(A free translation of the original in Portuguese)

S/A Usina Coruripe Açúcar e Álcool

Parent company and consolidated interim financial statements at June 30, 2024 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 interim balance sheet of S/A Usina Coruripe Açúcar e Álcool ("Company") as at June 30, 2024 and the related statements of operations, of comprehensive income, of changes in equity and of cash flows for the quarter then ended, and the consolidated balance sheet of S/A Usina Coruripe Açúcar e Álcool and its subsidiaries ("Consolidated") as at June 30, 2024, and the consolidated statements of operations, of comprehensive income, of changes in equity and of cash flows for the quarter then ended, and notes, including material accounting policies and other explanatory information.

The Board of Directors 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.

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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 parent company and consolidated 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 June 30, 2024, and their financial performance and their cash flows for the quarter then ended, as well as their consolidated financial performance and their consolidated cash flows for the quarter then ended, in accordance with Technical Pronouncement CPC 21 - Interim Financial Reporting, and International Accounting Standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB).

Ribeirão Preto, September 18, 2024

PricewaterhouseCoopers
Auditores Independentes Ltda.
CRC 2SP027654/F-4

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

(A free translation of the original in Portuguese)

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Interim financial statements

S/A Usina Coruripe Açúcar e Álcool

Balance sheet

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

		Parent company		Consolidated	
	Note	June 30, 2024	March 31, 2024	June 30, 2024	March 31, 2024
Assets					
Current assets					
Cash and cash equivalents	3	477,102	1,145,907	500,461	1,155,469
Financial investments	4	138,441	148,389	150,810	158,542
Trade receivables	5	160,459	105,047	167,629	105,942
Inventories	6	509,954	212,922	510,607	213,391
Advances to suppliers	7	227,543	210,817	227,543	210,817
Biological assets	12	622,204	628,796	622,204	628,796
Taxes recoverable	8	175,081	146,256	175,276	146,499
Income tax and social contribution recoverable	28	25,724	21,906	25,724	21,906
Related parties	10	37,774	23,348	26,790	20,526
Derivative financial instruments	30		20,661		20,661
Other receivables	9	55,621	49,406	57,395	50,523
Total current assets		2,429,903	2,713,455	2,464,439	2,733,072
Non-current assets					
Long-term receivables					
Financial investments	4	1,631	1,525	1,631	1,525
Advances to suppliers	7	135,019	149,632	135,019	149,632
Related parties	10	16,547	13,374	105	105
Sales taxes recoverable	8	4,431	4,431	4,431	4,431
Deferred income tax and social contribution	28	441,406		441,406	
Derivative financial instruments	30	133,319	41,218	133,319	41,218
Other receivables	9	4,335,303	4,272,438	4,335,303	4,272,438
Judicial deposits		6,717	6,391	6,717	6,391
		5,074,373	4,489,009	5,057,931	4,475,740
Investments	11	51,346	41,111	33,255	32,193
Property, plant and equipment	13	2,425,480	2,274,549	2,439,905	2,289,769
Intangible assets	14	6,205	6,648	6,205	6,648
Right-of-use assets	15	1,376,120	1,341,140	1,376,120	1,341,140
Total non-current assets		8,933,524	8,152,457	8,913,416	8,145,490
Total assets		**11,363,427**	**10,865,912**	**11,377,855**	**10,878,562**

S/A Usina Coruripe Açúcar e Álcool

Balance sheet
(In thousands of reais)

(continued)

	Note	Parent company		Consolidated	
		June 30, 2024	March 31, 2024	June 30, 2024	March 31, 2024
Liabilities and equity					
Current liabilities					
Accounts payable	16	452,765	333,703	455,516	335,828
Loans and financing	17	1,356,871	1,295,136	1,357,043	1,295,309
Leases payable	15	150,302	145,323	150,302	145,323
Agricultural partnerships payable	15	236,271	196,693	236,271	196,693
Salaries and social charges		92,042	81,589	92,206	81,723
Other taxes payable	18	35,651	33,213	37,196	34,256
Income tax and social contribution	28			727	111
Advances from customers	19	497,021	450,467	497,021	450,467
Commitments from electricity contracts	20	95,884	139,702	95,884	139,702
Derivative financial instruments	30	161,585	98,497	161,585	98,497
Other payables		13,739	9,486	13,744	9,491
Total current liabilities		3,092,131	2,783,809	3,097,495	2,787,400
Non-current liabilities					
Loans and financing	17	2,814,873	2,775,558	2,823,936	2,784,617
Leases payable	15	419,955	418,251	419,955	418,251
Agricultural partnerships payable	15	551,386	599,871	551,386	599,871
Other taxes payable	18	16,911	176,765	16,911	176,765
Derivative financial instruments	30	69,172	13,392	69,172	13,392
Advances from customers	19	486,937	532,633	486,937	532,633
Commitments from electricity contracts	20	21,736	25,419	21,736	25,419
Deferred income tax and social contribution	28	-	99,316	-	99,316
Provision for contingencies	21	8,479	8,672	8,479	8,672
Other payables	9 (a)	548,205	516,787	548,206	516,787
Total non-current liabilities		4,937,654	5,166,664	4,946,718	5,175,723
Total liabilities		8,029,785	7,950,473	8,044,213	7,963,123
Equity	22				
Share capital		867,567	867,567	867,567	867,567
Treasury shares		(1,215)	(1,215)	(1,215)	(1,215)
Carrying value adjustment		(101,783)	37,464	(101,783)	37,464
Revenue reserves		2,002,429	2,011,623	2,002,429	2,011,623
Retained earnings		566,644		566,644	
Total equity		3,333,642	2,915,439	3,333,642	2,915,439
Total liabilities and equity		**11,363,427**	**10,865,912**	**11,377,855**	**10,878,562**

The explanatory notes from the Board of Directors are an integral part of the interim financial statements.

S/A Usina Coruripe Açúcar e Álcool

Statement of operations
Three-month period ended June 30
(In thousands of reais, unless otherwise stated) (A free translation of the original in Portuguese)

		Parent company		Consolidated	
	Note	2024	2023	2024	2023
Net operating revenue	23	866.878	759.753	881.869	774.504
Cost of products sold	24	(575.247)	(518.098)	(577.419)	(520.412)
Gross profit		291.631	241.655	304.450	254.092
Selling expenses	24	(56.286)	(50.169)	(56.286)	(50.169)
General and administrative expenses	24	(66.171)	(53.453)	(66.247)	(53.602)
Equity in the result of investees	11	10.690	7.016	1.061	998
Other operating expenses, net	27	132.442	(2.164)	129.802	(3.755)
Operating profit		312.306	142.885	312.780	147.564
Finance income	25	116.212	212.176	116.443	211.164
Finance expenses	25	(333.702)	(407.096)	(333.704)	(409.794)
Finance result		(217.490)	(194.920)	(217.261)	(198.630)
Profit (loss) before income tax and social contribution		94.816	(52.035)	95.519	(51.066)
Current income tax and social contribution	28			(704)	(969)
Deferred income tax and social contribution	28	469.955	(20.150)	469.955	(20.150)
Profit (loss) for the period		**564.770**	**(72.185)**	**564.770**	**(72.185)**
Basic and diluted earnings (loss) per share				403,41	(51,56)

The explanatory notes from the Board of Directors are an integral part of the interim financial statements.

S/A Usina Coruripe Açúcar e Álcool

Statement of comprehensive income
Three-month period ended June 30
(In thousands of reais)

(A free translation of the original in Portuguese)

	Parent company and Consolidated	
	2024	2023
Profit (loss) for the period	564,770	(72,185)
Changes in the period:		
Changes in fair value		
Foreign exchange derivatives - options / NDF	(125,994)	33,926
Foreign exchange derivatives - cross-currency swap	90,884	(63,718)
Interest derivatives - interest rate swap	(12,291)	1,427
	(47,401)	(28,365)
Recognition in operating result		
Foreign exchange derivatives - options / NDF	3,335	(12,638)
	3,335	(12,638)
Recognition in finance result		
Foreign exchange derivatives - cross-currency swap	(144,623)	112,883
Interest derivatives - interest rate swap	(2,582)	1,197
Foreign exchange non-derivatives - debts	(16,870)	27,967
	(164,075)	142,047
Reversal due to ineffectiveness		
Foreign exchange derivatives - cross-currency swap		16,278
		16,278
Total changes in the period		
Foreign exchange derivatives - options / NDF	(122,659)	21,288
Foreign exchange derivatives - cross-currency swap	(53,739)	65,443
Interest derivatives - interest rate swap	(14,873)	2,624
Foreign exchange non-derivatives - debts	(16,870)	27,967
Deferred taxes on the items above	70,768	(39,889)
	(137,373)	77,433
Comprehensive income for the period	**427,397**	**5,248**

The explanatory notes from the Board of Directors are an integral part of the 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

	Note	Share capital	Treasury shares	Revenue reserves: Legal	Revenue reserves: Reserve for retention of profits	Revenue reserves: Reserve for profits for deliberation	Revenue reserves: Reserve for tax incentives	Carrying value adjustment: Hedge accounting	Carrying value adjustment: Deemed cost	Retained earnings (accumulated deficit)	Total
At March 31, 2023		408.845	(1.215)	81.769	408.845	1.345.453	408.806	(26.510)	53.497		2.679.490
Realization of deemed cost	22 (c)								(2.288)	2.288	
Result of derivatives - hedge accounting	22 (c)							77.433			77.433
Dividends	22 (d)					(39.792)					(39.792)
Loss for the period										(72.185)	(72.185)
At June 30, 2023		408.845	(1.215)	81.769	408.845	1.305.661	408.806	50.923	51.209	(69.897)	2.644.946
At March 31, 2024		867.567	(1.215)	95.342	408.845	1.507.436		(7.428)	44.892		2.915.439
Realization of deemed cost	22 (c)								(1.874)	1.874	
Result of derivatives - hedge accounting	22 (c)							(137.373)			(137.373)
Dividends	22 (d)					(9.194)					(9.194)
Profit for the period										564.770	564.770
At June 30, 2024		867.567	(1.215)	95.342	408.845	1.498.242		(144.801)	43.018	566.644	3.333.642

The explanatory notes from the Board of Directors are an integral part of the interim financial statements.

S/A Usina Coruripe Açúcar e Álcool

Statement of cash flows
Three-month period ended June 30
(In thousands of reais)

(A free translation of the original in Portuguese)

	Note	Parent company 2024	Parent company 2023	Consolidated 2024	Consolidated 2023
Cash flows from operating activities					
Profit (loss) before income tax and social contribution		94,816	(52,035)	95,519	(51,066)
Adjustments:					
Accrued finance charges and exchange gains (losses), net	25	422,427	9,765	422,365	14,883
Accruals of IAA 4870 credits, net of taxes	25 and 27	(221,109)	(56,501)	(221,109)	(56,501)
Interest on leases and agricultural partnerships	25	63,513	64,702	63,513	64,702
Equity in the result of investees	11	(10,690)	(7,016)	(1,062)	(999)
Depreciation of right-of-use assets	24	35,477	29,120	35,477	29,120
Depreciation and amortization (except sugarcane crops)	24	49,346	70,235	50,936	71,449
Net effects of the measurement and realization of fair value of biological assets	24	(2,996)	(49,216)	(2,996)	(49,216)
Reversal of provision for contingencies	21	(193)	(3,507)	(193)	(3,507)
Provision for (reversal of) losses on assets		965	1,596	965	1,596
Provision for attorney success fees	27	31,418	7,111	31,418	7,111
Residual value of write-offs of fixed assets/crop	27	2,041	(238)	2,041	(238)
		465,015	**14,016**	**476,874**	**27,334**
Changes in assets and liabilities					
Trade receivables		(55,377)	(39,267)	(61,652)	(45,884)
Inventories		(221,144)	(182,137)	(221,328)	(182,383)
Advances to suppliers	7	(4,518)	(11,080)	(4,518)	(11,080)
Biological assets		18,487	9,078	18,487	9,078
Sales taxes recoverable	8	(32,643)	10,464	(32,643)	10,464
Judicial deposits		(326)	(1,214)	(326)	(1,214)
Other receivables		(112,922)	105,172	(112,923)	105,675
Accounts payable	16	119,062	192,087	120,083	191,182
Salaries and social charges		10,453	6,855	10,483	6,849
Other taxes payable	18	864	6,582	1,365	6,019
Advances from customers	19	858	138,679	858	138,679
Derivative financial instruments		47,428	40,128	47,428	40,128
Financial investments		18,083	(38,200)	18,083	(38,200)
Other payables		(74,604)	29,557	(74,602)	29,498
Cash from operations		178,716	280,720	185,669	286,145
Income tax and social contribution paid				(87)	(93)
Interest paid on loans and financing	17	(76,013)	(81,001)	(76,245)	(81,281)
Interest paid on commitments from electricity contracts	20	(13,780)	(1,754)	(13,780)	(1,754)
Net cash provided by operating activities		88,923	197,965	95,557	203,017
Cash flows from investing activities					
Additions to fixed and intangible assets	13 and 14	(285,228)	(313,447)	(286,023)	(314,195)
Loans received from and granted to related parties		(16,871)	28,671	(8,883)	17,387
Net cash used in investing activities		(302,099)	(284,776)	(294,906)	(296,808)
Cash flows from financing activities					
Amortization of commitments from electricity contracts	20	(39,256)	(5,664)	(39,256)	(5,664)
Loans and financing	17	79,110	353,320	79,110	353,320
Repayment of principal of loans and financing	17	(327,937)	(212,520)	(327,967)	(212,532)
Payment of leases and agricultural partnerships (CPC 06 (R2))	15	(158,352)	(121,478)	(158,352)	(121,478)
Advances on dividends paid	10	(9,194)	(39,792)	(9,194)	(39,792)
Net cash used in financing activities		(455,629)	(26,134)	(455,659)	(26,146)
Decrease in cash and cash equivalents		(668,805)	(112,945)	(655,008)	(119,937)
Cash and cash equivalents at the beginning of the period		1,145,907	371,841	1,155,469	390,862
Cash and cash equivalents at the end of the period		477,102	258,896	500,461	270,925

The explanatory notes from the Board of Directors are an integral part of the interim financial statements.

1. Operations

(a) Corporate purpose

S/A Usina Coruripe Açúcar e Álcool ("Company" or "Parent company") is a privately held company, 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 certified emission reductions (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) holding equity interests in other companies; and h) generating decarbonization credits (Cbios).

The Company and the Group lease railroad terminals in Fernandópolis, State of São Paulo, and in Iturama, State of Minas Gerais, and two administrative offices, one in the city of Maceió, State of Alagoas, and the other in the city of São Paulo, State of 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 5,051 thousand metric tons of sugarcane in the first quarter of the 2024/2025 harvest (4,672 thousand metric tons of the 2023/2024 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, 19.9% (2023/2024 harvest: 22.0%) of production comes from the Northeast and 80.1% (2023/2024 harvest: 78.0%) from the Southeast. In the first quarter of the 2024/2025 harvest, 35.4% (2023/2024 harvest: 39.8%) of the sugarcane used in production was from own crops and from agricultural partnerships, including partnerships with shareholders and related companies and 64.6% (2023/2024 harvest: 60.2%) from third-party suppliers. The Company's and the Group's revenues are 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.

The Board of Directors, being charged with the Company's governance, approved the issuance of the Company's interim financial statements for the period ended June 30, 2024 on August 12, 2024.

(b) Operations

The Company is a wholly owned subsidiary of the holding company Coruripe Holding S.A. Its accounting year begins on April 1 and ends on March 31.

