

Management,
Socioenvironmental
and
Financial

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On December 31, 2022 and 2021, attended by the opinions of the independent auditors and the Audit Committee



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Cooperativism and wisdom: turning challenges into success

Planting and harvesting coffee. For how many years of our lives, and also of our ancestors and future generations, have we dedicated ourselves to this tireless work that seems, from afar, to be very simple. And, in a way, it could be, because coffee growing is what moves our lives and when we do something with our passion, everything seems easy and practical.

We producers are fully conscious and aware of the countless efforts and challenges behind every cup of coffee. The year 2022 put us to the test, demanding more from each coffee-growing family than love, tradition and goodwill: it required wisdom.

During last year's balance, it is still present in our memories how fearful the weather made us, sometimes with high temperatures and lack of rain, sometimes with hail, causing our cooperative to review its goals for receiving coffee. Climate behavior is essential for the performance of our coffee plantations. The technical knowledge of our professionals, in this sense, was of fundamental importance for alerting us and making the best decisions to protect ourselves in the face of the vulnerability against the weather.

Likewise, the entire cooperative team acted assertively in the face of the challenges we endured for shipping our coffee, due to the lack of containers and the logistical crisis that still took place last year as a result of the pandemic. We found alternatives so that our results would not be greatly impacted, remembering that exports account for 80% of Cooxupé's activities. Fortunately, in the second half of the year, this scenario improved, with operations returning more regularly.

Our cooperative members also stood out for participating in the coffee market when opportunities were favorable, being alert both in relation to commercialization and the quality of the coffee produced. It is evident, each year, the evolution of our cooperative families both in the field and in conducting their properties and businesses with the cooperative.

In the face of all the challenges, on which we worked strategically, we received more than 5 million bags of coffee and shipped 6.8 million bags to the domestic and foreign markets. Our Especialíssimo Program also demonstrated the cooperative member's commitment to producing specialty coffee. The number of receipts was higher than the 2021 edition, reaching 99.3 thousand bags.

Still in 2022, we continued to invest in the assets of our members, meeting the needs of member families, and expanding Cooxupé's area of operation when we arrived in Matas de Minas region. An area considered strategic for the cooperative and which certainly opens the way for us to further consolidate our trajectory in coffee growing in Brazil and worldwide. For all works, acquisitions, renovations and expansions carried out, our investments totaled R\$ 113.2 million, made available with great security and with the support of our Strategic Planning.

We also made great strides in relation to the global ESG agenda, strengthening sustainability with our more than 18,000 members. We implemented Gerações Protocol, an initiative of the cooperative so that our producers reach levels of sustainability in their business as a whole and, thus, increase competitiveness in the international market. This is our focus: to open paths for the coffee grower to continue in constant development, strengthened in sustainable practices in order to have better profitability. Sustainability is a path of no return, and one that will demand a lot from us, farmers, since the demands of the world market and consumer are increasingly stronger.

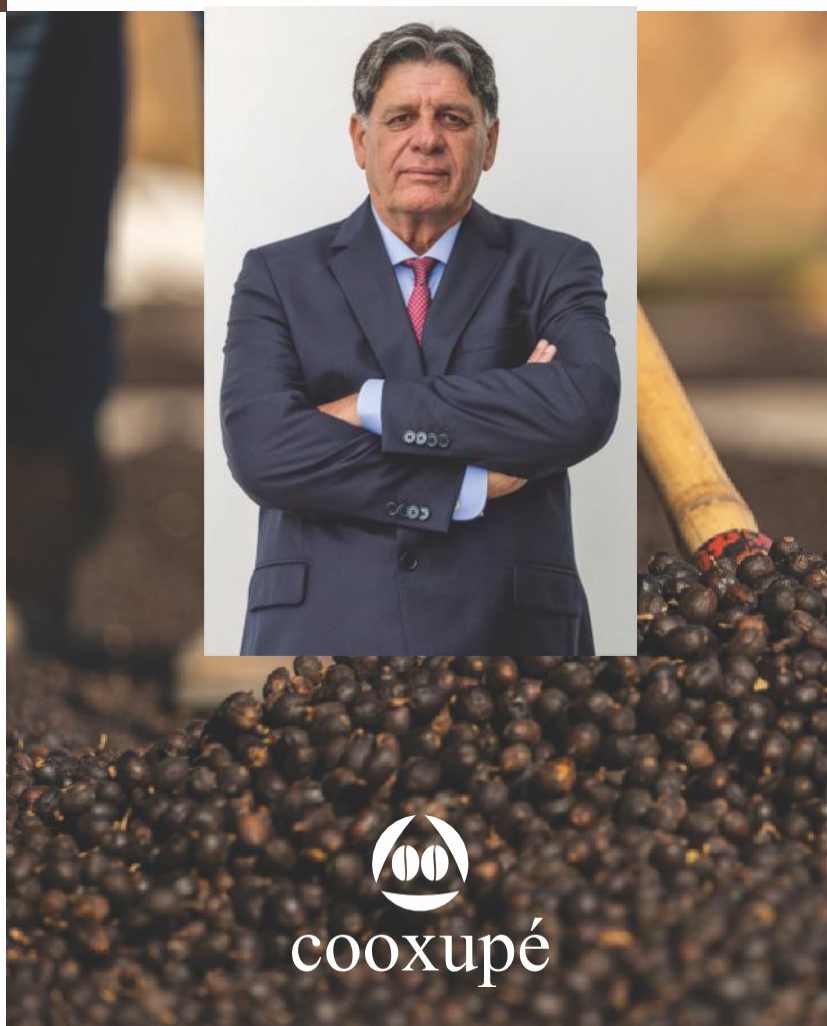
We saw, therefore, how much wisdom, supported by strategy, technical knowledge and planning, allowed us to end another year with optimistic results. However, when we speak of wisdom, we see further. This is because it is worked within the guidelines that govern our activity and our lives: cooperativism.

