



Earnings Release

3Q22

Formosa, November 14th, 2022 – Boa Safra (B3: SOJA3), the industry-leading soybean seed production company in Brazil, releases its earnings for the quarter ended September 30, 2022 ("3Q22"). The financial statements have been prepared pursuant to the accounting practices adopted in Brazil (BR GAAP) and the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).



2Q22 Earnings Webcasts

November 14th, 2022

Portuguese with simultaneous
translation into English

9 a.m. (Brasilia time)

8 a.m. (New York time)

Portuguese webcast: [here](#)

English webcast [here](#)



Main Highlights



- 🌱 **70.0%** growth in 3Q22 LTM Net Revenue
- 🌱 Record Backlog for a 3Q of **R\$464 million**
- 🌱 Increase in liquidity with the sale of **~R\$ 50 mn of Fiagro quotes** and raising of long term financing amounting to **R\$ 110 million**

- 🌱 Purchase of 2/3 of **Bestway Seeds**
- 🌱 Completion of the **Seed Processing Unit of Jaborandi** and of the **DC of Balsas** and Construction Works in Progress of the **Seed Processing Unit of Cabeceiras** and also of the **Seed Processing Unit of Primavera do Leste**
- 🌱 **ESG**

Purpose, Mission, Vision and Values

Establishment of an ESG Committee in Boa Safra
Greener Unit (Unidade Mais Verde) Project;

Our History

2009

**Establishment of
Boa Safra**

2013

**First cold storage
warehouse starts
operations**

2016

**Boa Safra
Sementes
imports
industrial seed
treatment
technology**

**The Company
started to be
audited by
KPMG (2015)**

2018

**Launch of the
Seed Laboratory**

2019

**Starts the
project of the
largest Seed
Processing Unit
in Brazil in
Cabeceiras/GO**

2020

**Introduction to
complete
Industrial Seed
Treatment
("2nd gen. IST")**

2021

**Boa Safra goes
public (IPO) on
B3**

**First
photovoltaic
plant in the
Cabeceiras
Unit/GO**

2022

**Expansion of
Distribution
Center and Seed
Processing Unit**

**Launch of
FIAGRO**

**Purchase of
Bestway**

Boa Safra in numbers

Consolidated (in R\$ thousand)						
Financial Performance	3Q22	3Q21	% Chg.	LTM 3Q22	LTM 3Q21	% Chg.
Net Operating Revenue	881,526	586,656	50.26%	1,484,589	873,324	70.0%
Cost of Goods Sold	-780,493	-487,373	-60,1%	-1,336,048	-696,584	-91.80%
Gross Profit	101,033	99,283	1.76%	148,541	176,740	-15.96%
Gross Margin	11.46%	16.92%	-5.5 p.p	10.01%	20.24%	-10.2 pp
Ebitda	94,236	89,285	5.55%	123,119	151,728	-18,85%
Ebitda Margin	10.69%	15.22%	-4.5p.p.	8.29%	17.37%	-9.08p.p.
Net Profit/Income	85,939	88,087	-2.44%	116,007	135,638	-14.47%
Net Margin	9.75%	15.02%	-5.3p.p.	7.81%	15.53%	-7.7p.p
Operational Performance	21/22 Crop	20/21 Crop		% Chg.		
Installed Capacity (thousand big bags)	170	130		30.77%		
Air-conditioned Storage Capacity (thousand big bags)	170	130		30.77%		
Seeds with Biotechnology (%)	90%	80%		10 p.p.		
Stores/Resales (No.)	>700	>500		>200		
Order Backlog	3Q22	3Q21		% Chg.		
Orders to be performed (R\$ million)	464,449	206,774		125%		