During the first quarter of the 2024/2025 harvest, upon start-up of the operation of the Limeira do Oeste sugar plant, the Company sought to implement measures to optimize sugarcane crushing capacity, which resulted in the crushing of 5,051 million metric tons.

In the three-month period of the 2024/2025 harvest, approximately 60.8% of cane crushed was destined for the production of sugar (6.7% crystal and 54.1% VHP - Very High Polarity), and the remaining 39.2% for the production of ethanol. In the three-month period of the 2023/2024 harvest, the crushing mix was 57.0% for sugar and 43.0% for ethanol.

Expansion of the sugar plant in Limeira do Oeste/MG

During the 2022/2023 and 2023/2024 harvests, the Company invested approximately R$ 450,000 in a sugar plant in its unit in Limeira do Oeste/MG, increasing its crushing capacity by 1,000 thousand metric tons of sugarcane.

The new plant was inaugurated when the works were concluded in February 2024 and began its operations in April 2024.

2. Presentation of interim financial statements and material accounting policies

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.

These interim financial statements were prepared following accounting principles, practices and criteria consistent with those adopted in the preparation of financial statements for the year ended March 31, 2024. Therefore, these interim financial statements should be read in conjunction with the Company's annual financial statements. When the Company and Group balances are substantially similar, only the Group's amounts are presented.

The material accounting policies applied in the preparation of these interim financial statements are presented in the respective notes; other accounting policies are described in Note 2.

The parent company and consolidated interim financial statements have been prepared under the historical cost convention, adjusted to reflect the deemed cost of buildings, other properties, industrial machinery and equipment on the date of transition to IFRS/CPC. For certain financial assets and liabilities, such as derivative financial instruments and biological assets, costs are adjusted to fair value.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2.11.

2.2. Basis of consolidation and investment in subsidiary

The Company consolidates all entities which it controls, being those to which it is exposed or has rights to variable returns from its involvement with the investee and has the ability to direct the significant activities of the investee.

The consolidated interim financial statements comprise the financial statements of the Company and its subsidiaries at June 30, 2024.

(In thousands of reais, unless otherwise stated)

The subsidiaries included in the consolidation are described below and the accounting policies applied in the preparation of the consolidated interim financial statements are described in Note 2.4.

The consolidated balances in the interim financial statements at June 30, 2024 include the following subsidiaries; ownership percentages have not changed:

		2024	2023
	Country	Interest %	Interest %
Direct investment:			
Coruripe Energética S.A.	Brazil	100%	100%
Camaçari Energética S.A.	Brazil	100%	100%
Coruripe Netherland B.V.	Netherlands	100%	100%
Usina Corurema Ltda.	Brazil	50%	50%
Indirect investment:			
Usina Corurema Ltda. (i)	Brazil	50%	50%

(i) Indirect interest through Coruripe Energética S.A.

2.3. Changes in accounting policies and disclosures

The following amendments to standards have been adopted for the first time in the year beginning on April 1, 2024:

Amendments to IAS 1 - Presentation of Financial Statements

In accordance with IAS 1 - Presentation of financial statements, for an entity to classify liabilities as non-current in its financial statements, it must have the right to avoid settling the liabilities for at least twelve months from the balance sheet date. In January 2020, the IASB issued an amendment to IAS 1 "Classification of liabilities as current or non-current", whose application date was for annual reporting periods beginning on or after January 1, 2023, which determined that the entity would not have the right to avoid settlement of a liability for at least twelve months, if, at the balance sheet date, it had not complied with the indices provided for in restrictive clauses (e.g. covenants), even if the contractual measurement of the covenants was only required after the balance sheet date in up to twelve months.

Subsequently, in October 2022, a new amendment was issued to clarify that liabilities that contain restrictive contractual clauses requiring the achievement of ratios under covenants only after the balance sheet date do not affect the classification as current or non-current. Only covenants with which the entity is required to comply by the balance sheet date affect the classification of the liability, even if the measurement occurs only after that date.

The 2022 amendment introduces additional disclosure requirements that allow users of financial statements to understand the risk of the liability being settled within twelve months after the balance sheet date. The 2022 amendment changed the application date of the 2020 amendment. Accordingly, both amendments apply for annual reporting periods beginning on or after January 1, 2024.

These amendments had no material impacts for the Company and the Group.

2.4. Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. They are fully consolidated from the date on which control is transferred to the Group and deconsolidated from the date that control ceases.

Identifiable assets acquired and liabilities and contingent liabilities assumed for the acquisition of subsidiaries in a business combination are measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the fair value of the acquiree's identifiable net assets. Non-controlling interests are determined on each acquisition. Acquisition-related costs are expensed as incurred.

Transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated, unless the transaction provides evidence of impairment of the asset being transferred. The accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognized in profit or loss. The amounts previously recognized in other comprehensive income are reclassified to profit or loss.

2.5. Foreign currency translation

The interim 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 interim financial statements are presented in 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.

2.6. 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, systematically in relation to the costs whose benefit 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.

2.7. Financial instruments

The Company and the Group adopt CPC 48/IFRS 9 - Financial Instruments, classifying their financial assets as: measured at amortized cost, at fair value through other comprehensive income (adopted at April 1, 2022 as a result of the adoption of the accounting practice of hedge accounting - Note 2.8(c)) and at fair value through profit or loss.

Financial assets and liabilities are recognized when the Company and its subsidiaries are parties 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 judgment as to 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:

- Related parties (Note 10);
- Leases payable (Note 15);
- Agricultural partnership payable (Note 15);
- Accounts payable (Note 16);
- Loans and financing (Note 17);
- Commitments from electricity contracts (Note 20); 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.

(c) 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. In compliance with accounting principles, especially 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:

- Cross-currency swap - derivative

The Company uses cross-currency swaps with combined options to hedge recognized financial liabilities. 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.

Cross-currency swaps hedge a recognized financial liability and are intended to offset the fixed interest/index/foreign exchange rate variation of the hedged item to a cost in R$/CDI (the Interbank Deposit Certificate, commonly used in the Brazilian financial market). Typically, short-term financial securities are indexed to the CDI, whose rate is published daily. Companies invest their financial resources; most of the Company's investments are linked to the CDI. Management believes, from a financial risk management perspective, that, in order to avoid interest rate mismatches, swaps must 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 each other's risk. The decrease in the CDI rate generates a lower cost for the swap, but financial investments will generate a reduced return.

- Swap IPCA vs. CDI - derivative

For this type of derivative, the Company seeks financing with 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 cost referenced to the CDI does not represent a risk for the Company.

- Non-delivery-forwards (NDFs) foreign exchange

NDFs foreign exchange are recorded at fair value. The purpose of foreign currency denominated NDFs 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 conducted 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.

NDF foreign exchange transactions designated for hedge accounting protect highly probable future transactions. From time to time, the Company enters into NDF 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 debt in US Dollars (USD) which generates foreign exchange risk offset in part by the foreign currency denominated receipts (USD) from future 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 records these at amortized cost and the exchange rate variation is calculated in the period. The foreign exchange effect on the interest element of financial liabilities is 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 taken to the statement of operations for the year ("Finance result"). The amounts accumulated in equity are recognized in the statement of operations in the years in which the hedged item affects income, the effects of which are appropriated to results under "Net operating revenue", in order to minimize the changes in the hedged item.

2.8. Leases

The right-of-use asset is recognized as an asset and the obligation to make payments as a liability.

The Company and its subsidiaries consider as leases contracts that transfer the right to control the use of an asset for a certain period. Thus, the agricultural partnership contracts are accounted for within the scope of the accounting standard, despite having a different legal nature from the leases.

On the date of transition to CPC 06 (R2) / IFRS 16, the Company adopted the simplified approach with a cumulative effect and the following criteria: (i) liabilities: balances on the date of initial adoption, net of advances made and discounted by risk-free interest rates observed in the market, for the terms of their contracts adjusted to the Company's and the Group's circumstances; and (ii) assets: an amount equivalent to the liability adjusted to present value. The remeasurement of the right-of-use and the balance to be paid is conducted annually, based on the change in the index using the Consecana-SP methodology calculated on the sale of the Company and the Group applied at the Iturama and the Campo Florido units. For the Alagoas complex, the index adopted by the Company is that of Sindaçúcar - AL, and the remeasurement takes place at the end of each month, considering the characteristics of these lease agreements, which provide for the settlement of the obligation based on the month's index and not based on the accumulated index at the end of the harvest.

Assets and liabilities were not recognized for low value contracts (computers, telephones and IT equipment in general) and/or terms below 12 months, which were deemed immaterial by management. Payments associated with these contracts were expensed using the straight-line method.

2.8.1 Active agricultural partnership

The Company considers active partnerships to be any agreement that, through the partner's active participation in the production, grants the Company the right to jointly explore an asset for a certain period. The partner participates with the cost of the asset/land through the right to receive a participation corresponding to a predetermined fixed percentage of the production, while the Company participates with all other actual costs of the production in the partner's area.

This type of contract is used by the Company for sugarcane production in the regions of the Iturama unit in Minas Gerais and in the Coruripe unit in Alagoas and, according to management's assessment, this operation is not included in the scope of Technical Pronouncement CPC 06 (R2)/IFRS 16 - Leases, since the Company is unable to determine its obligations in these contracts (variable obligation), considering that the partner only has a right to consideration in harvests in which sugarcane was actually produced, being recognized at the cost of the raw material in the statement of operations against a liability as accounts payable on an accrual basis, according to the production in the harvest.

2.9. Treasury shares

Represented by own shares acquired to be held in treasury. They are recognized at acquisition cost and classified to reduce equity. No gain or loss is recognized in the statement of operations on the purchase and sale, issuance or cancellation of the Company's own equity instruments.

2.10. Main corporate events in the period

a) Financial restructuring

At June 30, 2024, the balance sheet presents negative working capital of R$ 662,228 in the Parent company and R$ 633,057 in the Consolidated, compared to a negative position at March 31, 2024, of R$ 70,354 and R$ 54,328, in the Parent company and in the Consolidated, respectively.

The Finance Department of the Company and the Group considers that this is expected for the first quarter of the harvest when operating income and cash inflows are lower, given the commencement of the harvest in the Southeast region, when production begins with the consequent increase in the inventory volume, with sales being made in a subsequent period.

As part of its management strategy, the Company also chose to hold inventory in storage, mainly ethanol, due to the expected improvement in prices from July onwards.

The effects of the higher interest rates on new loans and financing and exchange rate fluctuations in this period also increased cash consumption in the quarter.

Additionally, the appreciation of the U.S. dollar against the Brazilian Real by 11.3% in the June 2024 quarter inverted the position of the contracted derivative financial instruments (NDFs), which generated a significant increase in the balances of principal and interest on short-term U.S. dollar operations, with an impact on the Company's liquidity ratios; this may increase future revenues should the stronger U.S. dollar persist.

The Company is also expecting a record harvest in terms of sugarcane processing volume, which will demand increased funds to finance the operation; the sales contribution margin usually occurs in the latter six months of the harvest, thus improving the Company's and the Group's cash position.

The Company has relationship with financial institutions with operations enabling it to raise sufficient funds for the immediate extension of the debt. The Finance Department considers the financing costs when assessing the need for new loans.

The Group continues to seek restructuring and balancing its cash flows; during the three-month period of the 2024/2025 harvest, the Group increased the diversification of funding sources with development banks, structured operations and sugar trading companies. On the date of approval of these interim financial statements, the Company and the Group have firm credit facilities available of approximately R$ 1,531,800 with development banks, capital markets and financial institutions, and several automatic revolving transactions available over the harvest period. The total available facilities include R$ 458,600 drawn down between July 1, 2024 and the date of issue of these interim financial statements. These credit facilities plus the current cash and cash equivalents are considered sufficient to stabilize the working capital of the Company and the Group over the next 12 months, considering the expected generation of operating cash from the coming harvest.

b) Changes in taxation of government grants

Following the enactment of Provisional Measure 1,185/2023, approved by Law 14,789/23, which revoked the exemption of investment subsidies (addressed in article 30 of Law 12,973/2014), the benefit is no longer exempt from PIS, COFINS, IRPJ and CSLL. This Law is effective from January 1, 2024 to December 31, 2028.

The Law also established a new tax credit of 25% on the subsidies granted, with certain conditions for eligibility and use, making it possible to offset this credit against other taxes due or, ultimately, apply for a refund. The conditions of eligibility require the confirmation and classification of the Group's tax benefits as investment subsidies. The use of the new tax credit will only be possible upon filing the Accounting and Tax Bookkeeping ("ECF") return on July 31 of the following year. The Company seeks tax incentives (presumed ICMS credits in MG and presumed ICMS credits in AL), which are the basis of investment subsidies on the E-Cac portal in the Brazilian Federal Revenue Service to appropriate the credits approved by the Law.

On April 15, 2024, the Company obtained a favorable decision to exempt from tax the subsidies established by Law 14,789/23 through a collective writ of mandamus filed by the Sugar Industry Union in the State of Minas Gerais (Siamig); the decision applies only to presumptive ICMS credit subsidies for State of Minas Gerais, which represents approximately 76% of the Company's operations. For the State of Alagoas, which represents 24% of operations, the Company has filed an individual writ of mandamus.

With the advent of the new Law, the Company, under the advice of its legal and tax advisors, has opted to apply the new Law and is awaiting decisions on injunctions in the higher courts. In the event of favorable decisions from the injunctions in the higher courts, the Company will recover overpayments made to the Brazilian Federal Revenue Service. The Company does not expect significant variations in its cash flows due to the new Law since debts will be offset in a memoranda accounts for PIS and COFINS and covered almost entirely by adjustments in determining the IRPJ and CSLL base. The only accounting impact expected is of approximately R$ 22,675.

c) Tax Reform on Consumption

On December 20, 2023, Constitutional Amendment ("EC") 132 was enacted, establishing the tax reform on consumption. Numerous details of are yet to be finalized, such as: the rates of the new taxes, which are still pending regulation by Complementary Laws, to be submitted to Congress within 180 days from the date of the constitutional amendment.

The tax reform is based on a VAT ("dual VAT") model divided into two jurisdictions: one federal, which refers to the Contribution on Goods and Services (CBS), and the other non-federal, for Tax on Goods and Services (IBS), which will replace the taxes PIS, COFINS, ICMS and ISS.

A Selective Tax ("IS") was also created, of federal jurisdiction, which will be levied on the production, extraction, sale or import of goods and services that may be harmful to health and the environment, under the terms of complementary laws.

The tax reform transition period will be from 2024 to 2032, during which the old and new will coexist. The impacts of the tax reform will only be known upon the conclusion of the process of regulation of the outstanding matters. Accordingly, the tax reform did not result in impacts on the interim financial statements at June 30, 2024.

d) Change in estimate of provision for taxes on credits receivable due to IAA/4870 ordinary actions

In the period ended June 30, 2024, Management, under the advice of its legal advisors, reversed the provision for taxes calculated on the carrying amount of credits receivable related to the IAA/4870 ordinary indemnity actions, since it believes that, based on an analysis of events that occurred at the beginning of this harvest, the chances of the Company obtaining a favorable outcome and not being required to pay IRPJ and CSLL on said credits are now more likely than not (Note 28), and payment of PIS and COFINS on the credits is no longer probable (Notes 9, 18 and 28).

(In thousands of reais, unless otherwise stated)

The reversal of these taxes increased the net profit for the quarter by R$ 596,228, of which R$ 625,640 due to the reversal of the provision for IRPJ and CSLL, R$ 158,280 from the write-off of the provision for the payment of PIS and COFINS contributions and R$ 187,692 upon the reversal of deferred IRPJ and CSLL tax assets, previously recorded based on the prior estimate of future taxable income (Note 28).