The cooperative spirit is paramount in every decision made by Cooxupé. Together with this movement that cooperates, develops, prioritizes the community, we won another year together. Or rather, not just another year, but a great year, in which we all celebrate Cooxupé's 90 years of cooperativism. We demonstrated to Brazil and the whole world that a cooperative only advances and becomes increasingly solid when the administration, its members and collaborators work together and confidently, always respecting the cooperative principles.

Accordingly, we see how much greatness there is in a cup of coffee. The challenges will continue to come. But, our horizons are bigger, they go beyond borders. From now on, together, we begin to walk towards the centenary of Cooxupé. We are sure and proud to say that these pages will be written with the cooperative members as our main protagonists.

A WORD FROM THE PRESIDENT

*Wisdom supported by strategy,
technical
knowledge and planning,
allowed us to end another year with
optimistic results.*



CARLOS AUGUSTO RODRIGUES DE MELO
PRESIDENT OF COOXUPÉ

On December 31, 2022 and 2021, accompanied by the opinions of the independent auditors and the Audit Committee

REPORT

MANAGEMENT



cooxupé

Investments strengthen the cooperative's equity

The year 2022 marked the delivery of many investments made by Cooxupé, further strengthening the cooperative's assets, in addition to meeting existing demands in cities where the cooperative is present.

The total amount invested was R\$ 113.2 million.

Follow some results:

1. Manhuaçu: the cooperative arrived in the Matas de Minas region, delivering a center with a complete structure for assistance to its members. The city is of great importance not only because it is a hub, but because it is the largest trade center of coffee, inputs, machinery, equipment and services for coffee growing. In addition, it is the largest municipality in Matas de Minas in terms of planted area, with more than 23,000 hectares of coffee plantations, making it the fourth largest producer in Minas Gerais.

2. Monte Santo de Minas: in operation for 45 years, the center received new facilities after undergoing renovations. It also gained a geoprocessing room, a store and an auditorium named after Carlos Alberto Paulino da Costa, in honor of the cooperative member from Monte Santo de Minas, former president and currently board member of the cooperative.

3. Japy Complex: Investments in Japy Complex were aimed at increasing storage and receiving capacity. Fifteen new silos were built, increasing capacity by 530,000 bags. Reception, on the other hand, went from 30

tons/hour to 90 tons/hour, ensuring more agility and improving logistics performance.

4. Patrocínio: service to members, since 2013, it has been carried out through an advanced unit. As of 2022, the new business unit will be delivered in a total area of 120,000 m², with more than 15,000 m² of construction. Benefits for producers were expanded, with the presence of a store, auditorium, warehouse, support block for drivers, input distribution center, weight bridges, workshop, among others.

5. SMC: in December, the new headoffice of SMC Specialty Coffees, a company controlled by Cooxupé operating in the specialty coffee market, was inaugurated. The new structure is located in Guaxupé.





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INVESTMENTS

Founded 13 years ago, SMC is now in a large structure that includes a modern testing laboratory with advanced technology. All to improve the evaluations of the coffees produced by the cooperative members.



2 million Reais



AGA Annual General Assembly

More than R\$ 120 million
distributed to members

On March 25, 2022, Cooxupé held the Annual General Assembly to deliver the results obtained throughout 2021, receiving a large number of cooperative members at its headoffice, in Guaxupé. The meeting was presencial after two years of the pandemic.

The distribution of statutory surpluses to cooperative members reached more than R\$ 120 million, with a result of R\$ 356 million and a turnover of R\$ 6.7 billion.

More benefits

As well as additionally receiving the amount related to statutory surpluses, Cooxupé's cooperative families had other gains throughout 2021 from prizes granted in cash for certification, recognition, coffee quality and program of capital refund by age.

EGA Extraordinary General Assembly



On November 25, Cooxupé held the Extraordinary General Assembly (AGA) presenting proposals to reform the Bylaws and the Composition of the Development Fund. The EGA took place at the headoffice in Guaxupé and the cooperative members present unanimously approved all proposals.

90 YEARS OF COOPERATIVISM: MEMBERS AND COOXUPÉ CELEBRATE SUCCESSFUL TRAJECTORY

On April 24, 2022, Cooxupé celebrated 90 years of cooperativism, with a trajectory marked by great success and important contributions to Brazilian coffee growing. The cooperative's performance in cooperativism is closely linked to the development of coffee producers. This is due to the fact that Cooxupé is currently composed by more than 18 thousand members, in the action areas of performance in the regions: South, Matas and Cerrado in the state of

Minas Gerais, and in Média Mogiana in the state of São Paulo.

The performance of the producers and Cooxupé brought important awards and recognition, such as: leader in the ESG ranking among cooperatives in Brazil; gold in SomosCoop Excellence in Management award; the largest agricultural cooperative in Minas Gerais, according to OCEMG; among others.

Another factor that demonstrates Cooxupé's strength in cooperativism is that when considering, for example, the receipt of coffee in 2022, according to the National Supply Company (Conab), the volume represented 15% Brazilian production of Arabica coffee and 23 % of the production of this type of coffee in the state of Minas Gerais.

The celebration of 90 years, with such a fruitful history, is based on a relationship of unity and trust with the cooperative families, who are increasingly aware of their roles in the cooperative, not only as coffee producers, but as owners of Cooxupé.



Program of Capital Refund by Age and the Capitalization Special Fund: R\$ 18.3 million in the members' pockets

In December 2022, Cooxupé promoted the refund of amounts to members who are part of the Program of Capital Refund by Age (PRCI) and the Capitalization Special Fund. The total payment amounted to R\$ 18.3 million.

