the lease liability corresponds to the total of future lease and rental payments, net of tax effects, adjusted to present value, considering the nominal discount rate.

The incremental funding rate, used by the Company for discounting, is composed of the "weighted curve of the CDI / Pre", added to the Company's credit risk and to a risk spread of the underlying asset.

It is worth noting that the land lease contracts are indexed by the price of the sack of soybeans in the region of each production unit, with the values of the right to use assets and liabilities being converted into Reais using the price of soybeans in each region. Payment amounts may vary significantly up to the time of payment, depending on the change in the soybean market value in each region.

For the cases below, the right-of-use asset and the lease liability were not measured, as they present uncertainty in the measurement of the value (totally variable price), do not present a minimum amount to be paid or are of short duration:

a) Partnership contracts: contracts that determine that the Company pays the lessor, per year / harvest period, percentage of the production earned, the price being totally variable;

b) Additional costs linked to productivity: in addition to the lease price, some contracts provide for an increase in value, through additional productivity, resulting from the arithmetic average of the productivity obtained with the agricultural exploration by the lessee. Contracts with this type of characteristic are measured at the minimum fixed amount, with the additional linked to productivity being considered as totally variable; and

c) Other leases of machinery and equipment: contracts have variable value, based on the use of the underlying assets, in addition to having a term of less than one year.

Impact on income for the year

When the Group acts as a lessor, it determines, at the inception of the lease, whether each lease is a finance or operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all the risks and rewards incidental to ownership of the underlying asset. If so, the lease is a finance lease, otherwise it is an operating lease. As part of this assessment, the Group considers certain indicators, such as whether the lease term is equivalent to most of the economic life of the underlying asse.

r) New or revised standards

The following standards will be effective for fiscal years beginning after January 1, 2023:

Classification of liabilities as current or non-current (amendments to CPC 26/IAS 1)

IAS 1 requires an enterprise to classify debt as non-current only if the enterprise can avoid settling the debt within 12 months after the reporting date. For example, a company may have a long-term debt that can be repaid in 12 months, if the company does not comply with the agreements in that same period.

The changes implemented in IAS 1 specify that covenants to be complied with after the balance sheet date do not affect the classification of debt as current or non-current at the balance sheet date. Instead, the modifications require a company to disclose information about these covenants in notes to the financial statements.

The changes apply for annual periods beginning on or after January 1, 2024.

The group is monitoring future effects.

Disclosure of accounting policies (amendments to IAS 1 and IFRS Practice Statement)

In February 2021, the IASB issued amendments to IAS 1 (corresponding standard to CPC 26 (R1)), which provides guides and examples to help entities apply the judgment of materiality for the disclosure of accounting policies. The amendments are to help entities disclose accounting policies that are more useful by replacing the requirement to disclose significant accounting policies for material accounting policies and adding guidance for how entities should apply the concept of materiality to make decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for periods beginning on or after January 1, 2023 with early adoption permitted. As for the amendments to the Practice Statement, it provides non-mandatory guidance on applying the definition of material to accounting policy information. An adoption date for this amendment is not required.

According to the Company's evaluation, there will be no impacts, since the Financial Statements present only relevant accounting policies.

Deferred taxes related to assets and liabilities arising from a single transaction (amendments to CPC 32/IAS 12)

The amendments limit the scope of the initial recognition exemption to exclude transactions that give rise to equal and compensating temporary differences, for example, leases and liabilities and dismantling costs.

The amendments apply for annual periods beginning on or after 1 January 2023. For leases and dismantling cost liabilities, the associated deferred tax assets and liabilities will need to be recognized from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other component of equity at that date. For all other transactions, the changes apply to transactions that occur after the beginning of the earliest period presented.

In the initial recognition of the lease on January 1, 2019, the temporary tax differences were recognized, with no significant impacts on the financial statements.

Other patterns

The following rules will take effect on January 1, 2023:

1. Property, plant and equipment: Revenue before intended use (amendments to CPC 27/IAS 16);
2. Reference to the Conceptual Framework (Amendments to CPC 15/IFRS 3);
3. IFRS 17 Insurance Contracts.

These new and amended standards are not expected to have a material impact on the individual and consolidated financial statements. There are no standards and interpretations issued and not yet adopted that, in the opinion of the Management, may have a significant impact on the result or on the shareholders' equity disclosed by the Company.

4. CONSOLIDATED FINANCIAL STATEMENTS

The consolidated interim financial statements include the operations of the Company and the following subsidiaries, whose percentage interest on the balance sheet date is summarized as follows:

Subsidiaries

Main activity	Companies	Directs %	Indirects %	Location (State)
Culture of soybean, cotton,corn and herd.	Fazenda Pioneira Empreendimentos Agrícolas S.A.	50.0	-	Mato Grosso - MT
Culture of cotton and soybean .	SLC-MIT Empreendimentos Agrícolas S.A.	52.2	-	Rio Grande do Sul - RS
Culture of soybean,corn,cotton and herd.	Fazenda Perdizes Empreedimentos Agrícolas Ltda.	-	50.1	Mato Grosso - MT
Culture of cotton and soybean .	SLC Agrícola Centro Oeste S.A.(*)	100.0	-	Mato Grosso - MT
Investments in other companies or commercial ventures and leasing.	SLC Investimentos Agrícolas Ltda	100.0	-	Rio Grande do Sul - RS
Purchasing and sale, lease, construction and managing of real estate	Fazenda Parnaíba Empreendimentos Agrícolas Ltda.	100.0	-	Maranhão - MA
	Fazenda Planorte Empreendimentos Agrícolas Ltda.	100.0	-	Mato Grosso - MT
	Fazenda Pamplona Empreendimentos Agrícolas Ltda	100.0	-	Rio Grande do Sul - RS
	Fazenda Planalto Empreendimentos Agrícolas Ltda.	100.0	-	Rio Grande do Sul - RS
	Fazenda Palmares Empreendimentos Agrícolas Ltda	100.0	-	Rio Grande do Sul - RS
	Fazenda Parnaguá Empreendimentos Agrícolas Ltda.	100.0	-	Rio Grande do Sul - RS
	Fazenda Paiaguas Empreendimentos Agrícolas S.A.	100.0	-	Rio Grande do Sul - RS
	SLC Perdizes Empreendimentos Agrícolas S.A.	100.0	-	Rio Grande do Sul - RS
	SLC LandCo Empreendimentos Agrícolas S.A.	-	81.2	Rio Grande do Sul - RS
	Fazenda Planeste Empreendimentos Agrícolas Ltda.	-	81.2	Rio Grande do Sul - RS
	Fazenda Piratini Empreendimentos Agrícolas Ltda	-	81.2	Rio Grande do Sul - RS
	Fazenda Panorama Empreendimentos Agrícolas Ltda.	-	81.2	Rio Grande do Sul - RS
	Fazenda Palmeira Empreendimentos Agrícolas Ltda.	-	81.2	Rio Grande do Sul - RS
	Fazenda Parceiro Empreendimentos Agrícolas Ltda.	-	100.0	Rio Grande do Sul - RS
	Fazenda Paineira Empreendimentos Agrícolas Ltda.	6.1	93.9	Rio Grande do Sul - RS

(*) On December 31, 2022, SLC Agríciola Centro-Oeste S.A held interest in companies Ecotrans Transporte Ltda. (99.99%), Buriti Agrícola Ltda. (100%), Crateús Algodoeira S.A. (99.48%) and Mocuri Agrícola Ltda. (99.99%). The companies are non-operating and are not part of the assets acquired in the business combination and are in the process of being transferred to the former shareholder. There are no asset and liability balances in the financial statements in relation to the aforementioned companies.

The period of the interim financial statements of the subsidiaries included in the consolidation is the same as that of the Parent Company and the accounting policies were applied uniformly in the consolidated companies and are consistent with those used in the previous period.

5. CASH AND CASH EQUIVALENTS AND INTEREST EARNING BANK DEPOSITS

		Parent company		Consolidated	
Description	Yields	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Cash and cash equivalents in R$	-	308	108	530	144
Forex exchange cash (**)	-	17,353	16,859	28,122	19,449
CDB-DI	101.06% of CDI (*)	827,784	29,079	1,207,123	120,187
Cash and cash equivalents		845,445	46,046	1,235,775	139,780
Non-current Interest earnings bank deposits	79.28% of CDI (*)	747	684	747	684

(*) Average yield on December 31, 2022.
(**) Amounts in reais, converted by the dollar P-tax purchase on December 30, 2022.

The financial operations contracted by the Company are represented by investments in bank certificates of deposit, at market prices and rates, updated by the income earned up to December 31, 2022, not exceeding the trading value.

Long-term financial investments are reciprocated (collateralized operations), which represent in the non-current assets the amount of R$ 747 of the portfolio in the parent company and in the consolidated (R$ 684 on December 31, 2021).

The variation in the balance of cash and cash equivalents in the year is mainly due to net cash generation in the period and financial strategies.

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 25.

6. TRADE ACCOUNTS RECEIVABLE

	Parent Company		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Domestic market	37,186	32,209	52,987	41,219
Foreign market	86,648	85,632	121,304	106,195
Total	123,834	117,841	174,291	147,414

The Company understands that the risk of default in relation to accounts receivable is practically zero, which is why it does not set up a provision for credit losses. Even though the rule provides this prerogative, we understand that the cost of calculating and controlling this amount is greater than the benefit of this information, which we consider immaterial for the financial statement user.

The group's exposure to credit and currency risk related to trade accounts receivable is disclosed in note 25.

7. INVENTORIES

The composition of the Company's inventories on December 31, 2022 is represented as follows:

	Parent company		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Agricultural products	**1,085,707**	916,417	**1,456,169**	1,313,030
Agricultural products - formation costs	**731,811**	561,818	**1,029,726**	870,725
Agricultural products – Adjustment at fair value for biological assets	**353,896**	354,599	**426,443**	442,305
Seeds, composts, fertilizers and pesticides	**1,161,678**	878,083	**1,703,443**	1,329,269
Packages and containerization material	**28,282**	22,508	**46,506**	30,380
Spare parts	**29,331**	25,468	**38,653**	31,097
Other inventories	**37,287**	77,391	**73,413**	71,396
Advances to suppliers	**18,084**	11,156	**25,796**	31,193
	2,360,370	1,931,023	**3,343,980**	2,806,365

Inventories of agricultural products are stated at net realizable value. On December 31, 2022, substantially in the cotton crop, a provision in the amount of R$ 61,244 was constituted in the parent company and R$ 70,977 in the consolidated and no amount was recorded on December 31, 2021.

8. BIOLOGICAL ASSETS

The Company's biological assets are formed by temporary crops and a cattle herd and are represented below:

	Parent Company		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Biological assets - culture in formation (a)	**1,225,428**	1,115,933	**1,751,584**	1,620,053
Biological assets - herd of cattle (b)	**32,469**	61,365	**47,992**	70,916
Total	**1,257,897**	1,177,298	**1,799,576**	1,690,969

a) Biological assets culture

The movement in fair value of biological assets during the year is as follows:

	Parent Company				
	Soybean	Cotton	Corn	Other crops [2]	Total
Balances at december 31, 2021	713,196	292,070	85,853	24,814	1,115,933
Expenditures with planting	1,197,306	1,520,364	420,813	65,797	3,204,280
Variation of the fair value [1]	1,007,449	557,881	113,749	-	1,679,079
Harvesting - agricultural products	(2,132,142)	(2,008,392)	(554,776)	(78,554)	(4,773,864)
Balances at december 31, 2022	785,809	361,923	65,639	12,057	1,225,428
Agricultural products - formation costs	623,543	361,923	65,639	12,057	1,063,162
Biological assets - adjustment at fair value	162,266	-	-	-	162,266

[1] Effect of biological assets on the income statement for the year.

[2] Other crops include seed corn, seed millet, wheat, beans, sorghum, brachiaria, stylosanthes, sesame.

	Consolidated				
	Soybean	Cotton	Corn	Other crops [2]	Total
Balances at december 31, 2021	1,205,012	298,405	89,757	26,879	1,620,053
Expenditures with planting	1,670,952	2,066,331	595,682	97,129	4,430,094
Variation of the fair value [1]	1,464,402	625,494	127,214	(2,084)	2,215,026
Harvesting - agricultural products	(3,051,853)	(2,610,276)	(730,242)	(121,218)	(6,513,589)
Balances at december 31, 2022	1,288,513	379,954	82,411	706	1,751,584
Agricultural products - formation costs	902,875	379,954	82,411	706	1,365,946
Biological assets - adjustment at fair value	385,638	-	-	-	385,638

[1] Effect of biological assets on the income statement for the period.

[2] The other crops are formed by seed corn, seed millet, wheat, beans, sorghum, brachiaria, stylosantes and sesame.

As described in note 3.c, the Company measures the fair value of biological assets of cultures using the income approach, which considers a weighted average between market prices and contract prices. The fair value, considering market prices on December 31, 2022, is R$ 418,498.

Below we present the main assumptions used in determining the fair value of biological assets of the 2021/22 harvest compared to the 2020/21 harvest:

	Parenty Company		Consolidated	
	12/31/2022 [1]	12/31/2021 [2]	12/31/2022 [1]	12/31/2021 [2]
Soybean				
Harvested area (ha)	**217,350**	184,879	**334,891**	229,449
Productivity achieved (bag/ha)	**67.6**	65.8	**65.3**	64.8
Average price (R$/bag) [3]	**R$ 148.79**	R$ 113.70	**R$ 147.22**	R$ 119.62
Corn				
Harvested area (ha)	**91,142**	90,981	**133,299**	112,861
Productivity achieved (bag/ha)	**111.2**	95.6	**104.0**	94.8
Average price (R$/bag) [3]	**R$ 54.43**	R$ 42.16	**R$ 52.67**	R$ 40.27
Cotton seed				
Harvested area (ha)	**118,515**	95,652	**176,985**	109,599
Productivity achieved (bag/ha)	**256.1**	301.2	**239.3**	298.4
Average price (R$/bag) [3]	**R$ 68.25**	R$ 55.15	**R$ 65.93**	R$ 54.55

[1] Data referring to the 2021/22 harvest.

[2] Data referring to the 2020/21 harvest.

[3] Average price on the calculation date.

Below we present the main assumptions and estimates adopted in determining the fair value of biological assets for the 2022/23 and 2021/22 harvest on the measurement date:

	Parenty company		Consolidated	
	12/31/2022 [1]	12/31/2021 [2]	12/31/2022 [1]	12/31/2021 [2]
Soybean				
Total harvested area (ha)	**32**	-	**32**	-
Productivity obtained (sc/ha)	**62.50**	-	**62.50**	-
Area at harvest point (ha)	**45,610**	46,224	**110,388**	103,181
Estimated productivity (bag/ha)	**66.5**	62.0	**65.80**	63.0
Average price (R$/bag) [3]	**R$ 146.48**	R$ 136.64	**R$ 143.00**	R$ 129.48

[1] Data referring to the 2022/23 harvest.

[2] Data referring to the 2021/22 harvest.

[3] Average price on the calculation date.

To determine the fair value of biological assets, the Company uses the valuation techniqueof observable prices ("Level 3") on the income approach and starts measuring at fair value at the moment of the relevant biological transformation, represented by the phenological stage of each crop, starting from R5 for soybeans - where it corresponds to grain filling until they reach their potential size, R2 for corn – stage in which grain filling begins and C1 for cotton – the first ball (apple or bud) breaks initially, located on the first branch, in the boll.

The 2022/23 Crop is distributed across 22 production units strategically located in seven Brazilian states. Below we present the cycles of the main cultures of the Company:

		Crops		
Unit	Location	Soybean	Cotton	Corn
Pamplona Farm	Cristalina-GO	September 25 to April 15	November 05 to August 30	January 20 to July 15
Planalto Farm	Costa Rica-MS	September 20 to March 25	December 05 to August 30	January 20 to July 10
Planorte Farm	Sapezal-MT	September 20 to March 15	January 01 to August 30	February 10 to July 10
Paiaguás Farm	Diamantino-MT	September 20 to March 15	January 01 to August 30	February 10 to July 15
Perdizes Farm	Porto dos Gaúchos - MT	September 20 to March 15	December 20 to August 30	February 01 to July 10
Pioneira Farm	Querência - MT	October 10 to March 25	December 20 to August 30	January 20 to July 15
Panorama Farm	Correntina-BA	October 20 to April 30	December 01 to August 30	November 01 to July 15
Paladino Farm	São Desidério - BA	November 01 to April 30	December 01 to August 30	Does not plant
Piratini Farm	Jaborandi-BA	November 01 to April 30	Does not plant	Does not plant
Palmares Farm	Barreiras-BA	October 20 to April 30	December 01 to August 30	November 01 to July 15
Parceiro Farm	Formosa do Rio Preto -BA	November 01 to April 30	December 01 to August 30	November 01 to July 15
Parnaíba Farm	Tasso Fragoso-MA	October 20 to April 15	December 10 to August 30	January 25 to July 15
Planeste Farm	Balsas-MA	October 15 to April 15	December 20 to August 30	January 25 to July 15
Parnaguá Farm	Santa Filomena-PI	November 01 to April 15	Does not plant	December 01 to July 15
Pantanal Farm	Chapadão do Sul - MS	September 20 to March 25	December 05 to August 30	January 10 to July 10
Palmeira Farm	Tasso Fragoso-MA	October 10 to April 15	December 10 to August 30	February 01 to July 15
Paysandu Farm	São Desidério - BA	November 01 to April 30	December 01 to August 30	September 01 to July 15
Piracema Farm	Nova Mutum -MT	September 20 to March 20	December 20 to August 30	December 10 to July 10
Pirapora Farm	Santa Rita do Trivelato - MT	September 20 to March 20	December 20 to August 30	February 01 to July 10
Pejuçara Farm	Diamantino - MT	September 20 to March 20	December 20 to August 30	October 10 to July 10
Pampeira Farm	Parecis- MT	September 20 to March 20	December 20 to August 30	December 10 to July 10
Próspera Farm	Tabaporã - MT	September 20 to March 20	December 20 to August 30	February 01 to July 10

Planted Area

Below, we present the comparative table of the planted area in the 2021/22 and 2020/21 harvests:

Crops	Area	Planted area 2021/22	Planted area 2020/21
Cotton	ha	**176,985**	109,604
Soybean (commercial + soy seed)	ha	**334,891**	229,449
Corn	ha	**133,370**	112,864
Other Crops (*)	ha	**26,700**	11,250
		671,946	463,167

(*) Other crops include corn seed, wheat, popcorn, beans, brachiaria, stylists, sesame and catle raising permanent.

The increase in planted area in the 2021/22 crop compared to the 2020/21 crop is mainly due to the business combination with Terra Santa S.A (currently SLC Agrícola Centro-Oeste S.A). and the new area of land leased with Agrícola Xingu S.A., referring to the Paysandu Farm.

Regarding the 2022/23 harvest, we present the update of the planned area:

Crops	Area	Planned area harvest 2022/23 (2)
Cotton	ha	**162,202**
Soybean (commercial + soy seed)	ha	**346,953**
Corn	ha	**138,832**
Other Crops (1)	ha	**22,729**
Total	**ha**	**670,716**

(1) Other crops include corn seed, millet, wheat, beans, sorghum, brachiaria, stylosants, sesame and catle raising permanent.

(2) Data updated on 03/08/2023.

b) Biological assets – cattle raising

The Company has a herd of cattle in the fattening mode, working with the Integrated Livestock Crop Project – ILP. This system aims to optimize the use of the soil, in places where it is only possible to carry out a harvest (soybean), using the herd. as a second crop.

The fair value of cattle is calculated at market value, given the existence of an active market. The gain or loss on the change in the fair value of biological assets is recognized in profit or loss for the year in which it occurs.

The fair value measurement of cattle biological assets is classified as level 2 – quoted prices for identical or similar assets or liabilities in markets that are not active.

The Company considered the prices practiced in the cattle market in the regions considering the main market, and through the metrics used in the market. Thus, the measurement is based on the at sign, race and age group and the costs necessary to bring it into salable condition.

The change in the fair value of the cattle herd during the period is as follows:

	Parenty company	Consolidated
Balances at December 31, 2021	61,365	70,916
Purchase cost and treat cattle	69,477	95,685
Variation in fair value adjustment (*)	4,225	1,650
Low for sale	(102,598)	(120,259)
Balances at december 31, 2022	32,469	47,992
Biological assets - cattle	30,295	46,842
Biological assets - adjustment at fair value	2,174	1,150

(*) Effect of biological assets in the statement of income for the year.