2.11. 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 significant risk, likely to cause a material adjustment to the book values of assets and liabilities for the coming year, are disclosed in Note 2.12 to the financial statements for the year ended March 31, 2024 and did not change for the period ended June 30, 2024.

2.12. 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.

2.13. Presentation of information by segments

Information by operating segments is presented in a manner consistent with the internal report provided to 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.

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	
	June 30, 2024	March 31, 2024	June 30, 2024	March 31, 2024
Cash	147	401	147	401
Banks - current accounts				
In Brazil	82,286	114,143	104,564	122,758
Abroad	270,140	472,086	271,221	473,033
Financial investments	124,529	559,277	124,529	559,277
	477,102	**1,145,907**	**500,461**	**1,155,469**

At June 30, 2024, the bank accounts and the high-liquidity short term investments classified as cash equivalents were held with top-tier financial institutions presenting low credit risk. The investments are mainly linked to the CDI rates at June 30, 2024, ranging from 93% to 107% of the CDI rate (March 31, 2024 - 85% to 107% of the CDI) and are available immediately with no early redemption penalty. These short-term investments have original maturities of three months or less and, thus, meet the requirements in CPC 03 to be classified as cash equivalents.

(In thousands of reais, unless otherwise stated)

4. Financial investments

	Parent company		Consolidated	
	June 30, 2024	March 31, 2024	June 30, 2024	March 31, 2024
Buyback operations	8,386	8,251	8,386	8,251
Bank Deposit Certificates (CDB)	14,407	17,153	14,407	17,153
Credit Rights Investment Fund (FIDC)	97,094	97,134	97,094	97,134
Agribusiness Receivables Certificates (CRA)	18,554	19,092	18,554	19,092
Debentures		6,759		6,759
Other investments	1,631	1,525	14,000	11,678
	140,072	**149,914**	**152,441**	**160,067**
Current	(138,441)	(148,389)	(150,810)	(158,542)
Non-current	1,631	1,525	1,631	1,525

Financial investments include Bank Deposit Certificates (CDB), Credit Rights Investment Funds (FIDC), Repurchase and Resale Agreements and Debentures, with annual remuneration rates, at June 30, 2024, ranging from 95% to 107% of the CDI rate (March 31, 2024 - 85% to 107% of the CDI).

5. Trade receivables

Trade receivables are stated at present value less an allowance for doubtful accounts, when applicable.

The balance of trade receivables is composed as follows:

	Parent company		Consolidated	
	June 30, 2024	March 31, 2024	June 30, 2024	March 31, 2024
In Brazil	152,083	95,389	159,253	96,284
Abroad	9,177	10,465	9,177	10,465
	161,260	**105,854**	**168,430**	**106,749**
(-) Allowance for doubtful accounts	(801)	(807)	(801)	(807)
	160,459	**105,047**	**167,629**	**105,942**

An aging analysis of trade receivables is shown below:

	Parent company		Consolidated	
	June 30, 2024	March 31, 2024	June 30, 2024	March 31, 2024
Not yet due	138,818	100,933	145,988	101,828
Overdue:				
Between 1 and 30 days	19,969	2,702	19,969	2,702
Between 31 and 90 days	873	946	873	946
Between 91 and 120 days	293	17	293	17
Between 121 and 180 days	506	449	506	449
Over 180 days	801	807	801	807
	161,260	**105,854**	**168,430**	**106,749**

(In thousands of reais, unless otherwise stated)

Balances overdue between 1 and 30 days were substantially settled shortly after the latest balance sheet date.

The expected losses on doubtful debts were estimated based on the credit risk analyses, which include the history of losses, the individual situation of customers, their economic sector, any real guarantees offered and the advice of legal counsel. The estimated losses on doubtful accounts are considered sufficient by management to cover expected losses from receivables.

As required by CPC 48/ IFRS 9 - Financial instruments, management performed a detailed analysis of the expected future losses from accounts receivable and concluded that the allowance for doubtful accounts at June 30, 2024 is sufficient to cover expected losses.

6. Inventories

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

Inventories of CBIOs are measured at fair value on initial recognition. The subsequent measurement is recognized at the lower of the initial recognition or net realizable value.

	Parent company		Consolidated	
	June 30, 2024	March 31, 2024	June 30, 2024	March 31, 2024
Finished products:				
Sugar	224,226	57,120	224,226	57,120
Ethanol	150,603	24,893	150,603	24,893
CBIOs	6,725		6,725	
Molasses	2,848	604	2,848	604
Warehouse	129,541	135,728	130,194	136,197
	513,943	**218,345**	**514,596**	**218,814**
(-) Provision for inventory losses	(3,989)	(5,423)	(3,989)	(5,423)
	509,954	**212,922**	**510,607**	**213,391**

7. Advances to suppliers

	Parent company and Consolidated	
	June 30, 2024	March 31, 2024
Advance to sugarcane suppliers	424,756	420,238
(-) Provision for losses on advances	(62,194)	(59,789)
	362,562	**360,449**
Current	(227,543)	(210,817)
Non-current	135,019	149,632

(In thousands of reais, unless otherwise stated)

The Company has executed 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 June 30, 2024, the balance of advances to sugarcane suppliers is equivalent to approximately 3,180 metric tons of sugarcane (March 31, 2024 - 3,147 metric tons), which corresponds to 19.8% of the Company's annual production capacity (March 31, 2024 - 20.0%).

The advances to suppliers are prepayment of the sugarcane purchase contract to be settled with the accounts payable generated with the sugarcane delivery by the suppliers within each crop cycle.

	Parent company and Consolidated	
	June 30, 2024	June 30, 2023
At the beginning of the period	59,789	70,555
New provisions for losses on advances	2,405	1,503
At June 30	**62,194**	**72,058**

In the three-month period ended June 30, 2023, the provision for losses on advances to sugarcane suppliers increased by R$ 2,405.

8. Sales taxes recoverable

	Parent company		Consolidated	
	June 30, 2024	March 31, 2024	June 30, 2024	March 31, 2024
COFINS - Contribution to Social Security Financing	79,806	64,169	79,806	64,169
PIS - Social Integration Program	12,134	9,916	12,134	9,916
IPI - Tax on Industrialized Products	10,587	10,218	10,587	10,218
ICMS - Tax on Circulation of Goods and Services	58,928	53,880	58,937	53,889
ICMS on fixed assets - CIAP	6,495	6,453	6,495	6,453
PIS and COFINS - REINTEGRA	6,644	3,321	6,644	3,321
Other	4,918	2,730	5,104	2,964
	179,512	**150,687**	**179,707**	**150,930**
Current	(175,081)	(146,256)	(175,276)	(146,499)
Non-current	4,431	4,431	4,431	4,431

The balances of sales taxes recoverable arise from trade transactions and advances.

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

	Parent company		Consolidated	
	June 30, 2024	March 31, 2024	June 30, 2024	March 31, 2024
2025/2026 harvest	1,898	1,898	1,898	1,898
2026/2027 harvest	1,745	1,745	1,745	1,745
2027/2028 harvest	788	788	788	788
	4,431	**4,431**	**4,431**	**4,431**

(In thousands of reais, unless otherwise stated)

9. Other receivables

	Note	Parent company		Consolidated	
		June 30, 2024	March 31, 2024	June 30, 2024	March 31, 2024
Indemnity credits - IAA	(a)	4,323,664	4,260,836	4,323,664	4,260,836
Accounts receivable from the sale of crops	(b)	28,466	23,526	28,466	23,526
Advances to service providers		25,970	23,622	25,974	23,625
Advances to employees		9,829	4,349	9,829	4,349
Other receivables		7,063	13,579	8,833	14,693
		4,394,992	**4,325,912**	**4,396,766**	**4,327,029**
(-) Provision for losses (i)		(4,068)	(4,068)	(4,068)	(4,068)
		4,390,924	**4,321,844**	**4,392,698**	**4,322,961**
Current		(55,621)	(49,406)	(57,395)	(50,523)
Non-current		4,335,303	4,272,438	4,335,303	4,272,438

(i) Refers to provisions for losses on balance receivable from the sale of crop (R$ 3,465) and advances to third parties (R$ 603).

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

At June 30, 2024, the Company had recognized receivables of R$ 4,323,664 (March 31, 2024 - R$ 4,260,836) 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 a favorable, final and unappealable ruling. 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, 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 by way of securities in the form of court-ordered debts. There was no objection by the Federal Government as to the amounts presented in the respective motions for execution of judicially enforceable instruments; the form of settlement has been subject to a challenge based on new evidence.

In the year ended March 31, 2015, the Company calculated the present value of the credits due under these lawsuits and recorded corresponding assets. The amounts were determined considering the Company's best estimate of the cash flow from such lawsuits based 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 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 assets adjusted to present value, in the amount of R$ 2,700,662. Since then, it has updated the calculation of credits by the amortized cost method, based on the effective rate used to discount to present value at the time of initial recognition of the asset.

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 special appeal decision is denied. The Company's legal advisors believe that the decision is consistent with the understanding in the STJ repetitive appeal (Resp 1.347.136/DF - Matary), accordingly the likelihood 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 in 2022 and was unanimously rejected by the Special Court.

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 presented in the detailed and updated statement of credits. The motions to stay execution of lawsuit 0022410-91.2008.4.01.3400 were deemed final and unappealable in November 2022, for which execution will be resumed with the updated credit amount.

Based on the facts described above, as provided by its legal advisors, on March 31, 2023, the Company's management recalculated the estimated cash flows for these lawsuits, considering that the decisions are favorable to the Company, which were obtained in the judgments of the motions to stay execution, both during that year, ending any possibility of discussion of merit by the Federal Government. Hence, the decision must be complied with, and the records sent to the Accounting Department for the updating of amounts required by the Court for the determination of the court-ordered debts.

As the motions to pass stay of execution have now been judged favorably, no new arguments can be added in the determination of the Company's right. Thus, management believes that the bases for the recalculation of the carrying amount of this asset were sufficient, being consistent with applicable legislation and as reflected in the Federal Court's calculation manual, to consider the new estimated period for monetizing the asset. This affected the estimate of the cash flow for the year ended March 31, 2023 when management had concluded the matter.

Management, as advised by its legal counsel, changed the estimated dates for the monetization of the asset, since the previous estimate considered a payment flow of 10 years, starting in January 2023, which had not materialized The new assessment made by the legal advisors, based on the applicable legislation that establishes a preferential order in the payment of court-ordered debts, considers that such court-ordered debts will likely be paid in a single installment in 2026.

The recalculation made by the Company's management resulted in the determination of the updated amount of these lawsuits for receipt in a single installment in 2026 in the amount of R$ 5,378,220, and the recognition of these credits, adjusted to present value, in the amount of R$ 4,018,518, at March 31, 2023. At June 30, 2024, the present value is R$ 4,323,664 using an effective interest rate upon initial recognition of this asset equivalent to 6.03% p.a., as determined by paragraph 5.4.3 of CPC 48/ IFRS 9.

On July 31, 2023 and September 19, 2023, the Federal Government presented statements regarding proceedings 0022410-91.2008.4.01.3400 (Camaçari Agroindustrial Ltda.) and 0031661-46.2002.4.01.3400 (S/A Usina Coruripe Açúcar e Álcool), respectively. In these statements, although the Federal Government recognized the right to part of the credits calculated by the Company, it questioned some assumptions used in the calculations. Based on the assessment of its legal counsel, management believes that the queries presented by the Federal Government have no technical basis under the calculation and, therefore, do not impact the quantification made by the Company as to its right. The Company requested the resumption of execution asking that the records sent to the Court Accountant's Office for validation of the amounts presented in the credit calculation statement.

As verified by management, the Usina Coruripe lawsuit was sent to the Court Accountant's Office in January 2024, being returned to the Company in July 2024, with calculations consistent with the Company's estimate, and for which the Company requested approval. The Camaçari Agroindustrial lawsuit is still awaiting the court's decision.

During the 2024/2025 harvest three-month period ended June 30, 2024, the Company recognized R$ 62,829 (June 30, 2023 - R$ 59,256), for the present value effects included in finance income in the statement of operations (Note 25).

In the quarter ended June 30, 2024, the Company reversed the provisions for taxes calculated on IAA/4870 indemnity credits, considering the update of its estimate for the payment of these taxes (Note 2.10 (d)). Until March 31, 2024 the Company had recognized a provision for deferred PIS and COFINS on finance income from July 1, 2015, calculated at the rates of 0.65% and 4.00%, respectively. These provisions were charged to Other taxes payable (Note 18), and the changes between the periods to Other operating expenses (Note 27) in the statement of operations. The Company also recorded a provision for deferred income tax and social contribution liabilities at March 31, 2024 of R$ 625,640, at the rate of 15.25% for Income Tax and Social Contribution calculated on the total credit considering the tax benefit of the operating profit (Note 28).

The Company also recognized a provision for contractual attorney success fees payable linked to the favorable outcome of these actions. At June 30, 2024, this provision totaled R$ 542,719 (March 31, 2024 - R$ 511,300), recorded in non-current liabilities under "Other payables".

These indemnity credits were assigned as a guarantee of the fundraising operation by Coruripe Netherland B.V.

b) Credits for the sale of crops

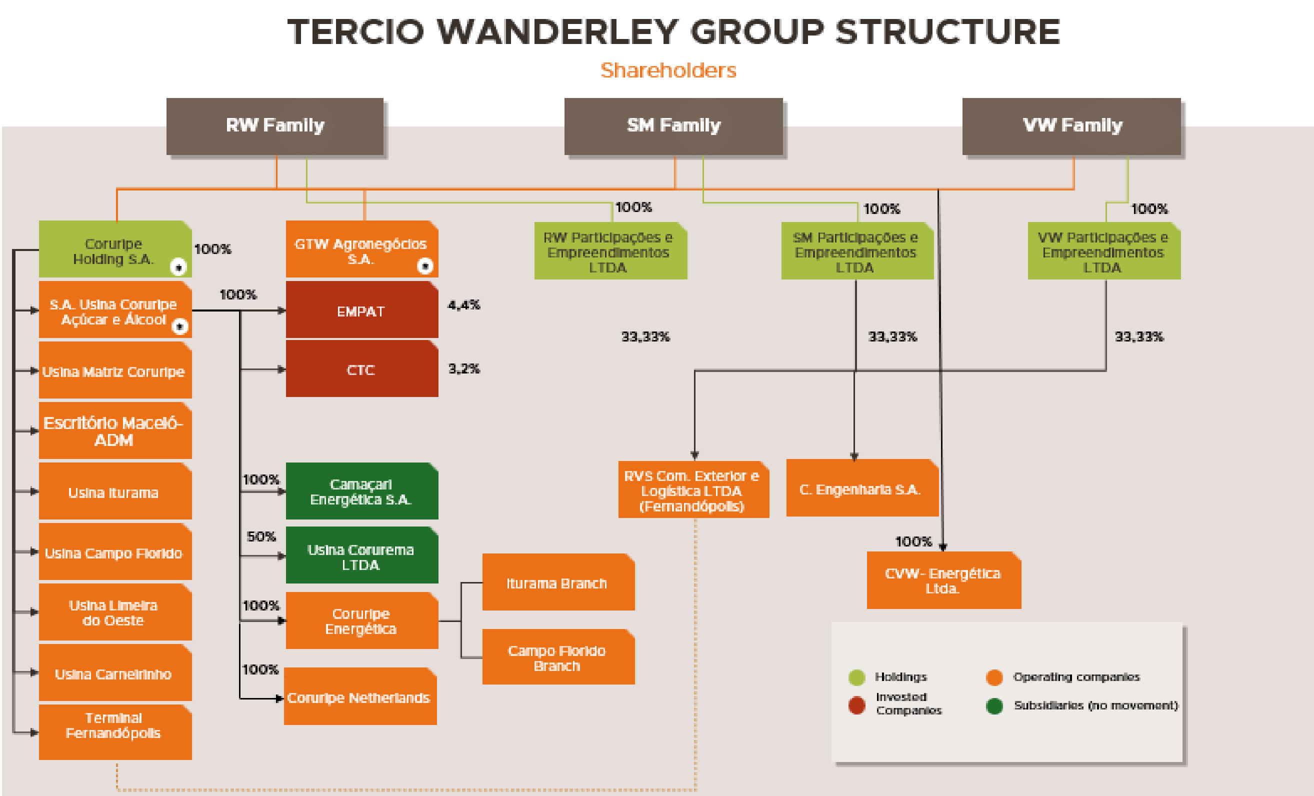
At June 30, 2024, the balance refers to receivables for the sale of ratoon areas in Iturama and Campo Florido, initially recognized at fair value (present value) with annual interest of 11.42% and 10.75% under the amortized cost method, the balance will be received over the next two harvests.