Operational Performance

Soybean production cycle

1Q22



Soybean
harvest

2Q22



Seed processing
and storage

3Q22



DC logistics
and
Commencement
of 2022/23 crop
planting

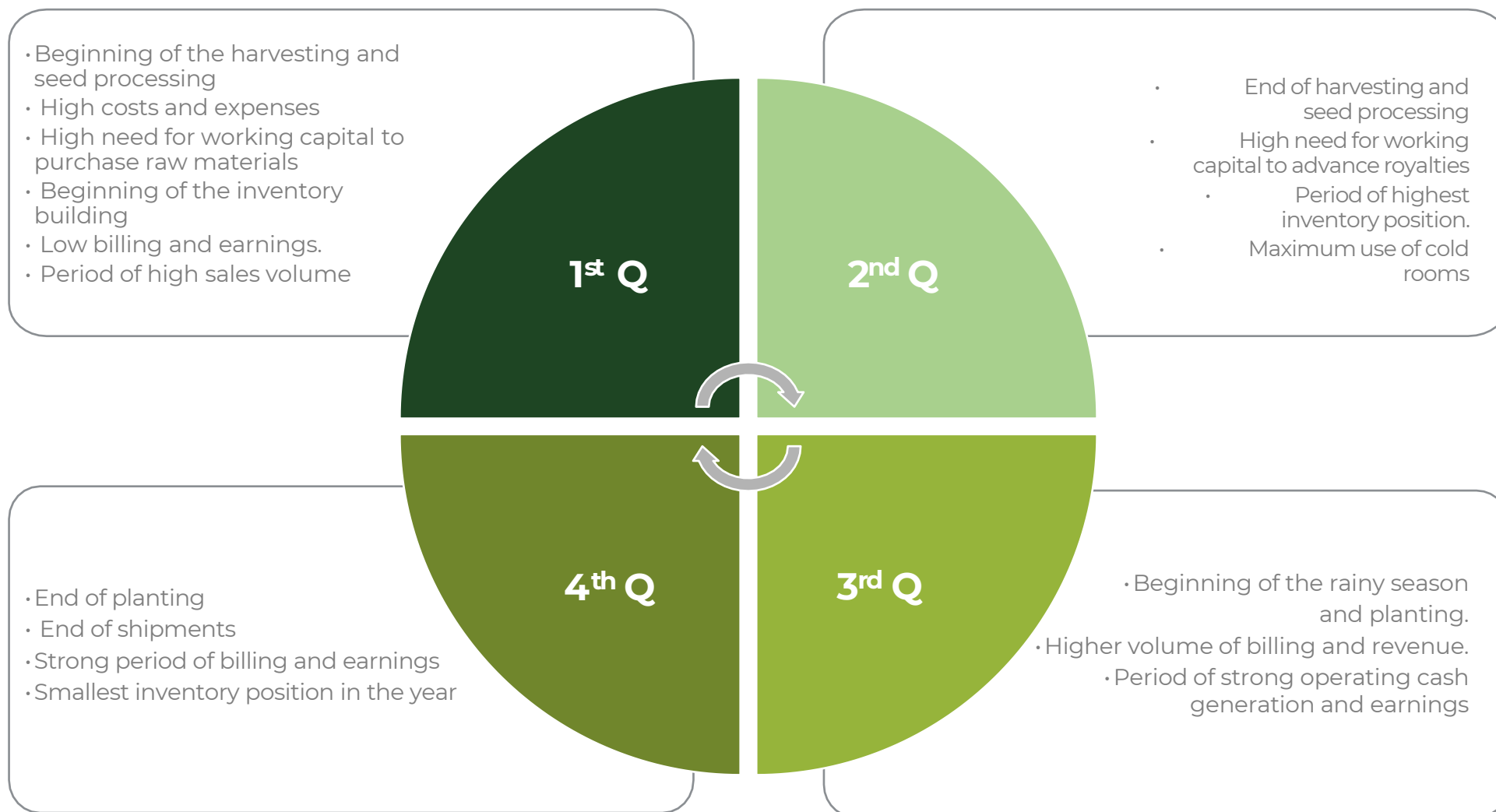
4Q22



2022/23
crop
planting

Financial Performance

Seasonality of the seed operation



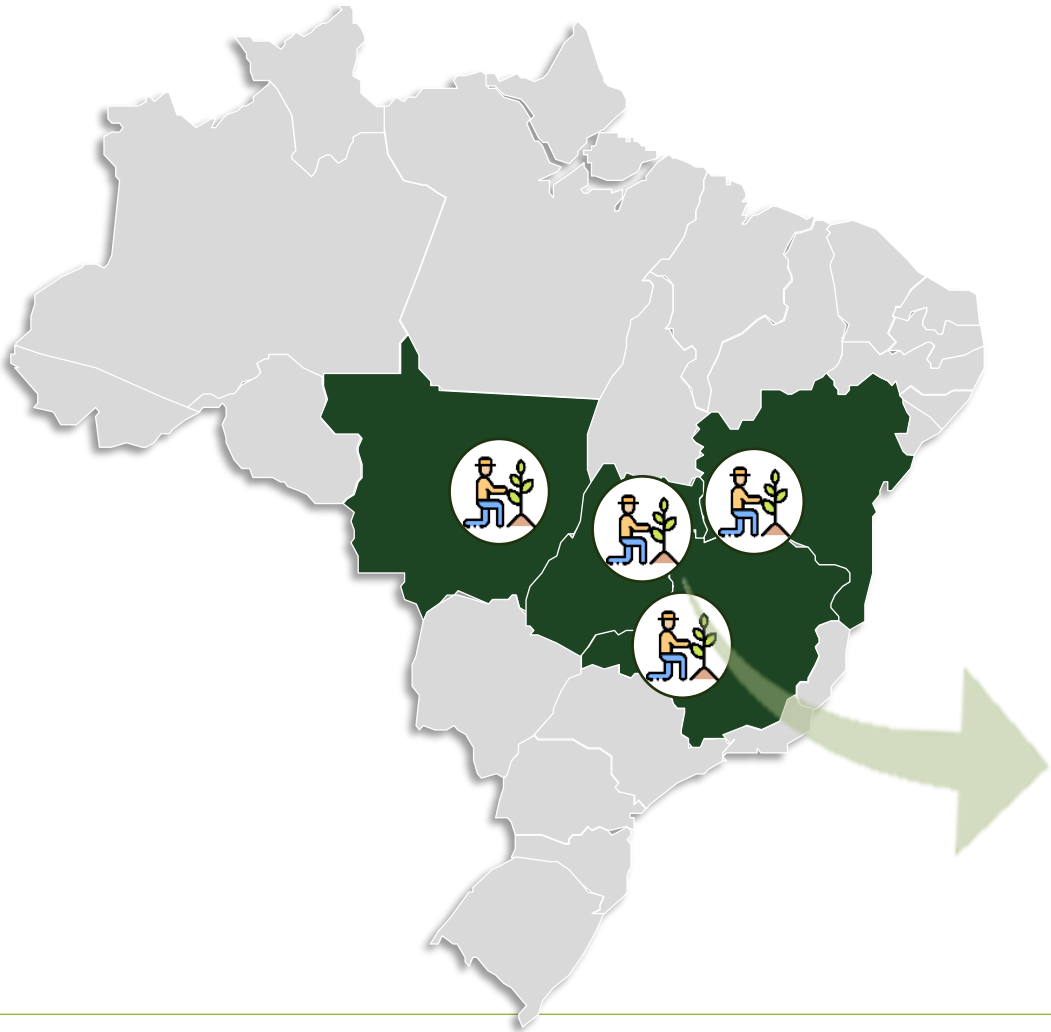
Operational Performance

Progress of the Planted Area

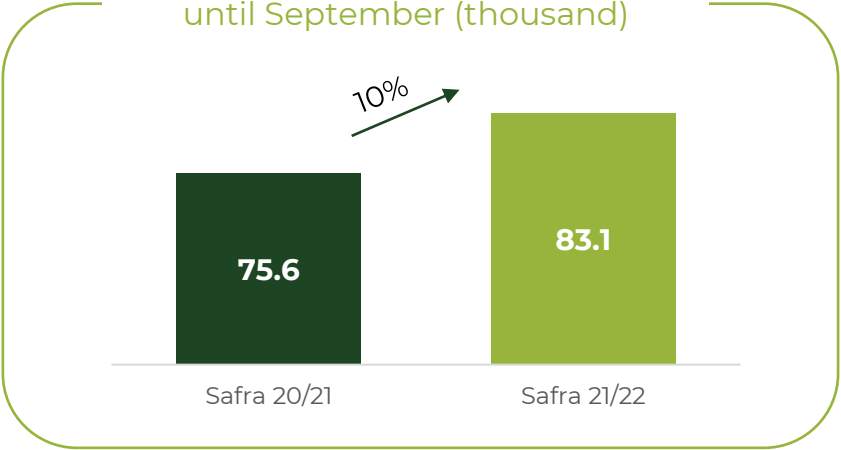
In the 21/22 harvest, we observed a 31.3% increase in planted area, totaling 105 thousand hectares