PRCI DISTRIBUTION
R\$ 5.2 MILLION

FEC DISTRIBUTION
R\$ 13.1 MILLION

PRCI

Regarding the PRCI, the restitution of the capital quota to cooperative members over 75 years old reached R\$ 5.2 million, contemplating 1098 cooperative members.

All cooperative members over 75 years of age are entitled to a refund, provided they formalize the application for adhesion at the respective business unit for consideration and deliberation by the Board of Directors.

Returns to cooperative members between 75 and 84 years of age are made in installments, in up to 10 annual installments. Members aged 85 years and over were refunded at once.

FEC

Regarding the Capitalization Special Fund, 5,658 cooperative members received a total refund of R\$ 13.1 million.

The FEC was in force from 1998 until 2007 when, then, its constitution ceased. However, it remained active until 2022 to guarantee the refinancing operations and extension of those cooperative members' debts with Cooxupé until maturity. The refund of the amount was approved by the cooperative's Board of Directors.

AWARDS

RECOGNITION IN 2022

Throughout the year, the cooperative was recognized for important initiatives in the scenario of agribusiness and the national economy. **Check it out!**



Ocemg: Major in the Agricultural Sector

In the 17th edition of the Yearbook of Economic and Social Information on Cooperativism from Minas Gerais, published by Ocemg (Organization of Cooperatives of Minas Gerais), Cooxupé is named as the largest cooperative in the agricultural sector in Minas Gerais, among the 197 in the segment existing in the state. As a highlight are the items: number of 'Members'; 'Employees'; 'Income/Total Revenue'; 'Surpluses Before Destinations'; 'Total Assets'; 'Net worth'; and 'Social Capital'.



Valor 1000: Leader in Minas Gerais

In the 2022 edition of Valor 1000 ranking, by Valor Econômico, Cooxupé again stands out as the leading cooperative in "Agribusiness" activity sector in the state of Minas Gerais. For the national scope, it occupies the 13th place among the 82 Brazilian companies analyzed. In addition, among the 1,000 companies analyzed, it occupies number 142, which represents an advance of 14 positions in relation to the 2021 ranking, when it occupied the 156th place.



Leader in Minas in MercadoComum

Cooxupé also stood out for its business performance during the XXIV Prêmio Minas – Melhores e Maiores 2022, promoted by the publication MercadoComum. The analysis brings the cooperative in 1st place in the ranking of the 250 largest companies in Minas Gerais in the Agriculture and Reforestation sector.

Strategic Planning directs Cooxupé and cooperative members to the right steps

Approved in 2020 by the Board of Directors, the Strategic Planning has been working on actions that generate greater added value for the cooperative and its members. The main goal is for everyone to be prepared to face the challenges of the dynamic coffee market. For this, all the work has a partnership with the company Ernst & Young, with different sectors and professionals of the cooperative. Strategic Planning maintains seven strategic agendas that underpin 27 macroprojects to be completed by 2028.

7

Among the main actions carried out in 2022 are:

STRATEGIC AGENDAS

1

Sustainable coffee leadership



2

Cooxupé is where coffee passes through



3

Transformation of customer service



4

Evolution of the agro 4.0 cooperative member



5

Segment to conquer



6

Cooxupé from farm to cup



7

Organization of the future



A cooperative guided by Law, Ethics and Management

Cooxupé has a Bylaws that is sovereign in directing all its activities. It is a set of norms in which the cooperative faithfully follows the statutory rules. **Equality among members is the Bylaws pillar.**

Code of Ethical Conduct

The Code of Ethical Conduct is responsible for guiding the values to be practiced in all relations between the cooperative and the various segments of society, both in Brazil and abroad.

Available on the Cooxupé website, this document translates the organizational identity of the cooperative. In addition, it provides guidance regarding the performance of professional and personal activities; generates important reflections in Cooxupé's internal and external environments, as well as in decision-making, clarifying doubts and resolving possible conflicts.

Together with the Bylaws, the Code of Ethical Conduct directs that Cooxupé's activities are carried out in an integral manner, prioritizing ethics as a commitment and respect as an attitude in the relationship.

Integrity Program

Program applied to all Cooxupé audiences: cooperative members, employees, customers, suppliers, service providers, society and public administration. All of its guidelines are based on the Brazilian Anti-Corruption Law.

It brings a set of instruments and internal procedures, auditing, incentives to report irregularities, among other actions, to prevent, monitor, detect and remedy illegal practices. All this to ensure integrity, legality and transparency in all the cooperative's operations.

Ombudsman

Open channel for anyone and everyone who wants to express a complaint, consult and/or make compliments

Cooperative members and interested parties can also report situations such as misconduct to the Ombudsman. All contact and investigations are confidential, always in accordance with the guidelines of the Integrity Program and the Code of Ethical Conduct.

(GDPR)

Cooxupé is fully aligned with the Brazilian General Data Protection Regulation (GDPR), meeting the requirements of this legislation. Law 13,709/2018 came into effect in September 2020. It sets rules to protect freedom, privacy and development. The main purpose is to guarantee the transparency and correct use of the data of natural persons in any means, whether physical or digital.