10. Related parties

Control

The Company is owned by Coruripe Holding S.A. The Tercio Wanderley Group is formed by the three family holdings acting together under a shareholders agreement exercising the joint control of Coruripe Holding S.A.

The corporate structure of the Tércio Wanderley Group, of which the Company is a member, is as follows:



Remuneration of key management

The total compensation paid to Management (which includes directors and officers) was R$ 2,727 and R$ $ 2,626 for the three-month periods ended June 30, 2024 and 2023, respectively.

(In thousands of reais, unless otherwise stated)

The Company has the following balances with related parties:

			Parent company		Consolidated	
	Relationship	**Note**	**June 30, 2024**	**March 31, 2024**	**June 30, 2024**	**March 31, 2024**
Assets						
Current						
Trade receivables						
Coruripe Energética S.A.	Subsidiary		66	66		
Loan						
Coruripe Energética S.A.	Subsidiary		10,984	2,822		
CVW Energética Ltda.	Under common	(a)	26,790	20,526	26,790	20,526
			37,840	23,414	26,790	20,526
Non-current						
Loan						
Coruripe Netherlands B.V.	Subsidiary	(a)	16,547	13,374	105	105
			16,547	13,374	105	105
Total assets			**54,387**	**36,788**	**26,895**	**20,631**
Liabilities						
Current						
Accounts payable						
CTC - Centro de Tecnologia Canavieira	Affiliate		122	159	122	159
V.M.W. Agronegócios Ltda.	Under common	(b)		13,363		13,363
S.P.F. Agronegócios Ltda.	Under common	(b)		13,363		13,363
R.C.W. Agronegócios Ltda.	Under common	(b)		13,363		13,363
Leases payable						
GTW Agronegócios S.A.	Under common	(b)	15,668	13,997	15,668	13,997
			15,790	54,245	15,790	54,245
Non-current						
Leases payable						
GTW Agronegócios S.A.	Under common	(b)	121,486	139,793	121,486	139,793
Loans and financing						
Coruripe Netherlands B.V.	Subsidiary	(d)	1,725,348	1,512,615		
			1,846,834	**1,652,408**	**121,486**	**139,793**
Total liabilities			**1,862,624**	**1,706,653**	**137,276**	**194,038**

(In thousands of reais, unless otherwise stated)

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

	Relationship	Note	Parent company 2024	Parent company 2023	Consolidated 2024	Consolidated 2023
Revenue						
Coruripe Energética S.A.	Subsidiary	(c)	193	446		
			193	**446**		
Cost						
Coruripe Energética S.A.	Subsidiary	(c)	(2,209)	(1,565)		
			(2,209)	**(1,565)**		
Other operating income						
Coruripe Energética S.A.	Subsidiary	(c)	2,638	1,648		
			2,638	**1,648**		
Finance income						
Coruripe Energética S.A.	Subsidiary	(a)	174	2,525		
CVW Energética Ltda.	Under common	(a)	554	274	554	285
			728	**2,799**	**554**	**285**
Finance expenses						
Coruripe Energética S.A.	Subsidiary	(a)				
GTW Agronegócios S.A.	Under common	(b)	(5,430)	(22,051)	(5,430)	(22,051)
Coruripe Netherlands B.V.	Subsidiary	(d)	(42,363)	(30,569)		
			(47,793)	**(52,620)**		**(22,051)**
Dividends distributed						
Coruripe Holding S.A.	Parent company		(9,194)	(39,792)	(9,194)	(39,792)
			(9,194)	**(39,792)**	**(9,194)**	**(39,792)**

(a) The Company has agreements entered into with related parties, as follows:

I. CVW Energética Ltda. and Coruripe Energética S.A.: this refers to an intercompany loan from January 2021 bearing interest at the CDI rate (Interbank Deposit Certificate) plus 5.5% and 7.7% p.a., respectively; and

II. Coruripe Netherlands B.V.: this refers to an interest-free intercompany loan that will be settled under the Export prepayment contracts (PPE) of Usina Coruripe versus Coruripe Netherlands B.V.

(b) These balances arise from the transactions under the 31 sugarcane partnership agreements signed with GTW Agronegócios S.A. and individuals of the Tércio Wanderley Group, on September 28, 2009, valid for 38 years, which may be extended by mutual agreement between the parties. The prices are determined between the parties (mark-to-market) and adjusted annually in accordance with the variation in the Total Recoverable Sugar - ATR indices, prepared by the Company based on the methodology of the Council of Sugarcane, Sugar and Ethanol Producers - CONSECANA.

The lease agreements of the plots of land located in the State of Alagoas with GTW Agronegócios S.A. were terminated at December 30, 2023. The lease agreements were replaced by three new pure partnership agreements, when partners actively participate in the production (not within the scope of CPC 06 (R2) / IFRS 16 - Leases), effective beginning on January 1, 2024; the contractual terms and price conditions will remain the same of the prior agreement.

The lease agreements of the plots of land located in the State of Minas Gerais will remain 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 for the sale of sugarcane bagasse "in natura" and the purchase of steam from Coruripe Energética S.A., effective until March 31, 2029. Prices were determined between the parties and are indexed annually to the IGP-M for the year.

(In thousands of reais, unless otherwise stated)

(d) On February 7, 2022, the Company placed a bond, through its subsidiary Coruripe Netherlands BV for US$ 300 million, "05 Non-Call 3 Senior Secured Bond", under a.44A/Regs. The proceeds were used by Coruripe Netherlands to settle the Company's US dollar-denominated debts with syndicated banks by assigning the rights to PPE contracts from these banks to Coruripe Netherlands. New PPE contracts were also entered into between the Company and Coruripe Netherlands, transferring proceeds from the Bond bearing interest of 10.05% p.a. The funds were used to pay debts in Reais with other banks in the same syndicate, and to supplement the Company's working capital.

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

The payment flow of the PPE contracts signed between the Company and its subsidiary matches the payment flow of the original transaction.

The Company has an agreement for zero cost lease of certain properties and areas of its industrial plant. At the Iturama unit, the free lease will remain in effect until 2032 and at the Campo Florido unit it will remain in effect until December 2037. These properties and areas are used by Coruripe Energética for its renewable energy generation business.

11. Investments

The parent company and consolidated investments are as follows:

							Parent company
		Investee's equity		Book value of investment		Equity in the result of investees	
Company	Percentage share	June 30, 2024	March 31, 2024	June 30, 2024	March 31, 2024	June 30, 2024	June 30, 2023
Coruripe Energética S.A. (i)	100.00%	22,117	13,091	22,117	13,091	9,027	6,331
Coruripe Netherland B.V. (ii)	100.00%	(4,027)	(4,173)	(4,027)	(4,173)	601	(314)
CTC - Centro de Tecnologia Canavieira S.A.	3.16%	1,015,793	980,580	32,106	30,993	1,112	1,050
EMPAT - Empresa Alagoana de Terminais Ltda.	4.40%	26,140	27,269	1,150	1,200	(50)	(51)
		1,060,023	**1,016,767**	**51,346**	**41,111**	**10,690**	**7,016**

							Consolidated
		Investee's equity		Book value of investment		Equity in the result of investees	
Company	Percentage share	June 30, 2024	March 31, 2024	June 30, 2024	March 31, 2024	June 30, 2024	June 30, 2023
CTC - Centro de Tecnologia Canavieira S.A.	3.16%	1,015,793	980,580	32,106	30,993	1,112	1,050
EMPAT - Empresa Alagoana de Terminais Ltda.	4.40%	26,140	27,269	1,150	1,200	(50)	(51)
		1,041,933	**1,007,849**	**33,256**	**32,193**	**1,062**	**999**

The changes in investments during the period were as follows:

	Parent company		Consolidated	
	2024	2023	2024	2023
At the beginning of the period	41,111	39,436	32,193	28,222
Equity in the results of investees	10,690	7,016	1,062	999
Other investments - subsidiaries	(455)	(637)		
At the end of the period	**51,346**	**45,815**	**33,255**	**29,221**

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. The Company has a seat on the investees' Boards and thus the power to participate in the financial and operating policy decisions of the investees but has no control over those policies. This judgment has been applied consistently in the periods presented.

(In thousands of reais, unless otherwise stated)

The Company controls the following companies:

(i) Camaçari Energética S.A. - 100% equity interest; and
(ii) Usina Corurema Ltda. - 50% direct and 50% indirect interest, through Coruripe Energética S.A.

These subsidiaries are pre-operating and their projects are indefinitely suspended, with no significant balances at period end.

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:

	June 30, 2024	March 31, 2024
Assets		
Current assets		
Cash and cash equivalents	22,278	17,661
Trade receivables	7,236	122
Inventories	653	438
Sales taxes recoverable	14	14
Other receivables	4	534
Total current assets	30,185	18,769
Non-current assets		
Related parties	105	2,054
Property, plant and equipment	14,425	15,767
Total non-current assets	14,530	17,821
Total assets	**44,715**	**36,590**

	June 30, 2024	March 31, 2024
Liabilities		
Current liabilities		
Accounts payable	2,631	1,905
Loans and financing	172	67
Salaries and social charges	164	208
Other taxes payable	2,272	1,838
Related parties		13,561
Derivative financial instruments		628
Other payables	6	6
Total current liabilities	16,229	18,213
Non-current liabilities		
Loans and financing	6,368	6,537
Total non-current liabilities	6,368	6,537
Total liabilities	22,597	24,750
Equity		
Share capital	11,211	11,211
Revenue reserves	1,880	629
Retained earnings	9,027	
Total equity	22,118	11,840
Total liabilities and equity	**44,715**	**36,590**

(In thousands of reais, unless otherwise stated)

Statement of operations for the periods ended June 30:

	2024	2023
Net operating revenue	17,393	16,762
Electricity and steam generation cost	(7,212)	(5,973)
Gross profit	10,181	10,789
General and administrative expenses	(17)	(17)
Other operating income, net	(1)	57
Operating profit	10,163	10,829
Finance income	1	1,256
Finance expenses	(433)	(4,785)
Finance result	(432)	(3,529)
Profit before income tax and social contribution	9,731	7,300
Income tax and social contribution	(704)	(969)
Profit for the period	9,027	6,331

Summarized financial information: Coruripe Netherlands B.V.

Balance sheet at:

	June 30, 2024	March 31, 2024
Assets		
Current assets		
Cash and cash equivalents	1,081	947
Financial investments	12,369	10,153
Sales taxes recoverable	181	229
Other receivables	1,770	1,114
Total current assets	15,401	12,443
Non-current assets		
Related parties	1,725,348	1,512,615
Total non-current assets	1,725,348	1,512,615
Total assets	1,740,749	1,525,058

	June 30, 2024	March 31, 2024
Liabilities		
Current liabilities		
Accounts payable	186	581
Total current liabilities	186	581
Non-current liabilities		
Loans and financing	1,728,043	1,515,276
Related parties	16,547	13,374
Total non-current liabilities	1,744,590	1,528,650
Total liabilities	1,744,776	1,529,231
Equity		
Accumulated deficit	(4,027)	(4,173)
Total equity (equity deficit)	(4,027)	(4,173)
Total liabilities and equity	1,740,749	1,525,058

(In thousands of reais, unless otherwise stated)

Statement of operations for the three-month periods ended June 30:

	2024	2023
General and administrative expenses	(59)	(132)
Operating loss	(59)	(132)
Finance income	42,767	37,029
Finance expenses	(42,106)	(37,210)
Finance result	661	(181)
Profit (loss) before income tax and social contribution	602	(313)
Profit (loss) for the period	602	(313)

12. Biological assets

Biological assets relate to the cultivation of sugarcane crops to be used as raw material in the production of sugar and ethanol. 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. Sugarcane 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 correspond only to the sugarcane crop, without considering the land on which these are located nor the bearer plant.

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

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

(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

(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, machinery and equipment); (iv) costs of lease and agricultural partnership and (v) taxes levied on positive cash flow.

(In thousands of reais, unless otherwise stated)

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

	Parent company and Consolidated			
	June 30, 2024		March 31, 2024	
	Northeast	Southeast	Northeast	Southeast
Estimated harvest area (in hectares)	26,586	78,590	26,712	73,187
Expected productivity (in metric tons of sugarcane per hectare)	75.21	82.73	75.20	84.40
Total amount of recoverable sugar - ATR (kg) - Partnership	130.00	134.50	130.00	134.50
Total amount of recoverable sugar - ATR (kg) - Lease	114.09	125.81	114.09	125.81
Price of projected average ATR kg (R$/kg)	1.4253	1.2128	1.4086	1.1729

Based on the estimate of revenues and costs, the Company discounts future cash flows to present values using an annual discount rate of 15.70% p.a. (March 31, 2024 - 14.04% p.a.), being appropriate for investment remuneration in such circumstances. Changes in fair value are recorded in biological assets against "Variation in the fair value of biological assets", in "Cost of products sold" in the statement of operations.

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

	Parent company and Consolidated	
	2024	2023
Opening balance at March 31	628,796	486,996
Increases due to crop treatment	79,393	88,795
Reductions resulting from harvest	(132,100)	(134,836)
Realization of surplus from prior periods	(21,948)	14,173
Reductions resulting from the sales of crops	(80)	
Increases due to acquisition of crops		10,075
Depreciation of crops (Note 13)	60,757	63,425
Changes in fair value	7,386	41,607
Closing balance at June 30	**622,204**	**570,235**

The change in fair value of biological assets is recorded against Cost of products sold (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 June 30, 2024, considering a hypothetical increase/decrease in the following variables: (i) price of the sugarcane per metric ton; and (ii) sugarcane production volume. The other variables were held constant. The sensitivity analysis considering three increase or decrease variation scenarios are as follows.

	Parent company and Consolidated			
	Unit	2.50%	5.00%	7.50%
Changes:				
Price	R$ Thousand	17,879	35,757	53,636
Volume	R$ Thousand	14,108	28,216	42,324

(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 with 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 the 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 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.

<u>Impairment of non-financial assets</u>

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.