The expansion of contracted fields and the number of integrated producers (outgrowers) generates benefits such as:

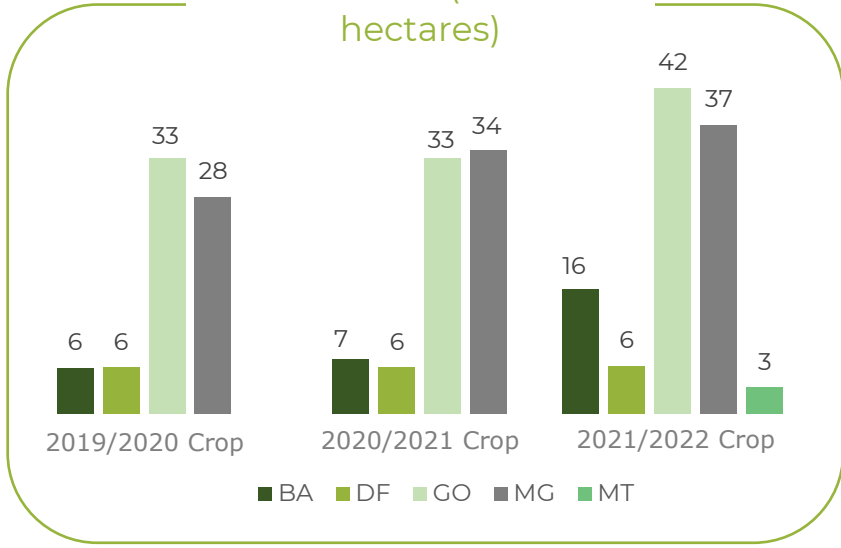
- (i) climate risk mitigation; and
- (ii) Expansion of the portfolio of materials, thus meeting the demands of our customers in a more comprehensive approach.



Number of Bags sold accumulated until September (thousand)



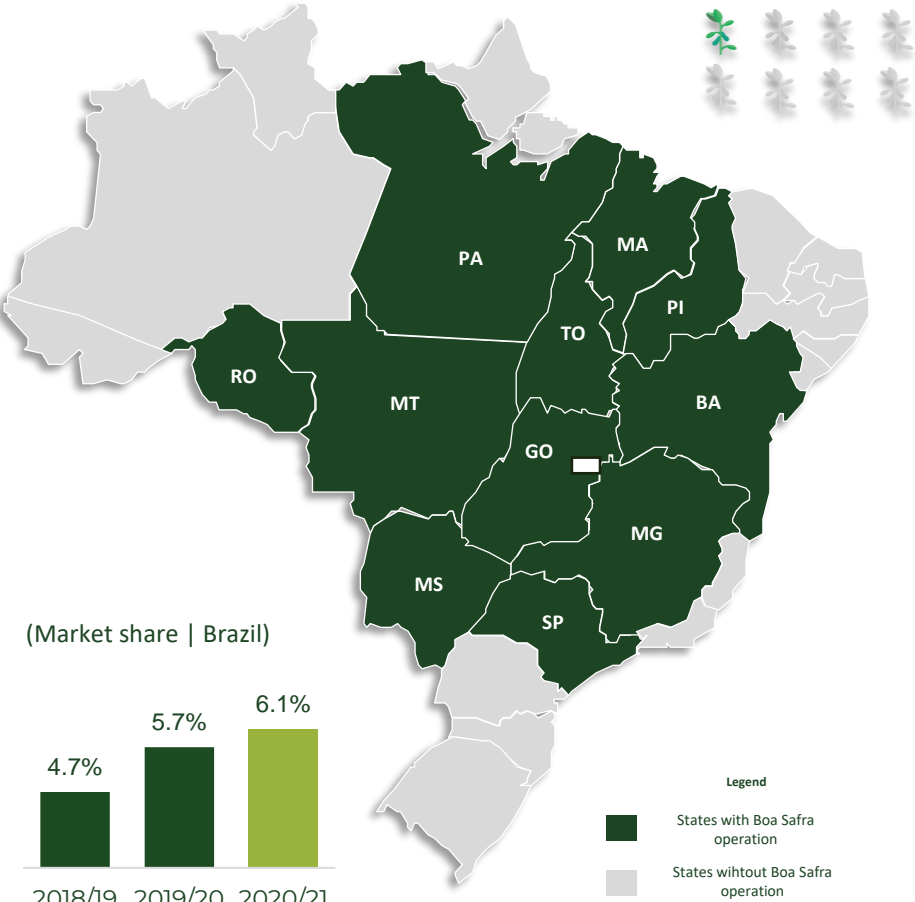
Planted Area (thousand hectares)



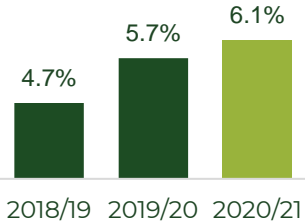
Operational Performance

The basis of our succes

(Market share⁽¹⁾ of Boa Safra Sementes in the market 2021/22)



(Market share | Brazil)



1 out every ~8 hectares planted in Mato Grosso State is with Boa Safra seeds

Boa Safra covers +70% of the national territory

VIGOUR AND GERMINATION RATES OF BOA SAFRA'S SEEDS:

SAFRA 2019/20	SAFRA 2020/21
VIGOR MÉDIO: 84,0%	VIGOR MÉDIO: 91,4%
GERMINAÇÃO: 94,0%	GERMINAÇÃO: 94,9%

THESE ARE OUR RESULTS IN HEAVERST 2021/22:

92,0% **vigour**



Increasing crop yield

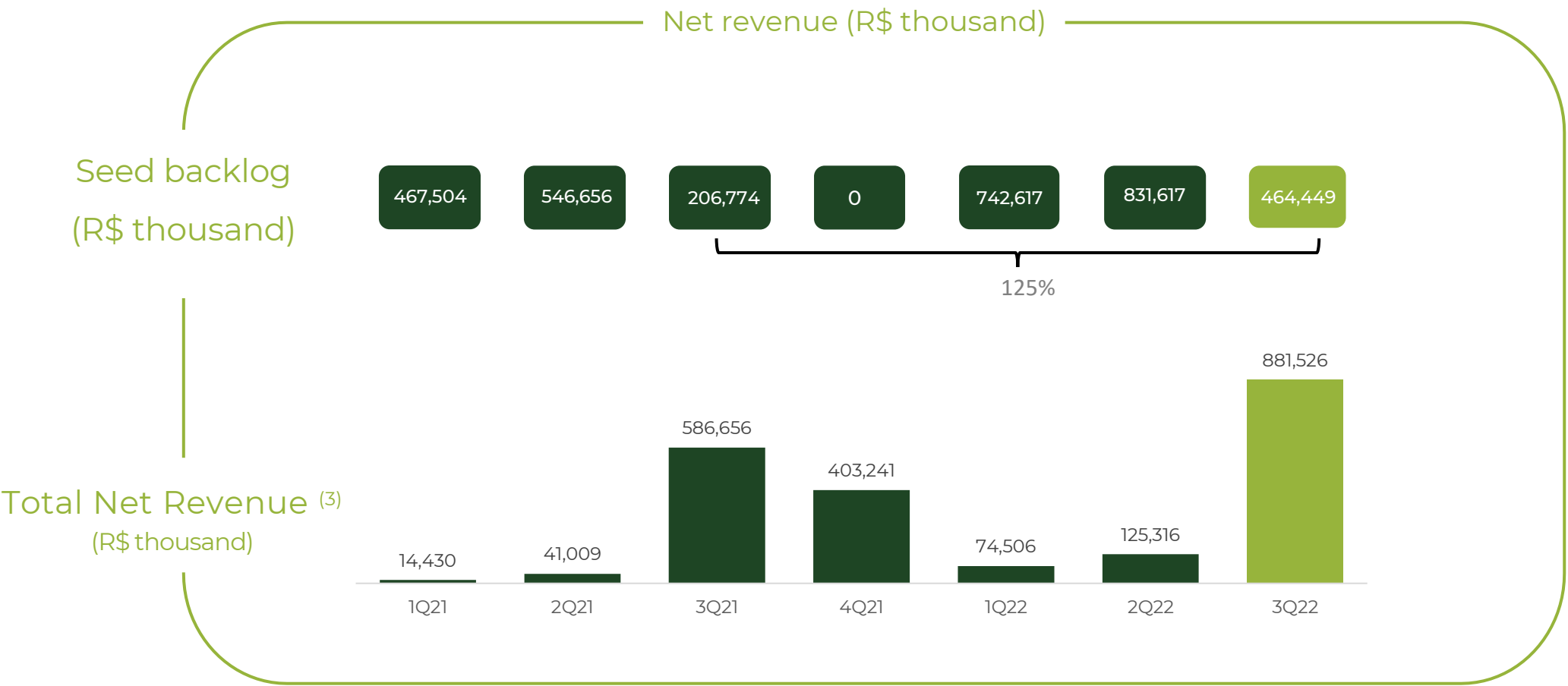
95,0%¹ **germination rate**



Lowering the seed bag / hectare need therefore making planting more cost efficient

Financial Performance

Total net revenue and seed order backlog

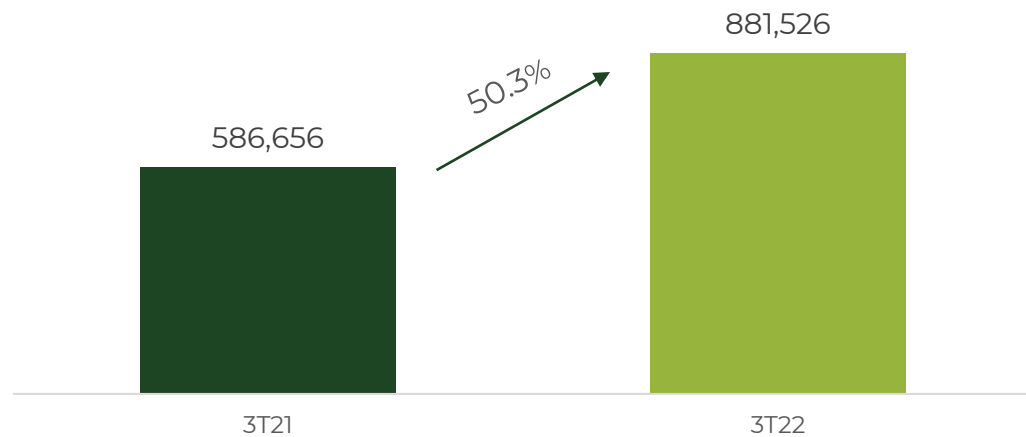


125% growth in order volume in 3Q22 compared to 3Q21.

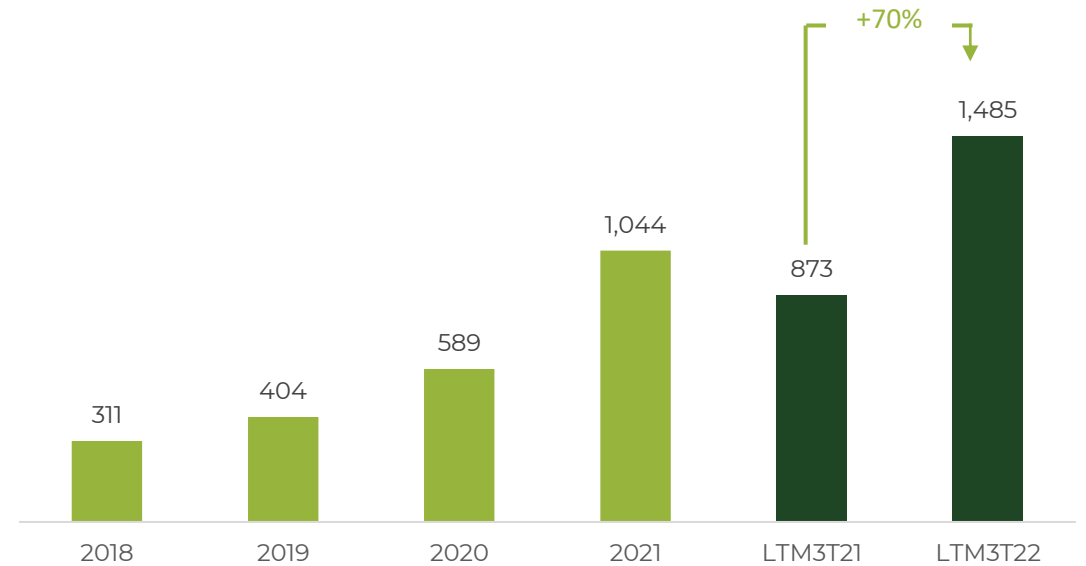
Financial Performance

Net Revenue

Net Operating Revenue
(R\$ thousand)