Management Development Program (PDGC)

The Cooperative Management Development Program, promoted by the Organization of Cooperatives of the State of Minas Gerais – Ocemg, has Cooxupé as a participant. This Program focuses on good governance and management practices in cooperatives.



coopérative

Coffee Receipt, Purchase and Shipment

IN THE YEAR 2022, COOXUPÉ RECEIVED

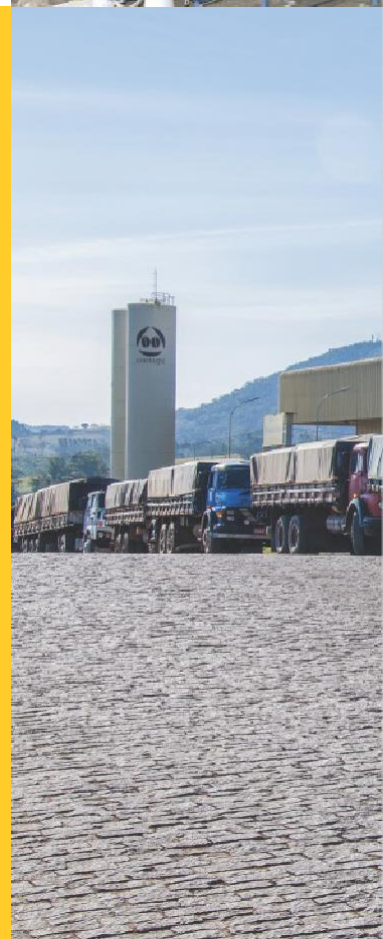
5,006,309 BAGS OF COFFEE FROM COOPERATIVE MEMBERS AND THIRD PARTIES

In that fiscal year, the cooperative purchased 3,626,093 bags of coffee, of which 3,293,595 bags were purchased at the Physical Market at an average price of R\$ 1,286.45. These operations totaled 97,371 trades, averaging 33.8 bags each. In the Futures Market, 332,497 bags were purchased, at an average price of R\$ 1,318.13, obtaining a volume of 5,384 CPR contracts, with an average of 61.8 bags each.

Demonstrative table of average prices for the last 10 years

Years	Average price US\$	Average price US\$	Bags
2013	131.69	286.49	5,374,143
2014	181.27	426.64	5,790,518
2015	133.81	468.71	5,113,396
2016	148.47	514.63	6,037,517
2017	145.07	463.74	3,971,214
2018	122.08	443.02	6,575,798
2019	114.26	457.69	8,644,344
2020	108.37	559.31	6,310,962
2021	168.42	907.01	5,318,286
2022	247.92	1,289.35	3,626,093
Average	144.17	550.61	

*Note: Normal Physical Purchases + New Reports + Act to Fix + Released CPR.



Shipments and exports

Regarding shipments to the Brazilian and international markets, Cooxupé met the projected targets, even in the face of challenges arising from the logistical crisis and the lack of containers, which still impacted the export scenario in 2022. The cooperative's coffee has advanced borders to 50 countries, on five continents.



2022 RESULTS:

Direct Export:
5,627,060 bags exported.
Exporter Customers:
512,303 bags destined.
Domestic Market (Roasters):

6,879,998

BAGS OF COFFEE WERE SHIPPED.

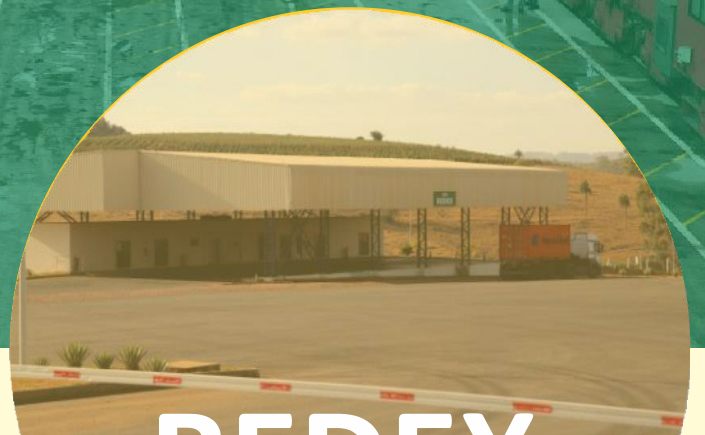
The export of green Arabica coffee, produced by Cooxupé's members, corresponds to 80% of the cooperative's activities.

Faster coffee shipments

To bring more efficiency and safety to the shipment processes of the cooperative members' coffees, Cooxupé maintains a REDEX – Special Place for Dispatch and Customs Clearance. The agency, from the Federal Revenue of Brazil, is installed both in the Japy Complex, in Guaxupé (MG), and in the Port of Santos (SP).

In 2022, Redex in Santos exported 5,135,100 bags of coffee in 13,620 containers.

Redex in Guaxupé accounted for the export of 491,960 bags of coffee in 1,345 containers.



REDEX





SMC:

a company dedicated to specialty coffees

SMC Specialty Coffees' guideline is to develop actions that increasingly add value to the production of specialty, fine and certified coffees, offering support to the producer. A hallmark of its existence is the increase in shipments of bags year after year. In 2022, there were 154,261 bags compared to 147,915 in 2021.

The emphasis was on exports.

In the period, in relation to the foreign market, there were **140,632 bags shipped**.

For the domestic market, there were 13,629 bags.



Field Days

In 2022, between May and June, SMC Specialty Coffees participated in meetings and Field Days in partnership with cooperative business units.

In all, 10 events were held with 340 participants, who knew the best practices, asked questions and were able to share knowledge.



More than R\$ 108 thousand

were distributed in bonuses to 50 participating producers

A program to praise and value women in coffee farming

Attentive to the growth of women's participation in coffee growing, SMC maintains a program dedicated to valuing their professionalization in the specialty coffee market. There are several incentive actions developed, including meetings, courses and bonuses.



Bonus

More than R\$ 108,000 were distributed in bonuses to 50 producers participating in Donas do Café program, which produced and sold specialty coffees through SMC. They were also certified. Delivery took place in April, when the first face-to-face post-pandemic meeting took place. Prior to this, meetings and lectures were taking place online.



Connection

Based on the pillars of sustainability, a meeting was held in April between cooperative members and two representatives of Origin Coffee Roasters, a British company that is a Cooxupé customer. At the meeting, Freda Yuan, responsible for purchasing coffees, and Amadeusz Wanat, roasting master, were able to strengthen relationships and also share experiences in the specialty coffee market.

Especialíssimo

THE BEST COFFEES

To value and encourage the production of specialty coffees, Cooxupé has maintained the Especialíssimo program since 2016, which selects and rewards the 50 best batches of coffee in its area of operation. The selected coffees scored above 83 points and were evaluated by the tasters of Cooxupé and SMC.