<u>Balances</u>

							Parent company
				June 30, 2024			March 31, 2024
	Average depreciation rates (p.a.)	Cost	Accumulated depreciation	Residual value	Cost	Accumulated depreciation	Residual value
Aircraft	10%	2,026	(2,026)		2,026	(2,026)	
Buildings and improvements	4%	385,061	(182,844)	202,217	358,034	(179,735)	178,299
Furniture and fixtures	8%	23,960	(14,741)	9,219	23,158	(14,246)	8,912
Machinery and equipment	5%	2,383,930	(1,611,740)	772,190	2,168,645	(1,572,565)	596,080
Facilities	4%	403,106	(187,831)	215,275	325,693	(184,282)	141,411
Agricultural implements	7%	684,369	(556,736)	127,633	655,280	(538,581)	116,699
Vehicles	20%	91,010	(72,502)	18,508	93,959	(73,791)	20,168
IT equipment	10%	13,261	(7,013)	6,248	13,172	(6,828)	6,344
Fixed assets in progress		202,351		202,351	380,390		380,390
Land and properties		30,263		30,263	30,263		30,263
Right-of-use assets - crops in formation		31,836		31,836	30,814		30,814
Sugarcane bearer plants	14.3%	1,296,634	(486,894)	809,740	1,202,354	(437,185)	765,169
		5,547,807	**(3,122,327)**	**2,425,480**	**5,283,788**	**(3,009,239)**	**2,274,549**

							Consolidated
				June 30, 2024			March 31, 2024
	Average depreciation rates (p.a.)	Cost	Accumulated depreciation	Residual value	Cost	Accumulated depreciation	Residual value
Aircraft	10%	2,026	(2,026)		2,026	(2,026)	
Buildings and improvements	4%	386,821	(183,930)	202,891	359,794	(180,809)	178,985
Furniture and fixtures	8%	23,998	(14,758)	9,240	23,181	(14,262)	8,919
Machinery and equipment	5%	2,461,834	(1,678,795)	783,039	2,246,549	(1,638,049)	608,500
Facilities	4%	404,757	(189,257)	215,500	327,344	(185,702)	141,642
Agricultural implements	7%	684,369	(556,736)	127,633	655,280	(538,581)	116,699
Vehicles	20%	91,010	(72,502)	18,508	93,959	(73,791)	20,168
IT equipment	10%	13,261	(7,013)	6,248	13,172	(6,827)	6,345
Fixed assets in progress		205,007		205,007	382,265		382,265
Land and properties		30,263		30,263	30,263		30,263
Right-of-use assets - crops in formation		31,836		31,836	30,814		30,814
Sugarcane bearer plants	14.3%	1,296,634	(486,894)	809,740	1,202,354	(437,185)	765,169
		5,631,816	**(3,191,911)**	**2,439,905**	**5,367,001**	**(3,077,232)**	**2,289,769**

(In thousands of reais, unless otherwise stated)

Changes in balances

							Parent company
	March 31, 2024	Additions	Write-offs	Depreciation	Reclassifications	Transfers	June 30, 2024
Aircraft							
Buildings and improvements	178,299	206		(3,110)		26,822	202,217
Furniture and fixtures	8,912	817		(513)		3	9,219
Machinery and equipment	596,080	67,344	(570)	(44,161)		153,497	772,190
Facilities	141,411			(3,460)		77,324	215,275
Agricultural implements	116,699	29,309	(1)	(18,367)		(7)	127,633
Vehicles	20,168		(10)	(1,657)		7	18,508
IT equipment	6,344	178	(3)	(271)			6,248
Fixed assets in progress	380,390	79,607				(257,646)	202,351
Land and properties	30,263						30,263
Right-of-use assets - crops in formation	30,814	3,986		(2,964)			31,836
Sugarcane bearer plants	765,169	103,740	(1,377)	(49,731)	(8,061)		809,740
	2,274,549	**285,187**	**(1,961)**	**(124,234)**	**(8,061)**		**2,425,480**

							Consolidated
	March 31, 2024	Additions	Write-offs	Depreciation	Reclassifications	Transfers	June 30, 2024
Buildings and improvements	178,985	206		(3,122)		26,822	202,891
Furniture and fixtures	8,919	831		(513)		3	9,240
Machinery and equipment	608,500	67,344	(570)	(45,732)		153,497	783,039
Facilities	141,642			(3,466)		77,324	215,500
Agricultural implements	116,699	29,309	(1)	(18,367)		(7)	127,633
Vehicles	20,168		(10)	(1,657)		7	18,508
IT equipment	6,345	178	(3)	(272)			6,248
Fixed assets in progress	382,265	80,388				(257,646)	205,007
Land and properties	30,263						30,263
Right-of-use assets - crops in formation	30,814	3,986		(2,964)			31,836
Sugarcane bearer plants	765,169	103,740	(1,377)	(49,731)	(8,061)		809,740
	2,289,769	**285,982**	**(1,961)**	**(125,824)**	**(8,061)**		**2,439,905**

Additions to property, plant and equipment that did not affect cash

(i) At June 30, 2024, in the Parent company and Consolidated, Property, plant and equipment in progress includes capitalized interest from loans of R$ 5,616, based on the average borrowing rate of 15.48% p.a. (June 30, 2023 - R$ 12,482 with average rate of 15.64% p.a.).

(ii) At June 30, 2024, in the Parent company and Consolidated, the sugarcane crops in formation include R$ 3,835 (June 30, 2023 - R$ 5,027) 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 of 14.27% (June 30, 2023 - R$ 15.64%), over the duration of each contract, considering the incremental borrowing rate at the inception date of the contracts.

Guarantees

At June 30, 2024, property, plant and equipment items totaling R$ 669,088 (March 31, 2024 - R$ 604,806) 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 are being used at the Limeira do Oeste unit for the production of Korea Ethanol, expansion of the crushing capacity of the Campo Florido unit, installation of a crystallizer and other smaller investments in the other units.

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

(In thousands of reais, unless otherwise stated)

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	
	June 30, 2024	March 31, 2024
Surplus value included in PP&E	65,178	68,018
(-) Deferred income tax and social contribution	(22,160)	(23,126)
Carrying value adjustment	**43,018**	**44,892**

14. Intangible assets

	Parent company and Consolidated	
Software	**2024**	**2023**
Opening balance at March 31	**6,648**	**3,853**
Cost	12,824	6,269
Accumulated amortization	(6,176)	(2,416)
Residual value	**6,648**	**3,853**
Additions	41	2,782
Amortization	(484)	(324)
Closing balance at June 30	**6,205**	**6,311**
Cost	12,865	9,051
Accumulated amortization	(6,660)	(2,740)
Residual value	**6,205**	**6,311**
Average annual amortization rate	20%	20%

(In thousands of reais, unless otherwise stated)

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
Balance at April 1, 2023	118,878	781,626	823,217	1,723,721
Remeasurement		5,455	39,072	44,527
Additions (write-offs) of contracts		60,196	5,226	65,422
Depreciation	(6,232)	(41,534)	(13,168)	(60,934)
Balance at June 30, 2023	**112,646**	**805,743**	**854,347**	**1,772,736**
Balance at April 1, 2024	144,386	836,009	360,745	1,341,140
Remeasurement		11,735	2,061	13,796
Additions (write-offs) of contracts		66,550	20,813	87,363
Depreciation	(7,917)	(48,053)	(10,209)	(66,179)
Balance at June 30, 2024	**136,469**	**866,241**	**373,410**	**1,376,120**
Term of contracts (years)	1 to 6	2 to 19	5 to 38	

The changes in lease liabilities and agricultural partnerships were as follows:

	Parent company and Consolidated		
	Leases payable	Agricultural partnerships	Total
Balance at April 1, 2023	990,065	738,958	1,729,023
Payments	(19,530)	(101,948)	(121,478)
Additions (write-offs) of contracts	4,984	45,241	50,225
Remeasurement	39,072	5,455	44,527
Appropriation of financial charges	31,356	35,797	67,153
Balance at June 30, 2023	**1,045,947**	**723,503**	**1,769,450**
Current	(151,150)	(232,759)	(383,909)
Non-current	872,506	513,035	1,385,541
Balance at April 1, 2024	563,574	796,564	1,360,138
Payments	(33,657)	(124,695)	(158,352)
Additions (write-offs) of contracts	19,892	56,654	76,546
Remeasurement	2,061	11,735	13,796
Appropriation of financial charges	18,387	47,399	65,786
Balance at June 30, 2024	**570,257**	**787,657**	**1,357,914**
Current	(150,302)	(236,271)	(386,573)
Non-current	419,955	551,386	971,341

(In thousands of reais, unless otherwise stated)

The non-current balances of leases and agricultural partnerships payable mature as follows:

Maturity	June 30, 2024	March 31, 2024
Over 1 to 2 years	134,251	154,844
Over 2 to 3 years	134,421	140,085
Over 3 to 4 years	130,239	129,021
Over 4 to 5 years	123,987	110,765
Over 5 to 6 years	116,977	96,750
Over 6 years	331,466	386,657
	971,341	**1,018,122**

The Company applies 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	7.31% to 17.84%
From 3 to 6 years	7.31% to 17.39%
From 6 to 9 years	8.44% to 17.28%
From 9 to 12 years	9.19% to 17.13%
From 12 to 38 years	9.82% to 17.28%

For the Minas Gerais complex, the remeasurement of right-of-use assets and lease liabilities and agricultural partnerships payable is conducted at the end of the harvest, based on the change in the Consecana - SP index calculated on the Company's trade, considering the base date March 31. For the Alagoas complex, the remeasurement takes place at the end of each month, based on the Sindaçúcar - AL index, considering the particularities of these lease agreements, which provide for the settlement of the obligation based on the month's index and not based on the accumulated index at the end of the harvest.

The Company signed 31 lease agreements with its related party GTW Agronegócios S.A. and individuals from the Tércio Wanderley Group, with a 38-year term (Note 10 (b)). These contracts correspond to approximately 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	
	June 30, 2024	March 31, 2024	June 30, 2024	March 31, 2024
Sugarcane	291,777	180,973	291,777	180,973
Materials, services and others	160,988	152,730	163,739	154,855
	452,765	**333,703**	**455,516**	**335,828**

(In thousands of reais, unless otherwise stated)

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.

Loans and financing position is as follows:

Type	Index	Interest rate p.a. (%)	June 30, 2024	March 31, 2024	June 30, 2024	March 31, 2024
Local currency						
CRA - Agribusiness Receivables Certificate	CDI	3.00 to 9.00	501,504	556,593	501,504	556,593
CCB - Bank Credit Bill	FIXED / CDI / SELIC	3.00 to 15.42	345,470	405,602	352,010	412,173
CPR - Rural Product Bills	CDI / FIXED	2.10 to 15.48	102,968	77,754	102,968	77,754
FNE - Fundo Constitucional de Financiamento do Nordeste	FIXED / IPCA	1.35 to 14.30	113,883	140,455	113,883	140,455
Debentures	IPCA	10.08	110,079	107,100	110,079	107,100
CCE - Export Credit Bill	CDI	3.17 to 5.00	105,892	113,958	105,892	113,958
Finame	FIXED / CDI / SELIC / IPCA	3.00 to 15.39	103,773	107,796	103,773	107,796
Rural Credit	CDI	4.00	11,055	10,688	11,055	10,688
Other	FIXED	14.08		11,613		11,613
			1,394,624	**1,531,559**	**1,401,164**	**1,538,130**
Foreign currency (US$)						
Bonds	FIXED	10.05	1,689,750	1,476,360	1,692,445	1,479,021
ACC - Advance on Foreign Exchange Contract	FIXED / CDI	3.50 to 12.25	515,767	504,005	515,767	504,005
PPE - Export Prepayment	FIXED / SOFR / CDI	3.60 to 8.75	571,603	493,803	571,603	493,803
NCE - Export Credit Note	FIXED	7.70 to 8.37		64,967		64,967
			2,777,120	**2,539,135**	**2,779,815**	**2,541,796**
Total loans and financing			**4,171,744**	**4,070,694**	**4,180,979**	**4,079,926**
Current			(1,356,871)	(1,295,136)	(1,357,043)	(1,295,309)
Non-current			2,814,873	2,775,558	2,823,936	2,784,617

Long-term maturing by year of maturity of contracts:

	Parent company		Consolidated	
Year	**June 30, 2024**	**March 31, 2024**	**June 30, 2024**	**March 31, 2024**
2025/2026 harvest	571,493	752,290	571,583	758,688
2026/2027 harvest	2,024,599	1,884,523	2,033,572	1,887,184
2027/2028 harvest	98,675	84,956	98,675	84,956
2028/2029 harvest	99,269	43,310	99,269	43,310
2029/2030 harvest onwards	20,837	10,479	20,837	10,479
	2,814,873	**2,775,558**	**2,823,936**	**2,784,617**

The changes in loans and financing for the periods ended June 30, 2024 and 2023 are as below:

	Parent company		Consolidated	
	2024	**2023**	**2024**	**2023**
At April 1	4,070,694	3,633,156	4,079,926	3,641,931
Funding	79,110	353,320	79,110	353,320
Interest and foreign exchange	425,890	8,438	426,155	8,428
Payment of principal	(327,937)	(212,520)	(327,967)	(212,532)
Interest payment	(76,013)	(81,001)	(76,245)	(81,281)
At June 30	**4,171,744**	**3,701,393**	**4,180,979**	**3,709,866**

<u>Guarantees</u>

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

(In thousands of reais, unless otherwise stated)

Covenants

Under the terms of the major loan facilities, the Group is required to comply with the following financial covenants:

i. Ratio of net debt to adjusted EBITDA ≤ 3.0;
ii. EBITDA ratio adjusted by net finance costs (excluding exchange gain/losses) ≥ 2.5;
iii. Liquidity ratio ≥ 1.0; and
iv. CAPEX ≤ 1,400,000
v. Distribution of dividends ≤ 25% of the profit earned.

The covenants are measured based on the consolidated financial statements, excluding the effects of CPC 06 (R2) - Leases. Compliance with the covenants is measured only at the end of the accounting year. For the year ended March 31, 2024, the Company obtained a waiver for the liquidity ratio, which was not complied with at the balance sheet date. All other covenant ratios were complied with by the Group.

18. Other taxes payable

	Parent company		Consolidated	
	June 30, 2024	March 31, 2024	June 30, 2024	March 31, 2024
Tax installments:				
ICMS MG installments	2,702	3,461	2,702	3,461
Federal tax installments	24,956	26,099	24,956	26,099
	27,658	**29,560**	**27,658**	**29,560**
Taxes payable:				
IRRF payable	4,149	3,058	4,167	3,075
IOF payable	7,401	7,135	8,282	8,006
INSS payable	7,042	8,814	7,055	8,840
PIS/COFINS payable	476	658	776	736
Deferred PIS and COFINS - IAA 4870 (Notes 9 and 21)		158,280		158,280
ICMS payable	3,476	1,293	3,794	1,322
Other taxes and contributions	2,360	1,180	2,375	1,202
	24,904	**180,418**	**26,449**	**181,461**
Total taxes payable	**52,562**	**209,978**	**54,107**	**211,021**
Current	(35,651)	(33,213)	(37,196)	(34,256)
Non-current	16,911	176,765	16,911	176,765

The long-term payables classified by maturity year (tax in installments and deferred PIS/COFINS on IAA 4870) are:

	Parent company		Consolidated	
Year	June 30, 2024	March 31, 2024	June 30, 2024	March 31, 2024
2025/2026 harvest	9,592	9,283	9,592	9,283
2026/2027 harvest	4,988	7,021	4,988	7,021
2027/2028 harvest	1,853	159,828	1,853	159,828
2028/2029 harvest onwards	478	633	478	633
	16,911	**176,765**	**16,911**	**176,765**

(In thousands of reais, unless otherwise stated)

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 three-month period ended June 30, 2024, revenue of R$ 210,252 refers to carried-forward contract liabilities in previous periods (June 30, 2023 - R$ 182,193).

