(A free translation of the original in Portuguese)

S/A Usina Coruripe Açúcar e Álcool

Parent company and consolidated interim financial statements at December 31, 2022 and report on review

(A free translation of the original in Portuguese)

Report on review of parent company and consolidated interim financial statements

To the Shareholders and Management
S/A Usina Coruripe Açúcar e Álcool

Introduction

We have reviewed the accompanying balance sheet of S/A Usina Coruripe Açúcar e Álcool ("Company") as at December 31, 2022 and the related statements of operations and of comprehensive income for the three- and nine-month periods then ended, and the statements of changes in equity and of cash flows for the nine-month period then ended, as well as the consolidated balance sheet of S/A Usina Coruripe Açúcar e Álcool and its subsidiaries ("Consolidated") as at December 31, 2022 and the consolidated statements of operations and of comprehensive income for the three- and nine-month periods then ended, and the consolidated statements of changes in equity and of cash flows for the nine-month period then ended, as well as the corresponding explanatory notes, including the significant accounting policies and other explanatory information.

Management is responsible for the preparation and fair presentation of these parent company and consolidated interim financial statements in accordance with the accounting standard CPC 21, Interim Financial Reporting, of the Brazilian Accounting Pronouncements Committee (CPC), and International Accounting Standard (IAS) 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB). Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of review

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

PricewaterhouseCoopers Auditores Independentes Ltda., Av. Antônio Diederichsen, 400, 21º e 22º, Ed. Metropolitan Business Center Ribeirão Preto, SP, Brasil, 14020-250
T: 4004-8000, www.pwc.com.br

S/A Usina Coruripe Açúcar e Álcool

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements referred to above do not present fairly, in all material respects, the financial position of S/A Usina Coruripe Açúcar e Álcool and of S/A Usina Coruripe Açúcar e Álcool and its subsidiaries as at December 31, 2022, and the parent company financial performance for the three- and nine-month periods then ended and its cash flows for the nine-month period then ended, as well as the consolidated financial performance for the three- and nine-month periods then ended and the consolidated cash flows for the nine-month period then ended, in accordance with CPC 21 and IAS 34.

Ribeirão Preto, February 28, 2023

PricewaterhouseCoopers
Auditores Independentes Ltda.
CRC 2SP000160/O-5

Luís Fernando de Souza Maranha
Contador CRC 1SP201527/O-5

(A free translation of the original in Portuguese)

Contents

Interim financial statements

S/A Usina Coruripe Açúcar e Álcool

Balance sheet

(In thousands of reais) (A free translation of the original in Portuguese)

	Note	Parent company December 31, 2022	Parent company March 31, 2022	Consolidated December 31, 2022	Consolidated March 31, 2022
Assets					
Current assets					
Cash and cash equivalents	3	141,227	665,481	151,327	676,180
Financial investments	4	130,802	367	130,802	367
Trade receivables	5	130,266	95,909	130,459	96,609
Inventories	6	593,077	137,625	593,766	137,841
Advances to suppliers	7	238,655	315,365	238,655	315,365
Biological assets	12	475,509	305,243	475,509	305,243
Sales taxes recoverable	8	137,324	105,933	137,338	106,009
Income tax and social contribution recoverable	28	37,635	42,075	37,635	42,075
Derivative financial instruments	30	58		58	
Other receivables	9	32,935	36,884	33,154	37,082
Total current assets		1,917,488	1,704,882	1,928,703	1,716,771
Non-current assets					
Long-term receivables					
Financial investments	4	6,667	7,529	6,667	7,529
Advances to suppliers	7	206,906	198,429	206,906	198,429
Related parties	10	49,519	12,262	51,511	12,262
Sales taxes recoverable	8	14,795	637	14,795	637
Deferred income tax and social contribution	28	33,694		33,694	
Other receivables	9	3,486,871	3,278,158	3,486,871	3,278,511
Judicial deposits		4,574	2,883	4,574	2,883
		3,803,026	3,499,898	3,805,018	3,500,251
Investments	11	44,505	49,511	28,089	26,987
Property, plant and equipment	13	1,871,205	1,641,414	1,884,244	1,655,992
Intangible assets	14	2,471	2,925	2,471	2,925
Right-of-use assets	15	1,571,813	1,454,476	1,571,813	1,454,476
Total non-current assets		7,293,020	6,648,224	7,291,635	6,640,631
Total assets		**9,210,508**	**8,353,106**	**9,220,338**	**8,357,402**

S/A Usina Coruripe Açúcar e Álcool

Balance sheet
(In thousands of reais) **(continued)**

	Note	Parent company		Consolidated	
		December 31, 2022	March 31, 2022	December 31, 2022	March 31, 2022
Liabilities and equity					
Current liabilities					
Accounts payable	16	287,652	184,995	290,423	186,177
Loans and financing	17	1,047,179	787,324	1,048,492	800,688
Lease payable	15	146,908	92,771	146,908	92,771
Agricultural partnerships payable	15	98,968	97,437	98,968	97,437
Salaries and social charges		83,537	70,520	83,682	70,716
Other taxes payable	18	25,491	28,143	27,295	29,563
Income tax and social contribution	28			688	175
Advances from customers	19	388,081	248,725	388,081	248,725
Commitments from electricity contracts	20	58,821	85,730	58,821	85,730
Derivative financial instruments	30	1,176	21,606	1,804	22,692
Other payables		13,006	21,367	13,025	21,372
Total current liabilities		2,150,819	1,638,618	2,158,187	1,656,046
Non-current assets					
Loans and financing	17	2,591,392	2,518,824	2,597,454	2,522,157
Lease payable	15	812,418	720,685	812,418	720,685
Agricultural partnerships payable	15	459,186	477,076	459,186	477,076
Other taxes payable	18	142,406	146,737	142,406	146,737
Derivative financial instruments	30	36,157		36,157	
Advances from customers	19	181,760		181,760	
Commitments from electricity contracts	20	116,920	81,190	116,920	81,190
Deferred income tax and social contribution	28		11,693		11,693
Provision for contingencies	21	72,283	92,740	72,283	92,740
Related parties	10	3,600	16,465		
Other payables	9 (a)	409,637	416,534	409,637	416,534
Total non-current liabilities		4,825,759	4,481,944	4,828,221	4,468,812
Total liabilities		6,976,578	6,120,562	6,986,408	6,124,858
Equity	22				
Share capital		408,845	408,845	408,845	408,845
Treasury shares		(1,215)	(1,215)	(1,215)	(1,215)
Carrying value adjustment		12,001	63,600	12,001	63,600
Revenue reserves		1,745,364	1,761,314	1,745,364	1,761,314
Retained earnings		68,935		68,935	
Total equity		2,233,930	2,232,544	2,233,930	2,232,544
Total liabilities and equity		**9,210,508**	**8,353,106**	**9,220,338**	**8,357,402**

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

S/A Usina Coruripe Açúcar e Álcool

Statement of operations
Three and nine-month periods ended December 31
(In thousands of reais, unless otherwise stated)

(A free translation of the original in Portuguese)

Parent company

	Note	December 31, 2022 Three-month period	December 31, 2022 Nine-month period	December 31, 2021 Three-month period	December 31, 2021 Nine-month period
Net operating revenue	23	1,111,444	2,600,706	895,592	2,122,094
Cost of products sold	24	(746,351)	(1,759,527)	(711,430)	(1,595,412)
Gross profit		365,093	841,179	184,162	526,682
Selling expenses	24	(46,547)	(144,741)	(39,913)	(106,115)
General and administrative expenses	24	(40,911)	(140,799)	(33,118)	(111,954)
Equity in the result of investees	11	7,197	27,074	4,412	30,845
Other operating income (expenses), net	27	56,176	75,605	(5,442)	(9,933)
Operating profit		341,008	658,318	110,101	329,525
Finance income	25	44,132	537,825	79,074	397,622
Finance expenses	25	(223,784)	(1,150,040)	(230,379)	(619,980)
Finance result		(179,652)	(612,215)	(151,305)	(222,358)
Profit (loss) before income tax and social contribution		161,356	46,103	(41,204)	107,167
Deferred income tax and social contribution	28	(1,336)	22,832	101,422	77,614
Profit for the period		**160,020**	**68,935**	**60,218**	**184,781**
Basic and diluted earnings per share		114.30	49.24	43.01	131.99

Consolidated

	Note	December 31, 2022 Three-month period	December 31, 2022 Nine-month period	December 31, 2021 Three-month period	December 31, 2021 Nine-month period
Net operating revenue	23	1,121,615	2,643,773	903,510	2,165,256
Cost of products sold	24	(746,215)	(1,766,270)	(714,143)	(1,601,621)
Gross profit		375,400	877,503	189,367	563,635
Selling expenses	24	(46,547)	(144,741)	(39,913)	(106,115)
General and administrative expenses	24	(41,997)	(142,185)	(33,175)	(112,060)
Equity in the result of investees	11	644	1,105	1,181	2,242
Other operating income (expenses), net	27	53,631	68,192	(6,615)	(15,024)
Operating profit		341,131	659,874	110,845	332,678
Finance income	25	44,274	538,335	79,545	398,693
Finance expenses	25	(223,517)	(1,150,068)	(231,117)	(622,213)
Finance result		(179,243)	(611,733)	(151,572)	(223,520)
Profit (loss) before income tax and social contribution		161,888	48,141	(40,727)	109,158
Current income tax and social contribution	28	(531)	(2,037)		
Deferred income tax and social contribution	28	(1,336)	22,832	100,945	75,623
Profit for the period		**160,020**	**68,935**	**60,218**	**184,781**
Basic and diluted earnings per share		114.30	49.24	43.01	131.99

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

S/A Usina Coruripe Açúcar e Álcool

Statement of comprehensive income (loss)
Three and nine-month periods ended December 31
(In thousands of reais) (A free translation of the original in Portuguese)

	Parent company and Consolidated			
	December 31, 2022		December 31, 2021	
	Three-month period	Nine-month period	Three-month period	Nine-month period
Profit for the period	160,020	68,935	60,218	184,781
Changes in the period:				
Changes in fair value				
Foreign exchange derivatives - options / NDF	14,685	(13,177)		
Foreign exchange derivatives - cross-currency swap	5,868	50,538		
Interest derivatives - interest rate swap	(3,137)	(8,196)		
	17,416	29,165		
Recognition in operating result				
Foreign exchange derivatives - options / NDF	(2,413)	(2,692)		
	(2,413)	(2,692)		
Recognition in finance result				
Foreign exchange derivatives - options / NDF	6,640	23,460		
Foreign exchange derivatives - cross-currency swap	86,590	(100,566)		
Interest derivatives - interest rate swap	1,437	2,800		
Foreign exchange non-derivatives - debts	21,430	(11,943)		
	116,096	(86,249)		
Write-off due to ineffectiveness				
Foreign exchange derivatives - cross-currency swap	3,013	(6,558)		
	3,013	(6,558)		
Total changes in the period				
Foreign exchange derivatives - options / NDF	18,912	7,591		
Foreign exchange derivatives - cross-currency swap	95,471	(56,586)		
Interest derivatives - interest rate swap	(1,700)	(5,396)		
Foreign exchange non-derivatives - debts	21,430	(11,943)		
Deferred taxes on the items above	(45,598)	22,554		
	88,515	(43,780)		
Comprehensive income (loss) for the period	**248,535**	**25,155**	**60,218**	**184,781**

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

S/A Usina Coruripe Açúcar e Álcool

Statement of changes in equity

(In thousands of reais)

(A free translation of the original in Portuguese)

											Parent company and Consolidated
							Profit reserves		Carrying value adjustment		
	Note	Share capital	Treasury shares	Legal	Reserve of retention of profits	Reserve of profits to deliberate	Reserve of tax incentives	Hedge Accounting	Deemed Cost	Retained (accumulated deficit)	Total
At March 31, 2021		408,845	(1,215)	43,476	793,165	362,433	140,453		74,838		1,821,995
Realization of deemed cost	22 (c)								(5,767)	8,651	
Profit for the period										184,781	184,781
Recognition of tax incentive reserve	22 (d)						41,331			(41,331)	
Reversal of mandatory minimum dividends	22 (d)				45,234						45,234
At December 31, 2021		408,845	(1,215)	43,476	838,399	362,433	181,784		69,071	152,101	2,052,010
At March 31, 2022		408,845	(1,215)	64,340	687,675	716,144	293,155		63,600		2,232,544
Realization of deemed cost	22 (b)								(7,819)	7,819	
Result of derivatives - hedge accounting	22 (c)							(43,780)			(43,780)
Dividends distributed						(23,769)					(23,769)
Profit for the period										68,935	68,935
Recognition of tax incentive reserve	22 (d)						76,754			(76,754)	
At December 31, 2022		408,845	(1,215)	64,340	687,675	692,375	369,909	(43,780)	55,781		2,233,930

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

S/A Usina Coruripe Açúcar e Álcool

Statement of cash flows
Nine-month period ended December 31
(In thousands of reais)

(A free translation of the original in Portuguese)

	Note	Parent company 2022	Parent company 2021	Consolidated 2022	Consolidated 2021
Cash flows from operating activities					
Profit before income tax and social contribution		46.103	107.167	48.141	109.158
Adjustments:					
Accrued finance charges and exchange gains (losses)		387.876	37.959	389.343	39.493
Interest on lease liabilities and agricultural partnerships		158.623	126.099	158.623	126.099
Equity in the result of investees	11	(27.074)	(30.845)	(1.105)	(2.242)
Depreciation of right-of-use assets	24	103.041	111.220	103.041	111.220
Depreciation and amortization (except sugarcane crops)	24	213.594	193.983	221.966	197.199
Change in fair value of biological assets	12	675	17.179	675	17.179
Reversal of provision for contingencies	21	(20.456)	(24.610)	(20.456)	(24.610)
Provision (reversal) for losses on inventories and trade receivables		(377)	13.974	(377)	13.974
Recognition of indemnity credits from INSS	8	(49.150)		(49.150)	
Recognition of PIS and COFINS credits (REINTEGRA)	9	(13.217)		(13.217)	
Provision for attorney success fees		2.211		2.211	
Residual value of write-offs of fixed assets/crop	27	10.365	15.071	10.365	15.071
		812.214	**567.197**	**850.060**	**602.541**
Changes in assets and liabilities					
Trade receivables	5	(34.707)	3.671	(34.165)	5.737
Inventories	6	(368.034)	(113.669)	(368.507)	(113.762)
Advances to suppliers	7	68.233	(74.088)	68.233	(74.088)
Biological assets	12	(75.569)	(101.184)	(75.569)	(101.184)
Sales taxes recoverable	8	(37.849)	47.061	(37.846)	47.081
Judicial deposits		(1.691)	(1.940)	(1.691)	(1.940)
Other receivables		(52.062)	4.562	(52.107)	4.562
Accounts payable	16	102.657	137.809	103.297	137.898
Salaries and social charges		13.017	(2.014)	12.966	(2.064)
Other taxes payable	18	(6.983)	6.091	(6.643)	6.427
Advances from customers	19	285.986	105.727	285.986	105.727
Other payables		31.381	(341)	30.938	(370)
Cash from operations		736.593	578.881	774.953	616.564
Income tax and social contribution paid				(1.481)	(1.606)
Interest paid on loans and financing	17	(268.735)	(185.914)	(270.627)	(187.425)
Net cash provided by operating activities		467.858	392.967	502.845	427.533
Cash flows from investing activities					
Financial investments	4	(116.886)	40.519	(116.886)	40.519
Additions to fixed and intangible assets	13 and 14	(659.043)	(513.303)	(665.876)	(516.465)
Dividends prepaid or received	10	31.216	22.200		
Loan with related parties	10	(34.837)		(23.557)	
Net cash used in investing activities		(779.550)	(450.584)	(806.319)	(475.946)
Cash flows from financing activities					
Advances received against future electricity supply commitments	20	70.050	113.512	70.050	113.512
Amortization of commitments from electricity contracts	20	(68.278)	(45.076)	(68.278)	(45.076)
Loans and financing	17	897.487	890.280	897.487	890.280
Repayment of principal of loans and financing	17	(788.442)	(884.716)	(797.259)	(892.424)
Payment of lease liabilities and agricultural partnerships (CPC 06 (R2))	15	(286.338)	(226.695)	(286.338)	(226.695)
Funding (amortization) of loan agreements with related parties		(13.272)	6.287	(13.272)	(12.947)
Payment of dividends		(23.769)		(23.769)	
Net cash used in financing activities		(212.562)	(146.408)	(221.379)	(173.350)
Decrease in cash and cash equivalents, net		(524.254)	(204.025)	(524.853)	(221.763)
Cash and cash equivalents at the beginning of the period		665.481	321.770	676.180	349.001
Cash and cash equivalents at the end of the period		141.227	117.745	151.327	127.238

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

1. Operations

a) Corporate purpose

S/A Usina Coruripe Açúcar e Álcool ("Company" or "Parent company") is a privately held corporation, incorporated on February 2, 1925, headquartered in the municipality of Coruripe, State of Alagoas. The Company and its subsidiaries (together referred to as "Group" or "Consolidated") (Note 2.2) are primarily engaged in: a) the production of sugar cane and its industrial by-products; b) the import and export of products related to their activities, including as an export trading company; c) clean development mechanism (CDM) projects, aimed at the generation and sale of emission reduction certificates (CERs) and/or verified emission reductions (VERs); d) the production and sale of electricity, steam, exhaust steam, alcohol gel sanitizers and all by-products from cogeneration of electricity; e) the development of other related activities; g) the investment in the capital of other companies; and h) acting as generator of decarbonization credits (Cbios).

The Company and the Group lease railroad terminals in Fernandópolis, São Paulo and in Iturama, Minas Gerais, and two administrative offices, one in the city of Maceió, Alagoas, and the other in the city of São Paulo, São Paulo. The Company and the Group operate five industrial units, one in the State of Alagoas, in the municipality of Coruripe, and four in the State of Minas Gerais, in the municipalities of Campo Florido, Carneirinho, Iturama and Limeira do Oeste, which in aggregate, processed 12,275 thousand metric tons of sugarcane in the 2022/2023 nine-month harvest (10,451 thousand metric tons in the 2021/2022 harvest).

The annual harvest period in the Northeast of Brazil begins in September and ends in March, whereas in the Southeast region it begins in April and ends in December, generating fluctuations in the Company's and Group's inventories, since, approximately, 23.0% (2021/2022 harvest: 22.0%) of the production is located in the Northeast and 77.0% (2021/2022 harvest: 78.0%) in the Southeast. In the 2022/2023 nine-month harvest, 33.8% (2021/2022 harvest: 28.1%) of the sugarcane used in production was from own crops and from agricultural partnerships, including partnerships with shareholders and related companies and 66.2% (2021/2022 harvest: 71.9%) from third-party suppliers. The Company's and the Group's revenue are not affected by seasonal fluctuations as the finished goods produced during the crushing period are placed in storage to be sold over the year to meet customer demand.

b) Operations

The Company is a wholly owned subsidiary of the holding company Coruripe Holding S.A.

During the nine-month period of the 2022/2023 harvest, the Company focused on its structure and cost control, taking advantage of the privileged location of its Iturama unit served by the North/South Railway. After the completion of the construction works of the new terminal, the Company permanently transferred the operations of VHP sugar shipment operations of the Carneirinho and Iturama units, which are destined for export through the Port of Santos, in the state of São Paulo, eliminating the need to transport this product by road to the Fernandópolis railroad terminal, in the state of São Paulo, which generated significant logistics gains for the Company. Following this change, the railroad terminal of Fernandópolis was leased to Rumo Logística. Concurrently, the Company and the Group have also invested in technological innovation, digital transformation, environmental policies to increase competitiveness and its operational efficiency.

Investments are made to improve the yield of sugarcane crops, for irrigation projects, energy production and new products.

In the nine-month period of the 2022/2023 harvest, approximately 59.0% of cane crushed was destined for the production of sugar (6.0% crystal and 53.0% - Very High Polarity), and the remaining 41.0% for the production of ethanol. In the 2021/2022 harvest, the crushing mix was 54.8% for sugar and 45.2% for ethanol in the same period.