Record Receipt

In 2022, 99,300 bags of coffee were received – an increase of **59.9% compared to the previous year** - and **2,049 lots were received via Cooxupé and SMC Specialty Coffees**. The number represents a record for receiving specialty coffees since the program's launch in 2016.

MEET THE FIRST 10 PLACES IN THE 2022 EDITION OF ESPECIALÍSSIMO:



1st Marcelo Miguel Madeira

Conceição da Aparecida, South of Minas Gerais.

2nd Tarcísio Rodrigues Nunes

Santa Rosa da Serra, Rio Paranaíba unit, Cerrado Mineiro.

3rd Weberti Pereira Guimarães

Serra do Salitre, Cerrado Mineiro.

4th Virgolino Adriano Muniz - Cabo Verde, South of Minas Gerais.

5th Adolfo Henrique Vieira Ferreira - Monte Belo, South of Minas Gerais.

6th Eliel Passoni, Divinolândia - São José do Rio Pardo unit, Média Mogiana.

7th Abner José Celso de Carvalho e Outro - Caldas, Campestre unit, South of Minas Gerais.

8th João Batista Rodrigues - Campestre, South of Minas Gerais.

9th Josiel Betti e Outro - Caldas, Campestre unit, South of Minas Gerais.

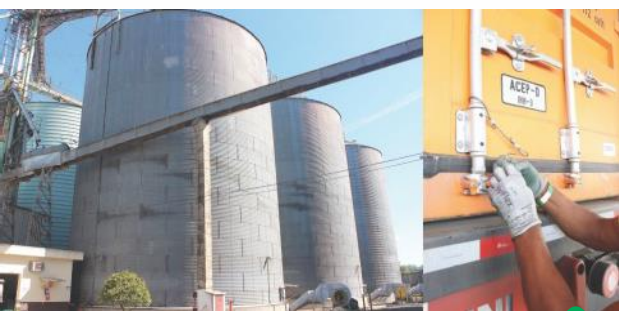
10th Edir José de Carvalho - Caldas, Campestre unit, South of Minas Gerais.

AWARDS' CEREMONY

The award ceremony for the 50 best batches of coffee from the 2022 harvest was held on November 25th. The champion received the amount of R\$ 50 thousand. The second and third place were awarded R\$ 30,000 and R\$ 20,000, respectively. For the fourth place the prize was R\$ 13 thousand; fifth place R\$ 12 thousand; sixth R\$ 11 thousand; seventh place R\$ 10 thousand; eighth place R\$ 9 thousand; ninth place R\$ 8 thousand; and tenth place R\$ 7 thousand. The members ranked between the 11th and 50th places received R\$ 4 thousand each.

INSURANCE COFFEE AND CORN CROP

Logistics is one of the fundamental points of the harvest. Aimed at providing more security to the process, Cooxupé offers free insurance for the transport of coffee and corn destined to the co-op's warehouses. Every cooperative member has such right. In order to enjoy the benefit, members must have licensed vehicles, in good condition and maintenance, have the necessary equipment to protect cargo and also have it driven by a qualified professional.



Protected crop:
tailored rural insurance
for cooperative members



In 2022, Cooxupé entered into a partnership with Lockton brokerage and MAPFRE insurance company, benefiting associated producers by offering agricultural insurance. Members have exclusive access to structured rural insurance solutions, prepared "tailor-made" by specialists from these companies. The solution was created to bring more support and peace of mind to coffee growing families in the 2022/2023 harvest, especially in the face of bad weather. With the partnership, each cooperative producer receives an insurance proposal according to the risks inherent to the respective area of the coffee plantation. The proposals have two modalities: Named Risk Insurance (Cafezal) and Multi-Risk Insurance. They all meet the reality of Cooxupé's members.

INTEGRATED TRANSPORTATION SYSTEM: More agility and efficiency

Implemented in 2020, Cooxupé's Integrated Transport System modernized cargo management and logistics operations, ensuring more agility in the flow of production and adding value to the services offered to cooperative members and other agents involved in the production chain.

The OTM (Oracle Transportation Management) system controls all transport processes, covering Cooxupé and SMC areas such as industries, warehouses, financial, tax and accounting areas, among others, increasing delivery efficiency and reducing costs.



SECURITY IN ALIGNMENT WITH THE AMERICAN GOVERNMENT

The C-TPAT is a commercial collaboration established between Cooxupé and the United States, in which the US government awarded the cooperative a certificate of recognition in relation to the operations and safety practices performed at Japy Industrial Complex.

AWARD-WINNING DRIVERS: AN INCENTIVE FOR QUALITY IN TRANSPORTATION

Between the 16th and 25th of November, the cooperative delivered the “Awarded Cooxupé Driver” prize to 52 professionals, recognized for the number of trips made and also for the number of bags of coffee transported throughout the year.



Approved Food Safety Program - Raw Coffee Beans

Since 2019, Cooxupé has had its Food Safety System - Raw Coffee Beans, which follows a set of regulations from the FSMA legislation - Food Safety Modernization Act, of the FDA (Food and Drug Administration), a federal agency of the Department of Health and Human Services that controls food and medicine in the United States. Compliance with this set of legal regulations is a mandatory requirement for all companies that export food to the U.S. The system implemented by Cooxupé is based on the application of preventive controls on the results obtained

in a Risk Assessment of Hazards for human food in addition to the use of GMP - Good Manufacturing Practices and Food Defense (Food Defense, Biovigilance and Bioterrorism).

After implementing the System, Cooxupé has been meeting the demands of US customers, in accordance with their verification programs. At the beginning of the second half of 2022, the cooperative successfully completed a long and thorough validation process with one of the largest coffee importers in the United States.