	Parent company and Consolidated	
	June 30, 2024	**March 31, 2024**
Tradings - sugar	950,602	951,139
Ethanol distributors	31,816	29,488
Sale of crystal sugar	1,138	1,217
Other	402	1,256
	983,958	**983,100**
Current	(497,021)	(450,467)
Non-current	486,937	532,633

Advance payments recognized in non-current liabilities refer to contracts for the supply of sugar in Reais and U.S. dollars, with an average annual rate of 16.90% and 13.43%, respectively. Interest is settled on a financial basis.

The scheduled delivery of contracts is as follows:

	Parent company and Consolidated	
Year	**June 30, 2024**	**March 31, 2024**
2025/2026 harvest	346,735	434,965
2026/2027 harvest	66,064	48,834
2027/2028 harvest	61,486	48,834
2028/2029 harvest	12,652	
	486,937	**532,633**

(In thousands of reais, unless otherwise stated)

20. Commitments under electricity contracts

	Parent company and Consolidated	
	June 30, 2024	March 31, 2024
Electric energy	117,620	165,121
	117,620	**165,121**
Current	(95,884)	(139,702)
Non-current	21,736	25,419

The Company has contracts for the supply of electricity generating advance receipts signed with the same counterparty for which it maintains electricity purchase contracts at the same volumes and supply dates. As these contracts have significant financing components, interest is appropriated over the period of supply. At June 30, 2024, the average effective interest rates of these contracts vary from 13.80% p.a. to 18.04% p.a. (At March 31, 2024 - 13.80% p.a. and 20.08% p.a.).

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

	Parent company and Consolidated	
Year	**June 30, 2024**	**March 31, 2024**
2025/2026 harvest	21,736	25,419
	21,736	**25,419**

The changes in energy commitments for the periods ended June 30, 2024 and 2023 are shown below:

	Parent company and Consolidated	
	2024	**2023**
At April 1	165,121	218,024
Interest incurred	5,535	8,572
Payment of principal	(39,256)	(5,664)
Interest payment	(13,780)	(1,754)
At June 30	**117,620**	**219,178**

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.

(In thousands of reais, unless otherwise stated)

Probable losses

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

	Parent company and Consolidated	
	June 30, 2024	March 31, 2024
Labor	2,795	2,988
Civil	4,381	4,381
Tax	1,303	1,303
	8,479	**8,672**

Changes in provisions for probable losses were as follows:

	Parent company and Consolidated			
	Labor	Civil	Tax	Total
At March 31, 2023	1,530	4,403	67,187	73,120
Constitutions	614			614
Reversals			(4,121)	(4,121)
At June 30, 2023	**2,144**	**4,403**	**63,066**	**69,613**
At March 31, 2024	2,988	4,381	1,303	8,672
Reversals	(193)			(193)
At June 30, 2024	**2,795**	**4,381**	**1,303**	**8,479**

Tax: refers to a lawsuit referring to COFINS for the period from 07/1997 to 12/1997.

Civil: relate to compensation amounts from general and environmental administrative penalties for the use of fire to clear sugarcane crop areas; the matter is being challenged by the Company.

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

Possible losses

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, are estimated as follows:

	Parent company and Consolidated	
	June 30, 2024	March 31, 2024
Labor contingencies	2,197	2,380
Civil contingencies	81,539	79,528
Tax contingencies	386,571	224,146
	470,307	**306,054**

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

Tax

As described in Notes 2.10 (d) and 9, at June 30, 2024, the Company assessed the impact of certain events that have occurred recently in determining the probability of an outflow of funds for the payment of PIS and COFINS on the amount of IAA indemnity credits (Note 9) and concluded that it is no longer probable. Consequently, the provision was written off in the current quarter (Note 18).

Management believes, as supported by the assessment of independent legal advisors, that the IAA indemnity credits should be treated as a recomposition of the Company's equity and not as revenue and, therefore, it is not treated as taxable for purposes of PIS and COFINS.

This assessment took into account Repetitive Appeal No. 1.237, which addresses taxing similar income and will likely influence the interpretation of the existing tax understanding in the event of a future change in the current interpretation, or new positions by the STJ (Superior Court of Justice). Management continues to monitor this matter for changes that may indicate a likely future outflow of funds.

At June 30, 2024, this contingent liability is estimated at R$ 161,201.

Proceeding 10410.720364/2017-98

A once-off fine (item 10 of article 89 of Law 8,212/91) for having offset INSS payables by PIS and COFINS credits between 2014 and 2016, in the approximate amount, at June 30, 2024, of R$ 148,010 (March 31, 2024 - R$ 144,359). In March 2017, the principal amount offset by the Company subject to disallowance by the tax authorities was included in the Tax Amnesty and Refinancing Program (TRP).

The tax authorities applied a once-off fine of 150% on the principal 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 handed to the Federal Revenue following a tiebreak vote. The Company filed a petition with the lower court. Management, under the advice of its legal advisors, believes 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 annul 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 June 30, 2024, the Company is still awaiting the final and unappealable court decision issued by the TRF5 in the annulment action, the process is covered 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$ 71,370 (March 31, 2024 - R$ 69,610). 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 (0003665-31.2005.4.05.8000)

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. The Company calculated and recorded R$ 35,863 related to the credits 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.

The Company hired tax specialists who are assisting in the analysis from 2008 of the STF decision regarding the exclusion of ICMS from the PIS/COFINS calculation base referring to the special regime ("*ad rem*") for ethanol. These experts believe that it is not possible to classify the *ad rem* effects as being practically certain and, therefore, management has not recognized these in the Company's financial statements. Management, together with its tax specialists, continues to assess developments and does not believe that a material impact will arise from recording credits in the future in the event the matter is concluded successfully.

22. Equity

a) Share capital

The subscribed and paid-up capital at June 30, 2024 is R$ 867,567, is 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 June 30, 2024 and March 31, 2024, treasury shares total R$ 1,215, being 4.16 shares owned by Coruripe Holding S.A. The shares arose from the rounding of nominal shares and were placed in treasury.

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 charged to "Retained earnings".

Fair value of hedge accounting

Refers to the results from operations with derivative financial instruments not conducted/settled, classified as hedge accounting. The accumulated amounts are reversed from equity as the maturity and shipments from 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 for retention of profits

The Company retained the profit realized in equity up to the share capital limit based on Article 199 of Law 6,404/1976, which determines that the balance of profit reserves, other than equity contingencies, for tax incentives and unrealized profits, cannot exceed the share capital. Retention of profits is being allocated to investments for expanding production capacity, improving processes and amortizing liabilities with financial institutions, funds and investments, CRAs and investors in general. Surplus profits are available for allocation by the shareholder.

Reserve of profits for deliberation

Retained earnings after the constitution of legal and tax incentive reserves and minimum mandatory dividends are transferred to the Reserve of profits for deliberation at the General Meeting.

On July 12, 2024, at the Annual General Meeting, the shareholder deliberated on the destination of the profit of R$ 271,465 for the year ended March 31, 2024, approving:

(i) R$ 13,573 allocated to the Legal Reserve;
(ii) R$ 49,916 allocation to the creation of a Tax Incentive Reserve;
(iii) R$ 51,994 as proposed dividends; and
(iv) R$ 155,982 maintained in Reserve of profits for deliberation.
(v) The dividends distributed totaled R$ 54,598 and the remaining profit balance was maintained in a reserve of profits for deliberation.

Dividends

Shareholders are assured a minimum dividend of 25% of profit for the year after absorbing any accumulated deficit and making appropriations to the legal reserve.

In the three-month period ended June 30, 2024, the Company paid advance dividends to its parent company in the amount of R$ 9,194.

23. Net operating revenue

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 interim 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. Clients gain control of electricity once consumed.

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.

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 three-month period ended June 30, 2024, the Company sold 25,230 Cbios on the Brazilian stock exchange (B3 S.A. - Brasil, Bolsa, Balcão ("B3")), with net revenue of R$ 1,865 (June 30, 2023 - R$ 5,329 - equivalent to 57,277 Cbios).

The sale of Cbios is conducted 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.

(In thousands of reais, unless otherwise stated)

	Parent company		Consolidated	
	2024	2023	2024	2023
VHP sugar	510,629	381,905	510,629	381,905
Crystal sugar	112,765	73,196	112,765	73,196
Anhydrous ethanol fuel	109,228	158,898	109,228	158,898
Hydrated ethanol fuel	68,691	73,763	68,691	73,763
Sale of energy - production	7,725	10,029	22,909	25,133
Molasses	26,675	32,621	26,675	32,621
Revenues from services	3,595	3,490	3,402	3,297
Cbios sales revenue	1,865	5,329	1,865	5,329
Revenue from subsidy granted (i)	25,519	15,229	25,519	15,229
Other sales revenue	186	5,293	186	5,133
	866,878	**759,753**	**881,869**	**774,504**

(i) Sales tax credits

The Company and the Group have subsidies granted from the States of Alagoas and Minas Gerais (Note 2.6). 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 hydrated 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)

On alcohol sales - tariff of R$ 23.38 per m^3.
On sugar sales - zero rate - and on other revenues 1.65% on revenue.

Contribution to Social Security Financing (COFINS)

On alcohol sales - tariff of R$ 107.52 per m^3.

On sugar sales - zero rate - and on other revenues 7.60% on revenue.

Excise Tax (IPI)

a) On sugar sales - zero rate;
b) On sales of alcohol – tax exempt; and
c) On sales of molasses - 5% tax.

(In thousands of reais, unless otherwise stated)

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) Hydrated 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 operations; 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.

Exclusive taxation

Cbios at 15% for Income Tax pursuant to Agricultural Law 13,986/2020, article 60. In addition, the Company provides for 9.25% of PIS and COFINS on disputes.

National Institute of Social Security (INSS)

Calculated on sale of agribusiness rural production (gross revenue) to the domestic market, at a rate of 2.85%.

24. Expenses by nature

Operating costs and expenses by nature are as follows:

	Parent company		Consolidated	
	2024	2023	2024	2023
Cost of products sold				
Staff	(39,939)	(45,534)	(40,159)	(45,731)
Raw materials	(300,845)	(227,673)	(299,054)	(226,370)
Change in fair value of biological assets	7,386	41,607	7,386	41,607
Third-party labor and freight	(14,975)	(22,294)	(16,133)	(23,316)
Fuels and lubricants	(10,400)	(21,042)	(10,400)	(21,042)
Inputs	(17,704)	(29,984)	(17,704)	(29,984)
Maintenance materials	(19,974)	(22,464)	(19,974)	(22,464)
Depreciation of right-of-use assets	(34,449)	(28,257)	(34,449)	(28,257)
Depreciation and amortization (except sugarcane crops)	(46,194)	(67,663)	(47,784)	(68,876)
Depreciation of sugarcane crops	(32,437)	(31,516)	(32,437)	(31,516)
Realization of biological assets' surplus from prior periods	(4,390)	7,609	(4,390)	7,609
Costs of crop treatment of harvested sugarcane	(57,302)	(57,722)	(57,302)	(57,722)
Electric energy - consumption	(1,195)	(997)	(1,195)	(997)
Other	(2,829)	(12,168)	(3,824)	(13,353)
	(575,247)	**(518,098)**	**(577,419)**	**(520,412)**

(In thousands of reais, unless otherwise stated)

	Parent company		Consolidated	
	2024	2023	2024	2023
Selling expenses				
Staff	(5,248)	(4,703)	(5,248)	(4,703)
Third-party labor	(1,056)	(745)	(1,056)	(745)
Freight on sales	(44,381)	(39,982)	(44,381)	(39,982)
Fuels and lubricants	(360)	(186)	(360)	(186)
Maintenance materials	(449)	(297)	(449)	(297)
Depreciation and amortization	(1,657)	(1,294)	(1,657)	(1,294)
Depreciation of right-of-use assets	(1,028)	(863)	(1,028)	(863)
Electric energy	(5)	(11)	(5)	(11)
Other	(2,102)	(2,088)	(2,102)	(2,088)
	(56,286)	**(50,169)**	**(56,286)**	**(50,169)**

	Parent company		Consolidated	
	2024	2023	2024	2023
General and administrative expenses				
Staff	(32,677)	(27,721)	(32,677)	(27,721)
Third-party labor	(23,077)	(18,101)	(23,142)	(18,109)
Leases of vehicles and office equipment	(1,323)	(345)	(1,323)	(345)
Fuels and lubricants	(308)	(274)	(308)	(274)
Maintenance materials	(948)	(800)	(948)	(800)
Depreciation and amortization	(1,495)	(1,278)	(1,495)	(1,278)
Fees and licenses	(1,035)	(1,006)	(1,035)	(1,006)
Electric energy	(41)	(34)	(41)	(34)
Other	(5,267)	(3,894)	(5,278)	(4,035)
	(66,171)	**(53,453)**	**(66,247)**	**(53,602)**

(In thousands of reais, unless otherwise stated)

25. Finance income and expenses

	Parent company		Consolidated	
	2024	**2023**	**2024**	**2023**
Finance income				
Foreign exchange gains	44,338	146,131	44,338	146,131
Income from financial investments	8,241	3,517	8,646	4,715
Indexation accruals and recalculation of credits - IAA 4870	62,829	59,256	62,829	59,256
Interest on loan agreements	728	2,800	554	590
Other finance income	76	472	76	472
	116,212	**212,176**	**116,443**	**211,164**
Finance expenses				
Foreign exchange losses	(256,166)	(50,967)	(256,166)	(50,967)
Interest on loans and financing	(123,578)	(96,764)	(123,552)	(97,519)
Interest on leases and agricultural partnerships - CPC 06 (R2)	(63,513)	(64,702)	(63,513)	(64,702)
Interest on advances received	(5,536)	(8,572)	(5,536)	(8,572)
Transaction cost	(29,683)	(14,807)	(29,683)	(14,807)
Other finance expenses	(5,878)	(3,115)	(5,906)	(5,104)
	(484,354)	**(238,927)**	**(484,356)**	**(241,671)**
Result on derivatives			430,742	
			422,365	
Instruments designated for hedge accounting			8,377	
Foreign exchange derivatives - cross-currency swap	144,623	(129,161)	144,623	(129,161)
Interest derivatives - interest rate swap	(1,271)	(1,197)	(1,271)	(1,197)
Foreign exchange non-derivatives - debts	16,870	(27,967)	16,870	(27,967)
Instruments not designated for hedge accounting				
Foreign exchange derivatives - cross-currency swap	1,097	(3,917)	1,097	(3,871)
Foreign exchange derivatives - options / NDF	(10,667)	6,711	(10,667)	(5,927)
	150,652	**(168,169)**	**150,652**	**(168,123)**
Finance result	**(217,490)**	**(194,920)**	**(217,261)**	**(198,630)**

26. Segment information (Consolidated)

Management defines the Group's operating segments, based on the reports used for strategic decision making, as 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.