COVID-19 - Other effects

The Company and the Group continue to follow the various governmental policies and guidance. No impacts arising from the COVID-19 pandemic on the transportation and supply channels were identified, and the Company does not expect any future impacts on its business. The Company continues to monitor the developments of the pandemic; its employees have not been significantly affected by the virus over recent months and COVID-19 cases are declining in Brazil.

c) Climate risks

In the 2021/2022 harvest, the Company and the Group suffered the effects of a drought, rainfall being below the historical average, reducing the productivity of the sugarcane crops in the State of Minas Gerais. The effects of the dry season on the harvest have been mostly been recovered in the nine-month period of the 2022/2023 harvest, the water shortage having been alleviated by rainfall returning to levels slightly above the historical averages in the region, benefitting the yields in this period. The Company expects to recover the crushing deficit of the prior harvest, returning to a crushing level above 14 million metric tons of sugarcane. The region has excellent water reserves as it is bordered by two large rivers and streams that facilitate irrigation projects during the sugarcane growing season. The investments in irrigation equipment and the improvement in weather conditions in Minas Gerais have bolstered the optimism for to the sugarcane crop recovery and prospects for higher crushing volumes in the current harvest, as well as future harvests. The improvement in productivity and more favorable prospects for the development of the sugarcane crop are reflected in the valuation of the biological assets (Note 12).

The cultivation of sugarcane on own- and third-party land and production from suppliers is affected by climatic factors such as reduced rainfall, windstorms, hail and sudden changes in temperature, including light frosts in some production regions, which may have an impact on production. In Management's assessment, the effects of climate risks on the Company's results are mitigated by the strategic location of its industrial and sugarcane units split between two different states, which comprise three different production centers, one in the State of Alagoas with significant investments in irrigation and two in the State of Minas Gerais in regions with their own microclimates using water from irrigation projects.

d) Financial restructuring

At December 31, 2022, the balance sheet presents negative working capital of R$ 233,331 in the Parent company and R$ 229,484 in the Consolidated, compared to a positive position at March 31, 2022 of R$ 66,264 and R$ 60,725, in the Parent company and in the Consolidated, respectively. The negative working capital at December 31, 2022 was foreseen and is considered normal by management. This is a reflection of the increase in operating costs in the first nine months of the harvest, as well as the increase in volume of inventories of finished products due to the seasonal nature of operations in this segment. In return, in the third quarter of the harvest, the Company improved its contribution margin on sales of inventories, thus improving its working capital by R$ 138,701 in the Parent company and R$ 139,582 in Consolidated, compared to September 30, 2022. This reinforces Management's expectation of reverting the negative position from the prior quarter.

During the year ended March 31, 2022, with the purpose of stabilizing its working capital, the Group completed four strategic long-term funding operations for debt restructuring: CDCA issuance, Bonds issuance in the capital market abroad, issuance of incentive debentures in the domestic capital market; and longer-term funding from the Brazilian Development Bank - BNDES.

These negotiations contributed to adjust the Group's amortization flow to a more linear distribution of tenures between five and seven years, significantly reducing the pressure on short-term cash flows.

On the date of approval of these interim financial statements, the Group continues to focus on the restructuring and balancing of its cash flows and has credit facilities of approximately R$ 473,300 available from development banks, the capital market and financial institutions approved and available for drawdown, of which R$ 47,500 has already been drawdown as at December 31, 2022. Credit facilities are considered sufficient by management to stabilize working capital over the next 12 months, considering the expected generation of operating cash from the next harvest.

The Company is seeking to increase the efficiency of its operations to minimize the impacts of the high interest rate on funding and debt management. Its policies for sugarcane suppliers were reviewed, facilitating access to direct funding sources to these suppliers.

Due to investments in the field and favorable weather conditions, the Group's crushing levels have recovered and its revenue generation in the current harvest and crushing level as from the 2023/2024 harvest are expected to set new records. Both initiatives and a general plan of efficiency and cost reduction with a specialized consulting firm should contribute to cost dilution and stability of cash flows in the coming years.

e) <u>Armed conflict between Russia and Ukraine</u>

On February 24, 2022, an armed conflict arose between Russia and Ukraine. The economic sanctions and embargoes imposed on Russia and Belarus have affected the Company's supply chain as both Russia and Belarus are among the primary suppliers of NPK fertilizers: nitrogen (N), phosphorus (P) and potassium (K). Brazil is highly dependent on NPK imports from these countries. Fertilizers correspond to approximately 5.5% of the total cost of products sold by the Company.

These embargoes have also caused the price of oil to increase in the international market, directly affecting diesel costs, which corresponds to approximately 3.7% of the Company's total cost of products sold also impacting other logistics costs. The current indications are that the conflict will probably continue to affect the price of oil and the diesel in the domestic market, with the increase of approximately 30% in the costs of this item in the current harvest. The Company estimates that prices may increase by a further 3% for the coming harvest.

The Company sought to mitigate these effects and anticipated the negotiations for all its fertilizer needs at fixed prices for the 2022/2023 harvest. The negotiation resulted in prices below those projected by the Company. The Company's supply chain for correctives and herbicides has not been affected.

The fertilizers have benefitted recently from higher supply globally due to the elevated production of other countries, such as China, Canada, the United States and India, coupled with the low Russian demand. The higher levels of inventories at lower production costs will cause prices to fall from 2023, with an expected reduction of between 10% to 20%.

The lower demand for pesticides in Brazil caused an increase in inventories and affected prices. The higher supply of generic items, mainly from China, with lower prices should reduce prices. Some 70% of pesticide costs relate to herbicides, with prices trending downwards by between 5% to 8%, according to estimates of the Company's supply area.

2. Presentation of interim financial statements and summary of significant accounting practices

The parent company and consolidated interim financial statements were prepared based on historical cost and adjusted to reflect the deemed cost of buildings, other properties, machinery and industrial equipment on the transition date upon adoption of the new accounting standards issued by the Brazilian Accounting Pronouncements Committee (CPC), with the exception of the following: biological assets and derivative financial instruments which are measured at fair value.

The accounting estimates used in the preparation of the financial statements were based on objective and subjective factors, and on management's judgment. Significant estimates and assumptions are described in Note 2.7.

Actual results from transactions involving these estimates may result in amounts significantly different from those recorded in the financial statements due to the inherent nature of the estimation process.

The Company's accounting year begins on April 1 and ends on March 31.

The significant accounting policies adopted by the Company and the Group are presented in the respective Notes, and the accounting policies applicable to the financial statements as a whole are as below.

2.1. Basis of preparation and presentation

The interim financial statements have been prepared and are presented in accordance with technical pronouncement CPC 21 (R1) - Interim Financial Reporting issued by the Brazilian Accounting Pronouncements Committee (CPC), and IAS 34 - Interim Financial Reporting issued by the International Accounting Standards Board (IASB), and disclose all information of significance to the financial statements, which is consistent with the information utilized by management in the performance of its duties.

In thousands of reais, unless otherwise stated

These interim financial statements were prepared following accounting principles, practices and criteria consistent with those adopted in the preparation of the financial statements for the year ended March 31, 2022, except for the accounting policy for hedge accounting approved by the Board on June 24, 2022. Therefore, these interim financial statements should be read in conjunction with the aforementioned Company's annual financial statements. When the Company and Group balances are substantially similar, only the Group's accounting balances are presented.

The issuance of the Company's financial statements for the nine-month period ended December 31, 2022 was authorized by the Board of Directors, the body charged with oversight over the Company's governance, on February 24, 2023.

2.2. Basis of consolidation and investment in subsidiary

The consolidated interim financial statements comprise the financial statements of the Company and its subsidiaries at December 31, 2022. Control over a subsidiary is obtained when the Company is exposed or has the right to variable returns based on its involvement with the investee and has the ability to affect these returns through the power exercised in relation to the investee, as detailed in the financial statements for the year ended March 31, 2022.

The consolidated balances in the financial statements, at December 31, 2022, include the following subsidiaries, whose ownership percentages have not changed in the periods presented:

	Country	Interest %
Direct investment:		
Coruripe Energética S.A.	Brazil	100%
Camaçari Energética S.A.	Brazil	100%
Coruripe Netherland B.V. (ii)	Netherlands	100%
Usina Corurema Ltda.	Brazil	50%
Indirect investment:		
Usina Corurema Ltda. (i)	Brazil	50%

(i) Indirect interest through Coruripe Energética S.A.
(ii) Consolidated as from October 21, 2021.

2.3. Foreign currency translation

The financial statements are measured using the currency of the main economic environment in which the Company and the Group operate (functional currency). The parent company and consolidated financial statements are presented in Brazilian Real/Reais (R$), which is the functional and presentation currency of the Company and the Group.

Transactions and balances

Transactions in foreign currency are initially recorded at the functional currency exchange rate in effect on the transaction date.

Monetary assets and liabilities denominated in foreign currency are translated using the closing exchange rate on the reporting date. Non-monetary items that are measured at historical cost in foreign currency are translated using the exchange rate in effect on the transaction date.

In determining the exchange rate to be used in the initial recognition of the respective asset, expense or revenue (or part thereof) related to advance payment or receipt, the transaction date is the date on which the Company and the Group initially recognize the non-monetary asset or the non-monetary liability arising from early payment or receipt. When there are several advance payments or receipts, the Company and the Group determine the transaction date for each payment or receipt of advance consideration.

2.4. Government grants

Government grants are recognized when there is reasonable certainty that the benefit will be received and that all corresponding conditions will be met. When the benefit refers to an expense item, it is recognized as income over the benefit period, matching the costs it is intended to compensate. When the benefit refers to an asset, it is recognized as deferred income and recorded in profit or loss in equal amounts over the expected useful life of the corresponding asset.

Government grants and assistance are disclosed in Note 2.4 to the financial statements for the year ended March 31, 2022 and did no change for the period ended December 31, 2022.

ICMS credits granted by the State of Minas Gerais

On August 29, 2022, Decree 48,497 was published in the official gazette of the State of Minas Gerais, which grants ICMS credits to crops producing hydrated ethanol fuel, under the terms and conditions specified by the Decree.

The Company qualified the three plants producing hydrated ethanol in Minas Gerais (Iturama, Limeira do Oeste and Carneirinho) with the State under the terms of the Decree. On September 6, 2022, with the publication of Sufis Ordinance 156, the Company obtained the accreditation of the three units, being granted the right to the benefit from the ICMS credits in the amount of R$ 37,252, to be paid in five equal installments. On the date of disclosure of these interim financial statements, all installments were already available for immediate offset against any other ICMS debit in the same State. The last installment was offset in January 2023. This benefit was recorded by the Company as operating revenue (Note 23), as it is an investment subsidy (Note 22).

On January 27, 2023, the Government of the State of Minas Gerais issued Decree 48,567, which extends the use of granted credits for: offsetting other tax obligations, for paying tax obligations with a differentiated tax rate on property, plant and equipment, purchasing inputs and property, plant and equipment items within the State of Minas Gerais, and transferring credit to other establishments within Minas Gerais to offset future obligations.

2.5. Financial instruments

The Company and the Group adopt CPC 48 - Financial Instruments, classifying their financial assets as: measured at amortized cost, at fair value through other comprehensive income (from April 1, 2022 as a result of the adoption of the accounting practice of hedge accounting - Note 2.5c) and at fair value through profit or loss.

Financial assets and liabilities are recognized when the Company and its subsidiaries are party to the contractual provisions of the instruments. Financial assets and liabilities are initially measured at fair value. Transaction costs directly attributable to the acquisition or issue of financial assets and liabilities (except for financial assets and liabilities recognized at fair value through profit or loss) are added or deducted from the fair value of financial assets or liabilities, if applicable, after initial recognition. Transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in profit or loss.

a) Financial assets

Financial assets are classified into the following categories based on the business model for which they are held and the characteristics of their contractual cash flows: (i) measured at amortized cost; (ii) at fair value through profit or loss; and (iii) at fair value through other comprehensive income. Classification depends on the nature and purpose of the financial assets and is determined on the date of initial recognition. The Company and the Group have the following main financial assets:

Measured at fair value through profit or loss

Financial instruments recorded at fair value through profit or loss: are assets held for trading or designated as such upon initial recognition. The Company and the Group manage these assets and make purchase and sale decisions based on their fair values in accordance with documented risk management and their investment strategy. These financial assets are recorded at their fair value, with changes recognized in the statement of operations. The Company and the Group have derivative financial instruments (Note 30) as financial assets classified in this category, substantially related to forward contracts for sugar in US dollars.

Measured at amortized cost

The Company and the Group measure financial assets at amortized cost if both of the following conditions are met: (i) the financial asset is maintained within a business model whose objective is to maintain financial assets in order to receive contractual cash flows and (ii) the contractual terms of the financial asset give rise, on specified dates, to cash flows that constitute, exclusively, payments of principal and interest on the outstanding principal amount. Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is written off, modified or reduced to its recoverable value. The Company and the Group have the following main financial assets classified in this category:

- Cash and cash equivalents (Note 3);
- Financial investments (Note 4);
- Trade receivables (Note 5);
- Other receivables (Note 9);
- Related parties (Note 10); and
- Judicial deposits.

Measurement at fair value through other comprehensive income

This category includes financial instruments designated as hedging instruments in hedge accounting. The financial asset is maintained within a business model whose objective is achieved by both receiving contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise, on specified dates, to cash flows that constitute, exclusively, payments of principal and interest on the outstanding principal amount.

Impairment of financial assets

The calculation of impairment of financial instruments is performed using the hybrid concept of "expected and incurred credit losses", requiring a relevant judgment on how changes in economic factors affect expected credit losses. Provisions are measured for: (i) 12-month expected credit losses, (ii) lifetime expected credit losses, that is, credit losses that result from all possible default events over the expected life of a financial instrument, and (iii) credit losses incurred by the inability to make contractual payments of the financial instrument.

b) Financial liabilities

The Company and the Group present the following financial liabilities measured at amortized cost:
- Accounts payable (Note 16);
- Loans and financing (Note 17);
- Leases payable (Note 15);
- Commitments from electricity contracts (Note 20);
- Agricultural partnerships payable (Note 15);
- Related parties (Note 10); and
- Other payables.

After initial recognition, loans and financing are measured at amortized cost, using the effective interest rate method. Gains and losses are recognized in the statement of operations when liabilities are written off, as well as during the amortization process using the effective interest rate method.

Derivatives and other financial instruments

The Company and the Group use derivative financial instruments, such as foreign exchange futures contracts, interest rate swaps and commodity forward contracts, to hedge against their exchange rate risks, interest rate risks and commodity price risks, respectively.

The Company adopted hedge accounting from April 1, 2022 to enable it to reflect the effects of hedges in the same period in which the hedged exposure is recognized. Pursuant to CPC 48, equivalent to IFRS 9, hedge accounting was applied prospectively for pre-existing operations, as well as for new operations, by designating hedges for accounting purposes. Derivative financial instruments are measured at fair value with corresponding changes in fair value recognized in profit or loss, unless they have been designated as a component of the hedge accounting transaction.

The Company documents at the inception of the transaction or, at initial adoption in April 2022 for pre-existing transactions, the relationship between the hedging instruments and the hedged items for risk management purposes defining the strategy for undertaking hedging transactions in accordance with its policy.

The Company's financial risk management uses derivatives and non-derivatives as a hedging instrument, as below:

- Swap cross-currency - derivative

The Company uses cross-currency swaps with combined options to hedge recognized financial liabilities. Swaps are measured at fair value and present characteristics similar to the hedged liability. Hedge relationships are considered perfect when the terms and conditions are adjusted to reflect the critical characteristics of the hedged liability.

Cross-currency swaps hedge a recognized financial liability and are intended to offset the exchange rate variation of the hedged item replacing with local currency and CDI (the Interbank Deposit Certificates) interest. Typically, short-term financial securities accrue CDI interest, for which the rate is published daily. The Company's investments are mostly linked to the CDI. Management believes, from a financial risk management perspective, that, in order to avoid interest rate mismatches, swaps are designed to present a short position in CDI. From an interest rate management perspective, the increase in the CDI rate generates an additional cost in the swap and an increase in the financial investments, offsetting one another. The decrease in the CDI rate generates a lower cost for the swap, but financial investments will generate a lower return.

- Swap IPCA vs. CDI - derivative

For this type of derivative, the Company seeks to place IPCA-linked debentures, using swaps to exchange the risk (IPCA to CDI). Swaps are measured at fair value with characteristics similar to the hedged liability. Hedge relationships are considered perfect when the terms and conditions are adjusted to reflect the critical characteristics of the hedged liability. The CDI cost does not represent a risk to the Company.

- Non-delivery-forwards ("NDFs") - foreign exchange derivatives

NDFs - foreign exchange are recorded at fair value. The purpose of NDFs - foreign exchange is to hedge the foreign exchange rate changes of the hedged item. In the normal course of its operations, the Company generates revenues from sugar exports and purchases of US dollar-related inputs. The management of these foreign exchange exposures is carried out as follows: NDF (short) sale operations are intended to protect the foreign exchange variations of these exports and NDF (long) purchase operations are intended to protect the foreign exchange rate variations of acquisitions of inputs for use in the sugarcane crops.

NDFs - foreign exchange transactions designated for hedge accounting protect highly probable future transactions. From time to time, the Company enters into NDFs - foreign exchange contracts to hedge the cash flows of recognized financial assets or liabilities that will not be designated for hedge accounting.

- Foreign exchange debt - non-derivative

The Company has loans denominated in US dollars (USD) which generate foreign exchange risk which is offset in part by the foreign exchange effects from export revenues. Debt is contracted with maturity dates close to the dates of sugar exports, matching cash flows. When contracting foreign exchange debt, the Company recognizes these at amortized cost and the exchange rate variation is calculated in the period. The foreign exchange effects on the interest from financial liabilities are negligible and the Company designates only the foreign exchange variation of the principal for hedge accounting. The designation of foreign exchange loans for hedge accounting is not mandatory.

The effective component of the changes in the fair value of derivatives designated as effective cash flow hedges are recognized in equity ("Carrying value adjustment") and the ineffective component in the statement of operations for the year ("Finance result"). The amounts accumulated in equity are recognized in the statement of operations at the time the hedged item affects income, being recorded under "Net operating revenue", in order to minimize the effects of changes on the hedged item.

2.6. Environmental issues

The industrial units and activities related to the Company's plantations are subject to environmental regulation. The Company and the Group reduce the risks associated with environmental issues through operational procedures and controls and investments in pollution control equipment and systems. Based on the laws and regulations in force in Brazil, the Company's and the Group's Management believes that, currently, no provision for losses related to environmental issues is necessary.

2.7. Main estimates and judgments

Accounting estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events, considered reasonable under the circumstances.

Estimates and judgments that present a higher degree of judgment or complexity, likely to cause a material adjustment to the book values of assets and liabilities for the coming year, are disclosed in Note 2.9 to the financial statements for the year ended March 31, 2022 and did not change for the period ended December 31, 2022.

2.8. Statement of cash flows

The statement of cash flows was prepared using the indirect method and is presented in accordance with Technical Pronouncement CPC 03 - Statement of Cash Flows.

2.9. Presentation of information by segments

Information by operating segments is presented in a manner consistent with the internal report provided to the chief operating decision makers. The chief operating decision maker, responsible for allocating resources and evaluating the performance of the operating segments, is the Board of Directors, which is responsible for the main strategic decisions of the Company and the Group.

2.10. Changes in accounting policies and disclosures and accounting pronouncements not yet effective

There are no amendments or new accounting standards that are not yet effective or that became effective in the period ended December 31, 2022 that would be expected to have a material impact on the interim financial statements of the Company and the Group.

In thousands of reais, unless otherwise stated

3. Cash and cash equivalents

Cash and cash equivalents comprise cash, bank deposits in Brazil and abroad, and high-liquidity short-term investments with original maturities of three months or less, and with immaterial risk of change in value.

	Parent company		Consolidated	
	December 31, 2022	March 31, 2022	December 31, 2022	March 31, 2022
Cash	279	405	279	405
Banks - current accounts				
In Brazil	13,502	107,903	21,625	117,191
Abroad	35,109	134,014	35,537	134,014
Financial investments	92,337	423,159	93,886	424,570
Total cash and cash equivalents	**141,227**	**665,481**	**151,327**	**676,180**

At December 31, 2022, the bank accounts and the high-liquidity short term investments classified as cash equivalents were held with prime financial institutions presenting low credit risk. The investments are remunerated at the CDI - Interbank Deposit Certificate rate and are available for immediate withdraw with no risk of loss of income. These short-term investments have a maturity of less than three months from the contracting date and because they meet the requirements in CPC 03, they were considered cash equivalents.