Cooxupé's roastery: more value for members' coffees

Cooxupé's Roastery has been in operation for 38 years, when it was created with the aim of meeting the demands of cooperative members and customers. Since 2015, the plant has been operating in Japy Complex, at full capacity. There are currently 183 employees.

In 2022, Cooxupé's Roastery showed growth in sales in kilos of 14% compared to the previous year, even in a scenario of economic recession and a drop in coffee consumption in the national retail. Regarding volume, it processed 306,591 bags of raw coffee and 14,966,019 kilos of coffee over the course of the year.

According to data from the Retail Index and Nielsen IQ, Cooxupé ranks 6th among coffee manufacturers in the Brazilian retail market, in terms of sales volume (kg). Roastery products are sold at retail outlets in the states of Minas Gerais (South of Minas, Matas de Minas, Vale do Rio Doce, Belo Horizonte), São Paulo (São Paulo city, East and Northeast regions of the State), Rio de Janeiro (Rio de Janeiro city and countryside) and Santa Catarina (Florianópolis and eastern region).

There are direct service channels for small distributors and e-commerce that serves consumers across the country.

Currently, Cooxupé Roastery produces the following brands: Evolutto, Prima Qualità, Prima Qualità Safra Especial and Gerações, and Terrazza.

EVENTS

The year 2022 was marked by the return of presential fairs and Cooxupé's Roastery participated in some of the main meetings in the country.

Roastery at SuperMinas

In October, Cooxupé's Roastery was present at the Superminas Food Show 2022 event, in Belo Horizonte, focused on retail in Minas Gerais.

For the first time in this event, participation was in line with the objectives: expansion in the regions of Belo Horizonte and Midwest of Minas Gerais and consolidation of business in the regions of Southern Minas and Matas de Minas.

Super Rio Expofood / SRE Trade Show

The 32nd edition of the Super Rio Expofood fair took place in March 2022, at Riocentro, in the city of Rio de Janeiro. The event had 56 thousand visitors, about 500 exhibiting brands and more than 60 lectures.

Cooxupé participated in yet another edition focused on retail in Rio de Janeiro, with the aim of maintaining its prominent position in the region, where Evolutto coffee is among the four main coffee brands in the state.

Fispal Food Service

Fispal Food Service, held in June 2022, at Expo Center Norte, in São Paulo, is considered the largest meeting point for the Food Service sector in Latin America. More than 46,000 professionals from 26 countries visited the event and connected on the digital platform, throughout the year, to learn about trends and solutions for the area. With the aim of strengthening its operations in bakeries, coffee shops, hotels and restaurants, Cooxupé's Roastery has been there, presenting its products and innovations to meet the demands of this sector.



Salesforce Platform in Roastery

In 2022, Cooxupé innovated with the use of the Salesforce platform in the Roastery unit. Initially, the tool encompassed 5 modules: CRM (360° view), Sales, B2C E-commerce, B2B E-commerce and Marketing Cloud, developed to increase the competitiveness of the sector vis-à-vis the market and also improve efficiency with customers. Now, Roastery has different portals for commercial service on the Salesforce platform, fully integrated with the Oracle EBS ERP.



www.cafescooxupe.com.br



Roastery has already compensated/recycled more than 405.11 tons of post-consumer coffee packaging.



Cooxupé's Roastery adhered to EU RECICLO (I recycle) system, which guarantees the reverse logistics of roasted and ground coffee packaging sold. With the adhesion, this sector inserted the seal 'EU RECICLO' in all the packaging of its products.

The entire seal system is validated and checked by an external audit, ensuring the legitimacy of actions that are in accordance with the requirements of the National Policy on Solid Waste.

COMPLETELY RENOVATED STORE

After reformulation in 2022, the online store Cafés Cooxupé became more modern and agile, expanding its product mix by 157%. The news focused on products, technology, practicality, in addition to new forms of payment and delivery to the consumer. The entire change was designed to further improve the customer's shopping experience.



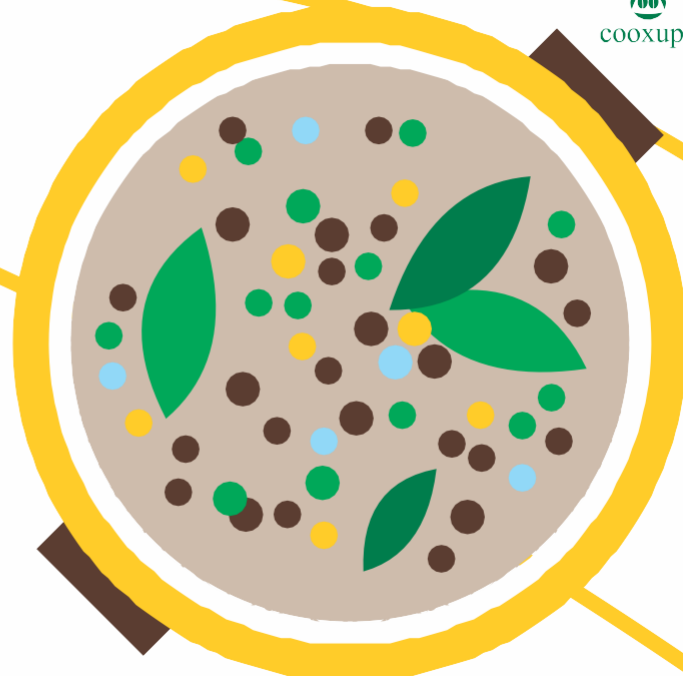
PRIMA QUALITÀ CULTIVATED BY WOMEN

In March, in celebration of women's month, Cooxupé Roastery launched the second edition of Prima Qualità specialty coffee Cultivated by Women.

The product, available in ground version (250 grams), is the result of a selection of the best batches originated by the program Donas do Café – by Cooxupé and SMC Specialty Coffees – to honor the producers and the strength of rural women, in addition to presenting consumers the best of these coffees produced by female hands.