9. RECOVERABLE TAXES

	Parent Company		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Income tax	7,446	3,791	8,170	4,861
Social contribution	2,642	63	2,814	152
ICMS	148,037	111,066	195,743	153,064
COFINS	24,945	12,021	71,661	55,704
PIS	5,506	2,650	17,223	13,361
IRRF recoverable	9,581	1,871	15,394	5,241
Indebted IRPJ/CSLL Selic	41	3,773	512	4,194
IRPJ/CSLL Red BC ICMS	12,352	11,556	12,352	11,556
Others	843	342	20,042	31,493
	211,393	147,133	343,911	279,626
Portion classified in current assets	73,882	49,616	139,817	126,936
Portion classified in non-current assets	137,511	97,517	204,094	152,690

Income and social contribution taxes

It corresponds to the prepayments of Income and social contribution taxes, which will be offset with taxes of the same nature, in addition to the negative balance of IRPJ and CSLL, which will be offset with federal taxes and contributions.

ICMS, PIS and COFINS to be offset/recovered

These refer to credits generated in normal operations of the Company and its subsidiaries and may be offset with taxes of the same nature.

The estimated realization of ICMS, PIS and COFINS sales taxes is evaluated by management based on estimated projections of sales of agricultural products, commercialization of ICMS tax credits and on compensation or offsetting of PIS and COFINS with other taxes generated by the Group's operation. The estimated terms of realization of these assets are described below.

	Parent Company			Consolidated		
Deadline	**ICMS**	**COFINS**	**PIS**	**ICMS**	**COFINS**	**PIS**
up to 1 year	33,262	23,631	5,215	45,863	43,021	8,758
1 to 2 years	38,549	44	12	60,524	18,984	6,556
2 to 3 years	62,673	-	-	75,787	-	-
over 3 years	13,553	1,270	279	13,569	9,656	1,909
	148,037	**24,945**	**5,506**	**195,743**	**71,661**	**17,223**

On December 31, 2022, a provision was recorded in the amount of R$ 35,368 (R$ 21,123 on December 31, 2021), referring to ICMS tax credits whose loss is estimated due to non-realization. The estimated recovery of ICMS credits was based on the projection of ICMS debts and transfers of ICMS credits to third parties. The amount was recorded in "other operating expenses" in the income statement for the period.

Recoverable IRRF

Corresponds to withholding income tax on financial investments. Throughout the year they are offset against the IRPJ debt, after closure, these credits are realizable by offsetting with federal taxes and contributions.

Non-levy of IRPJ and CSLL on amounts related to SELIC in tax undue payments

On September 24, 2021, the Superior Federal Court - STF ("STF") unanimously ruled the non-levy of the IRPJ and CSLL on the amounts related to the SELIC rate, Received by the taxpayer due to the repetition of tax overdue. The Company has a Writ of Mandamus seeking recognition of the right to non-levy of IRPJ and CSLL on amounts arising from monetary restatement and interest on arrears, including SELIC, calculated on tax credits due to repeated tax overdue payments.

On October 7, 2022, the Parent Company's Writ of Mandamus became final. The credit was enabled and the Company has already offset the amount of R$ 4,122 with other federal debts.

The amount of the benefit calculated and recognized on December 31, 2022 is R$ 512, of which R$ 41 in the Parent Company (R$ 33 of principal and R$ 8 of Selic) and R$ 471 in the subsidiaries Fazenda Pioneira Empreendimentos Agrícolas S/

A and SLC-MIT Empreendimentos Agrícolas S/A, with R$ 422 as principal and R$ 49 as Selic. The Company awaits the final and unappealable decision of its process for effective tax offsetting of the amounts.

IRPJ/CSLL Red BC ICMS - Credit referring to exclusion of the IRPJ/CSLL tax base from the reduction of the ICMS tax base

On December 31, 2021, the Company recognized the amount of R$ 11,556 of IRPJ and CSLL, referring to the subsidy to reduce the ICMS tax base, of which R$ 9,936 is principal and R$ 1,620 is restated by Selic. The period for raising this credit was from January 2012 to June 2021. This process became final on 07/29/2019, and the Company filed a lawsuit to repeat the undue payment for settlement by means of a precatory. As of December 31, 2022, the updated balance is R$12,351.

Other Recoverable Taxes

On March 2021, the credit related to the process that recognized the right, to the subsidiary SLC MIT Empreendimentos Agrícolas S/A, to exclude from the calculation basis of the social security contribution referred to in art. 25 of Law No. 8,870/94. The amount of credit accumulated as of December 31, 2022 recorded in the subsidiary is R$ 177. The other credits refer to other taxes arising from the business combination.

10. SECURITIES AND CREDITS RECEIVABLE

As of December 31, 2022 and 2021, the balance of receivables is composed as follows:

	Consolidated
Balance at december 31, 2021	48,881
CDI application yield	**1,414**
Receipts [1]	**2,768**
Variation of segregated accounts [2]	**4,651**
Others	**(212)**
Balance at december 31, 2022	**57,502**
Portion classified in current assets	25,852
Portion classified in non-current assets	31,650

[1] The amount of R$ 2,768 was received with no cash effect, offset against amounts payable.

[2] The counterpart of segregated liabilities (provision for contingencies) is provisioned in assets. When the amounts are paid by SLC Agrícola Centro-Oeste (former Terra Santa), they will be received from the former sellers, without prejudice to the Company

As of December 31, 2022 and 2021, we have the following breakdown of accounts receivable:

	Consolidated	
	12/31/2022	12/31/2021
Amounts receivable from the sale of land (a)	**13,541**	12,184
Receivables - segregated account (b)	**1,020**	33,272
Active provision - counterpart of segregated accounts	**31,650**	-
Basket receivable	**6,675**	-
Others	**4,616**	3,425
Balance at december 31, 2022	**57,502**	48,881

Segregated accounts are accounts that were not acquired by the Company in the business combination with Terra Santa Agro, pursuant to the Association Agreement entered into between the parties.

Active segregated accounts (securities receivable, taxes recoverable, advances to suppliers, escrow deposits and investment properties) totaled R$ 82,078 on the closing date of the transaction. As of December 31, 2022, these assets amounted to R$ 63,242 (see note 21 - Notes payable), which generate the need to set up a liability provision in the same amount, since, when the assets are actually received by SLC Agrícola Centro-Oeste (former Terra Santa), will be paid to the former shareholders, with no benefit to the Company.

The passive segregated accounts (payable notes and provision for contingencies) totaled R$ 28,250 on the closing date of the transaction. As of December 31, 2022, these liabilities amounted to R$ 31,650, which generate the need to set up an active provision in the same amount, since, when the liabilities are effectively paid by SLC Agrícola Centro-Oeste (formerly Terra Santa), will be received from former shareholders, without prejudice to the Company.

The effective receipt of segregated assets generates a liability to be paid to the former shareholders, called "basket payable". On the other hand, the effective payment of segregated liabilities generates an asset receivable from former shareholders, called "basket receivable". The financial settlement of the basket's net balance is carried out on April 30 of each year or when the net balance reaches R$15,000, whichever occurs first.

a) Sale of land in the subsidiaries Fazenda Paiaguás and Fazenda Parceiro

The subsidiaries Fazenda Paiaguás Empreendimentos Agrícolas Ltda. and Fazenda Parceiro Empreendimentos Agrícolas Ltda. sold 11,604 hectares of land to third parties in 2017, in the total amount of R$ 176,654, of which R$ 52,996 was received in that year, and the rest was deposited by the buyer, in February 2018, in a guaranteed account ("Escrow Account"), being invested in securities backed by an Interbank Deposit Certificate (CDI). The contract provided for some document formalizations such as transfer of reservations, registration of real estate in a notary's office with unfolding of its records and mortgage release, among others ("Precedent Conditions").

Fazenda Parceiro complied with all the preceding conditions, and all amounts were received. On September 30, 2022, Fazenda Paiaguas, still has precedent conditions precedent to be met, with a receivable balance in the amount of R$ 13,541.

b) Receivables related to the business combination

Due to the business combination, which occurred on March 25, 2021, the amount receivable on December 31, 2022, totals R$ 39,345, as described below:

The amount of R$ 6,675 will be offset by the liability payable to the former Terra Santa Agro S.A., in the amount of R$ 21,347, when the financial disbursement occurs, within the terms set forth in the Association Agreement.

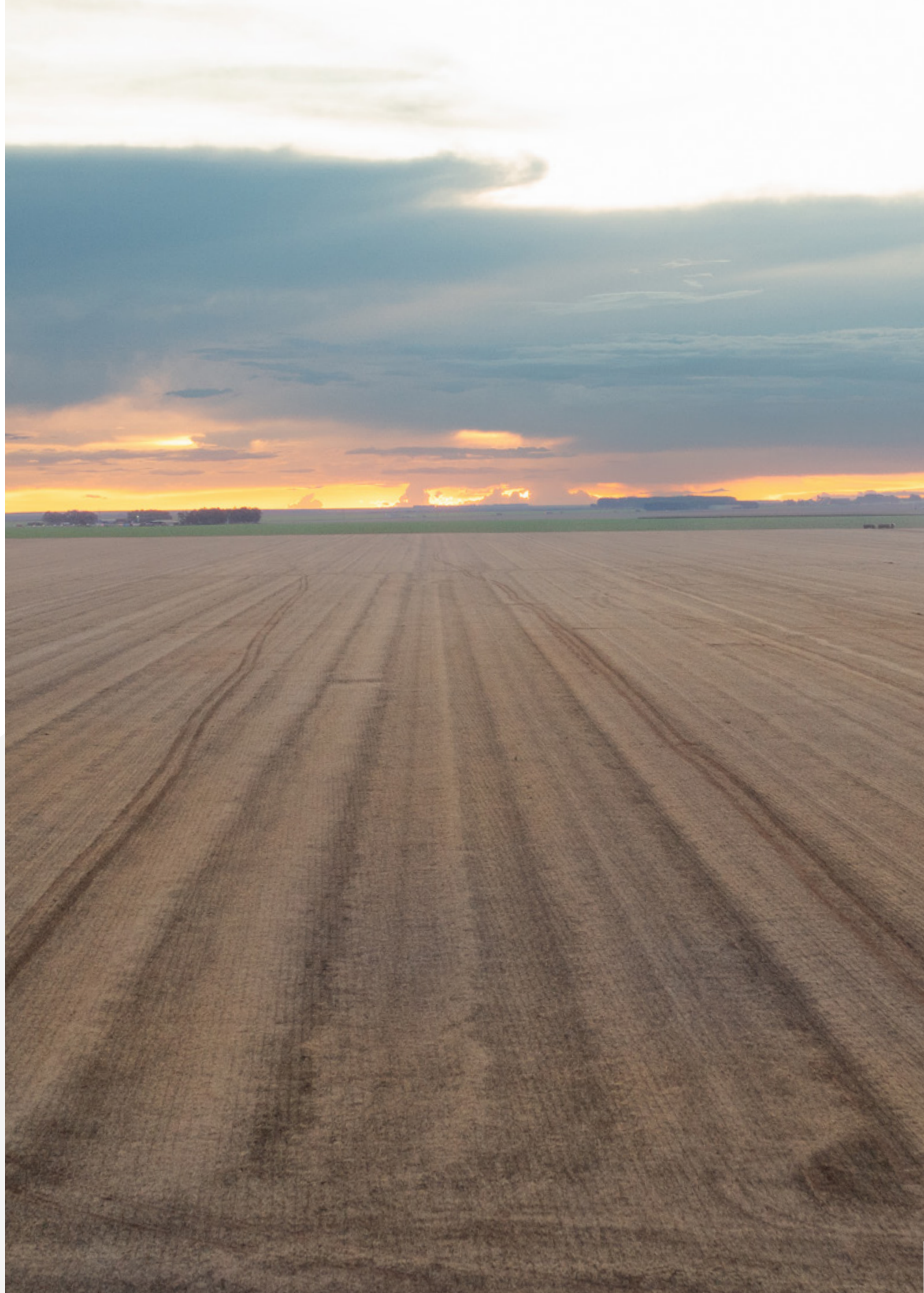
The amount of R$ 1,020 is represented by amounts receivable by the former Terra Santa Agro S.A., which will be transferred by SLC Agrícola Centro-Oeste on the dates provided for in the Association Agreement, when effectively received.

In addition, a balance receivable in the amount of R$ 31,650 was recorded at SLC Agrícola Centro-Oeste, referring to contingencies that, once paid by SLC Agrícola Centro-Oeste, will be reimbursed by the former sellers, at no cost to the Company.

11. INVESTMENTS (PARENT COMPANY)

Total investments at December 31, 2022 and 2021 are comprised of the following:

	Parent Company		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Investments parent company	**3,907,858**	3,540,305	-	-
Capital Gains in Fixed Assets, net of tax effects	**54,596**	62,470	-	-
Capital gains on leases, net of tax effects	**(1,374)**	7,821	-	-
Goodwill investment SLC Agrícola Centro-Oeste S.A. (former Terra Santa Agro S.A.)	**47,355**	47,355	-	-
	4,008,435	3,657,951	-	-
Other equity interests	**314**	305	**3,618**	1,640
	4,008,749	3,658,256	**3,618**	1,640



The relevant investments in subsidiaries, valued by the equity method, with a balance on December 31, 2022, are shown in the table below:

Investiment	Capital stock	Shareholders' equity	Unrealized profit in equity in transactions with related parties	Adjustments to IFRS 16 / CPC 06 (R2) in shareholders' equity	Added value in business combination	Goodwill Investment	Percentage of interest	Equity participation
Fazenda Parnaíba Emp. Agr. Ltda.	21,053	191,786	-	(19,582)	-	-	100.00%	172,204
Fazenda Planorte Emp. Agr. Ltda.	57,099	240,784	-	(14,678)	-	-	100.00%	226,106
Fazenda Pioneira Emp. Agr. S.A.	91,672	159,660	-	-	-	-	50.00%	73,855
SLC-MIT Emp. Agr. S.A	109,981	235,277	(14,432)	(6,152)	-	-	52.20%	82,866
SLC Invest. Agrícolas Ltda.	279,405	889,476	-	9,307	-	-	100.00%	898,783
Fazenda Pamplona Emp. Agr. Ltda.	31,766	167,788	-	(7,864)	-	-	100.00%	159,924
Fazenda Planalto Emp. Agr. Ltda.	9,137	237,410	-	(8,697)	-	-	100.00%	228,713
Fazenda Palmares Emp. Agr. Ltda.	109,800	244,997	-	1,164	-	-	100.00%	246,161
Fazenda Parnaguá Emp. Agr. Ltda.	34,291	51,573	-	10,563	-	-	100.00%	62,136
Fazenda Paineira Emp. Agr. Ltda.	73,985	239,876	-	-	-	-	6.082%	14,589
Fazenda Paiaguás Emp. Agr. Ltda.	20,347	218,731	-	(11,989)	-	-	100.00%	206,740
SLC Perdizes Emp. Agr. Ltda.	77,163	129,295	-	(9,461)	-	-	100.00%	119,830
SLC Agrícola Centro-Oeste S.A.	1,324,121	1,469,358	-	-	53,222	47,355	100.00%	1,516,528
								4,008,435

Investiment	Net income for the period	Unrealized profit in income for the period in operations with related parties	Adjustments to IFRS 16 / CPC 06 (R2) for the period	Equity in income of subsidiaries and associated companies
Fazenda Parnaíba Emp. Agr. Ltda.	34,623	-	13,847	48,470
Fazenda Planorte Emp. Agr. Ltda.	49,065	-	8,358	57,423
Fazenda Pioneira Emp. Agr. S.A.	73,346	(5,975)	-	30,698
SLC-MIT Emp. Agr. S.A	43,672	(22,929)	(2,232)	(1,297)
SLC Invest. Agrícolas Ltda.	80,696	-	8,320	89,016
Fazenda Pamplona Emp. Agr. Ltda.	24,857	-	4,549	29,406
Fazenda Planalto Emp. Agr. Ltda.	37,315	-	3,561	40,876
Fazenda Palmares Emp. Agr. Ltda.	49,763	-	3,020	52,783
Fazenda Parnaguá Emp. Agr. Ltda.	7,149	-	5,231	12,380
Fazenda Paineira Emp. Agr. Ltda.	28,899	-	-	1,758
Fazenda Paiaguás Emp. Agr. Ltda.	58,387	-	13,433	71,820
SLC Perdizes Emp. Agr. Ltda.	19,215	-	(4,958)	14,257
SLC Agrícola Centro-Oeste S.A.	185,114	(53,407)	-	131,707
				579,297

The main movements in investments in direct permanent equity interests, as at December 31, 2022, are as follows:

Investiment	Balance on 12/31/2021	Increase in participation	Added value achievement	Distributed dividends or interest on equity	Equity	Unrealized gain with hedge instruments	Other adjustments	Balance on 12/31/2022
Fazenda Parnaíba Emp. Agr. Ltda.	164,695	-	-	(40.963)	48,470	-	-	172,202
Fazenda Planorte Emp. Agr. Ltda.	222,360	-	-	(53.678)	57,423	-	-	226,105
Fazenda Pioneira Emp. Agr. S.A. (1)	69,178	-	-	(29.463)	30,698	3,441	-	73,854
SLC-MIT Emp. Agr. S.A. (1)	75,399	-	-	(17.055)	(1,297)	25,822	-	82,869
SLC Invest. Agrícolas Ltda.	831,293	-	-	(21.527)	89,016	-	-	898,782
Fazenda Pamplona Emp. Agr. Ltda.	162,709	-	-	(32.191)	29,406	-	-	159,924
Fazenda Planalto Emp. Agr. Ltda.	233,960	-	-	(46.126)	40,876	-	-	228,710
Fazenda Palmares Emp. Agr. Ltda.	215,879	-	-	(22.500)	52,783	-	-	246,162
Fazenda Parnaguá Emp. Agr. Ltda.	55,335	-	-	(4.782)	12,380	-	(797)	62,136
Fazenda Paineira Emp. Agr. Ltda.	13,569	-	-	(742)	1,758	-	-	14,585
Fazenda Paiaguás Emp. Agr. Ltda.	213,063	-	-	(78.139)	71,820	-	-	206,744
SLC Perdizes Emp. Agr. Ltda.	119,579	-	-	(14.000)	14,257	-	-	119,836
SLC Agrícola Centro-Oeste S.A.	1,280,932	77,138	(17,068)	(31.084)	131,707	74,901	-	1,516,526
	3,657,951	77,138	(17,068)	(392.250)	579,297	104,164	(797)	4,008,435

(1) The Company has control over Fazenda Pioneira Empreendimentos Agrícolas S.A. and SLC-MIT Empreendimentos Agrícolas S.A. as it is responsible for managing the relevant activities of these companies, being exposed to variable investment returns due to its power over it.

The following is the main information on investments in permanent equity investments as of December 31, 2022:

	Directly and indirectly controlled						
Investments	Current Assets	Non-current Assets	Current Liabilities	Non-current Liabilities	Equity	Income	Expenses
Fazenda Parnaíba Emp. Agr. Ltda.	16,321	188,499	2,732	10,302	191,786	43,524	(8,901)
Fazenda Planorte Emp. Agr. Ltda.	22,724	226,485	814	7,611	240,784	59,238	(10,173)
Fazenda Pioneira Emp. Agr. S.A.	204,103	118,794	112,139	51,098	159,660	377,255	(303,909)
SLC-MIT Emp. Agr. S.A.	553,842	281,018	366,999	232,584	235,277	688,081	(644,408)
SLC Investimentos Agricolas Ltda	4,546	920,886	18,904	17,052	889,476	83,909	(3,213)
Fazenda Pamplona Emp. Agr. Ltda	11,088	163,333	547	6,086	167,788	30,758	(5,901)
Fazenda Planalto Emp. Agr. Ltda.	16,240	231,069	777	9,122	237,410	45,560	(8,246)
Fazenda Palmares Emp. Agr. Ltda	12,459	238,322	1,080	4,704	244,997	54,850	(5,086)
Fazenda Parnaguá Emp. Agr. Ltda.	11,350	41,075	100	752	51,573	9,240	(2,091)
Fazenda Paineira Emp. Agr. Ltda.	12,413	233,962	505	5,994	239,876	31,123	(2,224)
Fazenda Paiaguás Emp. Agr. Ltda.	36,662	193,113	1,724	9,320	218,731	69,970	(11,583)
SLC Perdizes Emp. Agrícolas Ltda.	11,813	118,998	423	1,093	129,295	26,119	(6,904)
SLC Agrícola Centro-Oeste S.A.	1,543,105	1,621,932	704,043	991,637	1,469,357	1,758,611	(1,573,498)
SLC LandCo Emp. Agrícolas S.A.	12,435	602,555	16,014	-	598,976	57,859	(6,763)
Fazenda Planeste Emp. Agr. Ltda.	12,406	137,321	388	4,185	145,154	19,110	(3,614)
Fazenda Piratini Emp. Agr. Ltda	7,626	151,197	360	6,244	152,219	18,352	(3,223)
Fazenda Panorama Emp. Agr. Ltda.	11,783	118,591	309	2,418	127,647	13,921	(3,045)
Fazenda Palmeira Emp. Agr. Ltda.	2,715	24,734	133	239	27,077	5,653	(1,144)
Fazenda Parceiro Emp. Agr. Ltda.	29,861	90,294	167	1,025	118,963	8,630	(2,544)

12. INVESTMENT PROPERTY

	Opening balance 01/01/2021	Reclassification	Adjustment on fair value attributed to investment property	Business combination	Others	Final balance 12/31/2021
Crop lands	92,647	-	-	-	-	92,647
Buildings and improvements	1,572	(20)	2,245	3,400	-	6,848
Soil correction and development	10,954	-	-	-	(349)	10,954
Gain on fair value	119,021	-	103,799	-	-	222,820
Total	224,194	(20)	106,044	3,400	(349)	333,269
Fair value adjustments - Income			106,044			106,044

	Balance at 12/31/2021	Reclassification	Adjustment on fair value attributed to investment property	Others	Balance at 12/31/2022
Crop lands	92,647	(32)	-	(1)	92,614
Buildings and improvements	6,848	(3,684)	-	-	3,164
Soil correction and development	10,954	1,237	-	-	12,191
Gain on fair value	222,820	2,479	52,549	-	277,848
Total	333,269	-	52,549	(1)	385,817
Fair value adjustments - Income			52,549		52,549

Investment property includes cropland and the infrastructure on it that is leased to third parties.