4. Financial investments

	Parent company		Consolidated	
	December 31, 2022	March 31, 2022	December 31, 2022	March 31, 2022
Buyback operations	7,877	7,293	7,877	7,293
Bank Deposit Certificates (CDB)	1,773	236	1,773	236
Credit Rights Investment Fund (FIDC)	97,329		97,329	
Agribusiness Receivables Certificates (CRA)	25,359		25,359	
Other investments	5,131	367	5,131	367
Total financial investments	**137,469**	**7,896**	**137,469**	**7,896**
Current	(130,802)	(367)	(130,802)	(367)
Non-current	6,667	7,529	6,667	7,529

Financial investments basically include bonds and securities that are predominantly investments in Bank Deposit Certificates (CDB), buyback operations and capitalization bonds, with annual remuneration rates that, at December 31, 2022, vary from 85% to 108% of the CDI (March 31, 2022 - 90% to 107% of the CDI).

In thousands of reais, unless otherwise stated

5. Trade receivables

Accounts receivable from customers are stated at present value less an allowance for doubtful accounts, when applicable.

The balance of accounts receivable is composed as follows:

	Parent company		Consolidated	
	December 31, 2022	March 31, 2022	December 31, 2022	March 31, 2022
In Brazil	106,059	61,183	106,252	61,884
Abroad	25,052	35,167	25,052	35,167
	131,111	**96,350**	**131,304**	**97,051**
(-) Allowance for doubtful accounts	(845)	(442)	(845)	(442)
	130,266	**95,909**	**130,459**	**96,609**

An analysis of accounts receivable by maturity is as below:

	Parent company		Consolidated	
	December 31, 2022	March 31, 2022	December 31, 2022	March 31, 2022
Not yet due	84,663	87,758	84,856	88,459
Overdue:				
Between 1 and 30 days	44,774	1,441	44,774	1,441
Between 31 and 90 days	553	6,701	553	6,701
Between 91 and 120 days	31	8	31	8
Between 121 and 180 days	58		58	
Over 180 days	1,032	442	1,032	442
	131,111	**96,350**	**131,304**	**97,051**

Balances overdue between 1 and 30 days were substantially settled in the period subsequent to the base date of these interim financial statements.

The expected losses on doubtful debts were estimated based on the credit risk analysis, which include the history of losses, the individual situation of customers and the economic group to which they belong, the real guarantees offered and the advice of legal advisors. The estimated losses on doubtful accounts are considered sufficient by management to cover expected losses from receivables.

As required by CPC 48 - Financial instruments, management performed a detailed analysis of the expected future losses from accounts receivable and concluded that the allowance for doubtful accounts at December 31, 2022 is sufficient to cover these expected losses.

6. Inventories

Inventories are stated at average acquisition or production cost, adjusted, when necessary, by provision to reduce balances to realizable values.

In thousands of reais, unless otherwise stated

	Parent company		Consolidated	
	December 31, 2022	March 31, 2022	December 31, 2022	March 31, 2022
Finished products:				
Sugar	283,585	17,360	283,585	17,360
Ethanol	145,013	14,762	145,013	14,762
Molasses	2,516	293	2,516	293
Other products	3,336		3,336	
Warehouse (i)	166,371	113,734	167,060	113,950
	600,821	**146,149**	**601,510**	**146,365**
(-) Provision for inventory losses	(7,744)	(8,525)	(7,744)	(8,525)
	593,077	**137,625**	**593,766**	**137,841**

(i) Warehouse items are mainly related to agricultural chemicals, industrial inputs, repair and maintenance items.

7. Advances to suppliers

	Parent company and Consolidated	
	December 31, 2022	March 31, 2022
Advance to sugarcane suppliers	511,364	571,782
(-) Provision for losses on advances	(65,803)	(57,988)
	445,561	**513,794**
Current	(238,655)	(315,365)
Non-current	206,906	198,429

The Company entered into contracts for the acquisition of sugarcane produced on third-party rural properties. Contracts are usually signed for a term of up to seven sugarcane cycles. At December 31, 2022, the balance of advances to sugarcane suppliers is equivalent to approximately 3,427 metric tons of sugarcane (March 31, 2022 - 4,282 metric tons), which corresponds to 22.85% of the Company's annual production capacity (March 31, 2022 - 28.5%).

The advances to suppliers are prepayments under sugarcane purchase contracts to be settled with the accounts payable generated with the sugarcane delivery by the suppliers within each crop cycle.

In thousands of reais, unless otherwise stated

	Parent company and Consolidated	
	2022	2021
At March 31	57,988	45,707
New provisions	7,815	10,513
At December 31	**65,803**	**56,220**

In the period ended December 31, 2022, the provision for losses was increased by R$ 7,815 due to expected inclement weather factors that may affect the production and the suppliers' capacity to deliver sugarcane.

8. Sales taxes recoverable

		Parent company		Consolidated	
	Note	December 31, 2022	March 31, 2022	December 31, 2022	March 31, 2022
COFINS - Contribution to Social Security Financing		53,814	47,715	53,814	47,715
PIS - Social Integration Program		5,938	3,136	5,938	3,136
IPI - Tax on Industrialized Products		10,925	11,628	10,925	11,628
ICMS - Tax on Circulation of Goods and Services		54,095	40,214	54,104	40,214
ICMS on fixed assets - CIAP		2,196	1,746	2,196	1,748
ICMS credits granted (i)	(a)	7,450		7,450	
PIS and COFINS - REINTEGRA	(b)	13,217		13,217	
Other		4,484	2,131	4,489	2,205
		152,119	**106,570**	**152,133**	**106,646**
Current		(137,324)	(105,933)	(137,338)	(106,009)
Non-current		14,795	637	14,795	637

a) Refer to the ICMS credits granted by the State of Minas Gerais. Of the total of R$ 37,252, R$ 7,450 is not yet available for offset. In view of Decree 48,497 of January 2023, which sets forth means to offset the credit granted, Management expects all credits to be offset in the 2023/2024 harvest (Note 2.4).

b) In November 2019, the Coruripe Group filed a writ of mandamus for the Special Regime for Reinstatement of Tax Amounts to Exporting Companies (Reintegra), to maintain during the three-month period the rate applied previously to the respective export sales. The changes were imposed by the Decree modifying the rate, from 3% to 1%, contravening the principle which determines that any changes in laws can only become effective after 90 days. On December 5, 2022, the Federal Regional Court of the 5th Region ruled in favor of Coruripe. The Company's right to the tax asset was acknowledged upon the issuance of a notice of waiver to contest / appeal the decision, issued by the General Counsel to the National Treasury (PGFN). The amount originally claimed was R$ 9,648, which totals R$ 13,217 including SELIC rate interest accruals.

Other balances of taxes recoverable arise from trade transactions and advances.

In thousands of reais, unless otherwise stated

The expected realization of long-term tax credits is as follows:

	Parent company		Consolidated	
	December 31, 2022	March 31, 2022	December 31, 2022	March 31, 2022
2023		420		420
2024	14,710	132	14,710	132
2025 onwards	85	85	85	85
	14,795	**637**	**14,795**	**637**

9. Other receivables

	Note	Parent company		Consolidated	
		December 31, 2022	March 31, 2022	December 31, 2022	March 31, 2022
Indemnity credits - IAA	(a)	3,413,643	3,266,934	3,413,643	3,266,934
Indemnity credits - INSS	(b)	49,150		49,150	
Accounts receivable from the sale of crops	(c)	26,677	32,179	26,677	32,179
Advances to service providers		16,924		16,924	
Advances to employees		9,770	8,619	9,770	8,619
Other receivables		8,088	7,310	8,307	7,861
		3,524,252	**3,315,042**	**3,524,471**	**3,315,593**
(-) Provision for losses (i)		(4,446)		(4,446)	
		3,519,806	**3,315,042**	**3,520,025**	**3,315,593**
Current		(32,935)	(36,884)	(33,154)	(37,082)
Non-current		3,486,871	3,278,158	3,486,871	3,278,511

(i) Refers to provisions for losses on balance receivable from the sale of crop (R$ 3,909) and advances to third parties (R$ 537).

a) Ordinary actions for indemnification for losses and damages against the Federal Government - IAA 4870

The Company recognized receivables of R$ 3,413,643 (March 31, 2022 - R$ 3,266,934) corresponding to the estimated proceeds from two Ordinary Actions for Indemnification for Losses and Damages against the Federal Government, in which the Company was granted favorable, final and unappealable decisions. The Company claims the right of compensation for all losses (direct and indirect) resulting from the capping of sugar and ethanol prices, by the Instituto do Açúcar e Álcool, of sugar and ethanol prices below the cost of production for the sale of these products from March 1985 to June 1992.

In both cases, final and unappealable decisions were obtained, recognizing the Company's right to compensation. Following the final decisions, the Federal Government filed an action for relief from judgment aiming to reverse the final decision. However, as the rulings were in favor of the Company for actions for relief from judgment on February 23, 2012 and November 27, 2013, the right claimed was recognized and cannot be modified.

In parallel to the actions for relief from judgment, the Company filed judicial enforceable instruments (registered under No. 0031661-46.2002.4.01.3400 and No. 0022410-91.2008.4.01.3400), attaching calculation worksheets and claiming redemption securities in the form of court-ordered debts. There was no objection from the Federal Government as to the amounts presented in the respective motions for execution of judicially enforceable instruments; the form of settlement was subject to a challenge based on new evidence.

On February 4, 2021, the Special Court of TRF1 (Federal Regional Court) met to consider the internal appeal of the Federal Government that challenged the calculation of the indemnity subject to final and unappealable decision. The Federal Government, in its appeal, claimed that there was a jurisprudential divergence with the understanding of the STJ (Superior Court of Justice) established in a repetitive appeal (Resp. n. 1.347.136/DF). The court, by majority, dismissed the internal appeal of the Federal Government. The decision addressed the main thesis defended by the Company, ignoring the accounting loss as a criterion for calculating the *quantum debeatur*; and reaffirming that the decision special appeal is denied. The Company's legal advisors believe that the decision is consistent with the understanding determined in the STJ repetitive appeal (Resp 1.347.136/DF - Matary), accordingly the possibility of acceptance of the Federal Government's appeal is remote.

After the court dismissed the appeal, the Federal Government instituted enforceable embargoes. In the opinion of the Company's legal advisors, the final and unappealable court decision, as well as its respective rescission action, resulted in a *sovereign res judicata* over the conviction of the public entity, and the Federal Government seeks to revert the decision based on the *res judicata*. The appeal of the Federal Government was included in the Court's judgment agenda for June 2, 2022 and was unanimously rejected by the Special Court.

In 2015, the Company calculated the present value of the credits arising from these actions and recorded them in its books based on the probable cash flow on the following assumptions:

(i) Face value calculated by the appraiser on the date of fair value measurement: R$ 2,836,471;
(ii) Future cash flows from the actions, considering remuneration of IPCA-E + interest on the actions, according to the remuneration determined for the legal actions;
(iii) Expected issuance of the securities issued to cover court-ordered debts: January 2023 for payment in 10 years, as assessed by the legal advisors, considering the status of these actions; and
(iv) Discount rate: 6.03% p.a.: equivalent to the remuneration of the Federal Government security (NTN-B) with a similar maturity period plus a spread equivalent to the Company's risk.

At December 31, 2018, the base date for the assessment, the Company determined that the future cash flows expected from these Ordinary Actions total R$ 4,759,236 at the end of 15 years (December 2018 to January 2032) and, thus, recorded in its balance sheet the aforementioned credits adjusted to present value, in the amount of R$ 2,700,662.

On December 16, 2021, the House of Representatives approved the Constitutional Amendment Bill (PEC 23/2021), which amends the Federal Constitution and temporary constitutional provisions act to establish a new regime for the payment of court-ordered debts. The Company evaluated the matter with its legal advisors and concluded that the Amendment does not have materially affect the estimated receipt of cash flows.

During the nine-month period ended December 31, 2022, the Company recognized R$ 146,709 related to the adjustment to present value (nine-month period ended December 31, 2021 - R$ 138,363), recorded as finance income for the period.

The Company recognized a provision for deferred PIS and COFINS on finance income recorded as from July 1, 2015, calculated at the rates of 0.65% and 4.00%, respectively, in the amount of R$ 118,886 at December 31, 2022 (March 31, 2022 - R$ 112,064). These provisions were charged to Other operating expenses (Note 27) in the statement of operations for the period.

The Company recorded deferred income tax and social contribution liabilities of R$ 502,450 at December 31, 2022 (March 31, 2022 - R$ 481,118), determined at the rate of 15.25% for Income Tax and Social Contribution, and calculated on the total credit considering the tax benefit of the operating profit.

Additionally, the Company also recognizes a provision for attorney success fees payable upon the favorable outcome of these actions, calculated considering the contracts signed with the respective law firms responsible for the actions. At December 31, 2022, this provision totaled R$ 409,637 (March 31, 2022 - R$ 416,534), recorded in non-current liabilities under "Other payables".

In the nine-month period, the provision was reduced by R$ 25,230, following the execution of the contract signed with the legal advisors that provided for the reduction of these fees in the event that securities issued to cover court-ordered debts were not issued up to August 31, 2022. The provision for the attorney's fees is recorded as Other operating income (expenses (Note 27) in the statement of operations.

In September 2022, based on the motions to stay execution that became final and unappealable in August 2022, the Company requested the case be reopened, initially only for Proceeding 0031661-46.2002.4.01.3400, and asked that the records be sent to the Court Accountant's Office for validation of the amounts of updated credits. Up to the date of approval of these financial statements, the Federal Government had not yet issued an opinion on the petition. The motions to stay execution of Proceeding 0022410-91.2008.4.01.3400 were deemed final and unappealable in November 2022. Accordingly, the Company's attorneys are preparing the resumption of the claim, as well as the detailed and updated statement of the credit.

Considering the current stage of the proceeding, the work scope is to safeguard the settlement criteria and calculations presented by the Company to the Court, seeking to expedite the issuance of court-ordered debts. Management expects a favorable outcome to the Company and the Group, given that the settlement calculations presented are in accordance with the updating and interest criteria established by the judicially enforceable instrument previously applied.

These indemnity credits were assigned in guarantee of the fundraising operation by Coruripe Netherland B.V. (Note 1c).

b) Punitive action against INSS

In December 2022, the Company and the Group recognized a gain in the amount of R$ 49,150 referring to the final and unappealable decision in favor of a punitive action against INSS, for the refunding of amounts paid by the Company for social contributions from rural workers in duplicate.

In September 2021, in the final discussions for the indemnity credits, Coruripe agreed with tax overpayments calculated by the National Treasury, projected up to August 2022, in the amount of R$ 49,150, and requested immediate issuance of the court-ordered debts. On November 23, 2022, Coruripe requested the submission of a Requisition Letter to verify the existence of the obligation linked to the amount approved in the court's decision. The Company is awaiting the completion of this submission, which is currently on schedule.

The Company also recognized a provision for attorney success fees related to this claim in the amount of R$ 2,211, as agreed between the parties. This provision is recorded as Other operating income (expenses) (Note 27) in the statement of operations.

c) Credits for the sale of crops

At December 31, 2022, the balance refers to the receivables for the sales of ratoon areas in Iturama, recognized at its fair value (present value) and the balance will be received over the next two harvests.

10. Related parties

Control

The Company is owned by Coruripe Holding S.A. The Tercio Wanderley Group refers to the grouping of the three family holdings acting together based on the terms of the shareholders agreement which establishes the joint control of Coruripe Holding S.A.

The Company is a member the Tércio Wanderley Group, structured as below:

In thousands of reais, unless otherwise stated

Remuneration of key management

The total compensation paid to Management (which includes directors and officers) was R$ 7,630 and R$ 7,313 for the periods ended December 31, 2022, and 2021, respectively.
The Company has the following balances held with related parties:

			Parent company		Consolidated	
	Relationship	Note	December 31, 2022	March 31, 2022	December 31, 2022	March 31, 2022
Assets						
Current						
Trade receivables						
Coruripe Energética S.A.	Subsidiary		66	101		
Non-current assets						
Loan						
CVW Energética Ltda.	Under common	(a)	49,519	12,262	51,511	12,262
Total assets			**49,585**	**12,363**	**51,511**	**12,262**
Liabilities						
Current						
Accounts payable						
CTC - Centro de Tecnologia Canavieira	Affiliate		239	202	239	
Agricultural partnerships payable						
GTW Agronegócios S.A.	Under common	(b)	48,278	26,432	48,278	26,432
			48,517	**26,634**	**48,517**	**26,432**
Non-current						
Agricultural partnerships payable						
GTW Agronegócios S.A.	Under common	(b)	600,552	486,906	600,552	486,906
Loan						
Coruripe Energética S.A.	Subsidiary	(a)	3,600	16,465		
Loans and financing						
Coruripe Netherland B.V.	Subsidiary	(d)	1,619,879	1,405,453		
			2,224,031	**1,908,824**	**600,552**	**486,906**
Total liabilities			**2,272,548**	**1,935,458**	**649,069**	**513,338**

Transactions with related parties were carried out in accordance with terms and conditions negotiated among the parties, as follows:

In thousands of reais, unless otherwise stated

				Parent company		Consolidated
	Relationship	Note	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Revenue						
Coruripe Energética S.A.	Subsidiary	(c)	1,859	1,762		
			1,859	**1,762**		
Cost						
Coruripe Energética S.A.	Subsidiary	(c)	(7,638)	(5,304)		
CTC - Centro de Tecnologia Canavieira	Affiliate		(4,723)	(1,657)	(4,723)	(1,657)
			(12,361)	**(6,961)**	**(4,723)**	**(1,657)**
Other operating income						
Coruripe Energética S.A.	Subsidiary	(c)	7,415	5,079	2,553	
			7,415	**5,079**	**2,553**	
Finance income						
Coruripe Holding S.A.	Parent company	(a)		2,478		2,478
CVW Energética Ltda.	Under common	(a)	2,420		2,452	
			2,420	**2,478**	**2,452**	**2,478**
Finance expenses						
CVW Energética Ltda,	Under common	(a)		(206)		(206)
Coruripe Energética S.A.	Subsidiary	(a)	(427)	(697)		
GTW Agronegócios S.A.	Under common	(a)	(59,691)	(45,238)	(59,691)	(45,238)
Coruripe Netherland B.V.	Subsidiary	(d)	(120,163)			
			(180,281)	**(46,141)**	**(59,691)**	**(45,444)**

(a) The Company has loan agreements with related parties. The contract with Coruripe Energética S.A. bears fixed interest of 5% p.a.; the contract with CVW Energética Ltda. signed in January 2021 bears interest at the CDI (Interbank Deposit Certificate) rate plus 5.5% p.a.

(b) These balances arise from the transactions under the 32 sugarcane partnership agreements signed on September 28, 2009 with GTW Agronegócios S.A. and individuals of the Tércio Wanderley Group. They are valid for 39 years and may be extended by mutual agreement. Prices are determined between the parties adjusted annually in accordance with the variation of the Total Recoverable Sugar - ATR indices, published by the Council of Sugarcane, Sugar and Ethanol Producers - CONSECANA for the specific leased land locations. The contracts are within the scope of CPC 06 (R2) – Leases; the balances of short- and long-term liabilities plus interest on the result on these contracts are presented in the tables above.

(c) The Company has a purchase and sale agreement signed for the sale of sugarcane bagasse "in natura" and the purchase of steam from Coruripe Energética S.A., effective until March 31, 2023, which may be extended by mutual agreement. Prices were determined between the parties and are adjusted annually indexed to the IGP-M.

(d) On February 7, 2022, the Company placed a bond, through its subsidiary Coruripe Netherland BV for US$ 300 million, "05 Non-Call 3 Senior Secured Bond", under 144A/Reg S (Note 1 (d)). As a result of this transaction, Coruripe Netherland settled the Company's US dollar-denominated debts with syndicated banks by assigning the rights to PPE contracts (export prepayments) from these banks to Coruripe Netherland. New PPE contracts were entered into between the Company and Coruripe Netherland, transferring the cash fund generated from the Bond operation earning interest of 10.05% p.a. The funds were used to pay debts in Reais with other banks in the same syndicate, and for the purposes of the Company's working capital.

This operation is included in Loans and financing (Note 17).

In thousands of reais, unless otherwise stated

The payment flow of the PPE contracts signed between the Company and its subsidiary is identical to the payment flow of the original transaction (Note 1 (c)).