LTM Net Operating Revenue
(R\$ millions)

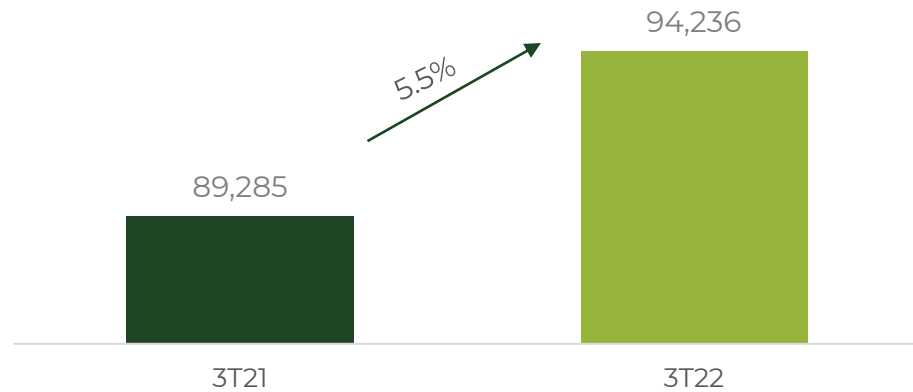


Net Operating Revenue Continuous Growth background

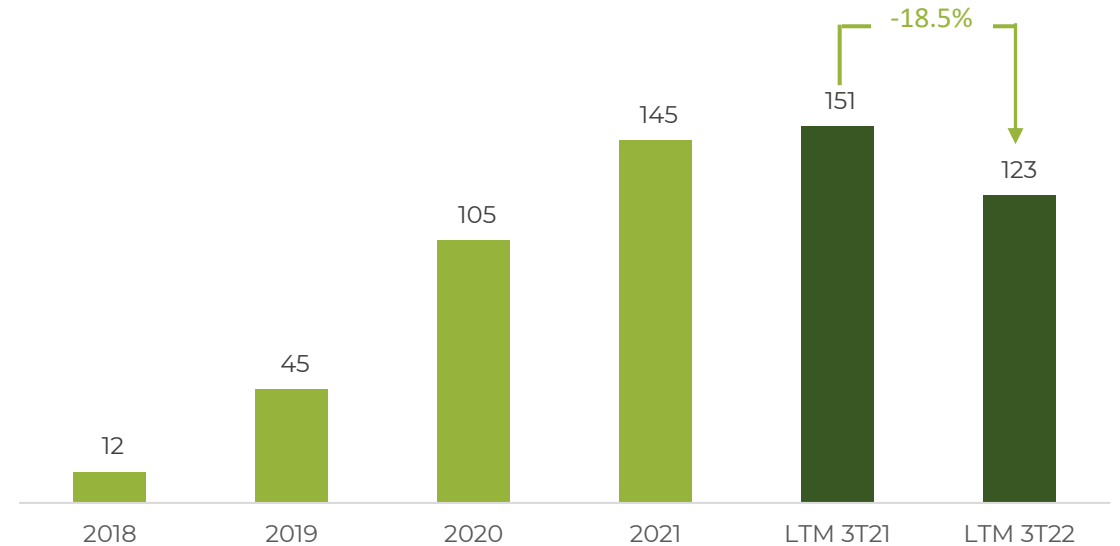
Financial Performance

EBITDA

EBITDA
(R\$ thousand)



EBITDA
(R\$ millions)

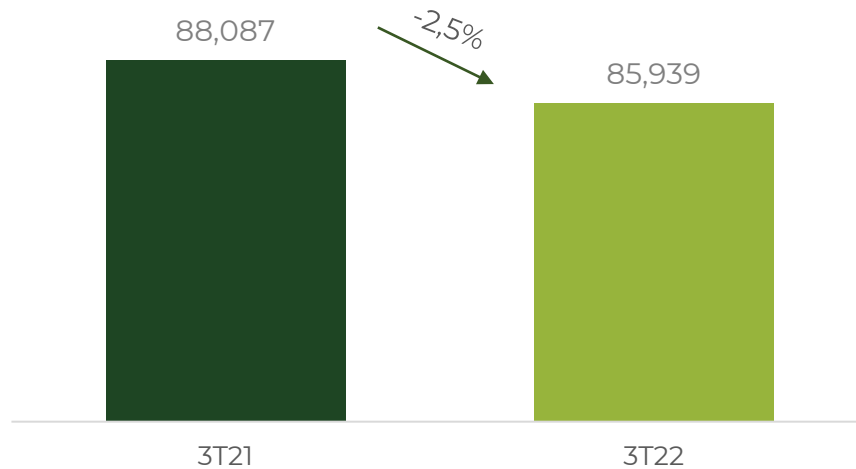


3Q22 EBITDA raised 5.5% when compared to the same period last year

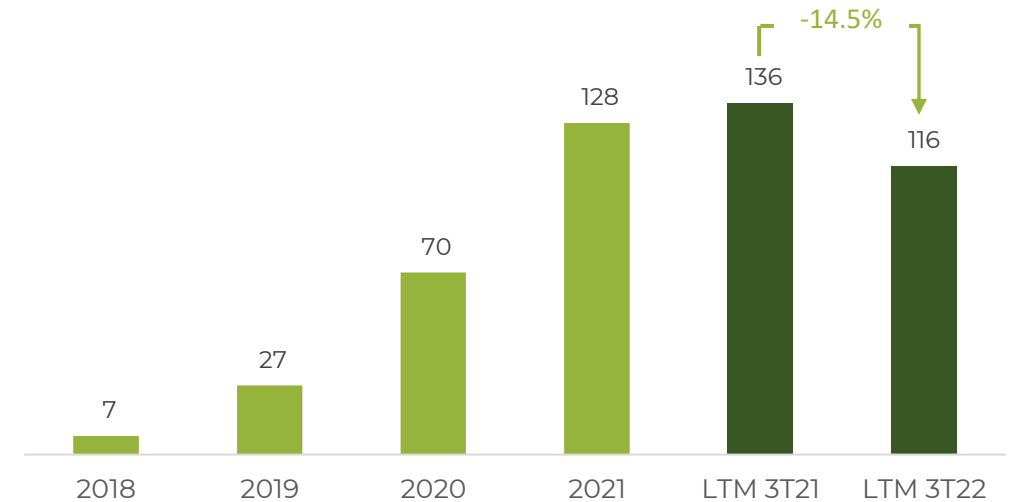
Financial Performance

Net Revenue

Net Revenue (R\$ thousand)