Investment properties are recorded at fair value, which was determined based on valuations carried out by independent appraisers, in May 2022. The Company performs an annual evaluation of the fair value of the assets registered as investment properties.

The fair value of properties was determined using the direct comparative method of market data, which consists of determining the market value of an asset by comparing it to similar ones, through their sale prices, in view of their similar characteristics. In this method, adjustments are made through the use of factors that aim to correct any differences between the goods available on the market and the goods being evaluated. To determine the fair value of investment properties, the Company adopts "Level 3". The change in the fair value of investment properties was recorded in the statement of income for the year, under "Other operating income (expenses)".

Investment property rental income

Income from rental of investment property is recognized in profit or loss on the straight-line method over the lease term. Lease incentives granted are recognized as an integral part of total rental income, for the period of the lease. Revenue from the rental of other properties is recognized as operating income. As of December 31, 2022, rental revenue totaled R$ 22,145 (R$ 14,681 as of December, 2021).

13. LEASING OPERATIONS

The movement of the right-of-use assets is shown below:

	Parent company	Consolidated
Balance at 01/01/2021	2,463,254	828,496
Business Combination	-	1,092,732
Added value achievement	-	(5,545)
Additions of new contracts and remeasurement lease liability	2,265,212	1,374,411
(-) Amortization of the right to use asset	(327,738)	(247,909)
Balance at 12/31/2021	4,400,728	3,042,185
Cotton rental	16,397	20,811
Culture lands	4,330,349	2,957,737
Leasing of buildings	11,682	13,651
Machinery	32,524	39,352
Rental cars	9,776	10,634
	4,400,728	3,042,185
Amortization of right of use in the period:		
Cotton rental	(1,584)	(2,432)
Culture lands	(314,308)	(232,302)
Leasing of buildings	(1,061)	(1,404)
Machinery	(5,624)	(6,105)
Rental cars	(5,161)	(5,666)
Total period	(327,738)	(247,909)

	Parent company	Consolidated
Balance at 12/31/2021	4,400,728	3,042,185
Added value	-	(570)
Additions of new contracts and remeasurement lease liability	520,318	211,373
(-) Contract exclusion	-	(1,880)
(-) Amortization of the right to use asset	(434,204)	(369,846)
Balance at 12/31/2022	4,486,842	2,881,262
Cotton rental	15,434	54,676
Culture lands	4,403,502	2,741,188
Leasing of buildings	9,691	9,691
Machinery	45,498	60,415
Rental cars	12,717	15,292
	4,486,842	2,881,262
Amortization of right of use in the period:		
Cotton rental	(1,768)	(4,896)
Culture lands	(414,656)	(343,517)
Leasing of buildings	(1,990)	(2,081)
Machinery	(11,416)	(13,302)
Rental cars	(4,374)	(6,050)
Total period	(434,204)	(369,846)

The change in lease liabilities is shown below:

	Parent company	Consolidated
Balance at 01/01/2021	2,615,382	934,284
Business Combination	-	1,088,008
Added value	-	(1,807)
Additions of new contracts and remeasurement lease liability	2,265,212	1,374,411
Realization of the APV on lease liabilities	315,157	175,149
(-) Payments [*]	(489,440)	(233,657)
Balance at 12/31/2021	4,706,311	3,336,388
Liabilities current	619,114	511,932
Intercompany (note 16.a)	287,194	-
Third-party	331,920	511,932
Liabilities non-current	4,087,197	2,824,456
Intercompany (note 16.a)	2,310,609	-
Third-party	1,776,588	2,824,456

[*] The amount of R$ 2,717 was non-cash and was offset against receivables.

	Parent company	Consolidated
Balance at 12/31/2021	4,706,311	3,336,388
Added value	-	794
Additions of new contracts and remeasurement lease liability	520,318	211,373
Realization of the APV on lease liabilities	404,369	280,423
(-) Contract exclusion	-	(1,880)
(-) Payments	(690,900)	(573,051)
Balance at 12/31/2022	4,940,098	3,254,047
Liabilities current	694,687	523,573
Intercompany (note 16.a)	327,505	-
Third-party	367,182	523,573
Liabilities non-current	4,245,411	2,730,474
Intercompany (note 16.a)	2,513,411	-
Third-party	1,732,000	2,730,474

Impacts on the result

With the implementation of the CPC 06 (R2) (IFRS 16) standard in 2019, all leases are now accounted for under a single model, similar to accounting for financial leases, bringing a new financial component, which reduced the cost of production, due to the effect of recording the adjustment to present value in the financial result. The amount recorded in the financial result for the period represents R$ 404,369 in the parent company and R$ 280,423 in the consolidated (R$ 315,157 in the parent company and R$ 175,149 in the consolidated, for the same period of 2021).

The Company has land lease agreements with its subsidiaries, as described in note 16. The adoption of said rule caused differences between the results of the parent company and the consolidated, which were adjusted in the calculation of equity of the parent company, so that the results of the parent company's period and the consolidated result attributed to the controlling shareholders were equal, based on ICPC 09 (R2) - Individual Financial Statements, Separate Statements, Consolidated Statements and Application of the Equity Method. The calculation of the equity method is shown in note 11.

Sub-lease of right of use asset

On December 27, 2019, a rural lease agreement was signed between SLC Agrícola S.A with SLC Landco Empreendimentos Agrícolas S.A, for a minimum period of 7 years. Concomitant with the signing of this rural lease, SLC Agrícola S.A entered into a sublease agreement with Fazenda Perdizes Empreendimentos Agrícolas S.A., for the same lease period.

The Parent Company's revenue in the period, resulting from the subleasing of rights-of-use assets, was R$ 7,848 (R$ 5,029 in parent company revenue for the same period in 2021).

Additional information

The Company, in full compliance with IFRS 16 / CPC 06 (R2), in measuring and remeasuring its lease liabilities and the right to use, proceeded to use the discounted cash flow technique without considering the projected future inflation in the flows to be discounted, according to the prohibition imposed by IFRS 16 / CPC 06 (R2).

As of December 31, 2022, the gross contractual flow of lease agreements entitled to PIS / COFINS credit is R$ 8,385,834 at the parent company and R$ 3,063,945 at the consolidated (R$ 8,211,574 at the parent company and R$ 5,403,799 in the consolidated, as of December 31, 2021). The potential PIS and COFINS credit on the gross contractual flow, brought to present value, is R$ 493,603 in the parent company and R$ 191,085 in the consolidated (R$ 461,984 in the parent company and R$ 272,695 in the consolidated, as of December 31, 2021).

In compliance with the guidance of CVM's technical areas, as required in circular letter CVM / SNC / SEP / n° 02/2019 in order to provide additional information to users, the comparative balances of the lease liability, the asset are presented below rights of use, adjustment to present value and amortization of the right of use considering the projection of future inflation in the flows to be discounted.

When remeasuring lease liabilities, the Company projected cash flow with future inflation, incorporating the inflation obtained through the quotation of future contracts available at B3 SA - Brasil, Bolsa and Balcão, discounted at the same rate identified in the initial measurement, presenting the impacts as below:

Parent company		
	Considerations without inflation [1]	Considerations with inflation [2]
Right of use asset	4,486,842	8,166,053
Liabilities leasing - current	694,687	819,730
Liabilities leasing - non current	4,245,411	6,962,473
Consolidated		
	Considerations without inflation [1]	Considerations with inflation [2]
Right of use asset	2,881,262	4,667,645
Liabilities leasing - current	523,573	538,189
Liabilities leasing - non current	2,730,474	3,946,311

[1] Discounted cash flow without considering projected future inflation.

[2] Discounted cash flow considering projected future inflation.

Below is the gross contractual flow:

	Parent company		Consolidated	
	Considerations without inflation [1]	Considerations with inflation [2]	Considerations without inflation [1]	Considerations with inflation [2]
up to year	731,938	778,401	561,123	596,742
1 to 2 years	678,528	765,927	498,529	562,743
2 to 3 years	655,952	786,258	452,030	541,826
3 to 4 years	643,898	819,938	432,977	551,352
4 to 5 years	616,226	833,864	406,889	550,594
over 5 years	4,992,526	9,724,721	3,121,186	6,068,619
	8,319,069	13,709,109	5,472,735	8,871,876

[1] Discounted cash flow without considering projected future inflation.

[2] Discounted cash flow considering projected future inflation.

14. PROPERTY, PLANT AND EQUIPMENT

a) Composition of fixed assets

	Parent Company						
Cost of the gross fixed assets	Opening balance 01/01/2021	Additions	Write-offs	Transfers	Reclassification	Depreciation	Final balance 12/31/2021
Soil correction and development	150,619	108,219	-	(129)	-	(29,871)	228,838
Buildings and improvements	242,396	805	(115)	6,528	6	(10,557)	239,063
Agricultural equipment and industrial facilities	394,890	139,257	(10,719)	942	1	(61,979)	462,392
Vehicles	31,246	3,381	(793)	(114)	(3)	(4,570)	29,147
Furniture and fixtures	8,316	2,753	(57)	(103)	-	(1,364)	9,545
Equipment and facilities of the office	14,916	15,214	(87)	(580)	6	(5,421)	24,048
Others	3,727	441	(116)	9	-	(5)	4,056
Total fixed assets in operation	846,110	270,070	(11,887)	6,553	10	(113,767)	997,089
Works in progress	9,049	67,148	-	(6,553)	-	-	69,644
Total	855,159	337,218	(11,887)	-	10	(113,767)	1,066,733

Cost of the gross fixed assets	Parent Company						
	Balance on 12/31/2021	Additions	Write-offs	Transfers	Reclassification	Depreciation	Balance on 12/31/2022
Soil correction and development	228,838	134,870	-	59	-	(45,300)	318,467
Buildings and improvements	239,063	1,312	(223)	75,945	-	(12,210)	303,887
Agricultural equipment and industrial facilities	462,392	141,932	(2,154)	9,489	-	(71,199)	540,460
Vehicles	29,147	3,702	(15)	-	-	(4,541)	28,293
Furniture and fixtures	9,545	2,948	(54)	1,237	-	(1,650)	12,026
Equipment and facilities of the office	24,048	10,432	(131)	45	-	(7,407)	26,987
Others	4,056	505	-	95	(214)	(41)	4,401
Total fixed assets in operation	997,089	295,701	(2,577)	86,870	(214)	(142,348)	1,234,521
Works in progress	69,644	91,304	-	(86,870)	-	-	74,078
Total	1,066,733	387,005	(2,577)	-	(214)	(142,348)	1,308,599

	Consolidated								
Cost of the gross fixed assets	Opening balance 01/01/2021	Business combination	Added value (*)	Additions	Write-offs	Transfers	Reclassification (**)	Depreciation	Final balance 12/31/2021
Crop lands	1,720,026	-	-	321	(10)	(20)	-	-	1,720,317
Soil correction and development	265,921	26,473	-	153,372	-	718	-	(48,698)	397,786
Buildings and improvements	391,212	1,536	1,645	1,060	(231)	8,355	26	(20,836)	382,767
Agricultural equipment and industrial facilities	484,391	69,735	74,314	171,752	(12,075)	3,090	8	(82,858)	708,357
Vehicles	34,458	10,446	17,960	3,471	(855)	(114)	(3)	(5,501)	59,862
Furniture and fixtures	10,025	1,848	671	3,016	(81)	(89)	-	(1,765)	13,625
Equipment and facilities of the office	19,967	722	60	16,259	(106)	(540)	6	(6,143)	30,225
Others	7,711	-	-	594	(116)	9	-	(85)	8,113
Total fixed assets in operation	2,933,711	110,760	94,650	349,845	(13,474)	11,409	37	(165,886)	3,321,052
Works in progress	10,833	2,552	-	75,039	-	(11,409)	(4)	-	77,011
Total	2,944,544	113,312	94,650	424,884	(13,474)	-	33	(165,886)	3,398,063

(*) Depreciation of the surplus value in the period of items arising from the business combination with Terra Santa Agro S.A, depreciated over their useful life, allocated to income for the period.

(**) Reclassification to intangible assets, available for sale and investment property in the amount of R$ 21.

Cost of the gross fixed assets	Consolidated							
	Balance on 12/31/2021	Additions	Write-offs	Transfers	Reclassification (*)	Added value achievement (**)	Depreciation	Balance on 12/31/2022
Crop lands	1,720,317	185	(3,077)	-	-	-	-	1,717,425
Soil correction and development	397,786	187,328	-	59	-	-	(71,664)	513,509
Buildings and improvements	382,767	2,442	(1,057)	85,024	-	(242)	(22,175)	446,759
Agricultural equipment and industrial facilities	708,357	230,228	(4,850)	35,040	-	(18,985)	(105,667)	844,123
Vehicles	59,862	4,797	(157)	6,906	-	(4,983)	(6,715)	59,710
Furniture and fixtures	13,625	4,710	(412)	635	-	(245)	(2,203)	16,110
Equipment and facilities of the office	30,225	13,201	(178)	1,119	-	(42)	(8,529)	35,796
Others	8,113	910	(71)	794	(272)	-	(120)	9,354
Total fixed assets in operation	3,321,052	443,801	(9,802)	129,577	(272)	(24,497)	(217,073)	3,642,786
Works in progress	77,011	142,892	-	(129,577)	-	-	-	90,326
Total	3,398,063	586,693	(9,802)	-	(272)	(24,497)	(217,073)	3,733,112

(*) Reclassification referring to cutting firewood for fuel R$ 272.

(**) Depreciation of the surplus value in the period of items arising from the business combination with SLC Agrícola Centro-Oeste S.A. (formerly Terra Santa Agro S.A.), depreciated over their useful life, allocated to income for the period.

b) Construction in progress

As of December 31, 2022, the balance of works in progress, in the amount of R$ 74,077 in the parent company and R$ 90,326 in the consolidated, is substantially represented by works in cotton farming, drilling of wells, construction of warehouses, civil construction, integration of livestock and other improvements.

The amount of interest capitalized on construction in progress in the period ended December 31,2022 was R$ 2,321 (R$ 1,830 as of December 31, 2021). The capitalization rate used in determining the amount of borrowing costs eligible for capitalization was approximately 4.37% y.y.

c) Guarantees

At December 31, 2022 and December 31, 2021, property, plant and equipment were pledged as collateral for mortgages, bank loans and lawsuits, as shown below:

	Parent Company		Consolidated	
Assets under secure	**12/31/2022**	**12/31/2021**	**12/31/2022**	**12/31/2021**
Pledge of financing	**10,564**	12,285	**16,883**	19,900
Assets in legal proceedings	-	9,800	-	9,800
	10,564	22,085	**16,883**	29,700

15. INTANGIBLE

	Parent Company					
Gross intangible cost	Opening balance 01/01/2021	Additions	Transfers	Reclassification	Amortization	Final balance 12/31/2021
Software	4,579	1,524	61,439	(1)	(2,302)	65,239
Import of new system	30,661	35,505	(61,439)	(12)	-	4,715
Total	35,240	37,029	-	(13)	(2,302)	69,954

	Parent Company				
Gross intangible cost	Balance on 12/31/2021	Additions	Transfers	Amortization	Balance on 12/31/2022
Software	65,239	677	16,847	(15,018)	67,745
Import of new system	4,715	27,842	(16,847)	-	15,710
Total	69,954	28,519	-	(15,018)	83,455

	Consolidated						
Gross intangible cost	Opening balance 01/01/2021	Business combination	Additions	Transfers	Reclassification	Amortization	Final balance 12/31/2021
Software	4,629	290	1,524	61,911	(8)	(2,415)	65,936
Import of new system	30,661	472	35,505	(61,911)	(12)	-	4,715
Goodwill	-	-	47,355	-	-	-	47,355
Brands and patents	-	174	-	-	4	-	178
Total	35,290	936	84,389	-	(16)	(2,415)	118,184

	Consolidated					
Gross intangible cost	Balance on 12/31/2021	Additions	Write-off	Transfers (*)	Amortization	Balance on 12/31/2022
Software	65,936	679	(1)	16,847	(15,225)	68,236
Import of new system	4,715	28,014	-	(16,847)	-	15,882
Goodwill	47,355	-	-	-	-	47,355
Brands and patents	178	-	(178)	-	-	-
Total	118,184	28,693	(179)	-	(15,225)	131,473

(*) Backoffice system activation with SAP integration.

Goodwill paid for expected future profitability

Goodwill calculated in the amount of R$ 47,355, arising from the business combination with SLC Agrícola Centro-Oeste S.A, represents the expected future economic benefit of the synergy arising from the acquisition.

To determine the recoverable amount of goodwill, the Company used cash flow projections, before income tax and social contribution, based on financial budgets approved by Management for a period of 20 years, considering the following assumptions:

a. Revenues: projected from 2022 to 2042, considering yields increasing up to the SLC standard, in the first 5 years, and then stabilizing in the other periods and futures prices available until the foreseeable period;

b. Costs and expenses: designed taking into account the benchmarking of SLC farms, in the same region and with the same operating conditions;

c. Discount rate: the discount rate used was 9.27% y.y.

On December 31, 2022, the Company carried out tests to review the recoverable amount and concluded that there are no factors that indicate impairment losses, given that the recoverable amount exceeded the carrying amount.

16. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

At December 31, 2022 and December 31, 2021, the Parent Company's balances and transactions with related parties are as follows:

a) Related-party balances

Balances receivable from related parties:

	Parent company		Consolidated	
	Other accounts receivable		Other accounts receivable	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Direct subsidiaries				
Fazenda Perdizes Empr, Agr, Ltda	**7,187**	6,974	-	-
Fazenda Pioneira Empr, Agr, S,A,	**840**	3,491	-	-
SLC Perdizes Empr, Agr, Ltda	-	4,371	-	-
SLC Agrícola Centro Oeste S,A,	**42,779**	34,380	-	-
Indirect subsidiaries				
SLC - MIT Empr, Agr, S,A,	**12,831**	9,764	-	-
Parent company				
SLC Participações S,A,	-	20	-	20
Portion classified as current	**63,637**	52,351	-	**20**
Portion classified as non-current	-	6,649	-	-

Balances payable to related parties::

	Parent company						Consolidated	
	Leases payable		Other accounts payable		Total payable		Other accounts payable	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021	12/31/2022	12/31/2021	31/12/2022	31/12/2021
Direct subsidiaries								
Fazenda Parnaíba Empr. Agr. Ltda	**314,791**	306,516	-	7,706	**314,791**	314,222	-	-
Fazenda Planorte Empr. Agr. Ltda	**515,110**	508,619	-	5,905	**515,110**	514,524	-	-
Fazenda Pamplona Empr. Agr. Ltda	**268,140**	259,873	-	8,006	**268,140**	267,879	-	-
Fazenda Planalto Empr. Agr. Ltda	**389,850**	376,362	-	10,158	**389,850**	386,520	-	-
Fazenda Pioneira Empr. Agr. S.A	-	-	-	84	-	84	-	-
Fazenda Palmares Empr. Agr. Ltda	**128,833**	89,440	-	3,203	**128,832**	92,643	-	-
Fazenda Parnagua Empr. Agr. Ltda	**101,530**	80,691	-	2,652	**101,530**	83,343	-	-
Fazenda Parceiro Empr. Agr. Ltda	**96,001**	54,412	-	29,324	**96,001**	83,736	-	-
Fazenda Paiaguás Emp. Agr. Ltda.	**579,723**	573,885	-	21,767	**579,723**	595,652	-	-
SLC Agrícola Centro-Oeste S.A.	-	-	**158**	11,864	**158**	11,864	-	-
Indirect subsidiaries					-			
Fazenda Planeste Empr. Agr. Ltda	**132,501**	116,887	-	-	**132,501**	116,887	-	-
Fazenda Panorama Empr. Agr. Ltda	**98,011**	78,906	-	-	**98,011**	78,906	-	-
Fazenda Piratini Empr. Agr. Ltda	**134,211**	108,179	-	-	**134,211**	108,179	-	-
Fazenda Perdizes Empr. Agr. Ltda	-	-	**210**	9	**210**	9	-	-
SLC - MIT Empr. Agr. S.A.	-	-	**3,739**	7,936	**3,739**	7,936	-	-
Fazenda Palmeira Emp. Agr. Ltda.	**46,553**	20,947	-	-	**46,553**	20,947	-	-
SLC Landco Empr. Agr. Ltda	**35,662**	23,086	-	-	**35,662**	23,086	-	-
Fazenda Paineira Empr. Agr. Ltda	-	-	-	9,007	-	9,007	-	-
Other related parties								
Other related parties	-	-	**2,280**	-	**2,280**	-	**2,482**	79
	2,840,916	2,597,803	**6,386**	117,621	**2,847,302**	2,715,424	**2,482**	79
Liabilities current	**327,505**	287,194	**6,386**	117,621	**333,891**	404,815	**2,482**	79
Liabilities non-current	**2,513,411**	2,310,609	-	-	**2,513,411**	2,310,609	-	-

The amounts recorded in the group of “other accounts payable” are substantially represented by loan agreements between the Company and its subsidiaries.