The Company and the Group have a zero-cost concession contract for the lease of the Fernandópolis/SP Sugar Transshipment Terminal, owned by the three personal holding companies that control the Tércio Wanderley Group (V.W. Participações e Empreendimentos Ltda., R.W. Participações e Empreendimentos Ltda. and S.M. Participações e Empreendimentos Ltda.). The agreement, effective for 20 years (beginning in April 2009), allows the Company and the Group to operate, at their own expense and with no lease charges, the sugar road-rail terminal located in Fernandópolis/SP (truck entry and train exit to the Port of Santos/SP). Management together with its controlling companies are evaluating if this lease contract will be renewed after 2029; management does not expect a material impact on its future cash flow as a consequence of the Group's decision.

The Company has a free assignment agreement for movable assets and land used for its industrial plant at the Iturama unit (currently undergoing a renovation) and at the Campo Florido unit, which will remain in force until December 2037, which are used as facilities by Coruripe Energética for its renewable electricity generation business.

11. Investments

The parent company and consolidated investments are as follows:

							Parent company
			Investee's equity		Book value of investment		Equity income
Company	Percentage share	December 31, 2022	March 31, 2022	December 31, 2022	March 31, 2022	December 31, 2022	December 31, 2021
Coruripe Energética S.A. (i)	100.00%	16,524	22,244	16,524	22,244	25,497	28,603
Coruripe Netherland B.V. (ii)	100.00%	(108)	281	(108)	281	472	
CTC - Centro de Tecnologia Canavieira S.A.	3.16%	873,035	822,949	27,594	26,010	1,584	2,243
EMPAT - Empresa Alagoana de Terminais Ltda.	4.40%	11,267	22,171	496	976	(479)	(1)
		900,718	867,645	44,505	49,511	27,074	30,845

							Consolidated
			Investee's equity		Book value of investment		Equity income
Company	Percentage share	December 31, 2022	March 31, 2022	December 31, 2022	March 31, 2022	December 31, 2022	December 31, 2021
CTC - Centro de Tecnologia Canavieira S.A.	3.16%	873,035	822,949	27,594	26,010	1,584	2,243
EMPAT - Empresa Alagoana de Terminais Ltda.	4.40%	11,267	22,171	496	976	(479)	(1)
		884,302	845,120	28,089	26,987	1,105	2,242

The interest in CTC and EMPAT are accounted for using the equity method in accordance with CPC 18 (R2) - Investments in Associates and Joint Ventures, since the Company has significant influence in the management of these investees. Company management has a seat on the investees' Boards allowing it to influence financial and operating policy decisions of the investees but has no control over those policies. This concept has been applied consistently in the years presented.

The Company controls: (i) Camaçari Energética S.A., with 100% equity interest; and (ii) Usina Corurema Ltda., with 50% direct and 50% indirect interest, through Coruripe Energética S.A. These subsidiaries are pre-operating entities, and their projects were suspended indefinitely, with no significant balances in the periods presented.

In thousands of reais, unless otherwise stated

Hence, management has maintained these at zero book value and has not consolidated these investments.

Summarized financial information: Coruripe Energética S.A.

Balance sheet at December 31:

	December 31, 2022	March 31, 2022
Assets		
Current assets		
Cash and cash equivalents	9,672	10,699
Trade receivables	259	801
Inventories	689	216
Sales taxes recoverable	14	17
Other receivables		1
Total current assets	10,634	11,734
Non-current assets		
Related parties	5,592	16,465
Property, plant and equipment	13,039	14,578
Total non-current assets	18,631	31,043
Total assets	**29,265**	**42,777**

	December 31, 2022	March 31, 2022
Liabilities and equity		
Current assets		
Accounts payable	1,594	954
Loans and financing	1,313	13,364
Salaries and social charges	145	196
Other taxes payable	2,492	1,595
Derivative financial instruments	628	1,086
Other payables	18	5
Total current liabilities	6,190	17,200
Non-current liabilities		
Loans and financing	6,550	3,333
Total non-current liabilities		3,333
Equity		
Share capital	11,211	11,211
Revenue reserves	(20,184)	11,033
Retained earnings	25,497	
Total equity	16,524	22,244
Total liabilities and equity	**29,265**	**42,777**

Statement of operations for the three and nine-month periods ended December 31:

	December 31, 2022		December 31, 2021	
	Three-month period	Nine-month period	Three-month period	Nine-month period
Net operating revenue	13,470	52,564	9,795	50,228
Electricity and steam generation cost	(5,717)	(23,655)	(5,761)	(18,354)
Gross profit	7,753	28,909	4,034	31,874
General and administrative expenses	(27)	(94)	(57)	(106)
Other operating income (expenses), net	8	2	(4)	(14)
Operating profit	7,734	28,817	3,973	31,754
Finance income	255	937	471	1,071
Finance expenses	(495)	(2,220)	(738)	(2,233)
Finance result	(240)	(1,283)	(267)	(1,162)
Profit before income tax and social contribution	7,494	27,534	3,706	30,592
Income tax and social contribution	(531)	(2,037)	(477)	(1,991)
Profit for the period	6,964	25,497	3,229	28,601
Basic and diluted earnings per share - R$	229	837	106	939

In the period ended December 31, 2022, the Company received interim dividends of R$ 31,216 (2021 - R$ 22,200), from the subsidiary Coruripe Energética S.A.

In thousands of reais, unless otherwise stated

Summarized financial information: Coruripe Netherland B.V.

	December 31, 2022	March 31, 2022
Assets		
Current assets		
Cash and cash equivalents	428	
Other receivables	219	256
Total current assets	647	256
Non-current assets		
Related parties	1,619,879	1,433,729
Total non-current assets	1,619,879	1,433,729
Total assets	1,620,526	1,433,985

	December 31, 2022	March 31, 2022
Liabilities and equity		
Current liabilities		
Accounts payable	1,243	329
Total current liabilities	1,243	329
Non-current liabilities		
Loans and financing	1,619,391	1,433,375
Total non-current liabilities	1,619,391	1,433,375
Equity		
Revenue reserves	(108)	281
Total equity	(108)	281
Total liabilities and equity	1,620,526	1,433,985

12. Biological assets

Biological assets correspond to the cultivation of sugarcane crops to be used as raw material in the production of sugar and ethanol in the next harvest. These assets are measured at fair value less selling expenses.

The Company and the Group grow sugarcane in the States of Minas Gerais and Alagoas. Sugar cane is a semi-perennial crop cultivated by planting seedlings on own or third parties' land. The first cut occurs after 12 to 18 months of planting; once the cane is cut the root (ratoon) remains planted in the soil. The ratoon (bearer plant) when properly treated regenerates, its production being considered economically feasible, on average for between six and seven harvests.

The fair value of sugarcane at the time of harvest is determined by the quantities harvested, valued through CONSECANA-SP (Council of Sugarcane, Sugar and Ethanol Producers of the State of São Paulo) parameters accumulated in the respective month and adjusted to the pricing trends of the Company's products from the Minas Gerais plants. The Coruripe unit uses the CONSECANA-AL price index. The fair value of the harvested sugarcane then becomes the cost of the raw material used in the sugar and ethanol production process.

Cultivated areas represent only sugarcane, without considering the land on which these crops are located and the bearer plant.

The fair value measurement of biological assets is classified as Level 3 - Assets and liabilities whose prices do not exist or whose prices or valuation techniques are supported by a small or non-existent, unobservable or illiquid market

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

(a) Cash inflows obtained by multiplying (i) estimated production, measured in kilograms of ATR, and (ii) sugarcane futures market price, which is estimated based on public and future price estimates for sugar and ethanol; and

In thousands of reais, unless otherwise stated

(b) Cash outflows represented by the estimate of (i) costs necessary for the biological transformation of sugarcane (cultural treatments) to occur until harvesting; (ii) Harvesting/Cutting, Loading and Transport (CCT) costs; (iii) capital cost (land and machinery and equipment); (iv) agricultural lease and partnership costs and (v) taxes levied on positive cash flow.

The following assumptions were used in determining fair value through discounted cash flow:

	Parent company and Consolidated			
	December 31, 2022		March 31, 2022	
	Northeast	Southeast	Northeast	Southeast
Estimated harvest area (in hectares)	30,110	60,074	27,190	47,316
Expected productivity (in tons of sugarcane per hectare)	78.89	78.60	74.43	66.51
Total amount of recoverable sugar - ATR (kg) - Partnership	134.30	136.60	134.20	133.50
Total amount of recoverable sugar - ATR (kg) - Lease	114.09	125.81	114.09	125.81
Price of projected average ATR kg (R$/kg)	1.2533	0.9750	1.3291	0.8868

Based on the estimate of revenues and costs, the Company discounts future cash flows to present values using an annual discount rate of 13.68% p.a. (March 31, 2022 - 10.83% p.a.), compatible for investment remuneration in the circumstances. Changes in fair value are recorded in biological assets against "Change in the fair value of biological assets" in the "Cost of sales of goods" in the statement of operations.

The changes in biological assets (sugarcane) are detailed below:

	Parent company and Consolidated	
	2022	2021
Opening balance at March 31	305,243	265,137
Increases due to crop treatment	230,521	185,580
Reductions resulting from the harvest	(192,501)	(196,344)
Reductions resulting from the sales of crops		(915)
Increases due to acquisition of ratoons	7,145	
Depreciation of crops (Note 13)	125,776	84,411
Changes in fair value	(675)	(17,179)
Closing balance at December 31	**475,509**	**320,690**

The change in the fair value of biological assets is recorded against Cost of sales of goods (Note 24).

Fair value sensitivity analysis
For the purpose of the sensitivity analysis, the Company assessed the impact on the fair value of its biological assets at December 31, 2022, considering an increase/decrease in the following variables: (i) price of the sugarcane per metric ton; and (ii) sugarcane production volume. With the other variables held constant, a 5% increase or decrease in the price of the metric ton of sugarcane would result in an increase or decrease of approximately R$ 38,952. As to the production volume, the same 5% variation (higher/lower) would result in an increase or decrease of approximately R$ 46,541.

In thousands of reais, unless otherwise stated

13. Property, plant and equipment

Property, plant and equipment items are measured at historical acquisition or construction cost, deemed cost, less accumulated depreciation and accumulated impairment losses, when applicable.

Upon the initial adoption of CPCs, the Company made use of the option provided for in CPC 27 and following the guidance of Interpretation "ICPC 10 - Interpretation on the Initial Application to Property, Plant and Equipment and to Investment Property of Technical Pronouncements CPCs 27, 28, 37 and 43", revaluing its buildings, machinery and equipment to assign a new cost (deemed cost). The effects of deemed cost increased property, plant and equipment as a counter entry to equity, net of tax effects.

Net book value and useful lives of assets as well as the depreciation methods are reviewed at year end and adjusted prospectively. Depreciation is calculated using the straight-line method, using accelerated depreciation method for production equipment, respecting the crushing period.

The Company and the Group perform major scheduled maintenance of their plant on an annual basis. This occurs between harvests (Note 1) allowing for inspection and replacement of components of property, plant and equipment. Maintenance expenses that lengthen the economic useful life of property, plant and equipment are capitalized; items that wear out during the harvest are replaced and depreciated over the next harvest period. Maintenance expenses with no impact on the economic useful life of the assets are charged as an expense when realized. The replaced items are written-off.

Impairment of non-financial assets

Property, plant and equipment are reviewed annually to identify evidence of impairment, or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Composition of balances

							Parent company
		December 31, 2022			March 31, 2022		
	Average depreciation	Cost	Accumulated depreciation	Residual value	Cost	Accumulated depreciation	Residual value
Aircraft	10%	2,026	(2,009)	16	2,026	(1,857)	169
Buildings and improvements	4%	331,582	(165,097)	166,485	327,527	(156,848)	170,679
Furniture and fixtures	8%	24,953	(18,522)	6,432	23,697	(17,329)	6,368
Machinery and equipment	5%	1,926,308	(1,393,097)	533,211	1,786,140	(1,224,375)	561,765
Facilities	4%	294,796	(165,582)	129,215	280,426	(156,721)	123,705
Agricultural implements	7%	492,906	(375,893)	117,014	397,887	(286,850)	111,037
Vehicles	20%	88,155	(82,160)	5,995	92,212	(82,637)	9,575
IT equipment	10%	19,340	(13,398)	5,943	17,639	(12,741)	4,898
Fixed assets in progress		252,875		252,875	140,999		140,999
Land and properties		26,840		26,840	26,840		26,840
Sugarcane bearer plants	14.3%	775,015	(147,836)	627,179	751,373	(265,993)	485,380
		4,234,796	**(2,363,594)**	**1,871,205**	**3,846,766**	**(2,205,351)**	**1,641,414**

In thousands of reais, unless otherwise stated

							Consolidated
				December 31, 2022			March 31, 2022
	Average depreciation	Cost	Accumulated depreciation	Residual value	Cost	Accumulated depreciation	Residual value
Aircraft	10%	2,026	(2,009)	16	2,026	(1,857)	169
Buildings and improvements	4%	333,342	(166,109)	167,233	329,288	(157,823)	171,465
Furniture and fixtures	8%	24,977	(18,536)	6,442	23,720	(17,342)	6,378
Machinery and equipment	5%	1,994,912	(1,453,040)	541,872	1,849,371	(1,276,005)	573,366
Facilities	4%	296,447	(166,969)	129,479	282,077	(158,088)	123,989
Agricultural implements	7%	492,906	(375,893)	117,014	397,887	(286,850)	111,037
Vehicles	20%	88,155	(82,160)	5,995	92,212	(82,637)	9,575
IT equipment	10%	19,340	(13,398)	5,943	17,639	(12,741)	4,898
Fixed assets in progress		256,231		256,231	142,895		142,895
Land and properties		26,840		26,840	26,840		26,840
Sugarcane bearer plants	14.3%	775,015	(147,836)	627,179	751,373	(265,993)	485,380
		4,310,191	**(2,425,950)**	**1,884,244**	**3,915,328**	**(2,259,336)**	**1,655,992**

Changes in balances

						Parent company
	March 31, 2022	Additions	Write-offs	Depreciation	Transfers	December 31, 2022
Aircraft	169			(152)		16
Buildings and improvements	170,679	2,013		(8,249)	2,042	166,485
Furniture and fixtures	6,368	1,309	(26)	(1,249)	29	6,432
Machinery and equipment	561,765	123,586	(3,444)	(179,609)	30,915	533,211
Facilities	123,705	3,435		(8,862)	10,937	129,215
Agricultural implements	111,037	96,707	(209)	(90,521)		117,014
Vehicles	9,575		(5)	(3,575)		5,995
IT equipment	4,898	959	(2)	(724)	812	5,943
Fixed assets in progress	140,999	156,781	(170)		(44,735)	252,875
Land and properties	26,840					26,840
Sugarcane bearer plants	485,380	274,083	(6,509)	(125,776)		627,179
	1,641,414	**658,873**	**(10,365)**	**(418,717)**		**1,871,205**

						Consolidated
	March 31, 2022	Additions	Write-offs	Depreciation	Transfers	December 31, 2022
Aircraft	169			(152)		16
Buildings and improvements	171,465	2,013		(8,286)	2,039	167,233
Furniture and fixtures	6,378	1,309	(26)	(1,250)	32	6,442
Machinery and equipment	573,366	127,659	(3,444)	(187,923)	32,214	541,872
Facilities	123,989	3,435		(8,882)	10,936	129,479
Agricultural implements	111,037	96,707	(209)	(90,521)		117,014
Vehicles	9,575		(5)	(3,575)		5,995
IT equipment	4,898	959	(2)	(724)	814	5,943
Fixed assets in progress	142,895	159,541	(170)		(46,035)	256,231
Land and properties	26,840					26,840
Sugarcane bearer plants	485,380	274,083	(6,509)	(125,776)		627,179
	1,655,992	**665,706**	**(10,365)**	**(427,089)**	-	**1,884,244**

Additions of property, plant and equipment that did not affect cash flows

(i) At December 31, 2022, in the Parent company and Consolidated, Property, plant and equipment in progress includes capitalized interest on loans of R$ 3,499, based on the average borrowing rate of 9.9% p.a. (December 31, 2021 - R$ 4,871).

(ii) At December 31, 2022, in the Parent company and Consolidated, the sugarcane crops in formation include R$ 10,011 (December 31, 2021 - R$ 3,468) related to the depreciation of the right of use of land and the capitalization of interest on lease liabilities, calculated on an average annual rate ranging from 10.7% to 17.84% p.a., according to the duration of each contract, considering the incremental borrowing rate at the inception date of the contracts.

In thousands of reais, unless otherwise stated

Guarantees

At December 31, 2022, property, plant and equipment items in the amount of R$ 372,353 (March 31, 2022 - R$ 302,713) were offered as guarantees to creditors in loan and financing operations contracted by the Company.

Fixed assets in progress

Refers to investments in machinery and equipment acquired from a bankrupt estate, which were dismantled and are being installed in the Limeira do Oeste and Iturama production units, The installation works started in April 2022, with forecast of completion and entry into operation scheduled for the 2024/2025 harvest.

Other increases in the fixed assets in progress balance include: the installation of a 40 MW generator at the Coruripe plant (state of Alagoas), scheduled for completion in February 2023, the irrigation project in Cachoerinha region of the Iturama unit, and the expansion of the crystal sugar factory in Campo Florido unit.

Deemed cost

Refers to the adoption of the deemed cost for certain classes of property, plant and equipment, based on an appraisal prepared by a specialized firm, in accordance with ICPC 10 - Interpretation on the Initial Application to Property, Plant and Equipment and to Investment Property of Technical Pronouncements CPCs 27, 28, 37 and 43. The accounting effects of the adoption of the deemed cost by the Company on April 1, 2010 are shown below:

	Parent company and Consolidated		
	Historical Cost	Surplus value	Deemed cost
Buildings and other properties	165,043	31,521	196,564
Industrial machines, apparatus and equipment	420,423	475,409	895,832
	585,466	**506,930**	**1,092,396**

The remaining revaluation increment included in property, plant and equipment (deemed cost less accumulated depreciation), the effects of deferred income tax and social contribution and the carrying value adjustment related to the deemed cost are shown below:

	Parent company and Consolidated	
	December 31, 2022	March 31, 2022
Surplus value included in PP&E	84,517	96,363
(-) Deferred income tax and social contribution	(28,736)	(32,764)
Carrying value adjustment	**55,781**	**63,600**

In thousands of reais, unless otherwise stated

14. Intangible assets

	Parent company and Consolidated	
Software	**2022**	**2021**
At March 31	**2,925**	**1,450**
Cost	4,450	2,303
Accumulated amortization	(1,525)	(853)
Residual value	**2,925**	**1,450**
Additions	170	2,061
Amortization	(624)	(459)
At December 31	**2,471**	**3,052**
Cost	4,620	4,364
Accumulated amortization	(2,149)	(1,312)
Residual value	**2,471**	**3,052**
Average annual amortization rate	20%	20%

15. Right-of-use assets, leases payable and agricultural partnerships payable

Changes in right-of-use assets were as follows for the Parent company and Consolidated:

	Parent company and Consolidated			
	Vehicles, machines and equipment	**Agricultural partnerships**	**Agricultural leases**	**Right-of-use assets**
Initial adoption at April 1, 2021	33,015	498,171	507,524	1,038,710
Remeasurement	12	7,224	126,244	133,480
Additions (write-offs) of contracts	43,147	143,637	6,366	193,150
Depreciation	(17,160)	(94,512)	(29,243)	(140,915)
Balance at December 31, 2021	**59,014**	**554,520**	**610,891**	**1,224,425**
Balance at April 1, 2022	107,229	660,095	687,152	1,454,476
Remeasurement		12,820	130,625	143,445
Additions (write-offs) of contracts	9,901	119,886	9,607	139,394
Depreciation	(14,152)	(117,430)	(33,920)	(165,502)
Balance at December 31, 2022	**102,978**	**675,371**	**793,464**	**1,571,813**
Term of contracts (years)	1 to 6	2 to 19	5 to 39	

In thousands of reais, unless otherwise stated

The changes of liabilities from agricultural leases and partnerships were as follows:

	Parent company and Consolidated		
	Leases payable	Agricultural partnerships	Total
Adoption at April 1, 2021	584,249	320,715	904,964
Payments	(141,994)	(84,701)	(226,695)
Additions (write-offs) of contracts	41,868	146,096	187,964
Remeasurement	126,256	7,224	133,480
Appropriation of financial charges	79,912	46,186	126,098
Balance at December 31, 2021	**690,291**	**435,520**	**1,125,811**
Current liabilities	98,370	58,732	157,102
Non-current assets	602,459	366,250	968,709
Balance at April 1, 2022	813,456	574,513	1,387,969
Payments	(86,559)	(199,779)	(286,338)
Additions (write-offs) of contracts	20,166	87,471	107,637
Remeasurement	130,625	12,820	143,445
Appropriation of financial charges	81,638	83,129	164,767
Balance at December 31, 2022	**959,326**	**558,154**	**1,517,480**
Current liabilities	(146,908)	(98,968)	(245,876)
Non-current assets	812,418	459,186	1,271,604

The noncurrent balances of agricultural leases and partnerships payable maturity as follows:

Maturity	**December 31, 2022**	**March 31, 2022**
Over 1 to 2 years	140,631	192,945
Over 2 to 3 years	123,020	196,230
Over 3 to 4 years	107,703	197,035
Over 4 to 5 years	98,557	198,010
Over 5 to 6 years	87,374	199,330
Over 6 years	714,319	214,211
	1,271,604	**1,197,761**

In thousands of reais, unless otherwise stated

The Company uses incremental discount rates based on risk-free interest rates observed in the market, for the terms of its contracts adjusted to its circumstances. The incremental discount rates consider the contract term staggering for funding spreads, as follows:

Contract period	Incremental rate
From 1 to 3 years	7,22% to 17,84%
From 3 to 6 years	7,31% to 17,39%
From 6 to 9 years	8,44% to 17,26%
From 9 to 12 years	8,96% to 17,18%
From 12 to 40 years	9,81% to 17,28%

The remeasurement of right-of-use assets and liabilities for agricultural leases and partnerships is carried out at the end of the harvest, based on the change in the Consecana-SP index for sales from the Iturama and Campo Florido units, considering the base date March 31. For the Alagoas unit, the index used is Sindaçúcar - AL, considering the base date August 31.