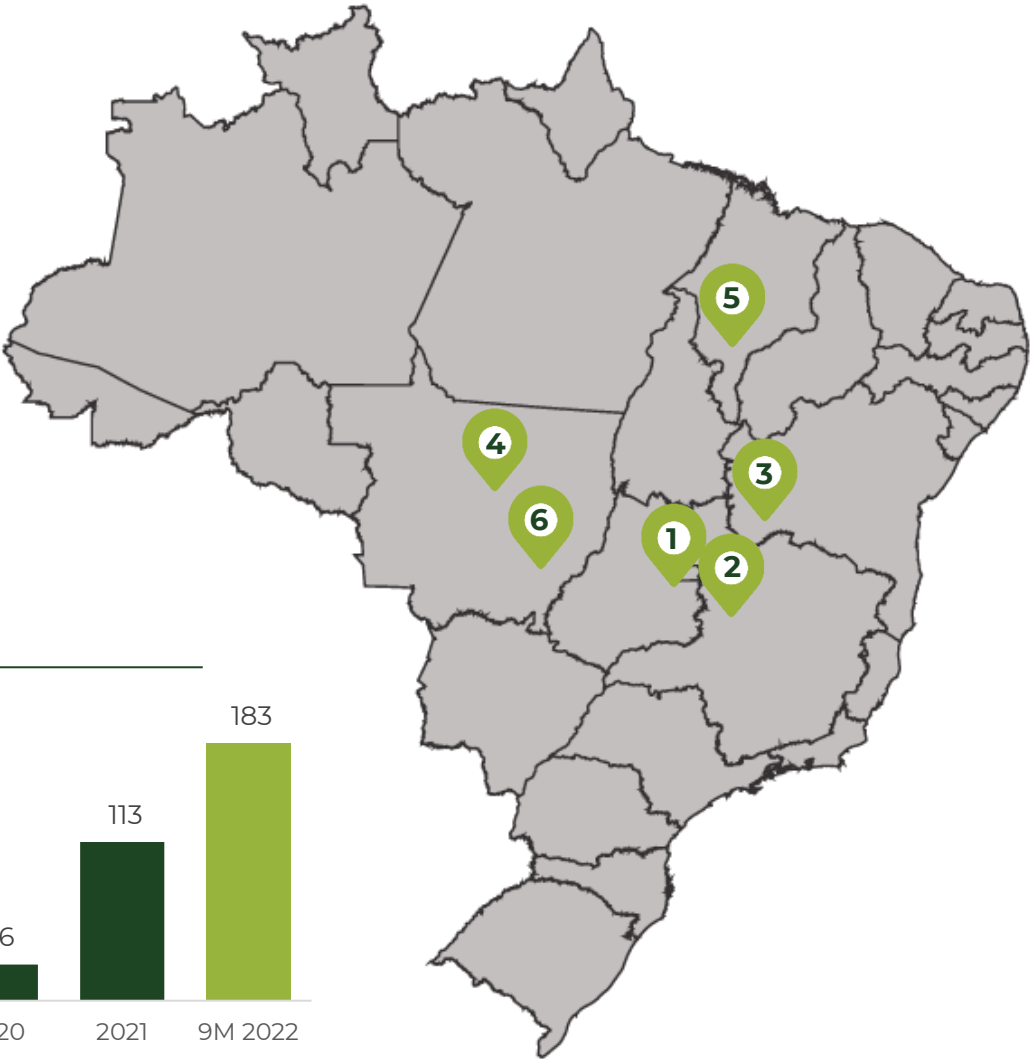
LTM Net Revenue and Net Margin
(R\$ millions)



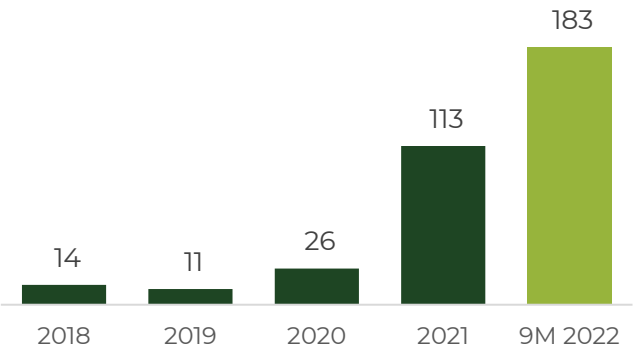
3Q22 Net Income decreased by 2.5% when compared to 3Q21

Financial Performance

Capex



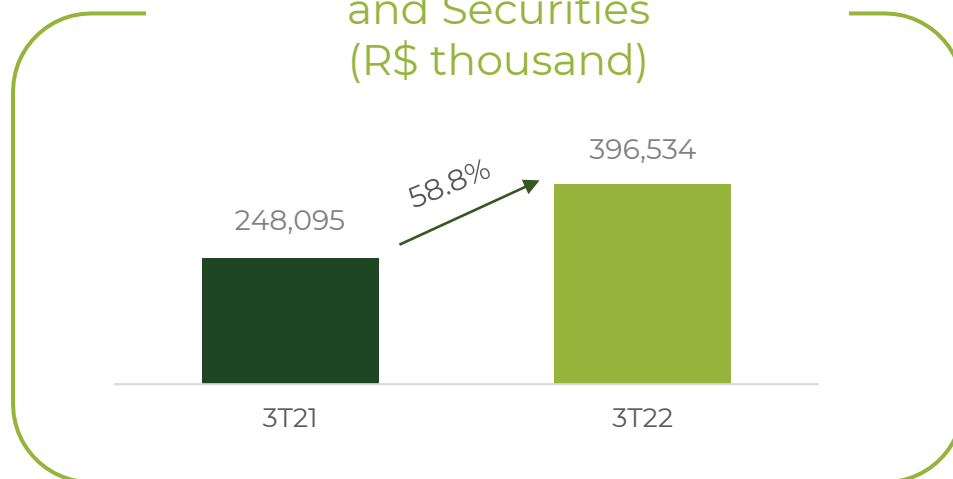
Capex (R\$ millions)