SLC Participações S.A. is the final Parent Company of the Company. There are no relevant transactions with the Parent Company, except dividend payments.

b) Transactions with related parties

	Amortization of the right to use (IFRS 16)		APV-Liabilities Rental (IFRS16)	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Direct subsidiaries				
Fazenda Parnaíba Empr. Agr. Ltda	**26,464**	13,090	**29,895**	24,261
Fazenda Planorte Empr. Agr. Ltda	**20,839**	14,147	**45,704**	37,340
Fazenda Pamplona Empr. Agr. Ltda	**10,849**	6,655	**23,407**	18,432
Fazenda Planalto Empr. Agr. Ltda	**13,706**	13,883	**33,967**	26,818
Fazenda Palmares Empr. Agr. Ltda	**8,822**	6,370	**10,798**	10,512
Fazenda Parnagua Empr. Agr. Ltda	**4,514**	3,521	**8,677**	6,079
Fazenda Parceiro Empr. Agr. Ltda	**223**	1,149	**10,071**	3,620
Fazenda Paiaguás Empr. Agr. Ltda	**26,936**	16,774	**51,138**	41,123
Indirect subsidiaries				
Fazenda Planeste Empr. Agr. Ltda	**6,348**	6,126	**10,666**	7,827
Fazenda Panorama Empr. Agr. Ltda	**9,212**	3,826	**7,346**	5,410
Fazenda Piratini Empr. Agr. Ltda	**12,965**	-	**10,179**	5,357
Fazenda Perdizes Empr. Agr. Ltda	**-**	430	**-**	-
Fazenda Palmeira Empr. Agr. Ltda	**1,468**	397	**3,006**	1,062
SLC Landco Empr. Agr. Ltda	**760**	2,823	**1,207**	1,240
Subsidiaries				
SLC Participações S.A.	**-**	176	**-**	22
	143,106	89,367	**246,061**	189,103

	Sales of goods/products/ property, plant and equipment		Purchases of goods/ products/ Corporate TI	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Direct subsidiaries				
Fazenda Pioneira Empr. Agr. Ltda	**23,341**	5,187	**-**	2,238
SLC Agrícola Centro-Oeste S.A.	**72,492**	31,862	**739**	-
Indirect subsidiaries				
Fazenda Perdizes Empr. Agr. Ltda	**24,758**	12,172	**-**	-
SLC MIT Empr. Agr. S.A.	**7,227**	12,416	**56,225**	47,824
Subsidiaries				
SLC Participações S.A.	-	-	**144**	193
Other related parties				
Fundação SLC	**-**	-	**8,301**	2,355
Instituto SLC	**-**	-	**888**	2,070
	127,818	61,637	**66,297**	54,680

c) Rental contracts payable

The purpose of the rural lease agreement is for the lessor to make the land, facilities and other goods available for the lessee to exploit the agricultural activity through the cultivation of cotton, soybeans, corn and other crops in return for a rental price.

The Company has lease agreements with its subsidiaries for a minimum term of 20 years, with renewal depending on the will of the parties, however the lessees have preference.

As of December 31, 2022, the lease liability with its subsidiaries can be demonstrated as follows:

Farm	Localization	Accounting value	up to 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	over 5 years
Parnaiba	Tasso Fragoso - MA	**314,791**	40,070	29,105	15,522	17,053	18,725	194,316
Planorte	Sapezal - MT	**515,111**	55,010	30,034	15,235	16,635	18,150	380,047
Pamplona	Cristalina - GO	**268,140**	28,258	15,082	7,611	8,303	9,051	199,835
Planalto	Costa Rica - MS	**389,850**	41,084	21,927	11,066	12,072	13,160	290,541
Palmares	Barreiras - BA	**128,833**	17,042	13,459	7,244	7,920	8,732	74,436
Parnaguá	Santa Filomena - PI	**101,529**	7,781	2,447	3,344	5,218	7,273	75,466
Parceiro	Formosa do Rio Preto - BA	**96,002**	8,020	1,584	2,406	2,597	2,797	78,598
Paiaguás	Diamantino - MT	**579,723**	61,094	32,607	16,455	17,951	19,569	432,047
Planeste	Balsas - MA	**132,500**	19,404	18,421	10,079	11,055	12,121	61,420
Panorama	Correntina - BA	**98,011**	14,353	13,626	7,455	8,178	8,966	45,433
Piratini	Jaborandi - BA	**134,211**	19,654	18,659	10,209	11,198	12,278	62,213
Palmeira	Alto Parnaíba - MA	**46,553**	5,920	4,309	2,298	2,524	2,771	28,731
Matriz	Porto Alegre - RS	**35,662**	9,815	16,723	9,124	-	-	-
		2,840,916	**327,505**	**217,982**	**118,048**	**120,704**	**133,592**	**1,923,083**

Liabilities current	**327,505**
Liabilities non current	**2,513,411**

The book value represents the lease liability with future payment flows adjusted to present value, considering the nominal discount rate. The Company has opted to use the practical expedient of using the single discount rate according to the respective terms for contracts with similar characteristics. For this reason, it presents an average rate of 9.35%.

The rural lease contract concluded for the Piratini, Planeste, Panorama and Palmeira Farms, for a minimum period of 20 years, provides for the price of the lease calculated on a rate of 3.25% of the property's valuation value. This in turn is calculated on the areas suitable for agriculture and their respective proportional legal reserve areas, including the value of their infrastructure. The appraiser with proof of excellence in the elaboration of rural property evaluations is chosen by the Board of Directors of SLC Agricola S.A. and annually the evaluation is elaborated according to the rules and guidelines issued by the Brazilian Association of Technical Standards for Rural Property Evaluation.

For the other contracts, the price of the lease is paid annually in BRL, converted by the value of the over-the-counter quotation of each region's soybean bag on the day of payment, according to the contractual clause. The price of the soybean bag must be set by the lessor at least 15 days in advance, with no repricing foreseen.

d) Management fees

The Company considers the non-remunerated Directors, the remunerated Independent Directors and the Officers (Statutory) as key management personnel.

Administrators are remunerated in the form of pro-labore and salaries, paid via payroll. The total amount of directors' remuneration, including bonuses and other benefits, is shown under a specific heading in the income statement and is detailed below:

	Parent company		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Management fee	**(9,071)**	(7,487)	**(9,405)**	(7,816)
Bonuses	**(6,299)**	(4,246)	**(6,299)**	(4,745)
Charges	**(4,779)**	(3,881)	**(4,853)**	(3,970)
Stock option plan	**(3,778)**	(2,400)	**(3,778)**	(2,400)
Other benefits	**(39)**	(22)	**(39)**	(22)
Total	**(23,966)**	(18,036)	**(24,374)**	(18,953)

The Company does not offer post-employment benefits, termination benefits or other long-term benefits to its managers.

At the Annual Shareholders' Meeting, held on April 29, 2022, the global annual remuneration of the Parent Company's administrators was approved, in the amount of up to R$ 23,577, with distribution to be made by the Board of Directors. It should be noted that the subsidiaries, which are public limited companies, also have approval of global annual amounts for their administrators independently.

17. SUPPLIERS

	Parent company		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Suppliers in national currency	**498,186**	594,848	**704,433**	705,576
Foreign currency suppliers	**592,779**	76,386	**860,149**	303,618
Total	**1,090,965**	671,234	**1,564,582**	1,009,194

The Group's exposure to foreign exchange risks related to accounts payable is disclosed in Note 25.c.

18. LOANS AND FINANCING

		Average annual interest rates (%)		Parent company		Consolidated	
	Index	12/31/2022	12/31/2021	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Used in the property, plant and equipment							
Finame - BNDES	Pré	6.11%	5.55%	23,920	25,866	40,986	42,529
				23,920	25,866	40,986	42,529
Invested in working capital							
Rural credit	Pré	12.00%	5.50%	3,063	4,070	15,283	18,299
Rural credit	CDI	14.63%	-	297,285	-	409,229	-
Rural credit	Swap CDI	13.11%	10.27%	173,016	153,315	221,970	153,315
Working capital (CRA)	IPCA + Pré	-	11.00%	-	534,015	-	534,015
Working capital	CDI	14.81%	10.81%	1,086,391	283,151	1,181,891	308,784
Working capital	Swap CDI	-	9.99%	-	390,570	-	390,570
Export financing	CDI	15.06%	10.73%	802,825	346,092	818,041	406,359
Export financing	Swap CDI	2.01%	1.67%	766,871	643,906	766,871	745,351
				3,129,451	2,355,119	3,413,285	2,556,693
				3,153,371	2,380,985	3,454,271	2,599,222
(-)Transaction cost working capital (CRA)				-	(11,463)	-	(11,463)
				3,153,371	2,369,522	3,454,271	2,587,759
Portion classified in current assets				1,137,091	503,252	1,281,537	669,735
Installment classified in non-current				2,016,280	1,866,270	2,172,734	1,918,024

Finame - BNDES - Investment Lines of the National Development Bank (BNDES). They are guaranteed by fiduciary alienation or pledge of the financed assets and by guarantee of the Company and SLC Participações S.A. (Parent Company). Amortizations are carried out on a monthly, semi-annual and annual basis, after the grace period, and will take place between the periods from 01/16/2023 to 05/15/2032.

Rural Credit - Resources intended for the costing and marketing of crops, whose rules, purposes and conditions are established in the Rural Credit Manual (MCR) prepared by the Central Bank of Brazil. They are guaranteed by the Company, and, in some operations, by the pledge of the crop. The periodicity of their depreciation is annual, with maturities between 03/06/2023 and 12/29/2025.

Working Capital - Line for the purpose of meeting cash requirements, due on 09/14/2023 and 09/29/2025 backed in stock or production.

Export Financing - Export financing with short and long term lines raised in reais, euro or dollar indexed at a pre-fixed rate: CCE (Export Credit Note), NCE (Export Credit Note) and FINEX (Financing for Export) Export). The amortization periodicity is annual, semiannual or according to the negotiated term, with maturities between the periods from 01/17/2023 to 12/22/2025. They are guaranteed by the guarantee of the Company with a land mortgage or with a "clean" guarantee.

CRA - Certificate of Agribusiness Receivables - Fixed income securities, issued by the securitizer on behalf of SLC Agrícola, backed by receivables originating from business between rural producers, or their cooperatives, and third parties, covering financing or loans related to the production, commercialization, processing or industrialization of products, agricultural inputs or machines and implements used in agricultural production.

On December 23, 2020, the Company issued a CPR-Financeira (Rural Financial Product Certificate) with a green seal, in the total amount of R$ 480,000 (four hundred and eighty million reais), in a single series, for public distribution with efforts restricted, of SLC Agrícola SA, entered into between the Issuer and ISEC Securitizadora SA The CPR-F was issued at the cost of IPCA + 3.6726% per year, with principal maturity in two installments, on December 16, 2024 and December 15, December 2025, with semiannual interest. The issue is guaranteed "clean" and with the preparation of risk rating reports of the Issue carried out by Standard & Poor's, with the risk rating reviewed quarterly until the maturity date. The final rating of the initial operation was "[brAA-]" and on March 9, 2022, the Company had the operation's rating improved to "[brAA--]".

On December 5, 2022, through the General Meeting and CRA Holders, the request of the Issuer (SLC Agrícola) for the total early settlement of the CRA was approved in an absolute majority, with payment of the early settlement on December 15, 2022.

The maturities of short- and long-term loans and financing are as follows

:

	Parent Company		Consolidated	
Years of maturity	12/31/2022	12/31/2021	12/31/2022	12/31/2021
2022	-	503,252	-	669,735
2023	1,137,091	777,405	1,281,537	821,733
2024	651,053	816,806	728,176	820,096
2025	1,359,054	265,192	1,435,454	266,398
2026	1,583	1,582	2,315	2,315
After 2026	4,590	5,285	6,789	7,482
	3,153,371	2,369,522	3,454,271	2,587,759

The Group's exposure to liquidity risk is disclosed in note 25.

19. PROVISION FOR ENVIRONMENTAL, CIVIL, LABOR AND TAX RISKS

The Company records provisions when the Management, based on the opinion of its legal advisors, understands that there are probabilities of probable losses and that they are sufficient to cover eventual losses with legal and administrative proceedings that arise in the normal course of its business.

The provisions are reviewed and adjusted to take into account changes in circumstances, such as applicable statute of limitations, tax inspection findings or additional exposures identified based on new matters or court decisions.

a) Provisions

The Company records provisions for environmental, civil, labor and tax claims classified as probable loss, as the source of the following changes:

	Parenty Company				
	Environmental	Civil	Labor	Tributary	Total
Balance in 12/31/2021	37	34	1,852	1,052	2,975
Addition of provision	3	28	964	51	1,046
Reverse of provision	-	(8)	(26)	(490)	(524)
Balance in 12/31/2022	40	54	2,790	613	3,497

	Consolidado				
	Environmental	Civil	Labor	Tributary	Total
Balance in 12/31/2021	859	2,763	26,257	2,123	32,002
Addition of provision	230	2,681	6,897	3,517	13,325
Reverse of provision	(49)	(501)	(5,064)	(1,456)	(7,070)
Balance in 12/31/2022	1,040	4,943	28,090	4,184	38,257

This account includes contingent liabilities in the amount of R$ 31,650, referring to lawsuits by SLC Centro-Oeste S.A. (formerly Terra Santa Agro S.A) which, once paid, will be reimbursed to the Company, pursuant to the Association Agreement and Other Covenant.

b) Contingents liabilities

Based on the nature of the actions in which it is involved, and supported by the opinion of its legal advisors, the Company discloses its contingent liabilities for which it has an expectation of possible loss. For these actions, no provisions were set up for eventual losses, as established by CPC 25 (IAS 37) of the Accounting Pronouncements Committee.

Below is a breakdown of the Company's contingent liabilities as of December 31, 2022:

	Parenty Company		Consolidated	
Nature	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Environmental (i)	5,716	5,666	9,145	8,709
Civil (ii)	6,033	6,025	124,047	97,213
Labor (iii)	514	514	1,838	1,306
Tributary (iv)	38,730	27,139	153,841	130,590
	50,993	39,344	288,871	237,818

Contingent liabilities include the lawsuits of SLC Centro-Oeste S.A. (formerly Terra Santa Agro S.A.) in the amount of R$ 176,466. Former shareholders are responsible for the integrity of contingent liabilities arising from taxable events prior to July 1, 2021.

Below is a description of the Company's contingent liabilities as of December 31, 2022.

(i) Environmental actions

The environmental actions are related to infraction notices issued by IBAMA - Brazilian Institute of Environment and Renewable Natural Resources, INEMA – Institute for the Environment and Water Resources and SEMA – Secretariat of State and Environment.

(ii) Civil

Civil actions relate to claims for damages from suppliers, damages caused to third parties, litigation in contractual matters and actions involving real estate matters.

(iii) Labor lawsuits

The labor lawsuits are related to complaints filed mainly by former employees of the Company, employees of outsourced companies and the Labor Ministr.

(iv) Tax

The tax lawsuits are related to the federal and state level.

c) Contingents assets

In February 2020 the Federal Supreme Court (STF) decided on the leading case (RE 759244), guaranteeing the applicability of the immunity related to social contributions on revenues resulting from exports intermediated by commercial exporting companies ("trading companies"), in a similar process to wich the Company has on the subject, which is currently awaiting the processing of the STF decision mentioned above.

The Brazilian Federal Revenue Service suspended the collection of the contribution related to the social security contribution on indirect exports, through the reissue of IN 971/2009, which enabled the Company to stop paying the tax as from September 2020.

d) Judicial deposits

The Company's judicial deposits on December 31, 2022 and 2021, recorded under "other accounts receivable" in non-current assets, are as follow:

	Parenty Company		Consolidated	
Nature	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Environmental	-	-	-	20
Civil	-	-	1,046	1,046
Labor	1,031	629	1,142	2,874
Tributary	1,407	1,659	1,673	4,319
	2,438	2,288	3,861	8,259

20. DEFERRED INCOME AND SOCIAL CONTRIBUTION TAXES

Deferred income tax and social contribution were constituted as follow:

	Parent Company					
			12/31/2022			12/31/2021
Description	Income tax	Social contribution	Total	Income tax	Social contribution	Total
Assets:						
Temporary differences:						
Provision for inventory losses	15,659	5,637	21,296	-	-	-
Provision for profit-sharing	17,925	6,453	24,378	17,256	6,212	23,468
Provision for tax losses	287	103	390	2,368	852	3,220
Operations with derivatives	-	-	-	80,724	29,060	109,784
Provision for Senar	1,291	465	1,756	1,245	448	1,693
APV - Lease liability	48,629	17,506	66,135	20,268	7,296	27,564
Realized profit	21,452	7,723	29,175	-	-	-
Provision for ICMS credit losses	8,268	2,976	11,244	5,359	1,929	7,288
Others	8,000	2,881	10,881	8,223	2,961	11,184
Tax losses and negative basis	-	-	-	5,700	2,044	7,744
	121,511	43,744	165,255	141,143	50,802	191,945
Liabilities:						
Incentivized depreciation from rural activity	(227,218)	(81,798)	(309,016)	(191,679)	(69,004)	(260,683)
Bargain gain on acquisition of equity interest	(3,747)	(1,349)	(5,096)	(3,747)	(1,349)	(5,096)
Deemed cost from property, plant and equipment	(3,408)	(1,227)	(4,635)	(4,098)	(1,475)	(5,573)
Derivative operations	(335)	(121)	(456)	-	-	-
Fair value of biological assets	(129,584)	(46,650)	(176,234)	(141,203)	(50,833)	(192,036)
	(364,292)	(131,145)	(495,437)	(340,727)	(122,661)	(463,388)
Total net	(242,781)	(87,401)	(330,182)	(199,584)	(71,859)	(271,443)
Classified in the non-current liabilities	(242,781)	(87,401)	(330,182)	(199,584)	(71,859)	(271,443)

	Consolidated					
	12/31/2022			12/31/2021		
Description	Income tax	Social contribution	Total	Incom tax	Social contribution	Total
Assets:						
Temporary differences:						
Provision for inventory losses	18,190	6,548	24,738	1,483	534	2,017
Provision for profit-sharing	23,402	8,425	31,827	19,393	6,981	26,374
Provision to tax losses	344	124	468	2,368	852	3,220
Operations with derivatives	-	-	-	85,226	29,856	115,082
Provision for Senar	1,368	492	1,860	1,316	474	1,790
APV - Lease liability	68,522	24,668	93,190	30,083	10,830	40,913
Realized profit	21,452	7,723	29,175	-	-	-
Provision for ICMS credit losses	8,842	3,183	12,025	5,474	1,971	7,445
Others	11,423	4,114	15,537	18,682	6,723	25,405
Tax losses and negative basis	318,205	115,318	433,523	386,958	140,287	527,245
	471,748	170,595	642,343	550,983	198,508	749,491

	Consolidated					
	12/31/2022			12/31/2021		
Description	Income tax	Social contribution	Total	Incom tax	Social contribution	Total
Liabilities:						
Incentivized depreciation from rural activity	(289,641)	(104,148)	(393,789)	(232,893)	(83,718)	(316,611)
Bargain gain on acquisition of equity interest	(3,747)	(1,349)	(5,096)	(3,747)	(1,349)	(5,096)
Deemed cost from property, plant and equipment	(25,946)	(13,233)	(39,179)	(26,972)	(13,608)	(40,580)
Fair value for investment property	(5,164)	(2,789)	(7,953)	(4,113)	(2,221)	(6,334)
Fair value of biological assets	(203,308)	(73,191)	(276,499)	(207,989)	(74,876)	(282,865)
Derivative operations	(20,444)	(8,077)	(28,521)	-	-	-
Added Value	(20,160)	(7,257)	(27,417)	(26,625)	(9,585)	(36,210)
Others	(18,931)	(6,856)	(25,787)	(12,501)	(4,538)	(17,039)
	(587,341)	(216,900)	(804,241)	(514,840)	(189,895)	(704,735)
Net total	(115,593)	(46,305)	(161,898)	36,143	8,613	44,756
Classified in non-current assets	207,221	74,598	281,819	298,281	107,381	405,662
Classified in the non-current liabilities	(322,814)	(120,903)	(443,717)	(262,138)	(98,768)	(360,906)

The Company and its subsidiaries, based on the expectation of generating future taxable income, based on a technical study approved by Management, recognized tax credits on tax losses, negative basis for social contribution and temporary differences, which do not have a statute of limitations. The book value of deferred assets is reviewed annually by the Company and the resulting adjustments have not been significant in relation to Management's initial forecast. The technical study considers the investments and incentives that the farms may be entitled to.