The Company signed 32 lease agreements with its related party GTW Agronegócios S.A. and individuals from the Tércio Wanderley Group, with a 39-year term (Note 10 (b)). These contracts correspond to approximately 32 thousand hectares of land located in the State of Alagoas and 17 thousand hectares of land located in the State of Minas Gerais. The contracts were recognized as leases, pursuant to CPC 06 (R2) / IFRS 16 - Leases.

16. Accounts payable

	Parent company		Consolidated	
	December 31, 2022	March 31, 2022	December 31, 2022	March 31, 2022
Sugarcane	198,110	93,920	198,110	93,920
Materials, services and others	89,542	91,075	92,313	92,258
	287,652	**184,995**	**290,423**	**186,177**

17. Loans and financing

Loans and financing are initially recognized at fair value, net of transaction costs incurred, and are subsequently stated at amortized cost.

In thousands of reais, unless otherwise stated

Loans and financing position in Parent company and Consolidated is as follows:

	Parent company		Consolidated	
Type	**December 31, 2022**	**March 31, 2022**	**December 31, 2022**	**March 31, 2022**
Local currency				
Finame	68,258	65,463	68,258	65,463
Development banks / BNDES Transfer	610,215	396,041	618,078	396,041
CRA - Agribusiness Receivables Certificate	511,045	574,285	511,045	574,285
Debentures	97,070	93,519	97,070	93,519
Other	190,456	195,343	190,456	212,040
	1,477,044	**1,324,651**	**1,484,907**	**1,341,348**
Foreign currency (US$)				
Advances against Exchange Contracts (ACC)	362,497	205,778	362,497	205,778
Trade Finance/PPE	234,200	370,179	234,200	370,265
Bonds	1,564,830	1,405,539	1,564,342	1,405,453
	2,161,527	**1,981,497**	**2,161,039**	**1,981,497**
Total loans and financing	**3,638,571**	**3,306,148**	**3,645,946**	**3,322,845**
Current	(1,047,179)	(787,324)	(1,048,492)	(800,688)
Non-current	2,591,392	2,518,824	2,597,454	2,522,157

The loans and financing have average interest rates of:

Local currency:

Finame: 12.14% p.a. (plus CDI, IPCA, SELIC or TLP) (2021 - 9.20% p.a.);
Development Banks: 15.86% p.a. (plus IPCA, SELIC, TJLP or TLP) (2021 - 9.50% p.a.);
CRA: 19.31% p.a. (plus CDI) (2021 - 14.51% p.a.);
Debentures: 10.70% p.a. (plus IPCA);
Others: 16.61% p.a. (plus CDI) (2021 - 15.08% p.a. plus CDI or SELIC).

The TJLP, IPCA, SELIC and CDI are rates or indexes commonly used in the Brazilian financial market:

TJLP - Long Term Interest Rate
IPCA - Extended National Consumer Price Index
SELIC - Special Custody Settlement System Rate
CDI - Interbank Deposit Certificate

Foreign currency (US$)

ACC: 12.02% p.a. (2021 - 7.26% p.a.);
Trade Finance/PPE/CDA: 12.50% p.a. (plus LIBOR) (2021 - 7.32% p.a.);
PPE Bonds: 10.05% p.a. (Effective rate: 10.45% p.a.).

The trade finance, PPE and CDA loans are the only financial instruments that might be affected by the second phase of the LIBOR reform. The Company and the Group have not yet made the transition to the alternative benchmark rate at the reporting date and management estimates that the adjusted cash flows will be similar to the original flows and does not expect material any impacts.

In thousands of reais, unless otherwise stated

Costs incurred in the issuance of bonds totaled R$ 57,710, which were recognized as a reduction of the debt and are being appropriated to income over the term of the contract, impacting its effective rate.

Long-term maturing by year of maturity of contracts:

	Parent company		Consolidated	
Year	**December 31, 2022**	**March 31, 2022**	**December 31, 2022**	**March 31, 2022**
2023/2024 harvest	66,404	318,118	72,954	321,451
2024/2025 harvest	403,508	277,619	403,508	277,619
2025/2026 harvest	347,699	340,305	347,699	340,305
2026/2027 harvest	1,650,403	1,464,103	1,649,915	1,464,103
2027/2028 harvest onwards	123,378	118,680	123,378	118,680
	2,591,392	**2,518,824**	**2,597,454**	**2,522,157**

The changes in loans and financing for the periods ended December 31, 2022 and 2021 were as below:

	Parent company		Consolidated	
	2022	**2021**	**2022**	**2021**
At April 1	3,306,148	3,070,157	3,322,845	3,095,172
Funding	897,487	516,785	897,487	516,785
Interest and foreign exchange variations	492,113	61,601	493,500	62,856
Payment of principal	(788,442)	(518,793)	(797,259)	(523,516)
Interest payment	(268,735)	(114,162)	(270,627)	(115,406)
At December 31	**3,638,571**	**3,015,588**	**3,645,946**	**3,035,891**

Guarantees

These loans are guaranteed by the shareholders, fiduciary sale of financed assets, promissory notes and export receivables.

Covenants

The Group has contracts with financial institutions, investment funds, brokers, development banks, trading companies and capital markets: Amerra, Sucden, BBM Bocom, Planner/CDCA, BNDES, Debentures, CRA02, CRA03 and CR04, which are subject to covenants. At March 31, 2022, the main financial ratios covenants for the consolidated financial statements, excluding the effects of CPC 06 (R2) - Leases, are as follows:

i. Ratio of net debt to adjusted EBITDA ≤ 3.0;
ii. EBITDA ratio adjusted by net finance costs (excluding exchange gains/losses) ≥ 2.8;

Compliance is measured at year end. For the year ended March 31, 2022, all contractual covenant ratios were being complied with by the Group.

In thousands of reais, unless otherwise stated

18. Other taxes payable

	Parent company		Consolidated	
	December 31, 2022	March 31, 2022	December 31, 2022	March 31, 2022
Tax installments:				
ICMS AL installments	566	3,003	566	3,003
ICMS MG installments	665	1,398	665	1,398
Federal tax installments	27,543	43,390	27,543	43,390
	28,774	**47,791**	**28,774**	**47,791**
Taxes payable:				
IRRF payable	4,858	2,101	4,858	2,101
IOF payable	3,505	2,846	5,033	4,157
INSS payable	5,615	6,940	5,615	6,940
PIS/COFINS payable		2,244		2,244
Deferred PIS and Cofins, without court-ordered deb	123,432	112,064	123,432	112,064
ICMS payable	642	393	642	393
Other taxes and contributions	1,071	501	1,347	610
	139,123	**127,089**	**140,927**	**128,509**
Total taxes payable	**167,897**	**174,880**	**169,701**	**176,300**
Current liabilities	(25,491)	(28,143)	(27,983)	(29,563)
Non-current assets	142,406	146,737	142,406	146,737

The long-term payables classified by maturity year (tax installments and deferred PIS/ COFINS on court-ordered debts):

	Parent company		Consolidated	
Year	December 31, 2022	March 31, 2022	December 31, 2022	March 31, 2022
2023		34,831		34,831
2024	7,844	32,611	7,844	32,611
2025	5,664	19,547	5,664	19,547
2026 onwards	128,898	59,748	128,898	59,748
	142,406	**146,737**	**142,406**	**146,737**

19. Advances from customers

The Company receives advances from customers, in particular trading companies that sell the Company's sugar. These advances are contractual liabilities. Whenever sugar is delivered to the warehouse contracted by the trading companies for the shipment of the product for export, the Company receives between 70% and 80% of the value of the product and the remaining balance is settled on the shipment date or after a period as determined in contract.

In the nine-month period ended December 31, 2022, revenues of R$ 345,470 relate to carried-forward contract liabilities from the previous year (December 31, 2021 - R$ 338,993).

In thousands of reais, unless otherwise stated

	Parent company and Consolidated	
	December 31, 2022	March 31, 2022
Tradings - sugar	458,607	230,185
Ethanol distributors	97,448	18,540
Sale of crystal sugar	13,786	
	569,841	**248,725**
Current	(388,081)	(248,725)
Non-current	181,760	

Advance payments recognized in non-current liabilities refer to two contracts for the supply of sugar, one of which has a fixed interest rate of 9.50% p.a., and the other is adjusted by LIBOR plus interest of 7.75% p.a.

The delivery schedule of the aforementioned contracts is as follows:

	Parent company and Consolidated	
Year	December 31, 2022	March 31, 2022
2023/2024 harvest	4,521	
2024/2025 harvest	132,029	
2025/2026 harvest	45,210	
	181,760	

In thousands of reais, unless otherwise stated

20. Commitments from electricity contracts

	Parent company and Consolidated	
	December 31, 2022	March 31, 2022
Electric energy	175,741	166,920
	175,741	**166,920**
Current	(58,821)	(85,730)
Non-current	116,920	81,190

The Company has contracts for its supply of electricity for which it receives remuneration in advance from the same counterparty as it purchases electricity for equal volumes and supply dates. According to the Board's assessment, these contracts have significant financing components, thus interest is appropriated over the period of supply. At December 31, 2022, the average effective interest rates of these contracts vary from 13.34% to 22.54% p.a. (March 31, 2022 - 13.34% and 16.51% p.a.).

Commitments from electricity contracts classified in non-current liabilities by year of maturity are as follows:

	Parent company and Consolidated	
Year	December 31, 2022	March 31, 2022
2023/2024 harvest	31,638	40,196
2024/2025 harvest	85,282	40,994
	116,920	**81,190**

21. Provision for contingencies

Provisions are recognized when the Company, or the Group, has a present obligation, legal or not formalized, as a result of past events and it is probable that an outflow of resources will be necessary to settle the obligation and a reliable estimate of the amount can be made. Provisions are recognized, reviewed and adjusted to reflect the best estimate at the reporting dates.

Probable losses

The Company, under the advice of its legal advisors, recorded the following provisions for cases of probable risk of losses:

In thousands of reais, unless otherwise stated

	Parent company and Consolidated	
	December 31, 2022	**March 31, 2022**
Labor	1,410	667
Civil	2,903	1,943
Tax	67,970	90,129
	72,283	**92,740**

Changes in provisions for probable losses were as follows:

	Parent company and Consolidated			
	Labor	**Civil**	**Tax**	**Total**
At March 31, 2021	1,017	5,749	112,868	119,634
Constitutions	140	11	429	580
Reversals	(341)	(4,697)	(20,152)	(25,190)
At December 31, 2021	**816**	**1,063**	**93,145**	**95,024**
At March 31, 2022	667	1,943	90,129	92,739
Constitutions	743	1,920		2,663
Reversals		(960)	(22,159)	(23,119)
At December 31, 2022	**1,410**	**2,903**	**67,970**	**72,283**

Tax: from 2016 to 2021, the Company recognized PIS and COFINS credits recoverable on raw material acquisitions based on management's interpretation of PIS and COFINS regulations. The Company's tax consultants believe that it is probable that the tax authorities will challenge the Company's tax computation although there is no claim at present. The provision recorded reflects management's best estimate of the most likely outcome. For the nine-month period ended December 31, 2022, the Company reversed R$ 22,159 related to the provision as the prescriptive period for contestation had expired.

Civil: relate to compensation amounts, in general and environmental administrative penalties for the event of a fire in a sugarcane crop area, the legality of which is being challenged by the Company.

Labor: relate mainly to claims for overtime and indemnity for elimination of breaks between shifts.

Contingent liabilities

No provision was made for other lawsuits for which management estimates the risk of loss to be possible, under the advice of the legal advisors, as these are subject to uncertain future events that are not wholly within the control of the Company and the Group. The contingent liabilities are for civil, labor and tax claims filed by individuals and legal entities, as follows:

In thousands of reais, unless otherwise stated

	Parent company and Consolidated	
	December 31, 2022	March 31, 2022
Labor contingencies	1,010	956
Civil contingencies	83,421	83,629
Tax contingencies	192,078	192,760
	276,509	**277,345**

The following are the main lawsuits which are classified as possible risk of contingent liabilities:

Tax

Proceeding 10410.720364/2017-98

A once off fine (item 10 of article 89 of Law 8,212/91) for having offset INSS payables against PIS and COFINS credits between 2014 and 2016, in the approximate amount, at December 31, 2022, of R$ 116,365 (March 31, 2022 - R$ 116,365). In March 2017, the amount was included in the Tax Amnesty and Refinancing Program (TRP).

A once off fine of 150% on the debt, alleging Company's bad faith in the offsetting above. The proceeding is being judged by the Superior Council for Tax Appeals (CARF), with a favorable decision taken to the Federal Revenue through a tiebreak vote. The Company filed a petition at the lower court. Management and the Company's legal advisors believe it is unlikely to result in any material loss.

On June 18, 2020, the Federal Regional Court of the 5th Region upheld the Company's appeal to cancel the once off fine. On June 26, 2020, the Company was notified of the court decision handed down by the 1st Panel of the TRF5, granting the appeal filed by the company to declare the full nullity of the tax assessment.

On September 29, 2021, the court decision handed down by the 1st Panel of the TRF5 was issued, rejecting the motion for clarification filed by the National Treasury, confirming the annulment of the tax assessment. On October 26, 2021, the National Treasury filed new declaratory actions contesting the decision.

At December 31, 2022, the Company is still awaiting the final and unappealable court decision issued by the TRF5 in the annulment action, the process is guaranteed by an insurance policy.

Civil

Proceeding 0714498-70.2016.8.02.0001

Ordinary proceeding for judicial collection arising from the sale of IPI credits to third parties, disallowed by the Federal Revenue of Brazil, in the amount of R$ 50,685 (March 31, 2022 - R$ 51,127). The Company is required to reimburse the credits to the plaintiff as a result of non-compliance with a contractual clause.

The Company and its legal advisors claim expiry of the statute of limitations and tacit approval of the credits, as well as exception of a non-fulfilled contract by the buyer customer. Management and the Company's legal advisors believe it is unlikely to result in any material loss.

Contingent assets

Proceeding AMS93049 - AL (000366531.2005.4.05.8000)

The Company received a final and unappealable court decision on December 13, 2018 on its Company's lawsuit for the exclusion of ICMS from the PIS/COFINS calculation base. It calculated and recorded R$ 35,863 related to the credits determined for the years between 2005 and 2008 under the special regime ("ad rem") for ethanol, when the PIS/COFINS taxation was linked to a fixed amount on the quantity of cubic meters sold.

For the period after 2008 and up to the present date, the Company hired tax specialists who are assisting in the analysis of the impacts of the STF decision regarding the exclusion of ICMS from the PIS/COFINS calculation base referring to the special regime ("ad rem") for ethanol. The calculations have not yet been completed. Management does not estimate a material impact arising from the recording of credits upon the conclusion of the calculation.

22. Equity

a) Share capital

The subscribed and paid-up capital at December 31 and March 31, 2022 is R$ 408,845, divided into 1,400 registered common shares, with no par value, held by Coruripe Holding S.A. Any increase or reduction in the Company's share capital is determined by the General Shareholders' Meeting (article 9 of the Bylaws).

b) Treasury shares

At December 31, 2022 and 2021, treasury shares represent R$ 1,215, divided into 4.16 shares owned by Coruripe Holding S.A. and are available to shareholders. The shares arose from the rounding of nominal shares and were placed in treasury at the disposal of the shareholders.

c) Carrying value adjustment

Deemed cost

This relates to the revaluation increment of buildings and facilities and machinery and equipment (Note 13). The amounts, which are recorded net of tax effects, are realized through depreciation, write-off or disposal of the assets being transferred to "Retained earnings".

Fair value of hedge accounting

Refers to the results from operations with derivative financial instruments not carried out/settled, classified as hedge accounting. The accumulated amounts are reversed from equity as the maturity and shipments for the corresponding operations occur (Note 30 (e)).

Gains and losses are presented net of the corresponding deferred tax effects.

d) Revenue reserves

Legal reserve

The Legal Reserve is recognized annually upon appropriation of 5% of the profit for the year and cannot exceed 20% of the share capital. Appropriations are made to preserve capital and the reserve can only be used to offset losses or increase capital.

Reserve of retention of profits

The Company has been mainly appropriating amounts for investments to expand production capacity, improve processes and amortize liabilities with financial institutions, funds and investments, CRAs and investors in general.

Profits reserve subject to deliberation by AGM/ EGM

At the Annual General Meeting held on August 22, 2022, the shareholders deliberated that the profit for the year ended March 31, 2022 be retained for future allocation. The statutory appropriations and including to the tax incentive reserve were also approved.

At the Extraordinary General Meeting on September 30, 2022 and December 31, 2022, the sole shareholder representing the total share capital, Coruripe Holding S/A, based on article 36 of the bylaws, declared the early distribution of dividends in the amounts of R$ 9,406 and R$ 14,363, respectively.

Tax incentive reserve

The Company and the Group enjoy tax benefit incentives through the reduction of Tax on Circulation of Goods and Services - ICMS. The tax benefit for the period was recorded in the statement of operations as tax incentive income (Note 23 (i)) as it represents a tax credit reducing the ICMS expense on sales. For income tax and social contribution purpose, pursuant to paragraph 3, of article 19 of Law 12,973/2014 (corporate law), other tax benefits granted to the Company and the Group are appropriated to the "Tax incentive reserve" from retained earnings.

The ICMS benefit meets the characteristics of an investment subsidy, being free of other requirements or conditions in article 30 of Law 12,973, thus being classified as such.

In the nine-month period ended December 31, 2022, the Company recorded tax incentives in the amount of R$ 77,991 in the statement of operations (December 31, 2021 - R$ 41,331). If this tax incentive were to be distributed to the shareholders it would be subject to income taxes estimated at R$ 125,769 at December 31, 2022 (March 31, 2022 - R$ 99,672). The Company's management has no intention of distributing the tax incentive balance to its shareholders.

Pursuant to paragraph 3 of article 19 of Law 12,973/2014, the tax benefit is appropriated to the "Tax incentive reserve" when retained earnings are available. At December 31, 2022, the tax benefit appropriated to the reserve amounted to R$ 76,754, with a remaining balance of R$ 1,237 that has not yet been appropriated, as a retained earnings balance is not available.

During the year ended March 31, 2022, R$152,702 in the Parent company and Consolidated (March 31, 2021 - R$74,973) was appropriated to the Tax Incentive Reserve, of which R$93,882 refers to prior year appropriated tax incentive.

Dividends

Shareholders are assured a minimum dividend of 25% on net profit for the year after deducting any accumulated deficit and appropriations to the legal reserve and the tax incentive reserve.

Retained earnings (accumulated deficit)

Retained earnings (accumulated deficit) refer to the amounts of accumulated earnings (losses) will be appropriated to the revenue reserves and dividends at year-end.