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

(In thousands of reais, unless otherwise stated)

Current and deferred income taxes 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 among 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 conducted based on the operating profit by product, as follows:

							Consolidated June 30, 2024
	Sugar	Ethanol	Energy	Molasses	Other products	Non-segmented	Total
Net operating revenue	623,394	177,919	22,909	26,675	30,972		881,869
Cost of products sold	(399,729)	(149,284)	(7,038)	(15,101)	(6,267)		(577,419)
Gross profit	**223,665**	**28,635**	**15,871**	**11,574**	**24,705**		**304,450**
Selling expenses	(39,789)	(11,356)	(1,462)	(1,703)	(1,976)		(56,286)
General and administrative expenses	(46,830)	(13,365)	(1,721)	(2,004)	(2,327)		(66,247)
Equity in the result of investees						1,061	1,061
Other operating expenses, net					2,941	126,861	129,802
Operating profit	**137,046**	**3,914**	**12,688**	**7,867**	**23,343**	**127,922**	**312,780**
Other non-segmented expenses						(217,261)	(217,261)
Non-segmented income tax and social contribution						469,251	469,251
Loss for the period	**137,046**	**3,914**	**12,688**	**7,867**	**23,343**	**379,912**	**564,770**

							Consolidated June 30, 2023
	Sugar	Ethanol	Energy	Molasses	Other products	Non-segmented	Total
Net operating revenue	455,101	232,661	25,133	32,621	28,988		774,504
Cost of products sold	(337,451)	(146,424)	(10,332)	(15,654)	(10,551)		(520,412)
Gross profit	**117,650**	**86,237**	**14,801**	**16,967**	**22,136**		**254,092**
Selling expenses	(28,610)	(14,565)	(1,640)	(2,041)	(3,313)		(50,169)
General and administrative expenses	(30,492)	(15,524)	(1,748)	(2,176)	(3,662)		(53,602)
Equity in the result of investees						998	998
Other operating income (expenses), net					6,748	(10,503)	(3,755)
Operating profit	**58,548**	**56,148**	**11,413**	**12,750**	**21,909**	**(13,204)**	**147,564**
Other non-segmented expenses						(198,630)	(198,630)
Non-segmented income tax and social contribution						(21,119)	(21,119)
Loss for the period	**58,548**	**56,148**	**11,413**	**12,750**	**21,909**	**(232,953)**	**(72,185)**

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

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

In the three-month period ended June 30, 2024, the Group had two customers which represented 35.0% or more of consolidated revenues (June 30, 2023 - two customers represented 16.0% or more of consolidated revenues). These revenues totaled approximately R$ 310,498 and were from sales of Sugar (at June 30, 2023 - R$ 221,968 for Sugar). There are no customers in other segments that represent 5% or more of total sales revenue.

The Group is domiciled in Brazil. Its revenue from customers in Brazil totals R$ 403,950 (2023 - R$ 411,118), and the revenue from customers overseas, based on the sale destination, totals R$ 447,919 (2023 - R$ 363,386) represented by sugar and ethanol sales, as shown below:

(In thousands of reais, unless otherwise stated)

	Consolidated June 30, 2024					
	Sugar	Ethanol	Energy	Molasses	Other products	Total
Brazil	145,475	177,919	22,909	26,675	30,972	403,950
France	170,487					170,487
England	19,294					19,294
Switzerland	223,298					223,298
United States of America	64,840					64,840
Total	**623,394**	**177,919**	**22,909**	**26,675**	**30,972**	**881,869**

	Consolidated June 30, 2023					
	Sugar	Ethanol	Energy	Molasses	Other products	Total
Brazil	97,722	226,654	25,133	32,621	28,988	411,118
France	157,171					157,171
England	199,754					199,754
Switzerland		6,007				6,007
United States of America	454					454
Total	**455,101**	**232,661**	**25,133**	**32,621**	**28,988**	**774,504**

The non-cash expenses and income affecting 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 June 30, 2024					
	Sugar	Ethanol	Energy	Molasses	Other products	Total
Depreciation and amortization	(66,772)	(40,019)	(5,321)	(3,414)	(1,734)	(117,260)
Fair value of biological assets	4,490	2,668		228		7,386
Total	**(62,282)**	**(37,351)**	**(5,321)**	**(3,186)**	**(1,734)**	**(109,874)**

	Consolidated June 30, 2023					
	Sugar	Ethanol	Energy	Molasses	Other products	Total
Depreciation and amortization	(69,387)	(48,320)	(5,734)	(3,933)	(4,709)	(132,084)
Fair value of biological assets	23,734	16,528		1,345		41,607
Total	**(45,653)**	**(31,793)**	**(5,734)**	**(2,588)**	**(4,709)**	**(90,477)**

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						
	June 30, 2024						
	Sugar	Ethanol	Energy	Molasses	Other products	Non-segmented	Total
Trade receivables	72,120	44,639	14,888	23,330	12,652		167,629
Inventories	220,237	150,603		2,848	136,919		510,607
Advances to suppliers	220,398	130,988		11,176			362,562
Biological assets	378,233	224,793		19,178			622,204
Property, plant and equipment	1,423,208	679,837	212,835	50,828	73,197		2,439,905
Intangible assets	3,730	2,219	66	190			6,205
Right-of-use assets	836,532	497,172		42,416			1,376,120
Total segmented assets	**3,154,458**	**1,730,251**	**227,789**	**149,966**	**222,768**		**5,485,232**
Unallocated:							
Cash and cash equivalents						500,461	500,461
Financial investments						152,441	152,441
Related parties						26,895	26,895
Sales taxes recoverable						179,707	179,707
Income tax and social contribution paid						25,724	25,724
Deferred income tax and social contribution						441,406	441,406
Derivative financial instruments						133,319	133,319
Other receivables						4,392,698	4,392,698
Judicial deposits						6,717	6,717
Investments						33,255	33,255
Total assets not allocated						**5,892,623**	**5,892,623**
Total assets as per the balance sheet	**3,154,458**	**1,730,251**	**227,789**	**149,966**	**222,768**	**5,892,623**	**11,377,855**

	Consolidated						
	March 31, 2024						
	Sugar	Ethanol	Energy	Molasses	Other products	Non-segmented	Total
Trade receivables	72,647	19,679	10,738	4		2,874	105,942
Inventories	57,120	24,893		604	130,774		213,391
Advances to suppliers	210,630	138,820		11,000			360,449
Biological assets	367,438	242,378		18,980			628,796
Property, plant and equipment	1,190,193	690,110	291,540	49,183	68,743		2,289,769
Intangible assets	3,843	2,535	69	201			6,648
Right-of-use assets	784,010	516,404		40,726			1,341,140
Total segmented assets	**2,685,881**	**1,634,818**	**302,347**	**120,698**	**199,517**	**2,874**	**4,946,135**
Unallocated:							
Cash and cash equivalents						1,155,469	1,155,469
Financial investments						160,067	160,067
Related parties						20,631	20,631
Sales taxes recoverable						150,930	150,930
Income tax and social contribution paid						21,906	21,906
Derivative financial instruments						61,879	61,879
Other receivables						4,322,961	4,322,961
Judicial deposits						6,391	6,391
Investments						32,193	32,193
Total assets not allocated						**5,932,427**	**5,932,427**
Total assets as per the balance sheet	**2,685,881**	**1,634,818**	**302,347**	**120,698**	**199,517**	**5,935,301**	**10,878,562**

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	
	June 30, 2024	June 30, 2023
Sugar	457,059	118,980
Ethanol	87,164	125,403
Energy	9,030	620
Molasses	12,696	12,666
Other products	12,323	5,535
	578,272	**263,204**

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 expenses, net

	Parent company		Consolidated	
	2024	2023	2024	2023
Revenue from the sale of scrap	6.635	4.359	6.635	4.359
Income from PIS and COFINS on fixed assets	816	5.871	816	5.871
Revenue from the sale of fixed assets	3.429	147	3.429	147
Write-off of residual cost on sale of fixed assets	(2.043)	(113)	(2.043)	(113)
Other taxes and taxes in installments	(1.905)	(1.079)	(1.905)	(1.079)
Provisions (reversals) with estimated losses	(1.719)	(2.397)	(1.719)	(2.397)
Deferred PIS/COFINS on credits - IAA 4870 (Note 9)	158.280	(2.755)	158.280	(2.755)
Provision for attorney's fees - IAA 4870	(31.418)	(7.111)	(31.418)	(7.111)
Other income (expenses), net	367	914	(2.272)	(677)
	132.442	**(2.164)**	**129.803**	**(3.755)**

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.

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

	Parent company		Consolidated	
	June 30, 2024	March 31, 2024	June 30, 2024	March 31, 2024
Current assets:				
IRPJ (Income Tax) credits	16,187	15,452	16,187	15,452
CSLL (Social Contribution) credits	9,537	6,454	9,537	6,454
	25,724	**21,906**	**25,724**	**21,906**
Current liabilities:				
IRPJ (Income Tax) payable			(468)	(69)
CSLL (Social Contribution) payable			(259)	(42)
			(727)	**(111)**

The composition of the current and deferred income and social contribution taxes recognized in the statement of operations at June 30, 2024 and 2023 is as follows:

	Parent company		Consolidated	
	2024	2023	2024	2023
Current:				
Income tax			(455)	(664)
Social contribution			(249)	(305)
			(704)	**(969)**
Deferred:				
Income tax	134,830	(12,326)	134,830	(12,326)
Social contribution	335,125	(7,824)	335,125	(7,824)
	469,955	**(20,150)**	**469,955**	**(20,150)**
	469,955	**(20,150)**	**469,251**	**(21,119)**

(In thousands of reais, unless otherwise stated)

Deferred income tax and social contribution assets and liabilities

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

	Parent company and Consolidated			
	June 30, 2024	Recognized in the statement of operations	Recognized in other comprehensive income	March 31, 2024
Assets:				
Provision for losses on doubtful debts	272	(2)		274
Provision for losses on advances to suppliers	21,146	818		20,328
Provision for inventory losses	1,356	(487)		1,843
Provision for profit distribution to employees and others	10,039	1,665		8,374
Provision for contingencies	2,883	(66)		2,949
Income tax and social contribution losses	248,459	(187,692)		436,151
Derivative financial instruments	24,762	(55,650)	70,768	9,644
Provision for attorney's fees - IAA 4870	82,765	4,792		77,973
Leases and agricultural partnerships - CPC 06 (R2)	21,973	(10,245)		32,218
Foreign exchange variations	166,482	87,253		79,228
	580,137	**(159,613)**	**70,768**	**668,982**
Liabilities:				
Deemed cost increment of property, plant and equipment	(22,160)	966		(23,126)
Accelerated tax-incentive depreciation	(24,138)	350		(24,488)
Useful life of PP&E	(79,281)	(2,340)		(76,941)
Fair value of biological assets	(13,152)	4,951		(18,103)
Adjustment to present value of IAA credits		625,640		(625,640)
	(138,730)	**629,568**		**(768,298)**
Deferred income tax and social contribution assets, net	**441,406**	**469,955**	**70,768**	**(99,316)**

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	
	June 30, 2024	March 31, 2024
2023/2024 harvest		22,132
2024/2025 harvest	280,613	82,686
2025/2026 harvest	32,382	70,523
2026/2027 harvest	127,652	99,041
2027/2028 harvest	54,506	47,376
2028/2029 harvest	42,627	42,627
2029/2030 harvest onwards	42,357	304,597
	580,137	**668,982**

Deferred income tax and social contribution liabilities are mostly realized upon 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 thousands of reais, unless otherwise stated)

Reconciliation from the statutory to the effective income tax and social contribution rates

	Parent company	
	2024	2023
	Quarter	Quarter
Profit (loss) before income tax and social contribution	94,816	(52,035)
Statutory rate	34%	34%
	(32,237)	**17,692**
Adjustments to determine the effective rate:		
Equity interest	3,635	2,385
Permanent differences, net	16,634	(3,702)
Effect of exploration profit on the IAA credits	-	9,261
Review of IAA taxation estimates (i)	625,640	-
Derecognized tax losses (ii)	(187,692)	-
Reversal of PIS and COFINS on IAA credits (Note 21)	53,815	-
State subsidies	-	5,178
Tax loss carryforward assets not recognized	(3,293)	(49,192)
Other	(6,548)	(1,772)
Income tax and social contributions taxes	**469,954**	**(20,150)**

	Consolidated	
	2024	2023
	Quarter	Quarter
Profit (loss) before income tax and social contribution	94,816	(51,066)
Statutory rate	34%	34%
	(32,237)	**17,362**
Adjustments to determine the effective rate:		
Permanent differences, net	16,634	(3,702)
Effect of exploration profit on the IAA credits	-	9,261
Review of IAA taxation estimates (i)	625,640	-
Derecognized tax losses (ii)	(187,692)	-
Reversal of PIS and COFINS on IAA credits (Note 21)	53,815	-
State subsidies	-	5,178
Tax loss carryforward assets not recognized	(3,293)	(49,192)
Other	(6,548)	(1,772)
Difference for subsidiary taxed under the presumed profit regime	2,932	1,746
Income tax and social contribution taxes	**469,251**	**(21,119)**

(i) In the quarter ended June 30, 2024, the Company and the Group wrote off deferred income tax and social contribution on carryforward tax losses of R$ 187,692, which were previously recorded to be used within the limits permitted by applicable legislation, upon any taxation of the IAA indemnity credits, as management believes that pecuniary damage indemnities are not taxable.

(ii) The Company did not recognize the deferred tax carryforward assets in the three-month period ended June 30, 2024 as these are only recognizes to the extent that probable future taxable income will be available for offset, as approved by the Board of Directors. The tax effect of unrecognized tax losses at June 30, 2024 is R$ 9,685 (at June 30, 2023 - R$ 144,682).

Deferred taxes on IAA

At June 30, 2024, management, under the advice of its legal advisors, reversed the provision for deferred IRPJ and CSLL on credits receivable related to the IAA/4870 ordinary indemnity actions, since it believes that, based on an analysis of events occurred at the beginning of this harvest, the chances of the Company obtaining a favorable outcome and not being required to pay IRPJ and CSLL is now more likely than not (Notes 2.10 (d) and 9 (a)).

This is consistent with management's view that the IAA/4870 indemnity pecuniary damages, arising from the Federal Regional Court of the 5th Region ("TRF5") and the Superior Court of Justice ("STJ"), are tax exempt.

The classification of these indemnities as pecuniary damage is assessed by management, reflecting case law of the Superior Council for Tax Appeals (CARF), which, similarly to the decisions involving the IAA, has also recognized that pecuniary damage as being tax exempt. An assessment of documents related to decisions favorable to the Company, indicates that this is an indemnity for direct damages and not loss of profits.

Accordingly, the deferred tax liabilities write-off in the quarter of R$ 625,640, as recorded at March 31, 2024, which had been recorded at 75% of the income tax and social contribution rate, results in the combined rate of 15.25%.

The Company's management, together with its legal advisors, will continue to monitor any relevant changes in the legal scenario, and need to reassess the tax aspects related to the IAA indemnity.

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 June 30, 2024, the Company and the Group have fixed prices contracts for the 2024/2025 harvest for USD 587,914 thousand (June 30, 2023: USD 419,671 thousand) for future sales. Management evaluated these commitments and did not identify transactions that are featured as onerous contracts for the Company at June 30, 2024 and 2023.

(In thousands of reais, unless otherwise stated)

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

	2024	2023
Quantities agreed at the beginning of the period	**2,642,000**	**2,342,274**
Amounts contracted during the period	180,000	489,909
Amounts shipped during the period	(267,558)	(143,515)
Future commitments - amounts to be shipped	**2,554,442**	**2,688,669**
Maturities		
2023/2024 harvest		818,669
2024/2025 harvest	935,442	975,000
2025/2026 harvest	1,147,000	745,000
2026/2027 harvest	412,000	150,000
2027/2028 harvest	60,000	
	2,554,442	**2,688,669**

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 2024/2025 harvest and on the market prices for the quantities not fixed, and from future harvests with quantities already committed by the Company, estimated revenue totals R$ 9,111,417. Management expects that 36% of these transactions will be recognized as revenue during this financial year, 2024/2025 harvest, 33% by 2025/2026 and 31% by 2026/2027.

Power supply contract

The Company has a contract signed with Eletrobras, under the Incentive Program for Alternative Sources of Electric Energy (PROINFA), for the 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. At June 30, 2024, R$ 2,640 relates to this contract (June 30, 2023 - R$ 1,843) and the expected revenue of this contract is R$ 18,481, being 43% for the 2024/2025 harvest and 57% for the 2025/2026 harvest.