Based on this technical study to generate future taxable income, the Company estimates to recover these tax credits in the following years:

	Parent Company		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
2023	86,568	118,108	236,290	321,618
2024	75,066	69,169	164,600	217,674
2025	2,461	4,668	100,737	98,698
2026	1,160	-	108,496	90,558
2027	-	-	32,220	20,943
	165,255	191,945	642,343	749,491

Estimates of tax credit recovery were based on projections of taxable income taking into consideration various financial and business assumptions. Consequently, these estimates are subject to the uncertainties inherent in such forecasts not being realized in the future.

Reconciliation of tax expense with official rates

Income and social contribution taxes, calculated based on the nominal rates of these taxes, are reconciled to the amount recorded as Income and social contribution taxes expenses as follows:

	Parent Company			
		12/31/2022		12/31/2021
	IRPJ	CSLL	IRPJ	CSLL
Income before tax on profit	1,538,018	1,538,018	1,356,527	1,356,527
Income and social contribution taxes at the nominal rate from 25% to 9%, respectively	(384,505)	(138,422)	(339,132)	(122,087)
Adjustments for calculation f effective rate				
Equity income	166,277	59,860	120,030	43,211
Permanent additions	(13,840)	(4,394)	(3,654)	(924)
Interest on own capital	17,750	6,390	-	-
Other	18,162	2,163	6,666	1,479
Value recorded in the income	(196,156)	(74,403)	(216,090)	(78,321)
Total income and social contribution taxes		(270,559)		(294,411)
Deferred taxes		155,636		(190,274)
Current taxes		(426,195)		(104,137)
Effective rate		17.59%		21.70%

	Consolidated			
		12/31/2022		12/31/2021
	IRPJ	CSLL	IRPJ	CSLL
Income before tax on profit	1,805,825	1,805,825	1,560,810	1,560,810
Income and social contribution taxes at the nominal rate of 25% and 9%, respectively	(451,456)	(162,524)	(390,203)	(140,473)
Adjustments for calculation of effective rate				
Permanent addtions and exclusions	(14,312)	(4,564)	(4,055)	(1,068)
Interest on own capital	17,750	6,390	-	-
Tax incentives of subsidiaries	18,033	1,816	3,072	95
Income and social contribution taxes in companies taxed by the deemed profit system	67,544	24,119	73,082	25,924
Elimination Unrealized profit	682	245	5	2
IFRS 16 effects	12,601	4,536	(4,256)	(1,532)
Other	7,642	2,406	7,019	2,337
Value recorded in the income	(341,516)	(127,576)	(315,336)	(114,715)
Total income and social contribution taxes		(469,092)		(430,051)
Deferred taxes		75,309		(255,544)
Current taxes		(544,401)		(174,507)
Effective rate		25.98%		27.55%

Reconciliation of deferred income and social contribution taxes variation

Income and social contribution taxes, recorded in asset and liability accounts in the parent company and in the consolidated accounts, are shown as follows:

	Parent Company			
Description	Balance on 12/31/2021	Recognized in income	Recognized in comprehensive income	Balance on 12/31/2022
Provision for inventory losses	-	21,296	-	21,296
Provision for profit-sharing	23,468	910	-	24,378
Provision to tax losses	3,220	(2,830)	-	390
Operations with derivatives	109,784	104,133	(214,373)	(456)
Provision for Senar	1,693	63	-	1,756
Others	11,184	(303)	-	10,881
Tax losses and negative basis	7,744	(7,744)	-	-
Realized profit	-	29,175	-	29,175
Provision for ICMS credit losses	7,288	3,956	-	11,244
Incentivized depreciation from rural activity	(260,683)	(48,333)	-	(309,016)
Bargain gain on acquisition of equity interest	(5,096)	-	-	(5,096)
Deemed cost from property, plant and equipment	(5,573)	938	-	(4,635)
Fair value of biological assets	(192,036)	15,802	-	(176,234)
APV - Lease liability	27,564	38,571	-	66,135
Total	(271,443)	155,634	(214,373)	(330,182)
Non-current liabilities	(271,443)			(330,182)

Description	Consolidated Balance on 12/31/2021	Recognized in income	Recognized in comprehensive income	Balance on 12/31/2022
Provision for inventory losses	-	24,738	-	24,738
Provision for profit-sharing	26,374	5,453	-	31,827
Provision to tax losses	3,220	(2,752)	-	468
Operations with derivatives	115,082	138,385	(281,988)	(28,521)
Provision for Senar	1,790	70	-	1,860
Others	25,405	(9,868)	-	15,537
Adjustment to present value of stocks	2,017	(2,017)	-	-
Realized profit	-	29,175	-	29,175
Tax losses and negative basis	527,245	(93,722)	-	433,523
APV - Lease liability	40,913	52,277	-	93,190
Provision for ICMS credit losses	7,445	4,580	-	12,025
Incentivized depreciation from rural activity	(316,611)	(77,178)	-	(393,789)
Bargain gain on acquisition of equity interest	(5,096)	-	-	(5,096)
Deemed cost from property, plant and equipment	(40,580)	1,376	25	(39,179)
Fair value for investment property	(6,334)	(1,619)	-	(7,953)
Fair value of biological assets	(282,865)	6,366	-	(276,499)
Added Value	(36,210)	8,793	-	(27,417)
Others	(17,039)	(8,748)	-	(25,787)
Total	44,756	75,309	(281,963)	(161,898)
Non-current assets	405,662			281,819
Non-current liabilities	(360,906)			(443,717)

Income tax and social contribution payable

The balance of income tax and social contribution on income payable as of December 31, 2022 is R$ 151,686 in the Parent Company and R$ 161,738 in the Consolidated (R$ 14,879 on December 31, 2021, in Consolidated)..

21. SECURITIES PAYABLE (CONSOLIDATED)

The balance as of December 31, 2022 is shown as follows:

	Consolidated
Balance at December 31, 2021	108,637
Variation in the balance of segregated accounts (*)	(11,774)
Partnership Contracts	4,221
Payments	(706)
Balance at December 31, 2022	**100,378**
Current liabilities	**86,102**
Non-current liabilities	**14,276**

(*) The counterpart of the segregated assets (securities receivable, taxes recoverable, other assets and investment properties) are provisioned in liabilities. When the amounts are received by SLC Agrícola Centro-Oeste (former Terra Santa), they will be passed on to the former sellers, with no benefit to the Company.

The Company, through its subsidiaries, has:

(i) liabilities from contracts referring to the purchase of land, in the amount of R$ 11,567;

(ii) agricultural partnership payable, in the amount of R$ 4,221;

(iii) liabilities provisioned against segregated assets, in the amount of R$ 63,242 (see note 10 - Securities receivable);

(iv) effective basket payable to Terra Santa Agricultural Properties, former parent company of SLC Centro Oeste S.A. (formerly Terra Santa Agro S.A.), in the amount of R$ 21,348 (see note 10 - Securities receivable).

22. EQUITY

a) Capital stock

On December 31, 2022, the subscribed capital in the amount of R$ 1,512,522 is represented by 212,422,599 common, nominative, book-entry shares with no par value.

The following is a distribution of the common shares among the shareholders:

	Quantity of shares	
Shareholder	12/31/2022	12/31/2021
SLC Participações S.A.	100,032,616	100,032,616
Management	11,697,057	11,623,499
Treasury shares	8,197,429	4,625,621
Other	92,495,497	96,140,863
Total shares of paid-in capital	212,422,599	212,422,599
(-) Treasury shares	(8,197,429)	(4,625,621)
Total shares - ex-treasury	204,225,170	207,796,978

b) Capital reserve – goodwill in the issue of shares

Represented by the goodwill received on the public share offerings held in June 2007 and June 2008 and by the goodwill on treasury stock sales made in connection with the stock option plans, less the costs of issuing these shares (commissions, fees and other expenses), net of tax effects in accordance with CPC 10 (R1) (IFRS 2).

c) Treasury shares

The balance of treasury shares on December 31, 2022 is R$ 280,170 and consists of 8,197,429 shares (R$ 116,846 on December 31, 2021, consisting of 4,625,621 shares).

The change in the number of treasury shares in the period was as follows:

	Treasury shares	
	In nº shares	In R$
Balance at December 31, 2021	4,625,621	(116,846)
Acquisitions of shares treasury	4,007,474	(182,086)
Shares exercised under the stock option plans	(435,666)	18,762
Balance at December 31, 2022	8,197,429	(280,170)

The market value of treasury shares, calculated based on the last stock exchange quote, prior to the period's closing date was R$ 384,541 (R$ 46.91 per share) on December 31, 2022 and R$ 189,327 (R$ 40.93 per share) as of December 31, 2021.

d) Legal reserve

The legal reserve is established on the basis of 5% of the net profit for the year limited to 20% of the share capital. As provided for in the Bylaws in article 42, paragraph a, in the fiscal year in which the balance of the legal reserve plus the amounts of the capital reserves referred to in paragraph 1 of article 182 of Law 6,404/76 exceeds thirty percent (30%) of the capital stock, it shall not be mandatory to allocate part of the net profit of the fiscal year to the legal reserve.

For the year ended December 31, 2022, the Company constituted a legal reserve of R$ 63,361.

e) Reserve for expansion

According to the provisions of Article 194 of Law 6,404/76 and Article 42 of the Company's Bylaws, a Reserve for Expansion shall be formed based on the remaining profit after the legal and statutory deductions, for the purpose of investing in operating assets or capital expenditures, this reserve may not exceed the amount of capital stock.

For the year ended December 31, 2022, the Company constituted an expansion reserve of R$ 604,294.

f) Profit retention reserve

The balance on December 31, 2022 and December 31, 2021 refers to the remaining balance of retained earnings for the period 2007, which was retained as a profit retention reserve for the realization of new investments, provided for in the approved capital budget. by the Board of Directors, in accordance with article 196 of Law 6,404/76.

g) Incentive investment reserve

It corresponds to tax benefits granted by the states of Mato Grosso do Sul, Mato Grosso and Goiás for the reduction in the amount of ICMS to be collected from 70% to 75%, in the form of a presumed credit, for the operations of cotton, cotton seed and corn, classified as investment subsidy. For the year ended December 31, 2022, the Company constituted a tax incentive reserve of R$ 247.

h) Dividends and interest on equity

According to the Bylaws, the minimum mandatory dividend is calculated on the basis of 25% of the net profit remaining for the year, after the reserves established by law have been constituted.

The composition of the proposed dividend calculations for the year ended December 31, 2022 and dividends and interest on equity distributed on December 31, 2021 was as follows:

	12/31/2022	12/31/2021
Net income for the year	1,267,459	1,062,116
Appropriation of investment reserve incentivized	(247)	(149)
Appropriation of legal reserve	(63,360)	(53,099)
Calculation base for the dividends proposed	1,203,852	1,008,868
Minimum compulsory dividend - 25%	229,963	252,218
Interest on equity	71,000	-
Additional dividend proposed - 25% [(a)]	300,963	252,217
Proposed dividends	601,926	504,435
Dividend per share	2.947363	2.427538
% on the basis	50%	50%

(a) Management proposal to be resolved at the Annual Shareholders' Meeting, scheduled for April 2023.

The payment of interest on own capital (JCP) in the gross amount of BRL 70,999,746.37 (seventy million, nine hundred and ninety-nine thousand, seven hundred and forty-six reais and thirty-seven cents) was calculated up to the base date of 26 December 2022, on the Shareholders' Equity of the Company. Corresponding to R$ 0.347756598672 per common share, excluding treasury shares, it was imputed to the calculation of the mandatory dividend for the year 2022, as provided for in the Company's Bylaws.

i) Earning per share

In accordance with CPC 41 - Earnings per Share (IAS 33), the following table reconciles the net income for the period with the values used to calculate basic and diluted earnings per share.

The Company has a category of dilutive potential common shares that refer to stock option plans. For these stock option plans, a calculation is made to determine the number of shares that could have been acquired at fair value (determined as the average annual market price of the Company's stock) based on the monetary value of the subscription rights attached to the stock option plans.

The number of shares calculated as described above is compared with the number of shares issued, assuming the exercise of the stock option plans.

	12/31/2022	12/31/2021
Numerator		
Net income for the year (a)	**1,267,459**	1,062,116
Denominator		
Weighted average of common shares (b)	**209,182,476**	208,096,820
Weighted average of common shares considering diluitive effects (c)	**209,603,303**	209,236,229
Basic income per common share (a/b)	**6.05911**	5.10395
Diluted income per common share (a/c)	**6.04694**	5.07616

j) Other comprehensive income

The other comprehensive income in shareholders' equity, net of tax effects, is composed as follows:

	12/31/2022	12/31/2021
Hedge accounting	**174,504**	(345,794)
Cost assigned fixed asstes and fair value adjustment related to property for investments	**1,106,028**	1,109,191
Gain in the variation of interest	**25,909**	25,909
Other comprehensive income	**1,306,441**	789,306

23. FINANCE INCOME (LOSS)

	Parent company		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Financial expenses:				
Interest paid	**(339,198)**	(165,893)	**(371,739)**	(162,096)
Foreign exchange	**(258,186)**	(202,464)	**(357,546)**	(297,696)
Monetary variation	**-**	-	**-**	(126)
APV - Liabilities Lease	**(404,369)**	(315,157)	**(280,423)**	(175,149)
Losses with derivative operations	**(406,082)**	(75,533)	**(504,219)**	(174,905)
Others	**(10,696)**	(10,310)	**(32,358)**	(37,294)
	(1,418,531)	(769,357)	**(1,546,285)**	(847,266)
Financial income:				
Income from interest-earning bank deposits	**56,334**	27,048	**110,808**	43,103
Foreign exchange	**363,852**	164,080	**505,888**	198,323
Monetary variation	**83**	5	**89**	5
Gains with derivative operations	**147,455**	123,394	**215,927**	236,594
Others	**5,014**	5,372	**14,105**	16,684
	572,738	319,899	**846,817**	494,709
Financial income (loss)	**(845,793)**	(449,458)	**(699,468)**	(352,557)

24. COMMITMENTS

24.1. Sales contracts for future delivery

The Company and its subsidiaries have sales contracts for future delivery with some customers, as shown below:

Parent Company						
Product	**Delivery Date**	**Quantity**	**Agreements**	**Unit**	**Currency**	**Price**
2021/22 crop						
Cotton lint	Jan/23-Jul/23	50,768	57	ton	US$/ton	1,814.96
Corn	Jan/23	566,667	3	sc	US$/sc	12.50
2022/23 crop						
Cotton lint	Aug/23-Jun/24	155,350	36	ton	US$/ton	2,056.11
Corn	Jun/23-Aug/23	5,905,000	44	sc	US$/sc	10.25
Corn	Jun/23-Jul/23	235,000	2	sc	R$/sc	75.59
Soybean	Jan/23-Mai/23	6,867,880	77	sc	US$/sc	28.48
Corn	Feb/23-Apr/23	1,042,715	36	sc	R$/sc	159.14

Consolidated						
Product	**Delivery Date**	**Quantity**	**Agreements**	**Unit**	**Currency**	**Price**
2021/22 crop						
Cotton lint	Jan/23-Jul/23	71,890	83	ton	US$/ton	1,775.82
Soybean	Jan/23	36,087	2	sc	US$/sc	30.50
Corn	Jan/23	566,667	3	sc	US$/sc	12.50
2022/22 crop						
Cotton lint	Aug/23-Jun/24	206,700	53	ton	US$/ton	2,071.15
Corn	Jun/23-Aug/23	8,275,000	69	sc	US$/sc	10.01
Corn	Jun/23-Jul/23	235,000	2	sc	R$/sc	75.59
Soybean	Jan/23-Mai/23	9,536,400	106	sc	US$/sc	28.02
Soybean	Jan/23-Mai/23	1,707,399	51	sc	R$/sc	156.62

24.2. Third party lease agreements

As of December 31, 2022, the Company and its subsidiaries have third-party lease agreements and building leases, thus distributed:

			Lease liability (CPC 06(R2) (IFRS 16))		Leases payable	
Unit	Location	Currency	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Palmares	Barreiras - BA	R$	147,517	103,602	-	-
Panorama	Correntina - BA	R$	116,291	96,599	-	-
Paladino	São Desidério - BA	R$	33,313	38,008	14,146	15,048
Parceiro	Formosa do Rio Preto - BA	R$	47,904	53,194	-	-
Paysandu	São Desidério - BA	R$	484,636	653,690	-	-
Piratini	Jaborandi - BA	R$	257	108	-	-
Pantanal	Chapadão do Céu - GO e Chapadão do Sul - MS	R$	602,455	605,065	-	-
Pamplona	Cristalina - GO	R$	59,057	75,379	-	-
Planeste	Balsas - MA	R$	174,040	165,067	-	-
Parnaiba	Tasso Fragoso - MA	R$	78,483	72,884	-	-
Palmeira	Alto Parnaiba - MA	R$	66,006	36,755	-	-
Paiaguás	Diamantino - MT	R$	284,182	213,073	-	-
Planorte	Sapezal - MT	R$	7,224	6,141	-	-
Perdizes	Porto dos Gaúchos - MT	R$	5,131	3,704	-	-
Pioneira	Querência - MT	R$	726	352	-	-
Planalto	Costa Rica - MS	R$	17,130	5,291	-	-
Pejuçara	São José do Rio Claro e Diamantino - MT	R$	62,459	36,798	-	-
Pampeira	Novo Parecis _MT	R$	432,444	437,851	-	-
Piracema	Diamantino - MT	R$	206,883	229,177	-	-
Pirapora	Santa Rita do Trivelato - MT	R$	144,306	150,875	-	-
Próspera	Taboporã, Nova Canaã do Norte e Itaúba - MT	R$	267,521	334,348	-	-
Escritório	Cuiabá - MT	R$	-	1,154	-	-
Parnaguá	Santa Filomena - PI	R$	2,158	2,410	-	-
Escritório	São Paulo - SP	R$	-	1,595	-	-
Matriz	Porto Alegre - RS	R$	13,924	13,268	-	-
			3,254,047	3,336,388	14,146	15,048
Liabilities current			523,573	511,932	14,146	15,048
Liabilities non-current			2,730,474	2,824,456	-	-

Liabilities for land and cotton leasing have a average discount rate of 8.93%. For other lease liabilities (machinery, buildings and vehicles), we have a average discount rate of 11.93%.

In relation to third party lease agreements we also inform you that: (i) there are no contingent payment clauses; (ii) there are no renewal terms or purchase options, except for the contract of Fazenda Planalto, related to 1,603 ha, which has annual renewal; (iii) the land lease contracts are indexed, in its majority, to the variation of the price of the soybean bag, and there are no other readjustment clauses; (iv) there are no restrictions imposed, such as those related to dividends and interest on equity, additional debt, or any other that requires additional disclosure.

In addition to leasing crop land, the Company has operational leasing contracts for a cotton processing unit at Fazenda Palmares (in Barreiras-BA, for R$ 1,850 per year, until August 31, 2023), at Fazenda Paladino (in São Desidério-BA, for R$ 1,000 per year until August 31, 2026) and at Fazenda Pantanal (Chapadão do Céu - GO, for R$ 400 per year until August 31, 2030), equipment rents at Fazenda Planorte (in Sapezal-MT) and Fazenda Paiaguás (in Diamantino-MT), with decreasing values each year until April 30, 2026, and rents from its administrative headquarters in Porto Alegre-RS.

The statement of the maturity flows of lease and lease liabilities payable is presented in note 25.

25. MANAGEMENT OF RISKS AND FINANCIAL INSTRUMENTS

The sales revenues of the Company and its subsidiaries are generated mainly from the commercialization of agricultural commodities such as cotton, soybeans and corn; products that are quoted in dollars on the Chicago Board of Trade - CBOT and Intercontinental Exchange Futures US - ICE international exchanges. Therefore, the volatility of the international price of the commodity and the exchange rate are market risks to which the Company and its subsidiaries are exposed.