23. Sales revenue, net

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns and discounts and, in the consolidated financial statements, after eliminating sales within the Group.

The Company and the Group recognize revenue when it can be reliably measured, when it is probable that future economic benefits will result from the transaction and the specific criteria have been met for the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

The Company and the Group sell sugar, ethanol, electricity, molasses, sugarcane bagasse, steam, Cbios, sanitizers, among others.

Revenue from the sale of cogenerated energy is recorded based on the energy transferred to the grid and at rates specified under the terms of the supply agreements or the market price in force, as applicable. The calculation of the energy delivered to the buyer occurs monthly.

Revenue from sales of sugar, ethanol and other is recognized as follows: identification of contracts with customers, identification of performance obligations provided for in the contracts, determination of the transaction price and allocation of the transaction price. Additionally, product sales are recognized whenever the transfer of control of products to the customer occurs. The transfer of control does not occur until: (i) the products have been shipped to the specified location; (ii) the risk of loss has been transferred to the customer; (iii) the customer has accepted the products in accordance with the sales contract; and (iv) the acceptance provisions have been agreed upon, or the Company and the Group have objective evidence that all acceptance criteria have been met.

Revenue recognition from products sold by the Company and the Group, and, consequently, performance obligations are met at a specific point in time, according to CPC 47, which generally takes place upon physical delivery and/or customer acceptance. No element of financing is deemed present when sales are received in advance or are made with a credit term of less than 30 days, which is consistent with market practice. Therefore, these sales are not discounted to present value. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

In thousands of reais, unless otherwise stated

The Company and the Group currently have four industrial units accredited by ANP (National Petroleum Agency) under the RenovaBio program for the generation of Cbios decarbonization credits. The four industrial units are certified to jointly generate approximately 500,000 Cbios per year and are duly registered on the Serpro platform to generate pre Cbios from ethanol sales. In the nine-month period ended December 31, 2022, the Company sold 204,797 Cbios on the Brazilian Stock Exchange (B3 S.A. - Brasil, Bolsa, Balcão ("B3")), with net revenue of R$ 17,673 (December 31, 2021 - R$ 8,729 - equivalent to 250,587 Cbios).

Sales of Cbios are made through an auction on B3. Usually, the buyers are the fuel distributors, who must meet acquisition goals established by RenovaBio. The Company and the Group recognize the revenue from the sale of Cbios as operating revenue and the taxes levied on sales as gross revenue deductions.

				Parent company
		December 31, 2022		December 31, 2021
	Three-month period	Nine-month period	Three-month period	Nine-month period
VHP sugar	566,936	1,216,726	419,720	939,975
Granulated sugar	96,873	222,979	52,585	108,331
Anhydrous fuel ethanol	222,954	511,628	225,143	501,990
Hydrated ethanol fuel	162,737	403,695	118,782	338,600
Sale of energy - production	10,134	33,740	34,488	98,787
Sale of steam	458	1,281	289	853
Molasses	20,088	86,455	10,466	61,226
Revenues from services	6,641	19,017	1,277	7,273
Cbios sales revenue	5,855	17,673	3,635	8,729
Revenue from subsidy granted (i)	13,688	77,991	22,419	41,331
Other sales revenue	5,080	9,521	6,788	14,999
	1,111,444	**2,600,706**	**895,592**	**2,122,094**

				Consolidated
		December 31, 2022		December 31, 2021
	Three-month period	Nine-month period	Three-month period	Nine-month period
VHP sugar	566,936	1,216,726	419,720	939,975
Granulated sugar	96,873	222,979	52,585	108,331
Anhydrous fuel ethanol	222,954	511,628	225,143	501,990
Hydrated ethanol fuel	162,737	403,695	118,781	338,600
Sale of energy - production	20,956	78,666	42,786	143,490
Molasses	20,088	86,455	10,466	61,226
Revenues from services	6,448	18,439	971	6,364
Cbios sales revenue	5,855	17,673	3,635	8,729
Revenue from subsidy granted (i)	13,688	77,991	22,419	41,331
Other sales revenue	5,080	9,521	7,004	15,220
	1,121,615	**2,643,773**	**903,510**	**2,165,256**

(i) Sales tax credits

The Company and the Group have subsidies granted from the States of Alagoas and Minas Gerais (Note 2.4). These are sales tax incentive credits of ICMS which are recorded as Sales revenue in the statement of operations and are calculated as follows:

a. 2.5% on sales within the State of MG, including exports;

b. 7% on crystal sugar sales within the State of Alagoas;

c. 9% on crystal sugar sales outside the State of Alagoas;

d. 6% on VHP sugar exports from the State of Alagoas; and

e. 12% on sales of hydrous ethanol inside and outside the State of Alagoas.

(ii) Sales taxes

The Company's and the Group's sales revenues are subject to certain taxes and contributions, at the following basic rates:

Social Integration Program (PIS): in the sale of ethanol in the basket of R$23.38 per m3; between July 1 and December 31, 2022, zero per m3 due to the measures to reduce taxes on fuels of the federal government; in sugar sales at a zero rate; and in other revenues 1.65%;

Contribution to Social Security Financing (COFINS): in the sale of ethanol in the basket of R$107.52 per m3; between July 1 and December 31, 2022, zero per m3 due to the measures to reduce taxes on fuels of the federal government; in sugar sales at a zero rate; and in other revenues 7.60%;

Excise Tax (IPI): sugar sales at a zero rate and alcohol sales are not subject to tax, in molasses sales 5%;

Tax on Circulation of Goods and Services (ICMS)

(i) Electric power: 12% to 18% for operations within the State of Minas Gerais. There is no ICMS levy on interstate operations and on sales to electricity concessionaires, taxation is deferred;

(ii) Electric power: 17% to 25% for operations within the State of Alagoas. There is no ICMS levy on interstate operations and on sales to electricity concessionaires, taxation is deferred: All of the Company's energy sales contracts in the State of Alagoas are interstate.

(iii) Anhydrous ethanol: taxation is deferred in operations within the States of Minas Gerais and Alagoas and interstate.

(iv) Hydrous ethanol: 12% in interstate operations and 9% in operations within the State of Alagoas. For the State of Minas Gerais, rate of 7% or 12% on interstate transactions; and 9.29% in operations within the State of Minas Gerais; and

(v) Sugar: For the State of Alagoas: 7% to 18% in internal operations and 12% in interstate operations. For the State of Minas Gerais, 7% or 12% in internal operations and 7% to 12% in interstate operations.

(vi) Exclusive taxation of Cbios of 15% of Income Tax according to Agricultural Law 13,986/2020, article 60.

National Institute of Social Security (INSS) - calculated on sale of rural production (gross revenue) of the agribusiness, destined for the domestic market, at a rate of 2.85%.

In thousands of reais, unless otherwise stated

24. Expenses by nature

Operating costs and expenses by nature are as follows:

				Parent company
		December 31, 2022		December 31, 2021
	Three-month period	Nine-month period	Three-month period	Nine-month period
Cost of products sold				
Staff	(58,023)	(191,241)	(52,595)	(165,216)
Raw materials	(308,145)	(776,113)	(268,491)	(660,968)
Change in fair value of biological assets	(1,403)	(675)	(14,855)	(17,179)
Third-party labor and freight	(20,567)	(47,182)	(18,274)	(41,259)
Fuels and lubricants	(14,492)	(43,840)	(15,014)	(35,787)
Inputs	(38,467)	(86,405)	(42,314)	(77,693)
Maintenance materials	(17,028)	(48,238)	(15,468)	(44,249)
Depreciation of right-of-use assets	(46,918)	(99,774)	(54,896)	(111,220)
Depreciation and amortization (except sugarcane crops)	(129,082)	(230,652)	(119,692)	(187,774)
Depreciation of sugarcane crops	(28,426)	(48,329)	(30,505)	(49,440)
Costs of crop treatment of harvested sugarcane	(15,534)	(85,836)	(31,744)	(98,750)
Electric energy - consumption	(66,109)	(93,088)	(49,850)	(100,314)
Other	(2,157)	(8,154)	2,268	(5,563)
	(746,351)	**(1,759,527)**	**(711,430)**	**(1,595,412)**
Selling expenses				
Staff	(4,150)	(14,286)	(3,964)	(11,548)
Third-party labor	(781)	(2,025)	(824)	(2,052)
Freight on sales	(37,352)	(117,310)	(31,001)	(82,914)
Fuels and lubricants	(81)	(196)	(44)	(106)
Maintenance materials	(244)	(1,033)	(396)	(1,327)
Depreciation and amortization	(1,048)	(3,137)	(989)	(2,903)
Depreciation of right-of-use assets	(984)	(3,267)		
Electric energy	(6)	(270)	(314)	(799)
Other	(1,901)	(3,217)	(2,381)	(4,466)
	(46,547)	**(144,741)**	**(39,913)**	**(106,115)**
General and administrative expenses				
Staff	(20,902)	(72,274)	(20,310)	(65,360)
Third-party labor	(12,393)	(41,802)	(6,096)	(20,853)
Fuels and lubricants	(268)	(1,606)	(415)	(866)
Maintenance materials	(113)	(2,331)	(689)	(2,070)
Depreciation and amortization	(1,180)	(3,542)	(1,192)	(3,306)
Electric energy	(30)	(94)	(41)	(104)
Other	(6,025)	(19,150)	(4,375)	(19,395)
	(40,911)	**(140,799)**	**(33,118)**	**(111,954)**

In thousands of reais, unless otherwise stated

				Consolidated
		December 31, 2022		December 31, 2021
	Three-month period	Nine-month period	Three-month period	Nine-month period
Cost of products sold				
Staff	(58,056)	(191,686)	(52,587)	(165,594)
Raw materials	(309,354)	(778,111)	(267,434)	(656,694)
Change in fair value of biological assets	(1,403)	(675)	(14,855)	(17,179)
Third-party labor and freight	(20,155)	(50,031)	(17,898)	(42,704)
Fuels and lubricants	(14,492)	(43,840)	(15,014)	(35,787)
Inputs	(38,467)	(86,405)	(42,314)	(77,693)
Maintenance materials	(17,028)	(48,238)	(15,468)	(44,249)
Depreciation of right-of-use assets	(46,918)	(99,774)	(54,896)	(111,220)
Depreciation and amortization (except sugarcane crops)	(131,989)	(239,024)	(120,540)	(190,990)
Depreciation of sugarcane crops	(28,426)	(48,329)	(30,505)	(49,440)
Costs of crop treatment of harvested sugarcane	(15,534)	(85,836)	(31,744)	(98,750)
Electric energy - consumption	(62,180)	(84,169)	(52,839)	(103,533)
Other	(2,213)	(10,152)	1,951	(7,788)
	(746,215)	**(1,766,270)**	**(714,143)**	**(1,601,621)**
Selling expenses				
Staff	(4,150)	(14,286)	(3,964)	(11,548)
Third-party labor	(781)	(2,025)	(824)	(2,052)
Freight on sales	(37,352)	(117,310)	(31,001)	(82,914)
Fuels and lubricants	(81)	(196)	(44)	(106)
Maintenance materials	(244)	(1,033)	(396)	(1,327)
Depreciation and amortization	(1,048)	(3,137)	(989)	(2,903)
Depreciation of right-of-use assets	(984)	(3,267)		
Electric energy	(6)	(270)	(314)	(799)
Other	(1,901)	(3,217)	(2,381)	(4,466)
	(46,547)	**(144,741)**	**(39,913)**	**(106,115)**
General and administrative expenses				
Staff	(20,902)	(72,274)	(20,310)	(65,360)
Third-party labor	(12,403)	(41,848)	(6,148)	(20,928)
Fuels and lubricants	(268)	(1,606)	(415)	(866)
Maintenance materials	(113)	(2,331)	(689)	(2,070)
Depreciation and amortization	(1,180)	(3,542)	(1,192)	(3,306)
Electric energy	(30)	(94)	(41)	(104)
Other	(7,101)	(20,490)	(4,380)	(19,426)
	(41,997)	**(142,185)**	**(33,175)**	**(112,060)**

In thousands of reais, unless otherwise stated

25. Finance income and expenses

				Parent company
		December 31, 2022		December 31, 2021
	Three-month period	Nine-month period	Three-month period	Nine-month period
Finance income				
Instruments designated for hedge accounting				
Foreign exchange derivatives - cross-currency swap	(89,603)	107,124		
Foreign exchange non-derivatives - debts	(21,430)	11,943		
Instruments not designated for hedge accounting				
Foreign exchange derivatives - options / NDF	2,204	33,252		
Other finance income				
Foreign exchange gains	97,846	219,475	28,605	249,398
Income from financial investments	3,934	12,687	2,806	7,308
Indexation accruals on credits IAA 4870	49,621	146,709	46,798	138,363
Interest on loan agreements	872	2,420	853	2,502
Other finance income	688	4,215	12	51
	44,132	**537,825**	**79,074**	**397,622**
Finance expenses				
Instruments designated for hedge accounting				
Foreign exchange derivatives - options / NDF	(6,640)	(23,460)		
Interest derivatives - interest rate swap	(1,437)	(2,800)		
Instruments not designated for hedge accounting				
Foreign exchange derivatives - cross-currency swap	(12,629)	(84,883)		
Foreign exchange derivatives - options / NDF			(15,005)	(22,872)
Other financial expenses				
Foreign exchange losses	(18,704)	(447,384)	(72,561)	(240,274)
Interest on loans and financing	(109,452)	(316,153)	(72,761)	(186,690)
Interest on agricultural leases and partnerships - CPC 06 (R2)	(55,760)	(158,623)	(56,013)	(121,237)
Interest on advances received	(7,049)	(7,049)		
Interest on loan agreements	(112)	(427)		(927)
Transaction cost	(8,149)	(58,713)		
Other financial expenses	(3,852)	(50,548)	(14,039)	(47,980)
	(223,784)	**(1,150,040)**	**(230,379)**	**(619,980)**
Finance result	**(179,652)**	**(612,215)**	**(151,305)**	**(222,358)**

In thousands of reais, unless otherwise stated

				Consolidated
		December 31, 2022		December 31, 2021
	Three-month period	Nine-month period	Three-month period	Nine-month period
Finance income				
Instruments designated for hedge accounting				
Foreign exchange derivatives - cross-currency swap	(89,603)	107,124		
Foreign exchange non-derivatives - debts	(21,430)	11,943		
Instruments not designated for hedge accounting				
Foreign exchange derivatives - cross-currency swap	152	152		
Foreign exchange derivatives - options / NDF	2,204	33,252		
Other finance income				
Foreign exchange gains	97,846	219,475	28,605	249,398
Income from financial investments	4,260	13,013	2,886	7,535
Indexation accruals on credits IAA 4870	49,621	146,709	46,798	138,363
Interest on loan agreements	537	2,452	1,221	3,323
Other finance income	687	4,215	35	74
	44,274	**538,335**	**79,545**	**398,693**
Finance expenses				
Instruments designated for hedge accounting				
Foreign exchange derivatives - options / NDF	(6,640)	(23,460)		
Interest derivatives - interest rate swap	(1,437)	(2,800)		
Instruments not designated for hedge accounting				
Foreign exchange derivatives - cross-currency swap	(12,629)	(84,883)		
Foreign exchange derivatives - options / NDF			(15,005)	(22,872)
Other financial expenses				
Foreign exchange losses	(18,705)	(447,384)	(72,561)	(240,274)
Interest on loans and financing	(110,678)	(316,263)	(73,424)	(188,608)
Interest on agricultural leases and partnerships - CPC 06 (R2)	(55,760)	(158,623)	(56,013)	(121,237)
Interest on advances received	(7,049)	(7,049)		
Interest on loan agreements	1,726			(927)
Transaction cost	(8,149)	(58,713)		
Other financial expenses	(4,196)	(50,893)	(14,114)	(48,295)
	(223,517)	**(1,150,068)**	**(231,117)**	**(622,213)**
Finance result	**(179,243)**	**(611,733)**	**(151,572)**	**(223,520)**

26. Segment information (Consolidated)

The Group's operating segments are defined based on the reports used for strategic decision making, reviewed by the chief operating decision maker ("CODM") which is the Board of Directors. The analyses are performed by segmenting the business from the perspective of the products sold by the Group, comprising the following segments:

(i) Sugar
(ii) Ethanol
(iii) Energy
(iv) Molasses
(v) Other products

The Other products segment primarily relates to the sale of sugarcane, ratoons and yeast to other industries and farmers in the normal course of the Group's business.

Interest income and expenses are not allocated to segments as this type of activity is managed by the central treasury function, which manages the cash position of the Group.

In thousands of reais, unless otherwise stated

The equity in the results of investees are non-segmented operations.

Income taxes current and deferred are not allocated to segments as this computation is managed on a consolidated basis and their allocation by segment is not relevant to the CODM.

There are no sales between the Group's segments and the revenue reported to the CODM is measured in a manner consistent with that in the statement of operations. The performance analyses of the operating segments are carried out based on the operating profit by product, as follows:

							Consolidated
							December 31, 2022
	Sugar	Ethanol	Energy	Molasses	Other products	Non-segmented	Total
Net operating revenue	1,439,705	915,323	78,666	86,455	123,624		2,643,773
Cost of products sold	(1,133,607)	(538,975)	(45,372)	(39,301)	(8,755)	(261)	(1,766,270)
Gross profit	**306,098**	**376,348**	**33,294**	**47,154**	**114,869**	**(261)**	**877,503**
Selling expenses	(78,821)	(50,112)	(4,307)	(4,733)	(6,768)		(144,741)
General and administrative expenses	(77,429)	(49,227)	(4,231)	(4,650)	(8,860)		(144,396)
Equity in the result of investees						1,105	1,105
Other operating income (expenses), net					62,421	7,982	70,403
Operating profit (loss)	**149,849**	**277,008**	**24,757**	**37,772**	**161,663**	**8,826**	**659,874**
Other non-segmented expenses						(611,733)	(611,733)
Non-segmented income tax and social contribution						20,795	20,795
Profit (loss) for the year	**149,849**	**277,008**	**24,757**	**37,772**	**161,663**	**(582,112)**	**68,935**

							Consolidated
							December 31, 2021
	Sugar	Ethanol	Energy	Molasses	Other products	Non-segmented	Total
Net operating revenue	1,071,340	857,523	144,101	62,542	29,750		2,165,256
Cost of products sold	(901,889)	(556,662)	(110,251)	(21,048)	(11,772)		(1,601,621)
Gross profit (loss)	**169,451**	**300,861**	**33,850**	**41,494**	**17,978**		**563,635**
Selling expenses	(94,290)	(9,270)	(1,558)	(676)	(322)		(106,115)
General and administrative expenses	(55,446)	(44,380)	(7,458)	(3,237)	(1,540)		(112,060)
Equity in the result of investees						2,242	2,242
Other operating income (expenses), net					12,438	(27,462)	(15,024)
Operating profit (loss)	**19,715**	**247,211**	**24,834**	**37,581**	**28,554**	**(25,220)**	**332,678**
Other non-segmented expenses						(223,520)	(223,520)
Income tax and social contribution						75,623	75,623
Profit (loss) for the year	**19,715**	**247,211**	**24,834**	**37,581**	**28,554**	**(173,117)**	**184,781**

The Other operating income (expenses), net classified as non-segmented, mainly refer to the PIS and COFINS and provision for attorney's fees calculated on IAA 4870 indemnity claim (Note 9 (a)).

The financial result and the income taxes are presented as non-segmented results.

In the nine-month period ended December 31, 2022, the Group had two customers which individually represented 11% or more of consolidated revenues (2021 - two customers individually representing 11% of consolidated revenues). These revenues totaled approximately R$ 641,152 and were from sales of Sugar (December 31, 2021 - R$ 679,695, being R$ 497,996 and R$ 181,699 for Sugar and Ethanol, respectively). There are no customers in other segments that represent 10% or more of total sales revenue.