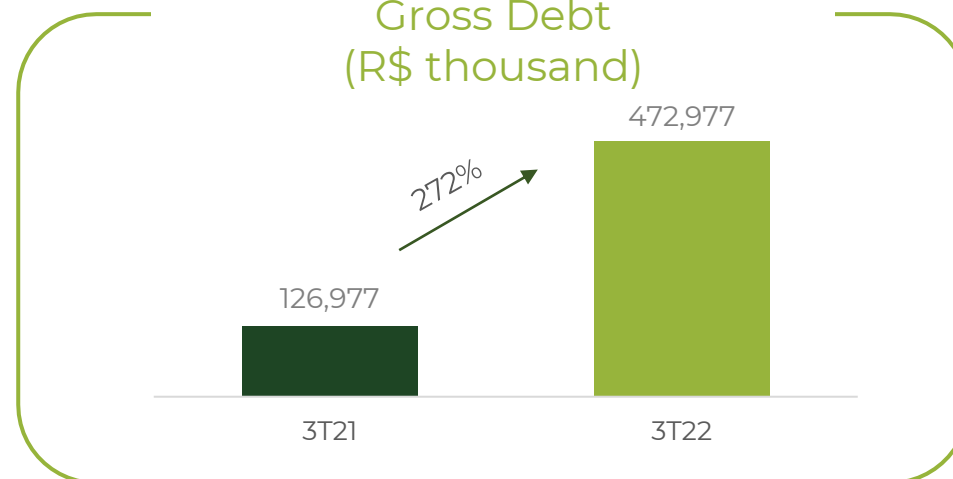
Financial Performance

Increase in cash and maintenance of the EBITDA debt ratio at a healthy level

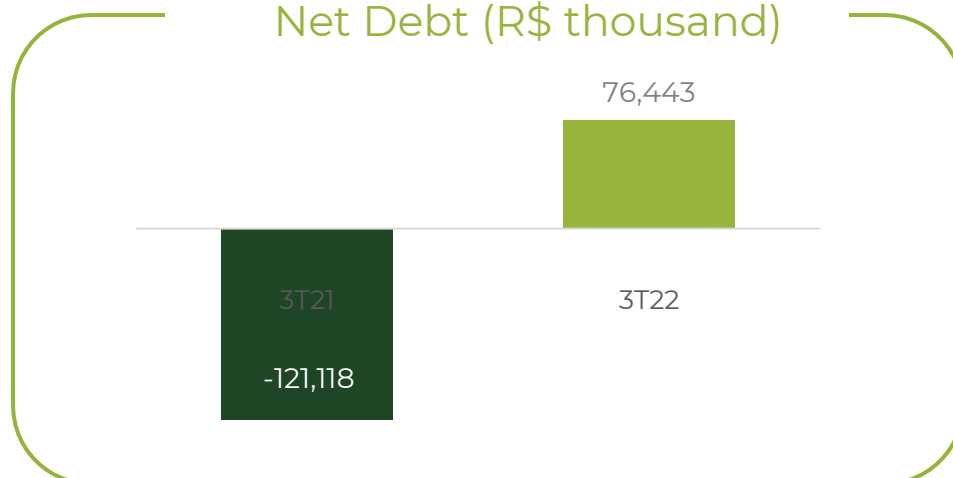
Cash and Cash Equivalents,
and Securities
(R\$ thousand)



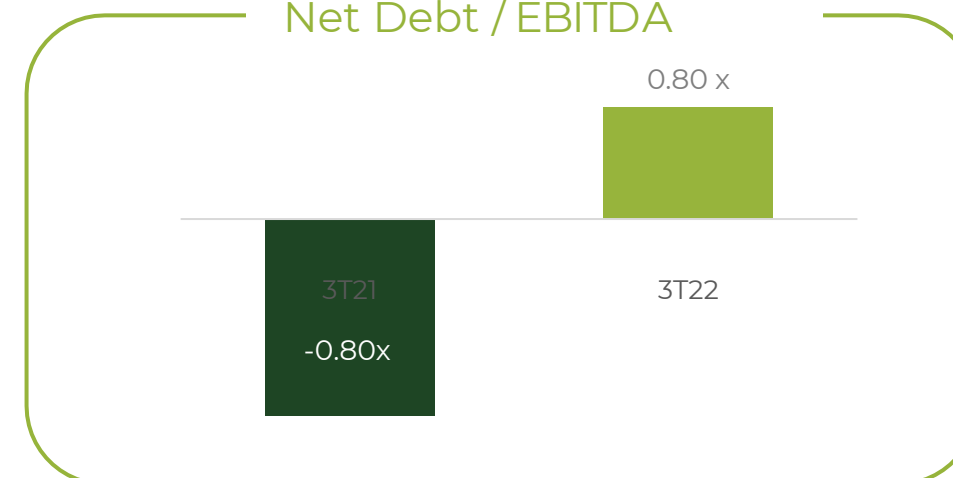
Gross Debt
(R\$ thousand)



Net Debt (R\$ thousand)



Net Debt / EBITDA



Purchase of Bestway Seeds

Purchase Details

Equity Interest: **2/3** of the Company

Purchase Value:
R\$ 35.0 million (primary)

Net Debt (after capitalization):
R\$ 2.53 million

	BWS1	BWS2
Location	MG	MG
Receiving Capacity (thousand bags)	300	1,000
Operational	Yes	Yes
Phase I	Yes	Yes
Phase II	Yes	2023

Purchase Rationale

Strategic location, close to the **largest corn seed producers** in the country.

Know-how in corn seed production.

Medium-long term contracts with major customers.

Assets already operational and a company **with good market reputation.**

Value Drivers

Cost optimization: gains in scale will provide operational and administrative cost optimizations.

Synergy with Boa Safra DCs.

Potential for growth: the seed market grows an average of 3% p.a.

Leverage: financing with private banks/promotion/progress with competitive costs.