In addition, the Company and its subsidiaries engage in financing operations in the financial market at pre-fixed or post-fixed rates. Therefore, the Company presents a risk to the variation of interest rates in the indebtedness contracted with post-fixed interest rates.

Fair values are determined based on market price quotations, where available, or, in the absence of these, on the present value of expected cash flows. The fair values of cash and cash equivalents, trade receivables, short-term debt and trade payables are equivalent to their book values. The fair values of other long-term assets and liabilities do not differ significantly from their book values.

The estimated fair value of the long-term loans of the parent company and consolidated at December 32, 2021 was R$ 2,080,174 and R$ 2,239,159, respectively, calculated at prevailing market rates, considering the nature, term and risks similar to those of the contracts recorded, and can be compared with the book value of R$ 2,016,280 and R$ 2,172,734.

The hierarchy of fair values of financial assets and liabilities recorded at fair value on a recurring basis was performed using the following criteria:

- Level 1 - Prices quoted (unadjusted) in active markets for assets and liabilities and identical
- Level 2 - Inputs, except quoted prices, included in Level 1 that are observable for the asset or liability, directly (prices) or indirectly (derived from prices)
- Level 3 - Assumptions, for assets or liabilities, that are not based on observable market data (unobservable inputs).

The table below presents the hierarchy of fair values of financial assets and liabilities recorded at fair value on a recurring basis:

	Parent company	
	Book value	
	12/31/2022	12/31/2021
Assets		
Fair value through profit or loss		
Cash and cash equivalents	845,445	46,046
Short term financial Investments	747	684
Subtotal	846,192	46,730
Amortized cost		
Trade accounts receivable	123,834	117,841
Receivables from related parties	63,637	59,000
Subtotal	187,471	176,841
Fair value of hedge instruments		
Operations with Derivatives	243,238	232,551
Subtotal	243,238	232,551
Total assets	1,276,901	456,122

	Parent company	
	Book value	
	12/31/2022	12/31/2021
Liabilities		
Liabilities at the amortized cost		
Loans and financing	3,153,371	2,369,522
Suppliers	1,090,965	671,234
Credit assignment	-	31,004
Payables to related parties	6,386	117,621
Liabilities - lease with related parties	2,840,916	2,597,803
Third-party lease liability	2,099,182	2,108,508
Other accounts payable	482,630	673,071
Subtotal	9,673,450	8,568,763
Fair value of hedge instruments		
Derivatives payable	157,394	468,034
Subtotal	157,394	468,034
Total liabilities	9,830,844	9,036,797

The fair value of the above financial instruments approximates the book value, except for loans and financing whose fair value on December 31, 2022 is R$ 3,222,659 (R$ 3,404,424 on December 31, 2021). The measurement is classified as level 2 - quoted prices for identical or similar assets or liabilities in markets that are not active.

	Consolidated	
	Book Value	
	12/31/2022	12/31/2021
Assets		
Fair value through profit or loss		
Cash and cash equivalents	1,235,775	139,780
Short term financial Investments	747	684
Subtotal	1,236,522	140,464
Amortized cost		
Trade accounts receivable	174,291	147,414
Receivables from related parties	-	20
Other accounts receivable	57,502	48,881
Subtotal	231,793	196,315
Fair value of hedge instruments		
Operations with Derivatives	334,405	291,283
Subtotal	334,405	291,283
Total assets	1,802,720	628,062

	Consolidated	
	Book Value	
	12/31/2022	12/31/2021
Liabilities		
Liabilities at the amortized cost		
Loans and financing	3,454,271	2,587,759
Suppliers	1,564,582	1,009,194
Credit assignment	-	39,004
Payables to related parties	2,482	79
Other accounts payable	582,502	860,257
Third-party lease liability	3,254,047	3,336,388
Leases to pay	14,146	15,048
Securities payable	100,378	108,637
Subtotal	8,972,408	7,956,366
Fair value of hedge instruments		
Derivatives payable	160,131	534,548
Subtotal	160,131	534,548
Total liabilities	9,132,539	8, 490,914

The fair value of the above financial instruments approximates the book value, except for loans and financing whose fair value on December 31, 2022 is R$ 3,471,552 (R$ 2,619,959 on December 31, 2021). The measurement is classified as level 2 - quoted prices for identical or similar assets or liabilities in markets that are not active.

a) Policy of use, objectives and strategies

The objective of the use of financial derivative instruments by the Company and its subsidiaries is the protection of operating margins. The Company created an Executive Risk Management Committee in July 2008 and approved the Risk Management Policy at the meeting of the Board of Directors on October 29, 2008. The Risk Management Executive Committee is the liaison body between the Board of Directors and the Company's Executive Board. Its mission involves the daily support to the decisions of the Executive Board, the monitoring of compliance with the established risk limits and, when appropriate, the preliminary analysis and evaluation of proposals for adjustments or reformulation of policies or risk limits for subsequent submission to the Board of Directors for deliberation.

Derivative transactions are carried out with prime financial institutions (institutions in the country with "Rating" of at least "A" in at least one of the three main international rating agencies, namely: Moody's, S&P and/or Fitch), observing limits and exposures to the exchange, commodities and interest risks of its counterparties on a regular basis.

b) Gains (losses) from financial instruments under parent company and consolidated shareholders' equity

Forward contract (NDF) and commodity swap transactions (see note 25.i) are fixed to protect future sales exposure in dollars. In addition, debt swap operations aim to protect the future exchange rate variation of dollar loans. These operations are documented for registration through the hedge accounting methodology in accordance with CPC 48 and IFRS 9. The Company records in a specific shareholders' equity account the unrealized effects of these instruments contracted for its own operations or those contracted on a consolidated basis to cover future sales.

c) Currency risk

In order to protect the sales revenues of the Company and its subsidiaries, which are subject to exchange rate volatility, financial derivative instruments are used, whose portfolio basically consists of NDF (Non-Deliverable Forward) contracts.

These operations are carried out directly with financial institutions, in an over the counter environment, where there are no margin calls. The impact on the cash flow of the Company and its subsidiaries occurs only on the date of settlement of the contracts. However, it should be considered that the settlement of these financial transactions is associated with the receipt of sales, which are also associated with foreign exchange variation, thus offsetting any gains or losses in hedging derivative instruments due to exchange rate variations.

The Business Plan is constantly updated for analysis of exchange rate risk exposure, considering the following premises: (I) projection of planted area; (II) expected productivity; (III) prices of commodities, which are quoted in the dollar currency, considering the volume weighted average of sales prices and market prices of the volume to be sold; and, (IV) distribution of sales in the analyzed periods. After the definition of the Business Plan and the measurement of the previously exposed items, the total exchange rate exposure is reached.

Based on the cost already formed with the purchase of the main inputs (fertilizers, defensives and seeds) and estimated fixed costs, the expected operating margin is determined. In this way, the risk management committee executes the parameters described in the risk management policy, with the objective of reducing the standard deviation of the operating margin defined as a target.

The table below shows the positions, of the Company and its subsidiaries, with the nominal and fair values of each instrument contracted, namely:

	Reference value (notional)			Fair value (MTM)		
Description	Currency	12/31/2022	12/31/2021	Currency	12/31/2022	12/31/2021
Forward contracts (NDF):						
Foreign currency - Short position						
Maturity in 2022	USD	-	721,266	R$	-	(73,420)
Maturity in 2023	USD	**757,878**	220,720	R$	**222,044**	(39,237)
Maturity in 2024	USD	**172,790**	-	R$	**35,587**	-
TOTAL	**USD**	**930,668**	941,986	**R$**	**257,631**	(112,657)

The following details the maturity schedule of the derivative operations and deferred exchange variation, which are framed in the "hedge accounting" methodology::

Maturity	Currency	Forward Contracts (NDF)
Up to 03/31/2023	R$	106,469
Up to 06/30/2023	R$	15,998
Up to 09/30/2023	R$	52,800
Up to 12/31/2023	R$	46,776
Up to 03/31/2024	R$	15,972
Up to 06/30/2024	R$	2,086
Up to 09/30/2024	R$	9,237
Up to 12/31/2024	R$	8,293
TOTAL	**R$**	**257,631**

The table below shows the opening of foreign exchange derivatives by counterparty (of the Company and its subsidiaries):

	Reference value (notional)			Fair value		
Description	**Currency**	**12/31/2022**	**12/31/2021**	**Currency**	**12/31/2022**	**12/31/2021**
XP Investimentos S.A.	USD	**208,227**	153,491	R$	**51,714**	(25,724)
Banco do Brasil S.A.	USD	**193,350**	97,420	R$	**36,717**	8,599
Banco Itaú BBA S/A	USD	**168,295**	218,810	R$	**60,961**	(42,102)
Banco Safra S.A.	USD	**86,340**	96,160	R$	**37,063**	(18,605)
Banco J.P. Morgan S/A	USD	**60,391**	37,650	R$	**9,328**	(3,328)
Banco BTG Pactual S.A.	USD	**54,120**	29,800	R$	**7,897**	(455)
Banco Santander Brasil S/A	USD	**42,430**	75,240	R$	**20,419**	(5,697)
Banco Votorantim S/A	USD	**37,055**	52,165	R$	**12,816**	(4,053)
Banco Bradesco S/A	USD	**35,260**	54,240	R$	**13,604**	(8,309)
BR Partners Banco de Investimento S.A.	USD	**28,260**	-	R$	**3,061**	-
Banco BNP Paribas Brasil S.A.	USD	**12,900**	100,150	R$	**4,169**	(7,515)
Banco ABC Brasil S.A.	USD	**4,040**	11,260	R$	**(118)**	(2,622)
Rabobank International Brasil S.A.	USD	**-**	15,600	R$	**-**	(2,846)
Total	**USD**	930,668	941,986	**R$**	257,631	(112,657)

The following criteria were used to determine the fair value of forward contract operations (NDF): future dollar curve published by B3 (www.b3.com.br)at the end of each period. Based in this information, the adjustment projected in the maturity of each operation is discounted by the yield curve DI x Pre B3 (www.b3.com.br) of closing each period

Risks of exchange rate variation

The Company projected the potential impact of foreign exchange hedging operations and indebtedness in dollars in five scenarios for the years 2023 and 2024, as follows:

- Probable Scenario: Based on the FOCUS report (BACEN) released on December 31, 2022, we have defined the probable scenario with the dollar quotation of R$ 5.2700 varying to the Ptax rate of R$ 5.2177 on December 31, 2022.
- Exchange rate Decrease of 25%: in this scenario the operations would be settled at the rate of R$ 3.9525, equivalent to 25% lower than the rate in the Probable Scenario.
- Decrease of 50% in the exchange rate: in this scenario the operations would be settled at the rate of R$ 2.6350, equivalent to 50% less than the rate in the Probable Scenario.
- Increase of 25% in the exchange rate: in this scenario the operations would be settled at the rate of R$ 6.5875, equivalent to 25% higher than the rate in the Probable Scenario.
- Increase of 50% in the exchange rate: in this scenario the operations would be settled at the rate of R$ 7.9050, equivalent to 50% higher than the rate in the Probable Scenario.

he following is a summary of the consolidated impacts in each projected scenario:

	Parent company				
Description	Remote scenario	Possible scenario	Scenario by the closing price of the fiscal period R$	Possible scenario	Remote scenario
	Quotation R$ 2 .6350	*Quotation R$ 3.9525*	*Quotation R$ 5.2177*	*Quotation R$ 6.5875*	*Quotation R$ 7.9050*
Year 2023					
Highly probable estimated revenue in USD (1)	(2,443,135)	(1,221,568)	(48,492)	1,221,568	2,443,135
Estimated commitments in USD (2)	593,745	296,872	11,785	(296,872)	(593,745)
Forward Contracts (NDF) (3)	828,971	414,486	16,454	(414,486)	(828,971)
Net exposure in USD (1)-(2)-(3)	**(1,020,419)**	**(510,210)**	**(20,253)**	**510,210**	**1,020,419**
Year 2024					
Highly probable estimated revenue in USD (1)	(2,447,675)	(1,223,838)	(48,582)	1,223,838	2,447,675
Estimated commitments in USD (2)	-	-	-	-	-
Forward Contracts (NDF) (3)	314,092	157,046	6,234	(157,046)	(314,092)
Net exposure in USD (1)-(2)-(3)	**(2,133,583)**	**(1,066,792)**	**(42,348)**	**1,066,792**	**2,133,583**
Total	**(3,154,002)**	**(1,577,002)**	**(62,601)**	**1,577,002**	**3,154,002**

Consolidated					
Description	Remote scenario	Possible scenario	Scenario by the closing price of the fiscal period R$	Possible scenario	Remote scenario
	Quotation R$ 2 .6350	*Quotation R$ 3.9525*	*Quotation R$ 5.2177*	*Quotation R$ 6.5875*	*Quotation R$ 7.9050*
Year 2023					
Highly probable estimated revenue in USD (1)	(3,452,704)	(1,726,352)	(68,530)	1,726,352	3,452,704
Estimated commitments in USD (2)	839,901	419,950	16,671	(419,950)	(839,901)
Forward Contracts (NDF) (3)	1,157,108	578,554	22,966	(578,554)	(1,157,108)
Net exposure in USD (1)-(2)-(3)	**(1,455,695)**	**(727,848)**	**(28,893)**	**727,848**	**1,455,695**
Year 2024					
Highly probable estimated revenue in USD (1)	(3,467,636)	(1,733,818)	(68,826)	1,733,818	3,467,636
Estimated commitments in USD (2)	15,810	7,905	314	(7,905)	(15,810)
Forward Contracts (NDF) (3)	439,492	219,746	8,723	(219,746)	(439,492)
Net exposure in USD (1)-(2)-(3)	**(3,012,334)**	**(1,506,167)**	**(59,789)**	**1,506,167**	**3,012,334**
Total	**(4,468,029)**	**(2,234,015)**	**(88,682)**	**2,234,015**	**4,468,029**

The following shows the net exposure to currency risk:

	Parent Company			
	12/31/2022		12/31/2021	
	Amount in Reais (R$)	Amount in Dólares (USD)	Amount in Reais (R$)	Amount in Dólares (USD)
Trade accounts receivable (note 6)	**86,648**	**16,607**	85,632	15,345
Suppliers	**(592,779)**	**(113,609)**	(76,386)	(13,688)
Net exposure of the shareholders' equity	**(506,131)**	**(97,002)**	9,246	1,657

	Consolidated			
	12/31/2022		12/31/2021	
	Amount in Reais (R$)	Amount in Dólares (USD)	Amount in Reais (R$)	Amount in Dólares (USD)
Trade accounts receivable (note 6)	**121,304**	**23,249**	106,195	19,030
Suppliers	**(860,149)**	**(164,852)**	(303,618)	(54,407)
Net exposure of the shareholders' equity	**(738,845)**	**(141,603)**	(197,423)	(35,377)

d) Price risk

Most of the protection against commodity price fluctuations is carried out through sales directly with our customers with physical future delivery (forward contracts). In addition, futures contracts, negotiated in an exchange environment, and financial transactions of swap contracts, with financial institutions in the over-the-counter market are also used. These operations are traded with reference to prices of commodities quoted in the futures market. All operations are related to the net exposure of the production of the Company and its subsidiaries, so that every operation has its ballast in physical product. Transactions carried out in an exchange environment require the availability of initial margins and adjustments are made daily, according to the variation in the reference price. On the other hand, operations with financial institutions do not require initial margins, since these operations are supported by a credit limit pre-approved by financial institutions.

The table below shows the derivative financial instruments contracted for protection against variation in the price of commodities, the effects of which are recorded in shareholders' equity as they are recorded in the form of hedge accounting.

	Reference value (notional)			Fair value		
Description	**Currency**	**12/31/2022**	**12/31/2021**	**Currency**	**12/31/2022**	**12/31/2021**
Year of Maturity at 2022						
Financial operations						
Commodities - Cotton	USD	**63,336**	178,271	R$	**34,249**	(189,801)
Commodities - Fat ox	USD	**11,479**	870	R$	**123**	(666)
	USD	**74,815**	179,141	**R$**	**34,372**	(190,467)
Year of Maturity at 2023						
Financial operations						
Commodities - Cotton	USD	**1,841**	6,713	R$	**2,533**	(5,818)
	USD	**1,841**	6,713	**R$**	**2,533**	(5,818)
Total	**USD**	**76,656**	185,854	**R$**	**36,905**	(196,285)

Commodity price risk

The Company has projected the potential impact of changes in soybean and cotton prices in 5 scenarios for the years 2023 and 2024, as follows:

- Probable Scenario: Based on the closing price on 12/31/2022 of the reference future contract on the stock exchange where production is priced.
- 25% drop in the price of the reference futures contract on the exchange where production is priced.
- 50% drop in the price of the reference futures contract on the exchange where production is priced.
- 25% increase in the price of the reference future contract on the stock exchange where production is priced.
- 50% increase in the price of the reference future contract on the stock exchange where production is priced.

The price sensitivity assessment considers as exposure the total estimated revenue (highly probable sales revenue) and the totality of hedge instruments contracted, generally represented by future sales of agricultural products, in relation to the exposure of the same items sold (hedged highly probable sales revenue).

The following is a summary of the impacts in each projected scenario converted into R$ 5.2177 by the PTAX sale at the end of December 31, 2022:

Income variation highly to price scenarios

Description	Remote scenario -50%	Possible scenario -25%	Probable scenario	Possible scenario + 25%	Remote scenario +50%
Cotton - Year 2023					
Highly probable income	2,989,275	3,163,316	3,337,356	3,511,397	3,685,437
Highly probble income protected	2,641,194	2,641,194	2,641,194	2,641,194	2,641,194
Net exposure	348,081	522,122	696,162	870,203	1,044,243
Change in net exposure	(348,081)	(174,041)	-	174,041	348,081
Soybean - Year 2023					
Highly probable income	2,368,189	2,737,416	3,106,643	3,475,870	3,845,096
Highly probble income protected	1,629,736	1,629,736	1,629,736	1,629,736	1,629,736
Net exposure	738,453	1,107,680	1,476,907	1,846,134	2,215,360
Change in net exposure	(738,453)	(369,227)	-	369,227	738,453
Livestock - Year 2023					
Highly probable income	1,060,717	1,522,946	1,985,176	2,447,404	2,909,633
Highly probble income protected	136,258	136,258	136,258	136,258	136,258
Net exposure	924,459	1,386,688	1,848,918	2,311,146	2,773,375
Change in net exposure	(924,459)	(462,229)	-	462,229	924,459

e) Interest risk

A portion of the indebtedness related to the Company's export financing operations is linked to pre-fixed interest rates, which is the interest rate used in loans indexed to the US dollar or euro.

In order to hedge foreign exchange variation on loans, financings and suppliers, the Company carries out hedge operations through swap instruments with first-tier financial institutions. These operations consist of an exchange variation and pre-fixed interest rates or IPCA and pre-fixed interest rates (active position) for interest rates in CDI plus pre-fixed rate (passive position). The principal (notional) value and maturities of the swap operation is identical to the debt flow, which is the object of the hedge. In this way, the risk of exchange rate fluctuation is eliminated.

The following is a breakdown of the currency and interest rate swap transaction:

Counterparty	Hedge instrument	Hedged object	MTM	Financial income	Shareholders' equity
Itaú	Swap de R$ 150MM (Assets VC / Liability CDI+Pré)	Debit of R$ 150MM interest of 12.85% y,y,	(2,866)	(269)	(2,596)
Itaú	Swap de R$ 37,5MM (Assets VC / Liability CDI+Pré)	Debit of USD 7,9MM interest of 0.95% y,y,	4,813	5,048	(235)
Rabobank	Swap de R$ 200MM (Assets VC / Liability CDI+Pré)	Debit of USD 37,8MM interest of 1.87% y,y,	(23,696)	(17,400)	(6,296)
Rabobank	Swap de R$ 107,3MM (Assets VC / Liability CDI+Pré)	Debit of USD 20MM interest of 1.95% y,y,	(42,365)	(33,650)	(8,715)
Itaú	Swap de R$ 150MM (Assets VC / Liability CDI+Pré)	Debit of USD 28,6MM interest of 2.153% y,y,	(14,713)	(7,110)	(7,603)
Votorantim	Swap de R$ 165MM (Assets VC / Liability CDI+Pré)	Debit of USD 30MM interest of 2.3% y,y,	(19,477)	(10,630)	(8,847)
Votorantim	Swap de R$ 112,6MM (Assets VC / Liability CDI+Pré)	Debit of USD 20MM interest of 2.15% y,y,	(21,487)	(14,927)	(6,560)
Itaú	Swap de R$ 45MM (Assets Pré / Liability CDI+Pré)	Debit of USD 45MM interest of 14.04% y,y,	(471)	(279)	(192)
			(120,262)	**(79,217)**	**(41,044)**

Risk of variations in interest rates

In order to verify the sensitivity of the indexes on the Company's debt, based on the position as of December 31, 2022, 5 different scenarios were defined. Based on the FOCUS report (Bacen) of December 31, 2022 we have defined the key figures for CDI. Foreign Exchange and IPCA. Based on this information we defined the Probable Scenario for the analysis and from this we calculated the variations of 25% and 50%. For each scenario, the financial expense or gross financial revenue was considered, not considering the incidence of taxes and the flow of maturities of debts and redemptions of financial investments scheduled for 2022. The base date for the portfolio was December 31, 2022, projecting the indexers for one year and checking their sensitivity in each scenario.