The Group is headquartered in Brazil. Its revenue from customers in Brazil is R$ 1,365,964 (2021 - R$ 1,167,054), and the total revenue from customers overseas, based on the sale destination, is R$ 1,277,809 (2021 - R$ 998,202) represented by sugar and ethanol sales, as shown below:

In thousands of reais, unless otherwise stated

						Consolidated
						December 31, 2022
	Sugar	Ethanol	Energy	Molasses	Other products	Total
Brazil	279,229	797,990	78,666	86,455	123,624	1,365,964
France	332,103					332,103
England	151,222					151,222
Switzerland	421,141	117,333				538,474
United States of America	190,458					190,458
Uruguay	65,552					65,552
Total	**1,439,705**	**915,323**	**78,666**	**86,455**	**123,624**	**2,643,773**

						Consolidated
						December 31, 2021
	Sugar	Ethanol	Energy	Molasses	Other products	Total
Brazil	134,034	796,627	144,101	62,542	29,750	1,167,054
France	279,538					279,538
England	131,456					131,456
Switzerland	317,552	60,896				378,448
United States of America	140,971					140,971
Uruguay	67,789					67,789
Total	**1,071,340**	**857,523**	**144,101**	**62,542**	**29,750**	**2,165,256**

The non-cash expenses and income impacting the operating profits for the business segments are basically represented by the depreciation/amortization and the fair value of the biological assets represented by the following amounts:

						Consolidated
						December 31, 2022
	Sugar	Ethanol	Energy	Molasses	Other products	Total
Depreciation and amortization	(227,615)	(143,518)	(5,536)	(12,760)	(4,377)	(393,806)
Fair value of biological assets	(400)	(252)		(22)		(675)
Total	**(228,015)**	**(143,771)**	**(5,536)**	**(12,782)**	**(4,377)**	**(394,481)**

						Consolidated
						December 31, 2021
	Sugar	Ethanol	Energy	Molasses	Other products	Total
Depreciation and amortization	(206,167)	(130,668)	(5,506)	(9,632)	(5,886)	(357,859)
Fair value of biological assets	(10,222)	(6,479)		(478)		(17,179)
Total	**(216,389)**	**(137,147)**	**(5,506)**	**(10,110)**	**(5,886)**	**(375,038)**

The Group's main operating assets were segregated by segment based on the cost centers into which they are allocated and/or the apportionment criterion that takes into consideration the share of each product in relation to total production as determined by the CODM. Its presentation is as follows:

In thousands of reais, unless otherwise stated

							Consolidated December 31, 2022
	Sugar	**Ethanol**	**Energy**	**Molasses**	**Other products**	**Non-segmented**	**Total**
Trade receivables	68,033	35,090	3,404	6,198		17,734	130,459
Inventories	275,841	145,013		2,516	170,396		593,766
Advances to suppliers	264,179	166,573		14,809			445,561
Biological assets	281,935	177,769		15,805			475,509
Property, plant and equipment	916,179	645,925	221,434	44,179	56,527		1,884,244
Intangible assets	1,465	924		82			2,471
Right-of-use assets	931,947	587,622		52,243			1,571,813
Total segmented assets	**2,739,579**	**1,758,917**	**224,838**	**135,832**	**226,923**	**17,734**	**5,103,823**
Unallocated:							
Cash and cash equivalents						151,327	151,327
Financial investments						137,469	137,469
Related parties						51,511	51,511
Sales taxes recoverable						152,133	152,133
Income tax and social contribution paid						71,329	71,329
Derivative financial instruments						58	58
Other receivables						3,520,025	3,520,025
Judicial deposits						4,574	4,574
Investments						28,089	28,089
Total assets not allocated						**4,116,515**	**4,116,515**
Total assets as per the balance sheet	**2,739,579**	**1,758,917**	**224,838**	**135,832**	**226,923**	**4,134,249**	**9,220,337**

							Consolidated March 31, 2022
	Sugar	**Ethanol**	**Energy**	**Molasses**	**Other products**	**Non-segmented**	**Total**
Trade receivables	67,231	19,536	1,649	1,209		6,984	96,609
Inventories	17,360	14,762		293	105,425		137,841
Advances to suppliers	311,801	189,258		12,735			513,794
Biological assets	185,239	112,438		7,566			305,243
Property, plant and equipment	836,906	507,945	233,146	28,315	49,680		1,655,992
Intangible assets	1,775	1,077		73			2,925
Right-of-use assets	882,662	535,763		36,051			1,454,476
Total segmented assets	**2,302,974**	**1,380,779**	**234,795**	**86,242**	**155,105**		**4,166,880**
Unallocated:							
Cash and cash equivalents						676,180	676,180
Financial investments						7,896	7,896
Related parties						12,262	12,262
Sales taxes recoverable						106,646	106,646
Income tax and social contribution paid						42,075	42,075
Derivative financial instruments						-	-
Deferred income tax and social contribution							-
Other receivables						3,315,592	3,315,592
Judicial deposits						2,883	2,883
Investments						26,987	26,987
Total assets not allocated						**4,190,521**	**4,190,521**
Total assets as per the balance sheet	**2,302,974**	**1,380,779**	**234,795**	**86,242**	**155,105**	**4,190,521**	**8,357,402**

All non-current assets are located in Brazil which is the Group's country of domicile. Additions to non-current assets, other than financial assets and deferred taxes, refer mainly to PP&E and right-of-use assets, and are allocated to the following segments:

		Consolidated
	December 31, 2022	December 31, 2021
Sugar	247,170	488,267
Ethanol	262,659	228,670
Energy	993	36,033
Molasses	41,183	43,145
Other products	10,091	12,791
	562,095	**808,906**

The Group's CODM analyze liabilities on a consolidated basis, therefore, the segment information relating to liabilities is not part of the CODM analysis and, accordingly, it is not being disclosed.

In thousands of reais, unless otherwise stated

27. Other operating income (expenses), net

				Parent company
	December 31, 2022		December 31, 2021	
	Three-month	Nine-month	Three-month	Nine-month
Revenue from the sale of scraps	4,560	17,659	3,489	15,805
Income from extemporaneous PIS and Cofins credits	2,848	8,659		4,202
Income from PIS and COFINS on fixed assets	1,331	4,151	686	3,087
Revenue from the sale of fixed assets	4,639	7,186	(22)	1,952
Write-off of residual cost on sale of fixed assets	(6,687)	(10,107)	408	(680)
Revenue from the sale of ratoons				14,782
Write-off of residual value on sale of ratoons				(14,342)
Other taxes and taxes in installments	5,276	4,896	(2,956)	(8,973)
Provisions with estimated losses	(612)	(15,300)	(1,675)	(8,140)
Deferred PIS/Cofins on credits - IAA 4870	(2,307)	(6,822)	(2,176)	(6,434)
Court-ordered debts on indemnification claim against INSS	49,150	49,150		
Indexation accruals on provision for attorney's fees - IAA 4870	(5,954)	6,897	(5,966)	(17,641)
Other income (expenses), net	3,932	9,236	2,770	6,449
	56,176	**75,605**	**(5,442)**	**(9,933)**

				Consolidated
	December 31, 2022		December 31, 2021	
	Three-month	Nine-month	Three-month	Nine-month
Revenue from the sale of scraps	4,560	17,659	2,318	10,726
Income from extemporaneous PIS and Cofins credits	2,848	8,659		4,202
Income from PIS and COFINS on fixed assets	1,331	4,151	686	3,087
Revenue from the sale of fixed assets	4,639	7,186	(22)	1,952
Write-off of residual cost on sale of fixed assets	(6,687)	(10,107)	408	(680)
Revenue from the sale of ratoons				14,782
Write-off of residual value on sale of ratoons				(14,342)
Other taxes and taxes in installments	5,276	4,896	(2,956)	(8,973)
Provisions with estimated losses	(612)	(15,300)	(1,675)	(8,140)
Deferred PIS/Cofins on credits - IAA 4870	(2,307)	(6,822)	(2,176)	(6,434)
Court-ordered debts on indeminification claim against INSS	49,150	49,150		
Indexation accruals on provision for attorney's fees - IAA 4870	(5,954)	6,897	(5,966)	(17,641)
Other income	1,387	1,823	2,768	6,437
	53,631	**68,192**	**(6,615)**	**(15,024)**

28. Income tax and social contribution

Deferred income tax and social contribution are calculated on income tax loss carryforwards including social contribution losses and temporary differences between the tax bases on assets and liabilities and book values.

Deferred tax assets are recognized only to the extent that it is probable that future taxable income will be available to be used to offset temporary differences and/or tax losses, based on projections of future results prepared and based on internal assumptions and in future economic scenarios that may, therefore, change.

In thousands of reais, unless otherwise stated

The composition of the income tax and social contribution recognized in the balance sheet is as follows:

	Parent company		Consolidated	
	December 31, 2022	March 31, 2022	December 31, 2022	March 31, 2022
Current assets:				
IRPJ (Social Contribution) credits	28,206	34,611	28,206	34,611
CSLL (Social Contribution) credits	9,429	7,464	9,429	7,464
	37,635	**42,075**	**37,635**	**42,075**
Current liabilities:				
IRPJ (Social Contribution) payable			(449)	(116)
CSLL (Social Contribution) payable			(239)	(59)
			(688)	**(175)**

The composition of the current and deferred income and social contribution taxes recognized in the statement of operations is as follows:

	Parent company			
	December 31, 2022		December 31, 2021	
	Three-month period	Nine-month period	Three-month period	Nine-month period
Deferred:				
Income tax	1,070	24,073	77,495	60,045
Social contribution	(2,406)	(1,241)	23,927	17,569
	(1,336)	**22,832**	**101,422**	**77,614**

	Consolidated			
	December 31, 2022		December 31, 2021	
	Three-month period	Nine-month period	Three-month period	Nine-month period
Current:				
Income tax	(350)	(1,344)	(321)	(1,318)
Social contribution	(181)	(693)	(156)	(673)
	(531)	**(2,037)**	**(477)**	**(1,991)**
Deferred:				
Income tax	1,070	24,073	77,495	60,045
Social contribution	(2,406)	(1,241)	23,927	17,569
	(1,336)	**22,832**	**101,422**	**77,614**
	(1,867)	**20,795**	**100,945**	**75,623**

Deferred income tax and social contribution assets and liabilities

In thousands of reais, unless otherwise stated

The composition of deferred income tax and social contribution is as follows:

	Parent company and Consolidated			
	December 31, 2022	Recognized in the statement of income	Recognized in other comprehensive income	March 31, 2022
Assets:				
Provision for losses on doubtful debts	288	138		150
Provision for losses on advances to suppliers	22,373	2,657		19,716
Provision for inventory losses and others	9,899	1,051		8,848
Provision for contingencies	24,576	(6,956)		31,532
Income tax and social contribution losses	451,884	38,430		413,454
Derivative financial instruments		(3,401)		3,401
Provision for attorney's fees - IAA 4870	62,470	(1,051)		63,521
Fair value of biological assets		(6,467)		6,467
Foreign exchange variations	90,374	54,088		36,286
	661,864	**78,489**		**583,375**
Liabilities:				
Derivative financial instruments	4,575	(17,979)	22,554	
Adjustment of court-ordered debts arising from INSS action	(12,779)	(12,779)		
Adjustment of Reintegra rate differences	(1,213)	(1,213)		
Deemed cost increment of property, plant and equipment	(28,736)	4,028		(32,764)
Accelerated tax-incentive depreciation		16,793		(16,793)
Useful life of PP&E	(66,848)	(5,470)		(61,378)
Fair value of biological assets	(13,877)	(13,877)		
Agricultural leases and partnerships - CPC 06 (R2)	(6,842)	(3,827)		(3,015)
Adjustment to present value of IAA credits	(502,450)	(21,333)		(481,118)
	(628,170)	**(55,657)**	**22,554**	**(595,068)**
Deferred income tax and social contribution assets (liabilities), net	**33,694**	**22,832**	**22,554**	**(11,693)**

Deferred tax assets and liabilities are shown net in the balance sheet when there is a legal right and intention to offset them when calculating current taxes, and when related to the same tax authority.

The expectation of recovery of all deferred tax credits, indicated by taxable income projections, approved by management, including the expectation of realization of temporary differences, is as shown below:

	Parent company and Consolidated	
	December 31, 2022	March 31, 2022
2022/2023 harvest	4,137	42,450
2023/2024 harvest	36,242	221,346
2024/2025 harvest	58,438	58,111
2025/2026 harvest	62,394	64,440
2026/2027 harvest	254,352	70,521
2027/2028 harvest	74,756	77,180
2028/2029 harvest onwards	171,545	49,327
	661,864	**583,375**

Deferred income tax and social contribution liabilities are mostly realized by depreciation and write-off of the underlying fixed assets (accelerated depreciation and deemed cost). The realization of this liability is estimated at the average rate of 9% per year, consistent with depreciation rates of the respective property, plant and equipment items.

In addition, a substantial portion of deferred income tax and social contribution liabilities refers to the assessment of the fair value of the IAA indemnity credits (Note 9), to be realized upon receipt of the credits. Management believes, under the advice of Company's legal advisors, this will occur as from the 2023/2024 harvest.

In thousands of reais, unless otherwise stated

Reconciliation from the statutory income tax and social contribution rates

				Parent company
		December 31, 2022		December 31, 2021
	Three-month period	Nine-month period	Three-month period	Nine-month
Profit before income tax and social contribution	161,356	46,103	(41,204)	107,167
Maximum rate	34%	34%	34%	34%
	(54,861)	**(15,675)**	**14,009**	**(36,437)**
Adjustments to determine the effective rate:				
Equity interest	2,447	9,205	1,500	10,487
Permanent exclusions (additions), net		(117)	3,636	2,083
Effect of exploration profit of the IAA	7,891	22,928	10,556	24,737
State subsidies	9,901	26,517	1,386	7,816
Tax losses for the period not recognized (*)	21,529	(22,604)	57,247	57,247
Other	12,942	2,578	13,088	11,681
Taxes on profit or loss	**(1,336)**	**22,832**	**101,422**	**77,614**

				Consolidated
		December 31, 2022		December 31, 2021
	Three-month period	Nine-month period	Three-month period	Nine-month
Profit before income tax and social contribution	161,888	48,141	(40,727)	109,158
Maximum rate	34%	34%	34%	34%
	(55,042)	**(16,368)**	**13,847**	**(37,114)**
Adjustments to determine the effective rate:				
Permanent exclusions (additions), net		(117)	3,636	2,083
Effect of exploration profit of the IAA	7,891	22,928	10,556	24,737
State subsidies	9,901	26,517	1,386	7,816
Tax losses for the period not recognized (*)	21,529	(22,604)	57,247	57,247
Other	12,942	2,578	13,088	11,681
Adjustment of calculation of subsidiary taxed by presumed profit	2,097	7,861	1,185	9,173
Taxes on profit or loss	**(1,867)**	**20,795**	**100,945**	**75,623**

(*) The Company did not recognize the tax loss generated in the nine-month period ended December 31, 2022 because it only recognizes tax losses to the extent that there is a projection of future taxable income duly approved by the Board of Directors.

The deferred tax liabilities calculated on IAA indemnity credits (Note 9) reflect the reduction of 75% in the income tax rate that, together with the social contribution, results in the combined rate of 15.25%, as they are related to a unit which enjoys tax benefits calculated on operating profit (Note 2.4). Management, supported under the advice of its legal counsel, believes that it is probable the tax position adopted will likely be accepted by the tax authorities.

29. Commitments and obligations

The Company and the Group establish various commitments in the normal course of their activities. including:

Sales

The Company and the Group have future commitments for the sale of sugar abroad yet to be produced and delivered from future harvests. As the sale prices have not been fully fixed, the sales are subject to market fluctuations. At December 31, 2022, the Company and the Group have fixed prices contracts for the 2022/2023 harvest for USD 331,672 (March 31, 2022: USD 269,819) for future sales.

In thousands of reais, unless otherwise stated

The quantities below are presented in metric tons (Parent company and Consolidated):

	December 31, 2022	December 31, 2021
Quantities agreed at the beginning of the period - in tons	**2,268,564**	**2,131,389**
Quantities contracted during the period - in tons	1,412,356	490,000
Quantities canceled during the period - in tons	(2,464)	(59,901)
Quantities shipped during the period - in tons	(677,435)	(607,462)
Future commitments - amounts to be shipped in tons	**3,001,021**	**1,954,026**

Maturities		
2021/2022 harvest - in tons		970,000
2022/2023 harvest - in tons	286,021	700,000
2023/2024 harvest - in tons	955,000	200,000
2024/2025 harvest - in tons	940,000	100,000
2025/2026 harvest - in tons	670,000	
2026/2027 harvest - in tons	150,000	
	3,001,021	**1,970,000**

The revenue from these contracts with customers are recognized upon the physical delivery and/or customer acceptance. Based on the prices already fixed for the 2022/2023 harvest (approximately 84% of contracts) and on the market prices for the quantities not fixed for the 2022/2023 harvest and from future harvests with quantities already committed by the Company, estimated revenue totals R$ 5,363,068. Management expects that 35% of these transactions will be recognized as revenue during the next financial year, 2023/2024 harvest, 35% by 2024/2025, 24% by 2025/2026 and the remaining 6% by 2026/2027.

In the nine-month period ended December 31, 2022, revenue of R$ 345,470 relates to sales commitments from the previous year (December 31, 2021 - R$ 400,053).

Power supply contract

The Company has a contract signed with Eletrobras, under the Incentive Program for Alternative Sources of Electric Energy (PROINFA), for its supply of electricity generated by its Biomass Thermoelectric Center, installed in the municipality of Coruripe (AL), for a period of 20 years effective as of January 2, 2006. This contract has a global value of R$ 159,954, with adjustable tariff prices. In the nine-month period ended December 31, 2022, R$ 8,987 relates to this contract (December 31, 2021 - R$ 5,402) and the expected revenue of this contract is R$ 47,984 being 6% for the 2022/2023 harvest, 94% for the remaining years.

It also has contracts for the supply of electricity to the units located in Minas Gerais for the following MWh/year and expected revenue:

2023/24 harvest - 291,648 MWh with expected revenue of R$ 80,939;

In thousands of reais, unless otherwise stated

2024/25 harvest - 146,400 MWh with expected revenue of R$ 36,390;
2025/26 harvest - 87,840 MWh with expected revenue of R$ 20,729.

(i) EDP Comercialização e Serviços de Energia Ltda., with a supply term from April 1, 2023 to November 30, 2023, a third contract with supply from April 1, 2024 to November 30, 2024, and a fourth contract with supply from April 1, 2025 to November 30, 2025, totaling R$75,949;

(ii) Focus Energia Ltda., with energy supply from July 1, 2022 to November 30, 2022, and a second contract with a supply term from April 1, 2023 to November 30, 2023, totaling R$ 26,060;

(iii) Votorantim Comercializadora de Energia Ltda., with energy supply from April 1, 2023 to November 30, 2023, totaling R$ 13,436; and

(iv) Santander, with energy supply from May 1, 2023 to November 30, 2023, totaling R$ 22,613.

With the exception of the contracts signed with Eletrobras, the other contracts can be performed either by the operating units of the Company or of its subsidiary Coruripe Energética.

Purchases

The Company and the Group have several commitments to purchase sugarcane from third parties in order to guarantee part of their production from future harvests. The amount of sugarcane to be purchased was calculated based on the estimate of the crushing volumes by area. The amount to be paid by the Company and the Group will be determined at the end of each harvest according to the value of sales made by the Company and the Group and, proportionally, to the crushed volume of sugarcane and ATR of each purchase.

Purchase commitments for the remaining 2022/2023 harvest and by harvest, in metric tons, are as follows:

Harvest	December 31, 2022	December 31, 2021
2021/2022 harvest		2,117,500
2022/2023 harvest	2,187,500	9,670,000
2023/2024 harvest	8,750,000	9,670,000
2024/2025 harvest	8,750,000	48,350,000
2025/2026 harvest	8,750,000	
2026/2027 harvest onwards	43,750,000	
	72,187,500	**69,807,500**

At December 31 and March 31, 2022, the normal sugarcane crushing capacity for the next crop, considering all the Company's units, is 15,100 thousand metric tons (information not in independent auditor's review scope).

Guarantees given to sugarcane suppliers

The Company and the Group have granted guarantees for various financings for their sugarcane suppliers to their financial institutions. At December 31, 2022 these total R$ 153,565 (March 31, 2022 - R$ 314,605). All guarantees are matched by the issue of Rural Product Bills (sugarcane) for the pledge of the sugarcane and, in some cases, the supplier's own land, which guarantees any non-compliance with the obligations of the guaranteed producers.

In thousands of reais, unless otherwise stated

30. Risk management and derivative financial instruments

The Company and the Group are exposed to market risks, which include exchange rate risk, commodity price and interest rate volatility, credit risk and liquidity risk. The Company's Management believes that risk management is essential for: (i) continuous monitoring of exposure levels based on contracted sales volumes; (ii) estimates of the value of each risk based on the established foreign exchange and sugar sales price exposure limits; and (iii) forecasting future cash flows and establishing approval limits for the contracting of financial instruments for the pricing of products and protection against exchange variation and price volatility.