ESG

We are increasingly attentive to the ESG agenda

Realignment of our proposal for **Purpose, Mission, Vision and Values:**

Purpose: To deliver innovative solutions in food production.

Mission: To establish lasting bonds, offering the best alternatives for customers and partners.

Vision: To be among the main Brazilian agricultural production companies.

Values: Talents, Trust, Ownership, Protagonism and Simplicity

Afforestation Project **Greener Unit (Unidade Mais Verde)**



Establishment of an **ESG Committee**, focused on developing **strategies and placing the Company in its sustainable development path.**



Exhibit I

Balance Sheet - Assets (R\$ thousand)	3Q22	3Q21	Chg. %
Current			
Cash and Cash Equivalents	365,261	200,387	82,28%
Securities	31,273	47,708	-34,45%
Receivables	108,714	122,620	-11,34%
Inventories	393,882	271,333	45,17%
Financial Instruments and Derivatives	26,477	13,508	96,01%
Advances to Suppliers	212,874	108,531	96,14%
Taxes to Recover	37,818	25,211	50,01%
Current Tax Asset	8,445	6,464	30,65%
Other Credits	4,199	6,345	-33,82%
Total Current Assets	1,188,943	802,107	48,23%
Non-Current			
Other Credits	526	940	-44,04%
Taxes to Recover	51,086	37,444	36,43%
Deferred Tax Asset	0	0	0,00%
Long-Term Receivables	51,612	38,384	34,46%
Investments	0	0	0,00%
Property, Plant and Equipment	422,823	151,294	179,47%
Right of Use Assets	10,214	0	100,00%
Intangible Asset	2,025	362	459,39%
Total Non-Current Assets	486,674	190,040	156,09%
Total Assets	1,675,617	992,147	68,89%

Balance Sheet - Liabilities (R\$ thousand)	3Q22	3Q21	Chg. %
Current			
Suppliers and Other Payables	102,993	98,719	4.33%
Financing and Loans	364,441	88,426	312.14%
Social and Labor Obligations	3,522	4,139	-14.91%
Tax Obligations	23,387	8,132	187.59%
Financial Documents and Derivatives	3,790	2,216	71.03%
Lease Liabilities	3,851	0	100.00%
Dividends Payable	4,700	0	100.00%
Advances from Customers	247,353	110,941	122.96%
Total Current Liabilities	754,037	312,573	141.24%
Non-Current			
Financing and Loans	108,536	38,551	181.54%
Lease Liabilities	6,363	0	
Deferred Tax Liabilities	7,539	14,355	-47.48%
Total Non-Current Liabilities	122,438	52,906	131.43%
Net Equity			
Share Capital	429,726	429,726	0.00%
Legal Reserve	8,158	1,767	361.69%
Tax Incentives Reserves	131,024	120,261	8.95%
Results/Earnings for the Period	79,663	33,282	139.36%
Profit Retention/Withholding Reserve	83,930	41,632	101.60%
Non-controlling interest	66,641	0	100.00%
Total Net Equity	799,142	626,668	27.52%
Total Liabilities	876,475	365,479	139.82%
Total Liabilities and Shareholders' Net Equity	1,675,617	992,147	68.89%

Exhibit II

Income Statement (R\$ thousands)	Nine-month period ending on		Chg. %	Three-month period ending on		Chg. %
	3Q22	3Q21		09/30/22	09/30/21	
Net Operating Revenue	1,081,348	641,095	69%	881,526	586,656	50%
Cost of Goods Sold	-979,334	-516,869	-89%	-780,493	-487,373	-60%
Gross Profit	102,014	124,226	-18%	101,033	99,283	2%
Selling Expenses	-6,143	-8,181	25%	-3,345	-5,382	38%
General and Administrative	-13,558	-11,551	-17%	-4,063	-4,960	18%
Provision for Expected Loss	50	-70	171%	0	-70	-100%
Other Operating Revenues	117	1,221	-90%	18	-89	120%
Income prior to financial income (expenses) net of taxes	82,479	105,645	-22%	93,643	88,782	5%
Financial Revenues	23,855	7,652	212%	2,051	3,351	-39%
Financial Expenses	-23,738	-15,724	-51%	-13,872	-7,841	-77%
Financial Income	117	-8,072	101%	-11,821	-4,490	-163%
Profit Sharing in Equity Invested Companies	0	0	0%	0	0	0%
Earnings before Taxes	82,596	97,573	-15%	81,822	84,292	-3%
Income Tax and Social Contribution - Deferred	5,534	-624	987%	4,117	3,795	8%
Income Tax and Social Contribution – Current	-7,667	0	-100%	0	0	0%
(Loss) Income for the Period	80,463	96,949	-17%	85,939	88,087	-2%

Disclaimer



The information provided herein concerning business perspectives, projections on operating and financial results, and business growth, are projections made by the Company's management, based exclusively on expectations for the business. Market conditions, Brazilian economy, the sector itself and international markets are factors that directly affect our expectations, which are subject to change without prior notice.

Statement on services provided by Independent Auditors

In line with CVM Instruction No. 381, enacted on January 14, 2003, the Company represents to have an agreement executed with KPMG Independent Auditors ("KPMG") on April 20, 2022, having as subject matter thereof the issuance of an audit report on the Financial Statements for the quarter ending on December 31, 2022 and the reports on the Interim Financial Information including the balance sheets as of March 31, June 30, September 30, 2022 and December 31, 2022. KPMG only provides services with respect to quarterly reviews and annual auditing. We clarify that the Company adopts the following principles when hiring the independent auditor: (i) the auditor does not audit his/her own work/report; (ii) the auditor does not exercise managerial functions in the Company; and (iii) the auditor does not support or represent the interests of Boa Safra Sementes S/A.

The accounting information hereunder in the Comments on the Performance and in the Notes to the Interim Financial Information comply with the criteria of the Brazilian corporate law, based on audited financial information. Non-financial information and other operational information have not been audited by the independent auditors.

Executive Board's Statements

In compliance with the provisions of article 29, paragraph 1, item II, of CVM Instruction No. 480, enacted on December 7, 2009 ("ICVM 480"), the Officers represent having deliberated, reviewed and agreed to the Interim Accounting Information referring to the quarter ended on September 30, 2022 respectively, and to the conclusion provided in the KPMG Independent Auditors Review Report referring to them.

Investor Relations



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