The following is a summary of the impacts over the next 12 months in each scenario:

	Interest rate (*)	Balance on 12/31/2022	Decrease of 50%	Decrease of 25%	Probable scenario	Increase of 25%	Increase of 50%
Debt in reais - prefixed rate							
Rural credit	14.16%	15,283	N/A	N/A	N/A	N/A	N/A
BNDES	6.11%	40,986	N/A	N/A	N/A	N/A	N/A
Debt in reais - post-fixed rate							
Rural credit	105.99% CDI	409,229	(22,429)	(32,573)	(42,718)	(52,863)	(63,008)
Working Capital	108.66% CDI	1,181,891	(92,961)	(133,293)	(173,625)	(213,957)	(254,289)
Export financing	110.25% CDI	818,041	(65,898)	(93,814)	(121,730)	(149,645)	(177,561)
Debits in dólares							
PPE	2.24%	262,458	N/A	N/A	N/A	N/A	N/A
NCE	1.90%	309,697	N/A	N/A	N/A	N/A	N/A
4131	2.15%	150,370	N/A	N/A	N/A	N/A	N/A
Debits in euro							
CCE	0.95%	44,346	N/A	N/A	N/A	N/A	N/A
Pre-swapped debts							
Rural credit	13.11%	221,970	N/A	N/A	N/A	N/A	N/A

Swaps - debits in dólares	Interest rate (*)	Balance on 12/31/2022	Decrease of 50%	Decrease of 25%	Probable scenario	Increase of 25%	Increase of 50%
Swap VC x CDI + PRÉ(**)	Assets: 1.95% y.y. Liability: CDI + 1.20% y.y.	(23,696)	1,902	2,710	3,519	4,327	5,136
Swap VC x CDI + PRÉ(**)	Assets: 14.04% y.y. Liability: CDI + 1.40% y.y.	(472)	39	55	71	87	103
Swap VC x CDI + PRÉ(**)	Assets: 12.85% y.y. Liability: CDI + 1.12% y.y.	(2,865)	228	325	423	521	619
Swap VC x CDI + PRÉ(**)	Assets: 2.153% y.y. Liability: CDI + 1.25% y.y.	(14,713)	1,188	1,690	2,192	2,694	3,197
Swap VC x CDI + PRÉ(**)	Assets: 0.95 % y.y. Liability: CDI + 1.07%	4,813	(380)	(544)	(708)	(873)	(1,037)
Swap VC x CDI + PRÉ(**)	Assets: 2.30% y.y. Liability: CDI + 1.02% y.y.	(19,477)	1,528	2,193	2,857	3,522	4,187
Swap VC x CDI + PRÉ(**)	Assets: 2.15% y.y. Liability: CDI + 0.95% y.y.	(21,487)	1,671	2,404	3,137	3,870	4,604
Swap VC x CDI + PRÉ(**)	Assets: 1.87% y.y. Liability: CDI + 1.15% y.y.	(42,365)	3,684	5,129	6,575	8,021	9,467
Interest earnings bank deposits							
CDB and Debentures	101.06%	1,207,870	84,559	126,839	169,119	211,399	253,678

(*) Average annual rates.

(**) Amounts refer to the calculation of the adjustment of the transaction on December 31, 2022.

f) Credit risk

A substantial portion of the sales of the Company and its subsidiaries is made to select and highly qualified clients: trading companies and weaving mills among others that usually acquire large volumes to guarantee local and international trading. Credit risk is managed by specific customer acceptance rules, credit analysis and setting exposure limits per customer. Historically, the Company and its subsidiaries have not recorded significant losses on trade accounts receivable.

Depending on the above, the credit risk assumed is not relevant. The Company considers the balance of accounts receivable from customers as exposed to this risk. At December 31, 2022, the balance is R$ 123,834 in the Parent Company and R$ 174,291 in the consolidated (R$ 117,841 in the Parent Company and R$ 147,414 in the consolidated at December 31, 2021).

g) Liquidity risk

The gross outflows, disclosed below, represent the contractual undiscounted cash flows related to derivative and non-derivative financial liabilities held for risk management purposes and that are not normally closed before the contractual maturity. The table presents net cash flows for cash derivatives settled by net exposure and gross cash outflows for derivatives that have simultaneous gross settlemen.

	Parent company							
December 31, 2022	Book Value	Contractual cash flow	up to 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	over 5 years
Financial liabilities								
Non Derivatives								
Loans and financing	**3,153,371**	3,823,637	1,218,449	1,633,892	961,294	1,922	2,141	5,939
Suppliers	**1,090,965**	1,090,965	1,090,965	-	-	-	-	-
Lease liabilities	**4,940,098**	8,318,827	731,938	678,528	655,952	643,898	616,226	4,992,285
	9,184,434	13,233,429	3,041,352	2,312,420	1,617,246	645,820	618,367	4,998,224
Derivatives								
Operations with Derivatives	**(85,844)**	(85,844)	(54,780)	(31,064)	-	-	-	-
	(85,844)	(85,844)	(54,780)	(31,064)	-	-	-	-
	9,098,590	13,147,585	2,986,572	2,281,356	1,617,246	645,820	618,367	4,998,224

	Consolidated							
December 31, 2022	Book Value	Contractual cash flow	up to 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	over 5 years
Financial liabilities								
Non Derivatives								
Loans and financing	**3,454,271**	4,119,939	1,314,312	1,753,454	1,038,651	2,818	2,995	7,709
Suppliers	**1,564,582**	1,564,582	1,564,582	-	-	-	-	-
Securities payable	**100,378**	100,378	86,102	14,276	-	-	-	-
Lease liabilities	**3,254,047**	5,370,218	574,205	498,529	452,030	432,977	406,889	3,005,587
	8,373,278	11,155,117	3,539,201	2,266,259	1,490,681	435,795	409,884	3,013,296
Derivatives								
Operations with Derivatives	**(174,274)**	(174,274)	(133,143)	(41,131)	-	-	-	-
	(174,274)	(174,274)	(133,143)	(41,131)	-	-	-	-
	8,199,004	10,980,843	3,406,058	2,225,128	1,490,681	435,795	409,884	3,013,296

The cash flows included in the maturity analysis are not expected to occur significantly earlier or at different amounts.

On February 23, 2021, S&P Global Ratings released a new corporate rating for the Company, classifying it as "[br AA]" in the national scale category (Brazil). On March 9, 2022, a review was carried out, with the rating remaining stable at [br AA].

h) Summary of outstanding derivative transactions

The following table presents the consolidated derivative instruments of the Company that are reflected under assets and liabilities:

	Reference value (notional)			Fair value recorded in assets			Fair value recorded in liabilities	
Description	**Currency**	**12/31/2022**	**12/31/2021**	**Currency**	**12/31/2022**	**12/31/2021**	**12/31/2022**	**12/31/2021**
Hedge operations for exchange rates								
Non Deliverable Forwards - 25.c	USD	**930,668**	941,986	R$	**264,969**	28,862	**7,338**	141,519
Subtotal	**USD**	**930,668**	941,986	**R$**	**264,969**	28,862	**7,338**	141,519
Hedge operations for products								
Cotton - Financial operations - 25.d	USD	**65,177**	184,984	R$	**41,017**	37,051	**4,235**	232,670
Herd - Financial operations - 25.d	USD	**11,479**	870	R$	**144**	-	**21**	666
Subtotal	**USD**	**76,656**	185,854	**R$**	**41,161**	37,051	**4,256**	233,336

	Reference value (notional)			Fair value recorded in assets			Fair value recorded in liabilities	
Description	Currency	12/31/2022	12/31/2021	Currency	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Hedge operations for inputs								
Swap VC+Pré x CDI+Pré -25.e	USD	136,342	116,342	R$	5,164	70,156	126,903	70,445
Subtotal	**USD**	**136,342**	116,342	**R$**	**5,164**	70,156	**126,903**	70,445
Hedge operations for inputs								
Swap VC+Pré x CDI+Pré - 25.e	EUR	7,937	39,481	R$	4,813	58,990	-	-
Subtotal	**EUR**	**7,937**	39,481	**R$**	**4,813**	58,990	-	-
Interest protection operations								
Swap Pré x CDI+Pré	BRL	195,000	350,000	R$	18,298	4,484	21,634	-
Swap IPCA+Pré x CDI+Pré	BRL	-	480,000	R$	-	91,740	-	89,248
Subtotal	**BRL**	**195,000**	830,000	**R$**	**18,298**	96,224	**21,634**	89,248
Total				**R$**	**334,405**	291,283	**160,131**	534,548
Portion classified in current assets				**R$**	**272,728**	107,676	**139,585**	394,582
Portion in non-current liabilities				**R$**	**61,677**	183,607	**20,546**	139,966

i) Gains/losses on derivative transactions

The following table presents the consolidated gains and losses on derivative transactions in the year, grouped by the main risk categories:

		Gains and Losses recorded in the income				Gains and Losses recorded in shareholders' equity		
		Allocated in the gross income at		Allocated in the financial income at				
Description	Currency	12/31/2022	12/31/2021	12/31/2022	12/31/2021	12/31/2022	Movement	12/31/2021
Foreign exchange hedge operations								
Non deliverable forwards	R$	386,887	(178,987)	(3,037)	16,773	283,293	(423,877)	(140,584)
Sub-total	**R$**	386,887	(178,987)	(3,037)	16,773	283,293	(423,877)	(140,584)
Hedge operations for commodities								
Agricultural commodities swap								
Cotton	R$	(392,512)	(406,964)	(17,607)	49	34,727	(375,988)	(341,261)
Sub-total	**R$**	(392,512)	(406,964)	(17,607)	49	34,727	(375,988)	(341,261)
Performance								
Debt performance	R$	-	-	-	-	(82,174)	4,886	-
Sub-total	**R$**	-	-	-	-	(82,174)	4,886	-

		Gains and Losses recorded in the income						
		Allocated in the gross income at		Allocated in the financial income at		Gains and Losses recorded in shareholders' equity		
Description	Currency	12/31/2022	12/31/2021	12/31/2022	12/31/2021	12/31/2022	Movement	12/31/2021
Interest Hedge Transactions								
Swap VC+Pré x CDI+Pré	R$	-	-	-	(462)	-	(15,122)	(15,122)
Sub-total	R$	-	-	-	(462)	-	(15,122)	(15,122)
Interest Hedge Transactions								
Swap Pré x CDI+Pré	R$	-	-	(11,170)	4,201	(2,788)	(3,546)	(6,334)
Swap IPCA+Pré x CDI+Pré	R$	-	-	(72,163)	41,128	-	(49,097)	(49,097)
Swap VC+Pré x CDI+Pré	R$	-	-	(184,315)	-	(38,256)	38,256	-
Subtotal	R$	-	-	(267,648)	45,329	(41,044)	(14,387)	(55,431)
Total	R$	(5,625)	(585,951)	(288,292)	61,689	194,802	(824,488)	(552,398)

j) Management of capital stock

The main objective of capital management is to ensure the continuity of the Company's business, maintaining a low leverage policy, thus protecting its capital from government economic policy fluctuations, maximizing shareholder value.

The Company manages the capital structure and adjusts it considering the changing economic conditions in the country. To maintain or adjust the capital structure, the Company may adjust the dividend payment policy to the shareholders.

There was no change in the dividend policy in the Company's capital management objectives, policies or processes in the period ended December 31, 2022.

	Parent company		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Short and long-term loans and financing	**3,153,371**	2,369,522	**3,454,271**	2,587,759
(-) Cash and cash equivalents and short-term interest earnings bank deposits	**(846,192)**	(46,730)	**(1,236,522)**	(140,464)
CRA transaction costs	**-**	11,463	**-**	11,463
Gains and losses on derivatives linked to investments and debt	**119,791**	(42,349)	**-**	(65,677)
Net debt	**2,426,970**	2,291,906	**2,217,749**	2,393,081
Shareholders' equity	**4,598,797**	3,524,748	**4,896,432**	3,776,076
Financial leverage index	**52.77%**	65.02%	**45.29%**	63.37%

26. GOVERNMENT SUBSIDIES

The Governments of the States of Mato Grosso do Sul, through Decree No. 9716/99, of Mato Grosso, through Law 6883/97 and of Goiás, through State Law No. 13.506/99, granted incentives for presumed ICMS credits in operations with Cotton lint, with a reduction in the value of ICMS to be collected from 70% to 75% through the adhesion of Fazenda Planalto to the PDAGRO program (Mato Grosso do Sul), of Paiaguás and Fazenda Planorte to PROALMAT (Mato Grosso) and of Fazenda Pamplona to the PROALGO program (Goiás). The State of Mato Grosso granted a presumed 75% ICMS credit on sales of cotton lint, cotton seed and fibrilla. By opting for these programs, the company is prevented from appropriating credits for the acquisition of raw materials, inputs and fixed assets. The presumed credits are recorded in the statement of income under the item sales taxes against the item recoverable taxes.

As requirements for participation in these incentive programs, the Company must make the option with the State Secretariats, waive the ICMS credits to which it would be entitled for the acquisition of inputs, raw materials and fixed assets, provide ancillary information regarding this tax waiver and collect PDAgro to the State of Mato Grosso do Sul.

The presumed credits are recorded in the income statement under the item sales taxes, against the item taxes payable. In 2022, R$ 247 of presumed ICMS credit was recognized in the parent company and in the consolidated. This amount was recognized in a tax incentive reserve in shareholders' equity.

27. PROFIT SHARE PROGRAM

In conformity with Collective Work Agreements entered into with employee's categories, the Company and its subsidiaries have a profit-sharing plan for all its employees.

The amount to be distributed as profit sharing is calculated based on the Company's consolidated net income; part of the amount is freely distributed to beneficiaries, and the other part is linked to goals established for each production unit.

Interest is calculated by applying 9% to parent company net income. Of this amount, 60% will be distributed to beneficiaries and 40% will depend on compliance with goals established for each production unit. Goal value is limited to 2 nominal salaries for each employee that is beneficiary of the plan:

	Parent Company		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Profit sharing	71,699	72,681	93,608	94,682

28. SHARE-BASED PAYMENTS

a) Stock option plan

In the Extraordinary Shareholders' Meeting held on May 23, 2007, the Company's shareholders approved a stock option plan to take effect on June 15, 2007, for the Company's officers and managers. The plan is managed by the Management Committee, which was created by the Board of Directors on May 23, 2007.

The stock option plan is limited to a maximum number of options that results in the dilution of 3.75% of the Company's capital stock on the creation date of each Annual Program. Dilution corresponds to the percentage represented by the number of shares underlying the options divided by the total number of shares issued by the Company.

The beneficiaries of the Stock Option Plan may exercise their options within 5 years as from the respective grant date. The vesting period is up to three years, with 30% vested as from the first anniversary, 60% as from second anniversary and 100% as from the third anniversary. The Company has 30 days to issue the shares as from the delivery date of the Declaration of Exercise of the Stock Option Plan.

In meetings of the Board of Directors the following grants were approved:

Grant date	Plan (*)	Number of shares granted
11/08/2016	2016	363,500
11/08/2017	2017	373,000
11/13/2018	2018	195,893
11/13/2019	2019	613,750
11/06/2020	2020	637,450
11/10/2021	2021	773,100
11/04/2022	2022	811,000

(*) The 2016 to 2018 plans have their number of shares granted before the capital split.

The movements of the shares granted in the 2017, 2018, 2019, 2020, 2021 and 2022 Annual Program and the respective Strike prices, in BRL, are presented as follows:

		Quantity of shares				
Grant year	Strike price - R$ (*)	Balance in 12/31/2021 (**)	Granted	Canceled	Exercised	Balance in 12/31/2022
2017	R$ 18.02	13,640	-	-	(13,640)	-
2018	R$ 46.25	207,489	-	-	(154,143)	53,346
2019	R$ 14.23	500,156	-	-	(166,579)	333,577
2020	R$ 20.03	693,528	-	(26,270)	(89,520)	577,738
2021	R$ 41.23	850,409	-	(10,972)	(11,784)	827,653
2022	R$ 40.27	-	811,000	(14,250)	-	796,750
		2,265,222	811,000	(51,492)	(435,666)	2,589,064

(*) The 2017 to 2018 plans have the value of their shares before the capital split.

(**) Opening balances of plans from 2017 to 2018 were subsidized by 10% according to the AGE of December 30, 2021.

The Strike price of the 2018, 2019, 2020, 2021 and 2022 annual programs were set based on the average of the 90 closing prices of the Company's shares at Bovespa, prior to the approval of the plan, with a 20% discount.

The grace periods from the date of granting are as follows:

Prazos de carência a partir da outorga	% of options released to be exercised	Maximum quantity of shares
As from – 11/13/2019	1%	16,004
As from – 11/12/2020	5%	132,080
As from – 11/06/2021	12%	305,402
As from – 11/12/2021	16%	426,813
As from – 11/06/2022	23%	600,134
As from – 11/10/2022	33%	848,430
As from – 11/12/2022	38%	981,861
As from – 04/11/2022	47%	1,220,886
As from – 11/06/2023	56%	1,451,981
As from – 11/10/2023	66%	1,700,277
As from – 11/04/2024	75%	1,939,302
As from – 11/10/2024	88%	2,270,364
As from – 11/04/2025	100%	2,589,064

The Company recognizes the cost of the option plan based on the fair value of the options granted, considering the fair value of the options at the date of grant. The model used for pricing the fair value of options is Black-Scholes for the 2018, 2019, 2020, 2021 and 2022 plans.

The weighted average fair value, the premiums considered, and the economic assumptions used for the calculation in the model are presented below:

	2016	2017	2018	2019	2020	2021	2022
Weighted average fair value	R$ 17.20	R$ 18.02	R$ 46.25	R$ 14.23	R$ 20.03	R$ 41.23	R$ 40.27
Awards	R$ 5.56	R$ 6.93	R$ 18.16	R$ 6.05	R$ 8.31	R$ 14.44	R$ 14.38
Dividends	1.00%	1.00%	1.00%	3.50%	5.80%	5.50%	5.50%
Volatility of share price	32.39%	32.39%	36.80%	41.45%	41.03%	41.20%	39.30%
Risk-free rate of return							
1st maturity	12.27%	7.12%	6.95%	4.57%	3.11%	11.82%	13.16%
2nd maturity	11.49%	8.30%	8.01%	5.14%	4.72%	11.91%	11.85%
3rd maturity	11.27%	9.18%	8.86%	5.68%	5.81%	11.66%	11.55%
Period expected up to the maturity							
1st maturity	366	365	365	365	365	365	365
2nd maturity	731	730	730	730	730	730	730
3rd maturity	1,096	1,095	1,095	1,095	1,095	1,095	1,095

Reconciliation of outstanding stock options

The number and weighted average share option prices under the share option program are as follows:

	Weighted average of the exercise	Number of options	Weighted average of the exercise	Number of options
	12/31/2022	12/31/2022	12/31/2021	12/31/2021
Outstanding at january 1	R$ 36.15	2,265,222	R$ 30.91	1,699,881
Granted during the period	R$ 40.27	811,000	R$ 41.23	773,100
Exercised during the period	R$ 27.60	(435,666)	R$ 24.11	(413,688)
Canceled during the period	R$ 30.15	(51,492)	-	-
Outstanding	R$ 39.00	2,589,064	R$ 36.15	2,059,293
Exercisable	R$ 25.61	981,861	R$ 25.80	618,358

Options outstanding as of December 31, 2022 have a Strike price in the range of R$ 25.61 to R$ 40.27 (R$ 25.80 to R$ 41.23 as of December 31, 2021).

The weighted average stock price on the exercise date for stock options exercised in the period ended December 31, 2022 was R$ 25.61 (R$ 25.80 at December 31, 2021).

b) Restricted Share Plan

In an Extraordinary General Meeting held on April 29, 2015, the Company's shareholders approved a restricted share plan, to be effective as of November 11, 2015, for the Company's officers and managers. The plan is managed by the Management Committee, created by the Board of Directors on May 23, 2007.

The total number of Restricted Shares that may be granted annually under the Plan, in the sum of all active Programs, shall not exceed 1% (one percent) of the shares representing the total capital stock of the Company.

The beneficiaries of the Restricted Shares Plan shall acquire the rights to the Restricted Shares to the extent that they remain continuously bound as administrator or employee of the Company or other company under its control, for the period between the Granting Date and the specified dates. The vesting period is up to 3 years, with releases of 30% from the first anniversary, 60% from the second anniversary and 100% from the third anniversary.