Derivative financial instruments are contracted exclusively for the purpose of pricing and hedging Company's sugar export operations, as well as to hedge financial liabilities against sugar price fluctuation risks in the international market and exchange variation. There are no transactions with financial instruments for speculative purposes.

Market risk

a) *Foreign exchange risk*

Management has established a policy that requires the Group companies to manage foreign exchange risk to reduce the potential impact of this currency mismatch on their cash flow. Forward contracts for currencies, swaps and NDFs (Non-Deliverable Forward) are used. The Company's and the Group's financial risk management policy is to protect expected cash flows, mainly related to export sales and debt for a period of up to 24 months or two harvests.

Assets and liabilities denominated in foreign currency

The table below summarizes the assets and liabilities denominated in foreign currency (USD), recorded in the balance sheet in the current financial information:

		December 31, 2022		March 31, 2022	
	Note	R$	US$	R$	US$
Assets					
Cash and cash equivalents	3	35,109	6,729	134,014	28,288
Trade receivables	5	25,052	4,801	35,167	7,423
		60,161	**11,530**	**169,181**	**35,711**
Liabilities and equity					
Loans and financing	17	(2,161,527)	(414,268)	(1,981,497)	(418,258)
Derivative financial instruments	30	(1,176)	(225)	(21,606)	(4,561)
		(2,162,703)	**(414,494)**	**(2,003,103)**	**(422,819)**
Hedged loans and financing		(1,684,081)	(322,763)		
Net exposure (i)		**(418,462)**	**(80,200)**	**(1,833,922)**	**(387,108)**

(i) Net exposure deducts loans and financing in foreign currency, designated for natural hedging, as these will be settled with funds from future export revenues and, therefore, protected by the Company's hedging policy (cash flow hedge).

The entire net exposure of USD 80,200 is expected to be covered by future export revenues, whose projection for the 2022/2023 harvest is estimated at USD 331,672 (Note 29).

In thousands of reais, unless otherwise stated

These assets and liabilities were updated for the December 31, 2022 exchange rate on that date of US$1.00: R$ 5.2177 (March 31, 2022 - R$ 4.7378 for US$1.00), representing a valuation of 10.1% of the USD in relation to the previous year.

b) *Commodity price volatility risk*

The Company and the Group are exposed to the risk of changes in the price of commodities for products, such as sugar and ethanol. At December 31, 2022, 960,490 metric tons of sugar (March 31, 2022 - 819,445 metric tons of sugar) were priced with trading partners scheduled for delivery as of April 2023, with an average price of R$ 15.69 ¢/lb. (March 31, 2022 - R$ 14.96 ¢/lb.) (USD cents per pound weight) with POL premium included.

c) *Cash flow risk or fair value associated with interest rate*

The Company's and the Group's loans and financing are primarily at floating rates. For Brazilian Real debt there is a natural hedge for interest rate risk, since the financial investments are all indexed to floating rates. With respect to foreign currency loans and financing, the Company and the Group partially hedge debt through derivative financial instruments.

d) Sensitivity analysis of market risks

Qualitative and quantitative information for on and off-balance sheet financial instruments is presented below.

The table below presents a sensitivity analysis of the effects of changes in the relevant risk factors to which the Company is exposed. This analysis considers only the instruments that are not designated for hedge accounting.

Interest rate sensitivity

		Probable scenario		Increase		Decrease	
Instrument/operation	**Risk**	**Rate**	**Amount**	**25%**	**50%**	**-25%**	**-50%**
Loans and financing	Increase of CDI	13.65%	(945,788)	(1,182,235)	(1,418,682)	(709,341)	(472,894)
Loans and financing	Increase of Libor	5.14%	(121,735)	(152,169)	(182,603)	(91,301)	(60,868)
Financial investments	Decrease of CDI	13.65%	137,469	171,836	206,204	103,102	68,735
Projected result			**(930,054)**	**(1,162,568)**	**(1,395,081)**	**(697,541)**	**(465,027)**

The sensitivity analysis for interest rate was prepared by stressing the derivative pricing yield curve (increase or decrease) by 25% and 50%. Exposure to rates refers exclusively to variations in the DI curve. For the other risk factors, the impact on the result is the percentage change of 25% and 50% in the related market curve of the associated risk, described in the table above (exchange rate and commodity prices).

The probable scenario considers the position at December 31, 2022, the effects from stressing the scenarios by 25% and 50% are as follows:

In thousands of reais, unless otherwise stated

Effect of currency variations

Instrument/operation	Risk	Probable scenario		Increase		Decrease	
		Current	Amount	25%	50%	-25%	-50%
Loans and financing	Increase of the	5.2177	(2,161,527)	(2,701,909)	(3,242,291)	(1,621,145)	(1,080,764)
Cash and cash equivalents	Decrease of the	5.2177	35,109	43,886	52,664	26,332	17,555
Trade receivables	Decrease of the	5.2177	25,052	31,315	37,578	18,789	12,526
Projected result			**(2,101,366)**	**(2,626,708)**	**(3,152,049)**	**(1,576,025)**	**(1,050,683)**

Sensitivity to the fair value of derivative financial instruments

Instrument/operation	Risk	Probable	Increase		Decrease	
			25%	50%	-25%	-50%
Price risk:						
Futures contracts						
Commitments to buy and sell (*)	Increase of sugar price	1,991,494	2,489,368	2,987,241	1,493,621	995,747
Exchange rate risk:						
Futures contracts						
Commitments to buy and sell	Increase of the	(1,176)	(1,470)	(1,764)	(882)	(588)
Projected result		**1,990,318**	**2,487,897**	**2,985,477**	**1,492,738**	**995,159**

(*) The table discloses the amount equivalent to the balance to be fixed of existing contracts based on the NYBOT (New York Board of Trade) sugar contracts and the USD at December 31, 2022, with variations only on the contracted and unfixed balance.

e) Derivative financial instruments

The Company opted to apply hedge accounting for part of its financial instruments from April 1, 2022. The financial instruments chosen for designation as hedging instruments are (i) derivatives of sugar, ethanol and foreign currency (USD) and (ii) debts in foreign currency (USD) that cover sales of the 2022/2023 to 2024/2025 harvests, and were classified as cash flow hedge of highly probable expected transactions (future sales).

Prospective effectiveness tests were executed which demonstrated that the instruments designated for hedging provide a highly effective compensation for the effects of currency variations on the value of future sales.

For foreign exchange hedges, derivative and non-derivative financial instruments were designated as cash flow hedges for future sales in foreign currency. These hedges are contracted through NDFs, Options, Swaps and Debt strategies in foreign currency contracted with prime financial institutions and within the Risk Management criteria.

The balances of assets and liabilities related to transactions involving derivative financial instruments and their due dates are as follows:

	December 31, 2022			
	Volume	Average price	Notional R$	Fair value
In current assets				
Swap contracts				
Purchase commitments	7,652	5.2275	40,000	58
				58
In current liabilities				
Foreign currency forward contracts				
Sale commitments	60,000	5.5781	334,687	6,837
Purchase commitments	23,610	5.7846	136,577	(8,013)
Cash flow hedges - foreign exchange debts	(72,013)	5.0265	(361,973)	(375,741)
Total derivative financial instruments in current liabilities				**(376,917)**

In thousands of reais, unless otherwise stated

At December 31, 2022, the composition of financial instruments designated for hedge accounting at the reporting date is as follows:

			December 31, 2022
	Assets	abilities and equity	Other comprehensive income
Financial instruments - hedge accounting			
Foreign currency forward contracts		(7,591)	7,591
Foreign exchange derivatives - cross-currency swap		56,586	(56,586)
Interest derivatives - interest rate swap		5,396	(5,396)
Natural hedge - foreign exchange debts		11,943	(11,943)
		66,334	**(66,334)**
Deferred taxes on the items above		(22,554)	22,554
		43,780	**(43,780)**

As a consequence of adopting hedge accounting, the negative effect of R$ 66,334 that would otherwise have been reflected in results is carried in equity, confirming the hedge relationship and matching timing of recognition in income.

Estimated realization

The effects on equity and the estimated realization in income are shown below:

							Parent company and Consolidated
	22/23 harvest	23/24 harvest	24/25 harvest	25/26 harvest	26/27 harvest	27/28 harvest	Total
Derivative financial instruments							
Foreign currency forward contracts	1,920	5,671					7,591
Foreign exchange derivatives - cross-currency swap	(76,311)	(16,616)	(11,496)	47,836			(56,586)
Interest derivatives - interest rate swap	(2,341)	(8,125)	(3,661)	395	3,144	5,192	(5,396)
Cash flow edge - foreign exchange debts	(2,947)	(11,749)	2,753				(11,943)
	(79,679)	**(30,819)**	**(12,403)**	**48,231**	**3,144**	**5,192**	**(66,334)**
Deferred taxes on the items above	27,091	10,479	4,217	(16,399)	(1,069)	(1,765)	22,554
	(52,588)	**(20,341)**	**(8,186)**	**31,833**	**2,075**	**3,427**	**(43,780)**

Credit risk

A substantial part of the Company's and Group's sales is made to a select group of highly qualified counterparties, such as trading companies, large fuel distributors, electricity distributors and large supermarket chains.

Credit risk is managed for customer acceptance, credit analysis and establishment of exposure limits per customer, including, when applicable, letter of credit requirement from top-tier banks and collateral on loans granted. Management considers that the credit risk is substantially covered by the allowance for estimated credit losses from doubtful accounts.

The individual risk limits are determined based on internal or external classifications, as determined by management. The use of credit limits is monitored regularly. No credit limit was exceeded during the period, and management does not expect any loss arising from default by these counterparties in an amount greater than the amount already provisioned. The Company and the Group operate commodity derivatives in the over-the-counter market with selected counterparties and operate commodity exchange rate derivatives and over-the-counter contracts registered with B3, mainly with the main national and international banks considered by the international risk rating agencies as Investment Grade.

In thousands of reais, unless otherwise stated

The over-the-counter derivative operations do not require a guaranteed margin.

Credit risk on cash and cash equivalents and short-term investments is mitigated through broadly held instruments, by reference to the CDI (Notes 3 and 4). Investments are made respecting allocation of amounts and exposure criteria to counterparties, which are the leading Brazilian and international banks considered as Investment Grade by the international rating agencies.

Liquidity risk

The Finance Department monitors rolling forecasts of Company's and the Group's liquidity requirements to ensure there is sufficient cash to meet operating needs.

On the date of approval of these financial statements, the Company presented negative working capital (Note 1, item (c)). During the period, the maturity of the short-term debt, increase in interest rates and devaluation of 10.1% of the Brazilian currency against the U.S. dollar impacted the Company's debt (the latter, not generating cash effects due to swaps and hedges of operations linked to the U.S. dollar). Both factors, combined with the inventories policy in the nine-month period of the harvest for to glimpsing higher sales prices in the next three month and the continuing investment schedule, placed pressure on the Company's cash requiring a higher level of short-term funding.

The table below presents the maturity of financial liabilities:

						Consolidated
December 31, 2022	**22/23 harvest**	**23/24 harvest**	**24/25 harvest**	**25/26 harvest**	**26/27 harvest onwards**	**Total**
Accounts payable	72,606	217,817				290,423
Loans and financing	211,403	808,550	493,026	347,699	1,785,268	3,645,946
Commitments from electricity contracts	24,502	65,957	85,282			175,741
Derivative financial instruments	1,804					1,804
Lease liabilities and agricultural partnerships payable	61,469	325,038	123,020	107,703	900,250	1,517,480
	371,784	**1,417,362**	**701,328**	**455,402**	**2,685,518**	**5,631,394**
March 31, 2022						
Accounts payable	186,177					186,177
Loans and financing	1,083,648	632,386	533,894	553,823	1,800,238	4,603,989
Commitments from electricity contracts	85,730	40,196	40,994			166,920
Derivative financial instruments	9,273	12,333				21,606
Lease liabilities and agricultural partnerships payable	300,638	283,485	255,400	233,503	3,321,752	4,394,778
	1,665,466	**968,400**	**830,288**	**787,326**	**5,121,990**	**9,373,470**

Capital management

The Company's objectives when managing its capital are to safeguard its ability to continue as a going concern, so that it can continue to offer returns to shareholders and guarantees to other stakeholders, in addition to maintaining an optimum capital structure to reduce the cost of capital.

The Company monitors capital based on the financial leverage ratio, which corresponds to net debt expressed as a percentage of total capitalization. Net debt, in turn, corresponds to total loans, financing (including short and long-term balances, as shown in the balance sheet), subtracted by the amount of cash and cash equivalents. The total capitalization is calculated by adding the net equity and the net debt, as shown in the balance sheet.

In thousands of reais, unless otherwise stated

The financial leverage ratios are as follows:

		Consolidated	
	Note	December 31, 2022	March 31, 2022
Loans and financing	17	3,645,946	3,322,845
Lease payable	15	959,326	813,456
Agricultural partnerships payable	15	558,154	574,513
Commitments from electricity contracts	20	175,741	166,920
Less: cash and cash equivalents	3	(151,327)	(676,180)
Less: financial investments	4	(137,469)	(7,896)
Net debt	(a)	5,050,371	4,193,658
Total equity	(b)	2,233,930	2,232,544
Total capitalization	(c) = (a) + (b)	7,284,301	6,426,202
Gearing ratio - %	(a) / (c)	69%	65%

Fair value

The fair value of financial assets and liabilities reflects the amount for which the instrument could be exchanged in a current transaction between parties willing to negotiate, and not in a forced sale or liquidation. The following methods and assumptions were used to estimate fair value.

Cash and cash equivalents, financial investments, accounts receivable and accounts payable are measured at amortized cost, which approximate their fair value largely due to the short-term maturity of these instruments.

For loans and financing, the respective market values approximate the values recorded in the financial statements as these financial instruments are subject to floating interest rates.

The Company and the Group contract derivative financial instruments with various counterparties, especially from investment grade financial institutions. Derivatives valued using valuation techniques with observable market data refer mainly to forward foreign exchange contracts and swaps. The most frequently applied valuation techniques include pricing models for forward contracts and swaps, with present value calculations. The models incorporate a variety of data, including counterparty credit quality, spot and forward exchange rates, and interest rate curves.

Fair value hierarchy

The Company and the Group use the following methodology to determine and disclose the fair value of financial instruments by valuation technique:

- Level 1: prices quoted (without adjustments) in active markets for identical assets or liabilities;
- Level 2: other techniques for which all data that have a significant effect on the fair value recorded are observable, directly or indirectly;

- Level 3: techniques that use data that have a significant effect on the fair value recorded that are not based on observable market data.

At December 31, 2022, the Company and the Group has financial instruments measured at fair value through other comprehensive income, derivative financial instruments, classified in Level 2 of the fair value hierarchy.

31. Insurance coverage

At December 31, 2022, the Company and its subsidiaries had insurance contracted for material damages (machinery breakdown, electrical damage, fires, lightning, explosions of any nature and implosions) for the entire sugar and ethanol stock and for buildings, equipment, installations and agricultural machines of the plants installed in the Northeast and Southeast of Brazil, in addition to risks related to civil liability, with total coverage of R$ 837,416. This coverage is considered sufficient by Management, supported by its insurance brokers, to cover potential losses (not in independent auditor's review scope).

32. Subsequent events

Agribusiness Receivables Certificates (CRA)

The Company intends to raise up to R$ 220,000 through a public offering of Agribusiness Receivables Certificates (CRA), scheduled for March 2023. The offering will be coordinated by Banco Alfa (Corporate & Investment Banking), with Banco Cargil acting as co-structurer and Ecoagro (Eco Securitizadora de Direitos Creditórios) securitizing the transaction. The offering will be carried out in accordance with the provisions of article 26 of CVM Resolution 160, registered with the CVM as automatic distribution type. The operation will have a four-year tenure with monthly interest payments and no grace period for the principal, and a one-year grace period with monthly payments, except in the month of December, when no payments will be made. The transaction will accrue interest at CDI + 3.25% p.a. and guaranteed by Coruripe Holding and a Fiduciary Assignment Agreement with Alvean for the purchase and sale of sugar (100% in Copersucar), with a deposit guarantee equivalent to 115% of the outstanding balance and sugar prices determined by Cargill's servicer (part of the transaction).

Developments of the STF decision - "Res judicata"

The Brazilian Federal Supreme Court (STF) recently ruled on two appeals concerning the *res judicata* effect in tax matters, more specifically on taxes paid on a continuous basis - which are periodically renewed, as is the case with most taxes. The rulings, for which the respective judgments have not yet been published, will also affect other taxpayers and will be binding on lower courts, as they were rendered with general repercussion.

Management believes that there are no immediate practical effects on their interim financial statements, as there have been no final and unappealable decisions on tax matters that were reversed based on the various arguments deemed constitutional by the STF, whether in a scope or by abstract.

Management believes that the STF decision has no impact on the Company's indemnification lawsuits which are final and unappealable, pursuant to Law 4.870/65, even though prior decisions of this Court have attributed the State's civil liability to the loss, because: (i) there is no tax relation; and (ii) they are not successive.

* * *

DocuSign

Certificado de Conclusão

Identificação de envelope: FB8EEED1911C40C8893F357B6CCF25C3 — Status: Concluído

Assunto: Complete com a DocuSign: CORURIPE22.REV.pdf

LoS / Área: Assurance (Audit, CMAAS)

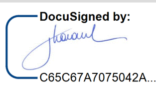
Tipo de Documento: Relatórios ou Deliverables

Envelope fonte:

Documentar páginas: 73	Assinaturas: 1	Remetente do envelope:
Certificar páginas: 2	Rubrica: 0	Joelye Oliveira
Assinatura guiada: Ativado		Av. Francisco Matarazzo, 1400, Torre Torino, Água Branca
Selo com EnvelopeId (ID do envelope): Ativado		São Paulo, SP 05001-100
Fuso horário: (UTC-03:00) Brasília		joelye.oliveira@pwc.com
		Endereço IP: 134.238.159.65

Rastreamento de registros

Status: Original 31 de março de 2023 | 15:44	Portador: Joelye Oliveira joelye.oliveira@pwc.com	Local: DocuSign
Status: Original 31 de março de 2023 | 17:21	Portador: CEDOC Brasil BR_Sao-Paulo-Arquivo-Atendimento-Team@pwc.com	Local: DocuSign

Eventos do signatário	Assinatura	Registro de hora e data
Luis Fernando de Souza Maranha luis.maranha@pwc.com Partner PwC BR Nível de segurança: E-mail, Autenticação da conta (Nenhuma), Certificado Digital **Detalhes do provedor de assinatura:** Tipo de assinatura: ICP Smart Card Emissor da assinatura: AC SERASA RFB v5 **Termos de Assinatura e Registro Eletrônico:** Não disponível através da DocuSign	 Adoção de assinatura: Imagem de assinatura carregada Usando endereço IP: 54.94.244.235	Enviado: 31 de março de 2023 | 15:47 Visualizado: 31 de março de 2023 | 17:20 Assinado: 31 de março de 2023 | 17:21

Eventos do signatário presencial	Assinatura	Registro de hora e data

Eventos de entrega do editor	Status	Registro de hora e data

Evento de entrega do agente	Status	Registro de hora e data

Eventos de entrega intermediários	Status	Registro de hora e data

Eventos de entrega certificados	Status	Registro de hora e data

Eventos de cópia	Status	Registro de hora e data
Joelye Oliveira joelye.oliveira@pwc.com Nível de segurança: E-mail, Autenticação da conta (Nenhuma) **Termos de Assinatura e Registro Eletrônico:** Não disponível através da DocuSign	**Copiado**	Enviado: 31 de março de 2023 | 17:21 Visualizado: 31 de março de 2023 | 17:21 Assinado: 31 de março de 2023 | 17:21

Eventos com testemunhas	Assinatura	Registro de hora e data

Eventos do tabelião	Assinatura	Registro de hora e data

Eventos de resumo do envelope	Status	Carimbo de data/hora
Envelope enviado	Com hash/criptografado	31 de março de 2023 | 15:47
Entrega certificada	Segurança verificada	31 de março de 2023 | 17:20
Assinatura concluída	Segurança verificada	31 de março de 2023 | 17:21
Concluído	Segurança verificada	31 de março de 2023 | 17:21

Eventos de pagamento	Status	Carimbo de data/hora