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

2024/25 harvest - 296,400 MWh with expected revenue of R$ 50,514;
2025/26 harvest - 247,840 MWh with expected revenue of R$ 45,686;
2026/27 harvest - 150,000 MWh with expected revenue of R$ 27,125.

(i) EDP Comercialização e Serviços de Energia Ltda., with a supply term from April 1, 2024 to November 30, 2024, a second contract with supply from April 1, 2025 to November 30, 2025, and a third contract with supply from April 1, 2026 to November 30, 2026, totaling R$ 58,101;

(ii) Czarnikow Brasil Ltda., with a supply term from April 1, 2024 to November 30, 2024, totaling R$ 18,306;

(iii) Vitol Energia, with a supply term from April 1, 2025 to November 30, 2025 and a second contract with supply from April 1, 2025 to November 30, 2025, totaling R$ 18,938;

(iv) Shell, with a supply term from April 1, 2025 to November 30, 2025, totaling R$ 9,180; and

(In thousands of reais, unless otherwise stated)

(v) Pacífico Energia, with a supply term from April 1, 2026 to November 30, 2026 and a second contract with supply from April 1, 2026 to November 30, 2026, totaling R$ 18,938;

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 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 2024/2025 harvest and by harvest, in metric tons, are as follows:

Harvest	2024	2023
2023/2024 harvest		6,889,031
2024/2025 harvest	7,142,059	9,185,374
2025/2026 harvest	9,522,745	9,185,374
2026/2027 harvest	9,522,745	9,185,374
2027/2028 harvest	9,522,745	45,926,870
2028/2029 harvest onwards	47,613,725	
	83,324,019	**80,372,023**

At June 30, 2024, the normal sugarcane crushing capacity for the next crop, considering all the Company's units, is 16,500 thousand metric tons (not within the scope of the review of the independent accountants).

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 June 30, 2024, these total R$ 135,326 (March 31, 2024 - R$ 115,546). 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.

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.

(In thousands of reais, unless otherwise stated)

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:

	Note	June 30, 2024		March 31, 2024	
		R$	US$	R$	US$
Assets					
Cash and cash equivalents	3	270,140	48,599	472,086	94,495
Trade receivables	5	9,177	1,651	10,465	2,095
		279,317	**50,250**	**482,551**	**96,589**
Liabilities					
Loans and financing	17	(2,777,120)	(499,608)	(2,539,135)	(508,244)
		(2,777,120)	**(499,608)**	**(2,539,135)**	**(508,244)**
Hedged loans and financing		1,667,586	300,001	1,617,733	323,812
Net exposure (i)		**(830,217)**	**(149,357)**	**(438,851)**	**(87,842)**

(i) Net exposure deducts loans and financing in foreign currency, designated for hedging, as these are hedged with derivative financial instruments.

The entire net exposure of USD 149,357 is expected to be covered by future export revenues, based on projections for the 2024/2025 harvest estimated at USD 587,914 (Note 29).

These assets and liabilities were updated for the interim financial statements at June 30, 2024, using the exchange rate of R$ 5.5586 per US$ 1.00 (March 31, 2024 - R$ 4.9959 per US$ 1.00), an appreciation of 11.3% in relation to the US Dollar for the previous period.

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 June 30, 2024, 903,693 metric tons of sugar (at June 30, 2023 - 928,612 metric tons of sugar) were priced with trading partners scheduled for delivery as of July 2024, with an average price of 21.48 ¢/lb (June 30, 2023 - R$ 20.50 ¢/lb) (USD cents per pound weight) with POL premium included.

In the periods ended June 30, 2024 and 2023, there were no prices fixed for ethanol sales.

(In thousands of reais, unless otherwise stated)

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.

Interest rate sensitivity

		Probable scenario		Increase		Decrease	
Instrument/operation	**Risk**	**Rate**	**Amount**	**25%**	**50%**	**-25%**	**-50%**
Loans and financing	Increase of CDI	10.75%	(1,324,515)	(1,655,644)	(1,986,773)	(993,386)	(662,258)
Loans and financing	Increase of IPCA	4.00%	(121,911)	(152,389)	(182,867)	(91,433)	(60,956)
Financial investments	Decrease of CDI	10.75%	140,072	175,090	210,108	105,054	70,036
Projected result			**(1,306,354)**	**(1,632,943)**	**(1,959,531)**	**(979,766)**	**(653,177)**

The sensitivity analysis of variations in interest rate curves was conducted considering the effects of an increase or decrease of 25bps and 50bps (basis points) in the derivative's pricing curve. Exposure to rates refers exclusively to variations in the DI and IPCA curves. For the other risk factors, the impact on the result is the percentage change of 25% and 50% in the related market yield curve of the associated risk, described in the table above (exchange rate and commodity prices).

The probable scenario considers the position at June 30, 2024, the effects from stressing the scenarios by 25% and 50% are as follows:

Effect of currency variations

		Probable scenario		Increase		Decrease	
Instrument/operation	**Risk**	**Current**	**Amount**	**25%**	**50%**	**-25%**	**-50%**
Loans and financing - without hedge designation	Increase of the US dollar	5.5586	(830,217)	(1,037,771)	(1,245,325)	(622,663)	(415,108)
Cash and cash equivalents	Decrease of the US	5.5586	270,140	337,675	405,210	202,605	135,070
Trade receivables	Decrease of the US	5.5586	9,177	11,471	13,766	6,883	4,589
Projected result			**(550,900)**	**(688,625)**	**(826,350)**	**(413,175)**	**(275,450)**

Sensitivity to the fair value of derivative financial instruments

			Increase		Decrease	
Instrument/operation	**Risk**	**Probable scenario**	**25%**	**50%**	**-25%**	**-50%**
Price risk:						
Futures contracts						
Commitments to buy and sell (*)	Increase of the sugar	3,493,982	4,367,478	5,240,973	2,620,487	1,746,991
Exchange rate risk:						
Futures contracts						
Commitments to buy and sell	Increase of the US dollar	(112,665)	(140,831)	(168,998)	(84,499)	(56,333)
Projected result		**3,381,317**	**4,226,646**	**5,071,976**	**2,535,988**	**1,690,659**

(*) 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 June 30, 2024, with variations only on the contracted and non-fixed balances.

(In thousands of reais, unless otherwise stated)

e) Financial instruments

From April 1, 2022, the Company opted to apply hedge accounting for part of its financial instruments. 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 2024/2025 harvest 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:

				June 30, 2024
	Volume	Average price	Notional R$	Fair value
In non-current assets				
Swap contracts				
Cross-currency swap	300,001	USD + 0% x 51% CDI	1,557,515	133,319
Total derivative financial instruments in non-current assets				**133,319**
In current liabilities				
Foreign currency forward contracts				
Sale commitments	167,400	5.2478	878,482	67,330
Swap contracts				
Cross-currency swap	300,001	USD + 0% x 51% CDI	1,557,515	79,606
Swap contracts				
Interest rate swap	106,964	IPCA + 10% x 150% CDI	106,963	1,321
Interest rate swap	75,000	SOFR + 4% x CDI 3.6%	372,450	13,328
Cash flow hedges - foreign exchange debts	29,570	5.3154	157,174	164,368
Total derivative financial instruments in current liabilities				**258,623**
In non-current liabilities				
Foreign currency forward contracts				
Sale commitments	146,000	5.6008	817,717	45,335
Swap contracts				
Interest rate swap	106,964	IPCA + 10% x 150% CDI	106,963	9,015
Interest rate swap	75,000	SOFR + 4% x CDI 3.6%	372,450	14,822
Total derivative financial instruments in non-current liabilities				**69,172**

				March 31, 2024
	Volume	Average price	Notional R$	Fair value
In current assets				
Foreign currency forward contracts				
Sale commitments	164,850	5.2328	862,627	20,661
Total derivative financial instruments in current assets				**20,661**
In non-current assets				
Swap contracts				
Cross-currency swap	300,001	USD + 0% x 51% CDI	1,557,515	35,880
Swap contracts				
Interest rate swap	106,964	IPCA + 10% x 150% CDI	106,963	5,338
Total derivative financial instruments in non-current assets				**41,218**
In current liabilities				
Swap contracts				
Cross-currency swap	12,000	USD + 0% x 100% CDI	62,926	9,004
Cross-currency swap	300,001	USD + 0% x 51% CDI	1,557,515	73,051
Swap contracts				
Interest rate swap	75,000	SOFR + 4% x CDI 3.6%	372,450	12,645
Interest rate swap	106,964	IPCA + 10% x 150% CDI	106,963	3,799
Cash flow hedges - foreign exchange debts	32,479	5.3024	172,220	180,538
Total derivative financial instruments in current liabilities				**279,037**
In non-current liabilities				
Swap contracts				
Interest rate swap	75,000	SOFR + 4% x CDI 3.6%	372,450	12,100
Interest rate swap	35,000	CDI + 4.70% x 12.38%	35,000	1,292
Total derivative financial instruments in non-current liabilities				**13,392**

(In thousands of reais, unless otherwise stated)

At June 30, 2024, the composition of financial instruments designated for hedge accounting at the reporting date is as follows:

	Assets	Liabilities	Other comprehensive income
Financial instruments - hedge accounting			
Foreign currency forward contracts		112,666	(112,666)
Foreign exchange derivatives - cross-currency swap	133,319	79,606	(53,252)
Interest derivatives - interest rate swap		38,486	(43,462)
Natural hedge - foreign exchange debts		10,015	(10,015)
	133,319	**240,773**	**(219,395)**
Deferred taxes on the items above	(45,328)	(81,863)	74,594
	87,991	**158,910**	**(144,801)**

As a consequence of adopting the hedge accounting, the negative effect of R$ 144,801 that would otherwise have been reflected in results is carried in equity, acknowledging the hedge relationship and timing of recognition in income.

Estimated realization

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

					Parent company and Consolidated	
	24/25 harvest	25/26 harvest	26/27 harvest	27/28 harvest	28/29 harvest onwards	Total
Financial instruments						
Foreign currency forward contracts	(64,500)	(48,166)				(112,666)
Swap contracts	(14,507)	(62,864)	(15,907)	(3,436)		(96,714)
Cash flow hedge - foreign exchange debts	(10,015)					(10,015)
	(89,022)	**(111,030)**	**(15,907)**	**(3,436)**		**(219,395)**
Deferred taxes on the items above	30,268	37,750	5,408	1,168		74,594
	(58,755)	**(73,280)**	**(10,498)**	**(2,268)**		**(144,801)**

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 estimated loss on 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 in over-the-counter contracts registered with B3, mainly with the main Brazilian and international banks considered by international risk rating agencies as Investment Grade.

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, always with reference to the CDI (Notes 3 and 4). The distribution follows strict criteria for allocation and exposure to counterparties, which are the main Brazilian and international banks considered, for the most part, as Investment Grade by the international rating agencies.

(In thousands of reais, unless otherwise stated)

Liquidity risk

The finance department conducts ongoing reviews of the Company's and Group's liquidity requirements to ensure that there is sufficient cash to meet operating needs.

On the date of approval of these interim financial statements, the Company and the Group had negative working capital (Note 2.10 item (a)). This reflects the natural maturation cycle for the short-term debt, and effects of the US Dollar appreciation, continued high interest rates and the buildup of inventories at the beginning of the harvest increasing the indebtedness of the Company and the Group with corresponding demands on the Company's cash.

The table below presents the maturity of financial liabilities:

						Consolidated
June 30, 2024	**24/25 harvest**	**25/26 harvest**	**26/27 harvest**	**27/28 harvest**	**28/29 harvest onwards**	**Total**
Accounts payable	452,765					452,765
Loans and financing	1,318,562	1,188,506	2,230,568	111,010	128,338	4,976,984
Commitments from electricity contracts	104,804	35,106				139,910
Derivative financial instruments	89,022	111,030	15,907	3,436		219,395
Leases and agricultural partnerships payable	257,620	325,180	303,488	289,961	2,075,369	3,251,618
	2,222,773	**1,659,822**	**2,549,963**	**404,407**	**2,203,707**	**9,040,672**
March 31, 2024	**24/25 harvest**	**25/26 harvest**	**26/27 harvest**	**27/28 harvest**	**28/29 harvest onwards**	**Total**
Accounts payable	333,703					333,703
Loans and financing	1,512,585	1,009,374	2,018,211	113,800	72,374	4,726,344
Commitments from electricity contracts	157,841	35,106				192,947
Derivative financial instruments	77,196	(89,847)	(2,725)	2,831		(12,545)
Leases and agricultural partnerships payable	337,134	314,117	291,248	272,385	1,997,271	3,212,155
	2,418,459	**1,268,750**	**2,306,734**	**389,016**	**2,069,645**	**8,452,604**

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.

The financial leverage ratios are as follows:

			Consolidated
	Note	**June 30, 2024**	**March 31, 2024**
Loans and financing	17	4,180,979	4,079,926
Lease payable	15	570,257	563,574
Agricultural partnerships payable	15	787,657	796,564
Commitments from electricity contracts	20	117,620	165,121
Less: cash and cash equivalents	3	(500,461)	(1,155,469)
Less: financial investments	4	(152,441)	(160,067)
Net debt	(a)	5,003,611	4,289,649
Total equity	(b)	3,333,642	2,915,439
Total capitalization	(c) = (a) + (b)	8,337,253	7,205,088
Gearing ratio - %	(a) / (c)	60%	60%

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 interim 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 financial institutions with investment grade credit ratings. 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 June 30, 2024, the Company and the Group present financial instruments measured at fair value through other comprehensive income, derivative financial instruments, classified in Level 2 under the fair value hierarchy.

31. Insurance coverage

At June 30, 2024, the Company and its subsidiaries had contracted insurance 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$ 853,273. This coverage is considered sufficient by management, supported by its insurance brokers, to cover potential losses (not within the scope of the review of the independent accountants).

32. Subsequent events

On August 1, 2024, the Company and the Group raised R$ 130,000 in the capital market through a structured Agribusiness Receivables Certificate (CRA) operation - CVM Resolution 160. The lead coordinator of the operation was XP Investimentos S.A. and the issuer was True Securitizadora S.A. This is a long-term operation with a 12-month grace period, monthly payment of interest and quarterly payment of principal and final maturity in July 2028, the interest rate of the operation is CDI plus 4.75% p.a.

* * *

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Certificado de Conclusão

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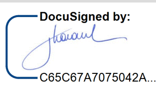
Rastreamento de registros

Status: Original 17 de outubro de 2024 | 16:26	Portador: Joelye Oliveira joelye.oliveira@pwc.com	Local: DocuSign
Status: Original 17 de outubro de 2024 | 17:04	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 SyngularID Multipla **Termos de Assinatura e Registro Eletrônico:** Não oferecido através do DocuSign	 Adoção de assinatura: Imagem de assinatura carregada Usando endereço IP: 18.231.224.30	Enviado: 17 de outubro de 2024 | 16:28 Visualizado: 17 de outubro de 2024 | 17:01 Assinado: 17 de outubro de 2024 | 17:04

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 oferecido através do DocuSign	**Copiado**	Enviado: 17 de outubro de 2024 | 17:04 Visualizado: 17 de outubro de 2024 | 17:04 Assinado: 17 de outubro de 2024 | 17:04

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	17 de outubro de 2024 | 16:28
Entrega certificada	Segurança verificada	17 de outubro de 2024 | 17:01
Assinatura concluída	Segurança verificada	17 de outubro de 2024 | 17:04
Concluído	Segurança verificada	17 de outubro de 2024 | 17:04

Eventos de pagamento	Status	Carimbo de data/hora