Until the rights to the Restricted Shares are fully vested, according to the conditions set forth above, the beneficiary may not pledge, sell, assign, dispose or transfer, directly or indirectly, the Restricted Shares. Once the conditions established are met and provided that the applicable legal and regulatory requirements are complied with, including but not limited to obtaining authorization from the Brazilian Securities and Exchange Commission for private transfer of shares, the Company will transfer the respective Restricted Shares to the name of the beneficiary, by means of a term of transfer of the Company's registered shares in the system of the agent responsible for the bookkeeping of the shares issued by the Company, at no cost to the beneficiary.

At meetings of the Board of Directors held on November 13, 2019, November 6, 2020, November 10, 2021 and November 4, 2022, the Restricted Stock Granting Programs for 2019, 2020, 2021 and 2022 were approved with grant of 48,973 (before the capital split), 153,438 shares, 159,363 shares, 193,275 shares and 202,750 shares, respectively.

		Quantity of shares				
Grant year	Fair value at grant - R$	Balance on 12/31/2021	Granted	Canceled	Exercised	Balance on 12/31/2022
2019	R$ 18.46	55,877	-	-	(55,877)	-
2020	R$ 27.20	113,064	-	(1,569)	(45,838)	**65,657**
2021	R$ 48.07	193,275	-	(2,743)	(57,160)	**133,372**
2022	R$ 47.75	-	202,750	(3,563)	-	**199,187**
		362,216	**202,750**	**(7,875)**	**(158,875)**	**398,216**

In compliance with CPC 10 (R1) (IFRS 2), based on the grace periods presented, the amounts with restricted share plans were recognized in the statement of income according to the length of the vesting period, with a corresponding entry in shareholders' equity in a specific capital reserve account. In current liabilities, in a specific account for labor obligations, the amounts of INSS and FGTS (expenses), as presented below:

Plan of restricted shares		
	12/31/2022	12/31/2021
Expense	**R$ 7,000**	R$ 4,002
INSS Expense	**R$ 221**	R$ 1,099
FGTS Expense	**R$ 264**	R$ 1,289

In compliance with CPC 10 (R1) (IFRS 2), based on the grace periods presented, the amounts with stock options plan and restricted stock plan were recognized in the statement of income, due to the expiration of the vesting period, with a corresponding entry in shareholders' equity in a specific capital reserve account, the amount of R$ 15,800 (expense) at December 31, 2022 (R$ 8,901 at December 31, 2021).

29. INSURANCE COVERAGE

The Company and its subsidiaries maintain insurance policies contracted with the main insurers in the country, defined by expert guidance, considering the nature and amount of risk involved. As of December 31, 2022, the Company and its subsidiaries present the following details of insurance and coverage contracted:

Nature	Coverage
Grain and Cotton inventories	R$ 105,000
Buildings and improvements	R$ 105,000
Warranty insurance (*)	R$ 96,215
Seed Insurance	R$ 77,480
Machinery and Equipment	R$ 60,000
Civil liability of administrators	R$ 60,000
Aircraft – Hull (**)	R$ 17,636
Business	R$ 15,000
Drones	R$ 12,811
General liability	R$ 5,000
Aircraft – Straight	R$ 1,791
Livestock transport	R$ 350
Vehicles	Against third parties

(*) SLC CO Judicial proceedings are under the responsibility of TS Participações S/A.

(**) Coverage value of USD 3,380, converted by the Ptax sale on the last day of the month (Ptax of 5.2177 on 12/31/2022).

Insurance of grain and cotton stock - Coverage of harvest, processing and stock of soybeans, corn, cotton. Being of own production or that of third parties under own responsibility. Policy due on 12/18/2023..

Insurance of Buildings and improvements - Coverage of material damages, caused to the buildings and improvements of the farms, caused by fire, explosion, gale and smoke. Policy due on 12/18/2023.

Guarantee Insurance - Protection coverage for possible risks generated to the company's assets, due to the faithful fulfillment of obligations arising from labor claims. Policies maturing in the periods of 06/19/2024, 04/23/2024 and 05/05/2024 (SLC Agricola) and 06/16/2023, 07/06/2023, 07/15/2024, 05/05/2025, 07/15/ 2025 and 06/23/2025 (SLC CO).

Seed Insurance - Beneficiation coverage and grain deposit for seeds located on the Pamplona and Fazenda Panorama farms. Policy maturing on 06/28/2022.

Insurance of Machinery and Equipment - Coverage to damages caused to the fleet of machinery and agricultural equipment, generated by fire, lightning strike, explosion of any nature and implosion. Each machine and equipment has its maximum limit of indemnity corresponds to its insured value. Policy due on 10/09/2023.

Directors and officers liability insurance - Coverage for involuntary damages caused to third parties by civil liability of executives (directors and officers), with management power in the subsidiary and Parent Company. Policies due on 06/30/2023.

Aircraft Insurance - Hull - Warranty coverage against property damage to the hull of SLC Agrícola aircraft, including civil liability for damage caused to third parties. Policy due on 03/26/2023.

Business Insurance - Business Property Coverage for material damages in the physical structure of the building and furniture of the head office of the SLC Agrícola S/A, caused by fire, explosion and smoke. Policy due on 02/22/2023.

Drone Insurance - Straight - Coverage of civil liability of the operator or air carrier for personal and material damage caused to third parties, by remotely piloted aircraft, used for business purposes. Policies due on 12/18/2023.

General civil liability insurance - Guarantee coverage for the payment of indemnities, by way of reimbursement, for damages that the subsidiaries and parent company may be civilly liable for in a final court decision. Policy expiring on 02/22/2023.

Aircraft Insurance - Straight - Coverage for personal and/or property damage caused to passengers and crew by the SLC Agrícola aircraft, including damage to baggage. Policy due on 07/28/2023.

Livestock transport insurance - Coverage for losses incurred as a result of loss or material damage caused to livestock during transport. Policies with maturities on 06/30/2023.

Vehicle Insurance - Coverage of the vehicle fleet of the subsidiary and parent company for damages caused to third parties. Policies maturing on 10/9/2023.

30. NET SALES REVENUE

We present below the gross operating revenue:

	Parent company		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Gross operating income	**5,638,556**	3,442,787	**7,542,856**	4,501,090
Sale of goods	**5,662,700**	3,952,361	**7,548,481**	5,087,041
Income (loss) from hedge operations	**(24,144)**	(509,574)	**(5,625)**	(585,951)
Deductions, taxes and contributions	**(75,625)**	(87,212)	**(169,822)**	(137,880)
Net operating income	**5,562,931**	3,355,575	**7,373,034**	4,363,210

31. NATURE OF EXPENSES

The Company's income statements are presented by function. The following sets forth the breakdown of expenses by nature:

	Parent company		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Expenses according to the role				
Cost of goods sold	**(4,847,771)**	(3,173,798)	**(6,458,411)**	(4,076,725)
Sales expenses	**(305,421)**	(166,407)	**(379,664)**	(212,559)
General and administrative expenses	**(224,337)**	(181,750)	**(260,230)**	(222,496)
Added Value investment	**(17,068)**	(9,789)	**(25,861)**	(14,832)
Other operating expenses	**(2,350)**	(12,100)	**(6,085)**	(13,617)
	(5,396,947)	(3,543,844)	**(7,130,251)**	(4,540,229)
Expenses per type				
Depreciation and amortization	**(116,285)**	(94,305)	**(177,814)**	(145,870)
Personnel expenses	**(456,272)**	(377,129)	**(599,185)**	(481,985)
Raw material and material	**(2,650,028)**	(1,676,857)	**(3,640,481)**	(2,239,247)
Rents and leases	**(12,645)**	(16,467)	**(18,775)**	(22,223)
Amortization of right of use	**(324,556)**	(175,064)	**(310,743)**	(133,287)
COGS biological asset variation	**(1,729,780)**	(1,129,504)	**(2,237,681)**	(1,425,434)
Freight	**(105,031)**	(62,418)	**(139,487)**	(78,566)
Other expenses	**(2,350)**	(12,100)	**(6,085)**	(13,617)
	(5,396,947)	(3,543,844)	**(7,130,251)**	(4,540,229)

32. REPORTING BY SEGMENT

The Group has two reportable segments, as described below, which are the strategic business units of the Group. The strategic business units offer different products and services, for each of the strategic business units, Management reviews internal reporting at least once a quarter. The following summary describes the operations in each of the Group's reportable segments:

- Agricultural production segment: growing mainly cotton, soybean and corn crops.
- Land portfolio segment: acquisition and development of land for agriculture.

Information regarding the results of each reportable segment is included below. Performance is evaluated based on the segment's profit before income tax and social contribution, as included in the internal reports that are analyzed by the Group's Management. Segment profit is used to evaluate performance, as management believes that such information is more relevant in assessing segment results.

Information on reportable segments

	Agricultural Production		Land		Eliminations		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Net revenue	7,507,365	4,413,541	360,703	318,002	(495,034)	(368,333)	7,373,034	4,363,210
Biologic assets	2,216,676	1,961,159	-	-	-	-	2,216,676	1,961,159
Products Costs	(6,665,928)	(4,178,920)	(11,659)	(10,199)	219,176	112,394	(6,458,411)	(4,076,725)
Gross income	3,058,113	2,195,780	349,044	307,803	(275,858)	(255,939)	3,131,299	2,247,644
Operating expenses/ income	(675,907)	(444,449)	49,901	105,502	-	4,670	(626,006)	(334,277)
Sales expenses	(379,664)	(212,535)	-	(26)	-	2	(379,664)	(212,559)
General and administrative expenses	(256,666)	(228,174)	(3,565)	(4,485)	-	10,163	(260,231)	(222,496)
Management compensation	(24,085)	(18,601)	(289)	(352)	-	-	(24,374)	(18,953)
Other operating income (expenses)	10,369	24,650	53,755	110,365	-	(452)	64,124	134,563
Added value on investment	(25,861)	(9,789)	-	-	-	(5,043)	(25,861)	(14,832)
Income before financial income and taxes	2,382,206	1,751,331	398,945	413,305	(275,858)	(251,269)	2,505,293	1,913,367
Net financial income	(978,664)	(557,422)	25,861	7,668	253,335	197,197	(699,468)	(352,557)
Income before income tax	1,403,542	1,193,909	424,806	420,973	(22,523)	(54,072)	1,805,825	1,560,810
Income and social contribution taxes	(422,042)	(402,435)	(52,391)	(43,545)	5,341	15,929	(469,092)	(430,051)
Consolidated Income for the period	981,500	791,474	372,415	377,428	(17,182)	(38,143)	1,336,733	1,130,759

	Agricultural Production		Land		Eliminations		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Current assets	7,283,164	5,275,217	232,443	53,946	(482,924)	(219,757)	7,032,683	5,109,406
Non-current assets	12,101,282	11,610,347	2,379,641	2,497,077	(6,645,217)	(6,350,487)	7,835,706	7,756,937
Total assets	**19,384,446**	16,885,564	**2,612,084**	2,551,023	**(7,128,141)**	(6,570,244)	**14,868,389**	12,866,343
Current liabilities	5,033,569	4,279,480	30,599	28,398	(474,478)	(475,898)	4,589,690	3,831,980
Non-currente liabilities	7,887,784	7,604,880	82,649	75,786	(2,588,166)	(2,422,378)	5,382,267	5,258,287
Shareholders' equity	6,463,093	5,001,204	2,498,836	2,446,839	(4,065,497)	(3,671,968)	4,896,432	3,776,076
Total liabilities and shareholders' equity	**19,384,446**	16,885,564	**2,612,084**	2,551,023	**(7,128,141)**	(6,570,244)	**14,868,389**	12,866,343

The Group sells its products to the domestic and foreign markets. In sales to the external market are considered the sales made directly, with the Group as operator, and indirectly, with sales to commercial exporters based in Brazil.

Consolidated domestic and foreign sales are thus represented:

	12/31/2022	12/31/2021
Domestic market	1,643,731	1,220,105
Sale of goods	1,642,438	1,220,105
Result of internal market hedge operation	1,293	-
Foreign market	5,899,125	3,280,985
Sale of goods - indirect export	3,079,801	1,721,798
Income from hedge operations indirect	153,946	(28,069)
Sale of goods - direct export	2,826,242	2,145,138
Income from hedge operations direct	(160,865)	(557,882)
Gross operating income	7,542,856	4,501,090
Deductions, taxes and contributions	(169,822)	(137,880)
Net operating income	7,377,034	4,363,210

Gross product sales information, by geographic segment, has been prepared from the country of origin of the revenue and can thus be presented:

	12/31/2022		12/31/2021	
Country	Value	% Participation	Value	% Participation
China	593,766	21.01	587,932	27.41
Indonésia	522,077	18.47	367,011	17.11
Vietnã	396,820	14.04	219,685	10.24
Paquistão	354,660	12.55	93,661	4.37
Others	958,919	33.93	876,849	40.88
	2,826,242	100.00	2,145,138	100.00

The amount of revenue from major customers is thus represented:

	Agricultural Product						
Customer	Fheatered cotton	Cottonseed	Bulk corn	Bulk soy-beans	Other cultures	Total	% on product sales (without effect of hedge operations)
Cargill Agrícola S.A.	442,066	-	278,235	1,579,833	8,627	2,308,761	30.59%
Others	2,525,100	398,156	451,223	1,456,607	408,634	5,239,720	69.41%
	2,967,166	398,156	729,458	3,036,440	417,261	7,548,481	100.00%

33. SUBSEQUENT EVENT

Signing of a land purchase agreement

Pursuant to a material fact disclosed on February 23, 2023, the Company entered into a Private Agreement for the Purchase and Sale of Rural Properties, in which Fazenda Paysandu Empreendimentos Agrícolas Ltda., a wholly-owned subsidiary of SLC Agrícola S.A., appears as "Buyer".

The object of this contract was the acquisition of 12,473.88 hectares of arable land, plus the corresponding Legal Reserve, located in the municipality of São Desidério, state of Bahia, currently leased by SLC Agrícola, through its subsidiary Fazenda Paysandu.

The value of the transaction was R$ 470 million, R$ 55.1 million of which related to improvements, the amount per arable hectare corresponds to R$ 33,262.60. Payment will be made in three installments, without monetary correction, as follows:

- R$180,000,000.00 (one hundred and eighty million reais), to be paid within 3 (three) business days from the signing of the contract;
- R$110,000,000.00 (one hundred and ten million reais), to be paid by December 29, 2023; and
- R$ 180,000,000.00 (one hundred and eighty million reais), to be paid by January 29, 2025, after overcoming conditions precedent and upon drawing up of the definitive Public Deed of purchase and sale ("Deed") in Buyer's favor.

The main improvements acquired include the cotton plant with a capacity of 750 bales of lint/day and silos with 9,000 tons of storage capacity.

STF decision - Judgment on tax matters

On February 8, 2023, the Federal Supreme Court concluded judgment RE 955227 (Topic 885) and RE 949297 (Topic 881), in the sense of losing the effects of final and unappealable decisions.

The Company evaluated the impacts and scope of said decision on the financial statements of 12.31.2022, considering the provisions of CPC 24 and CPC 25 and did not identify any impact to be recorded and/or disclosed in the financial statements of December 31, 2022.

Assurance statement

Statement by SGS do Brasil Ltda. (Sgs) regarding the sustainability activities provided in "Integrated Report 2022" from SLC Agrícola S.A.

NATURE AND SCOPE OF ASSURANCE

The SGS was hired by SLC AGRÍCOLA S.A. to carry out the third-party assurance of its Integrated Report, which provides information for the year 2022 and that follows international guidelines for monitoring and reporting sustainability information, including the Global Reporting Initiative (GRI). The scope of assurance, based on the methodology for assurance sustainability reports from SGS, included the text and data related to GRI Standards 2021, current version of GRI.

The information provided in "INTEGRATED REPORT 2022" and its presentation is a sole responsibility of SLC AGRÍCOLA S.A. management structure. The SGS is not involved in the preparation of any material, including the in the said report, such as risk analysis, materiality tests and other critical issues that may affect severally the SLC AGRÍCOLA S.A. business. We are liable for giving our opinion of the GRI disclosures and their texting, data, charts, and statement within the assurance scope in order to keep the SLC AGRÍCOLA S.A. stakeholders informed.

The SGS Group has developed a set of assurance protocols for Sustainability Communication based on the best practices provided in GRI Sustainability Reporting Standards, in its most up-to-date version of 2021, and the assurance standard International Standard on Assurance Engagements - ISAE3000. Such protocols offer different assurance levels depending on context and capacity of organization.

This report was assured considering our protocols to assess the content authenticity and its alignment with the requirements of GRI Sustainability Reporting Standards 2021, Universal Standards *(GRI 1_ Foundation 2021, GRI 2_ General Disclosures 2021, GRI 3_ Material Topics 2021)* and the requirements of Topic Standards (GRI 200, GRI 300 and GRI 400) according to the material topics identified by SLC AGRÍCOLA S.A. through the process described in this report.

The assurance process comprised (i) interviews with strategic employees involved in the process of compilation and preparation of the report, where disclosures, data and processes related to sustainability management and the collection of GRI disclosures were reviewed, (ii) review of the documentation presented by SLC AGRÍCOLA S.A. and comparison with the information entered by the company in the report and (iii) evaluation of versions of this report for alignment with GRI standards and (iv) analysis of engagement activities with defined parties (stakeholders) and assessment of the form of sustainability as defined materials were and inserted in the context of the organization and in the content of this sustainability report. The accounting information of SLC AGRÍCOLA S.A. contained and referenced in the "INTEGRATED REPORT 2022" was not evaluated as part of this assurance process, but in a separate audit process. The information related to the inventory of greenhouse gases was verified and went through a specific audit process.

IMPARTIALITY AND COMPETENCE STATEMENT

The SGS Group is global lead in inspection, analysis and verifications services, operating in more than 140 countries and rendering services that includes management system certification, audits and trainings on quality, environmental, social and ethic segments, sustainability assurance reports and greenhouse gases verification. The SGS attests your independence against SLC AGRÍCOLA S.A. stating that is exempt from interest conflict with the organization, their subsidiary and stakeholders.

The assurance team was composed according to members' expertise, experience and competence for this activity, the team is composed of:

- An Audit Lead on Assurance of Sustainability Report, a Lead auditor on Socioenvironmental programs, Lead Auditor in Integrated Management Systems, Lead Assessor of Greenhouse Gases (GHG) and Lead auditor on Renovabio program.

ASSURANCE OPINION

Regarding the verification carried out in the methodology, processes and data presented by SLC AGRÍCOLA S.A., we are confident that the information and data contained in the "INTEGRATED REPORT 2022" are reliable and a balanced representation of the sustainability activities developed by SLC AGRÍCOLA S.A. in the base year 2022. The SGS has the opinion that the report can be used by the company's stakeholders as part of its company evaluation processes.

In our opinion, based on what was verified and on the materials presented by SLC AGRÍCOLA S.A., the content of the report fully meets the requirements of the GRI Standards, wich are: apply the reporting principles, report the disclosures in GRI 2: General Disclosures 2021, determine material topics, report the disclosures in GRI 3: Material Topics 2021, report disclosures from the GRI Topic Standards for each material topic, provide reasons for omission for disclosures and requirements that the organization cannot comply with, publish a GRI content index, provide a statement of use and after publication notify GRI.

RECOMMENDATIONS, FINDINGS AND CONCLUSIONS OF ASSURANCE

- The Report of SLC AGRÍCOLA S.A., "INTEGRATED REPORT 2022" is aligned with GRI Standards 2021, and also with the requirements of the Topic-specific Standards (GRI 200, GRI 300 and GRI 400).
- SLC AGRÍCOLA S.A. presents its Report with 10 material topics: 1. Climate Change; 2. Environmental Management System; 3. Socioeconomic Impacts; 4. People Development; 5. Diversity and Inclusion; 6. Health and Safety; 7. Product Certifications and Traceability; 8. Ethics and Compliance; 9. Innovation and Productivity; 10. Risk Management. In our view, the material topics reflect the impacts of SLC AGRÍCOLA S.A. activities in a balanced manner, and the report covers information on all topics considered as materials for the sector and stakeholders, according to GRI 3: Material Topics 2021.
- Regarding the partial publication of information related to disclosures, disclosures 2-21 - Annual total compensation ratio, 205-2 - Communication and training about anti-corruption policies and procedures and 404-2 - Programs for upgrading employee skills and transition assistance programs are partially reported.

Finally, SGS believes in the importance of transparency and congratulates the company for the initiative of ensuring its report, as well as promoting sustainability in its actions and disseminating its code of conduct and compliance at all levels of the organization.

March 31, 2023

Executed by and on behalf of SGS.

Gustavo Venda
Business Manager - Sustainability

Mariana de Oliveira K.

Mariana de Oliveira Klein
Lead Auditor for Sustainability Report

BOARD OF DIRECTORS

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We seek to respond to requests within 24 hours.

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