Inputs

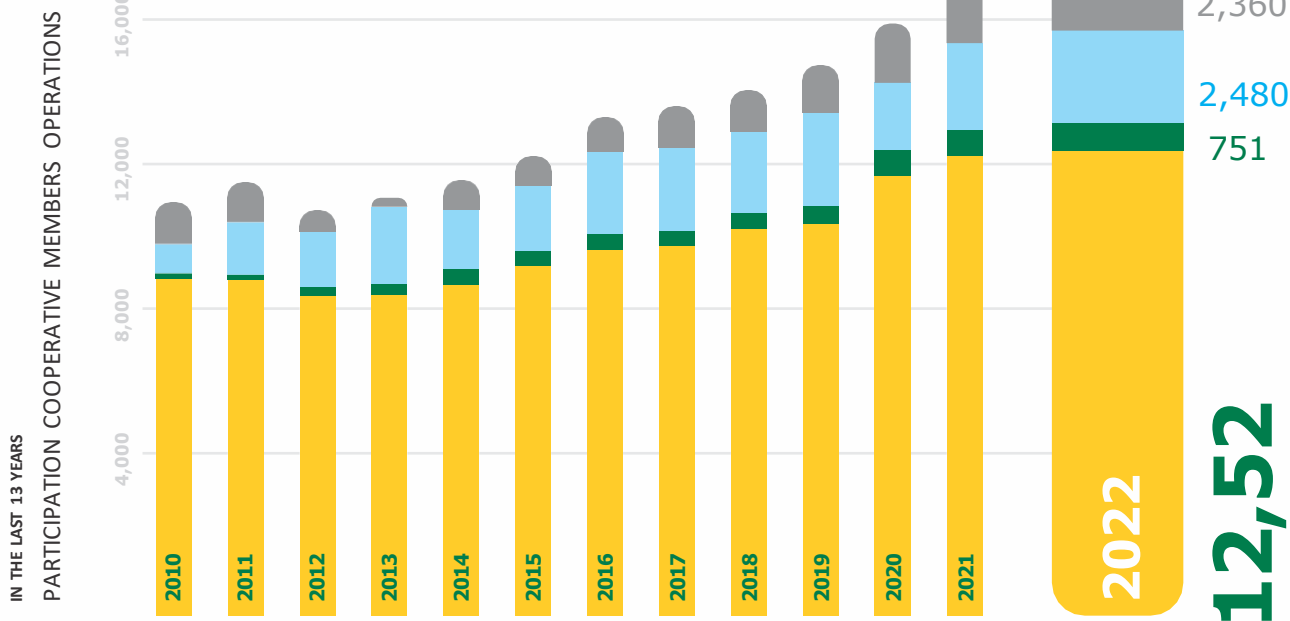
In 2022, the participation of cooperative members in coffee operations and in the cooperative store was approximately 90%. This means that more than 15,000 producers carried out some type of movement, both in coffee delivery and purchase in Cooxupé's stores.



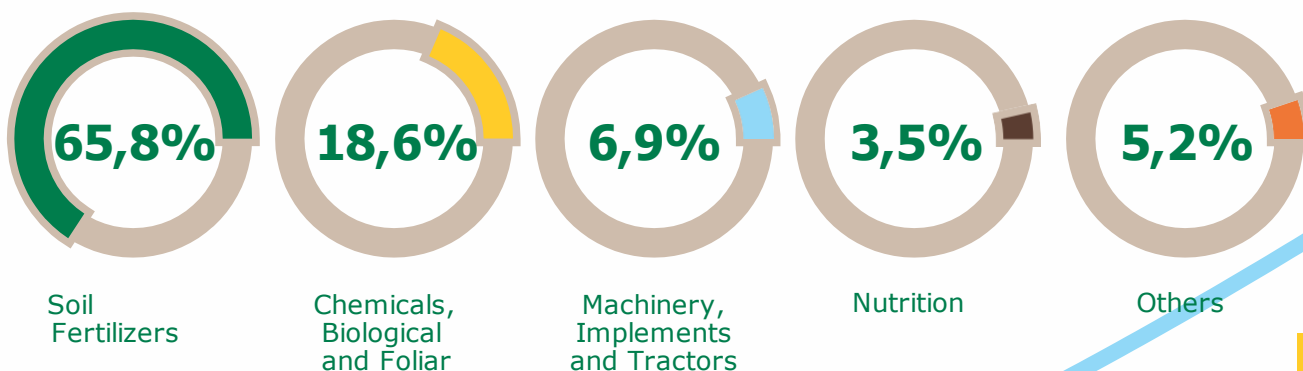
The sum of the cooperative members who participated is

15,75

- Members who did not participate in the store and cafe
- Members who only bought in stores
- Members who only delivered coffee
- Members who delivered coffee and bought it in stores



Campaigns: Distribution of Sales by Group in 2022:





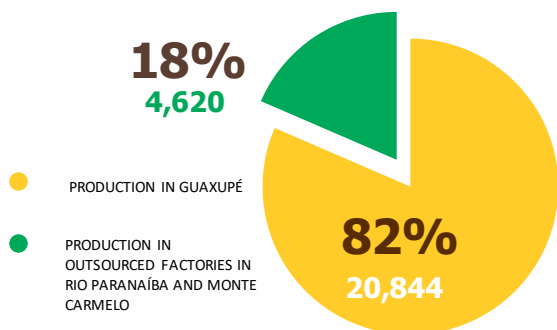
CAMPAIGNS FOR CO-OP MEMBERS

In 2022, Cooxupé offered several campaigns for the producer, bringing information, attractive conditions and benefits in the acquisition of inputs for the crop.

Among the various campaigns already known by the member - such as, for example, the traditional Café com Lucro (CCL) which grew by 26% - the cooperative launched last year the Green Campaign, promoting the sale of products directly aimed at sustainability in the agriculture. In this segment, the Biologicals line recorded an increase of 35% compared to 2021.

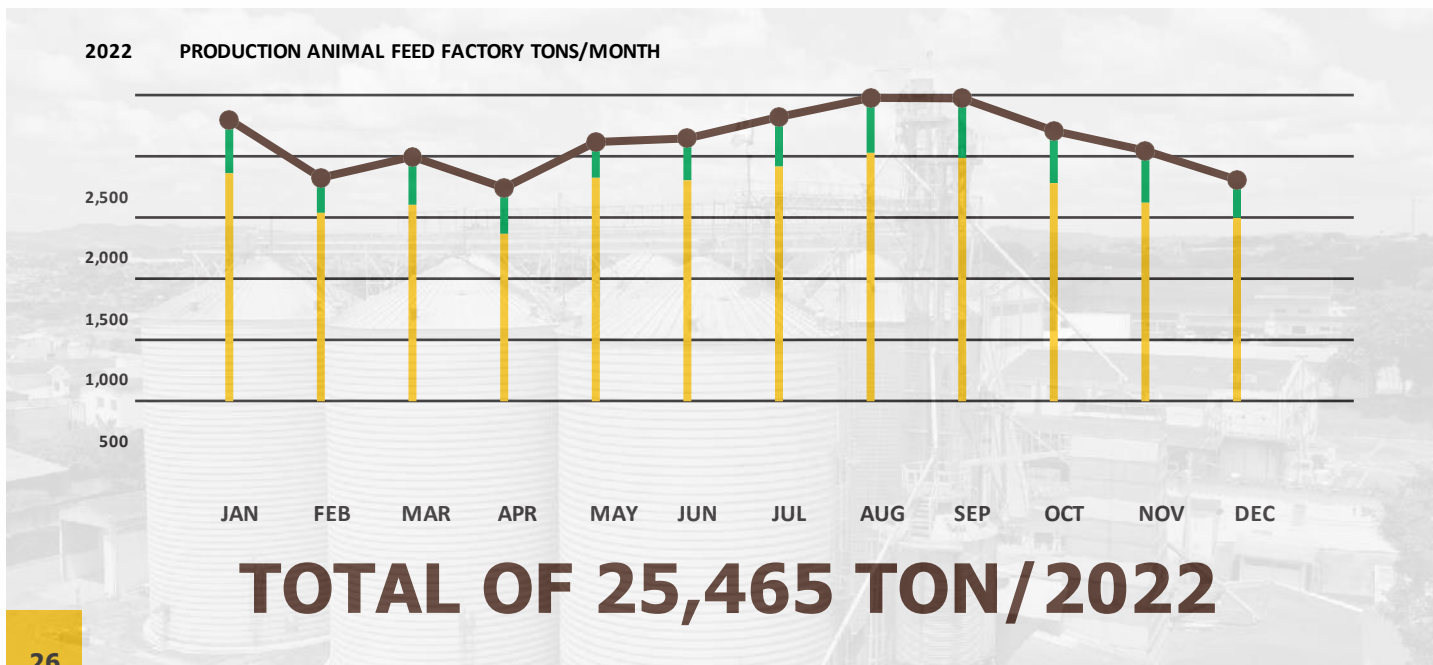


Animal Feed production by Cooxupé in 2022 was 25,464.68 tons, considering the factory in Guaxupé and outsourced companies in Rio Paranaíba and Monte Carmelo.



The year was marked by an increase in freight due to fuel prices. The war between Russia and Ukraine and the climatic phenomena contributed to the increase in the costs of main raw materials (such as additives

nutritional, urea, phosphates, potassium, by-products and others), which accompany the quotations of the Stock Exchange indexed to the Dollar. Along with the increase in the costs of production and raw material, there is also increase in the cost of electricity.





JAPY COMPLEX:

Cooxupé Stores and Emporiums: convenience in the daily life of the cooperative

Convenience and quality closer to the members! Cooxupé has available to its members, in Guaxupé, a store that brings together a wide range of exclusive products and the cooperative's own brands.

On site, co-op members can also find the lines produced by Cooxupé's Roastery and items such as hats, bags, watches, wallets and pots. In addition, in stores, there is also a variety of products available for use and consumption, facilitating the coffee grower's routine. Cooxupé is always close to its associates, promoting ways to facilitate the daily routine.

PIONEERING AND EFFICIENCY AT THE SERVICE OF THE MEMBER

Japy Industrial and Warehousing Complex is a strategic and revolutionary enterprise designed for the distribution of coffees. Since 2011, Cooxupé has been offering even more efficient logistics, with agile processes and quality to receive, store and distribute coffee through a high-tech system.

The total storage capacity is

3 MILLION BAGS.



CORN

In 2022, the total receipt of corn by Cooxupé resulted in 272,231 bags, of which 247,898 came from Members and 24,332 from Third Parties. Total Purchase: 232,546, 208,213 from co-op Members and 24,332 from Third Parties.

MORE THAN 18 THOUSAND COOPERATIVE MEMBERS MEN AND WOMEN.

This is the universe of the membership of Cooxupé, which is responsible for the production of green Arabica coffee in the regions: South, Cerrado and Matas in Minas Gerais, and Média Mogiana in the state of São Paulo.

Of this total number of members, 13,279 producers delivered coffee to Cooxupé in 2022, representing 3,781,160 bags.

Even in the face of crop failure, due to adverse weather conditions, Cooxupé cooperative members showed their loyalty and partnership with the cooperative, increasingly establishing a relationship of trust and belonging.

FAMILY FARMING PREVAILS

Cooxupé is now an internationally recognized cooperative. Its strength comes from family farming and other cooperative members who are responsible for greater production.

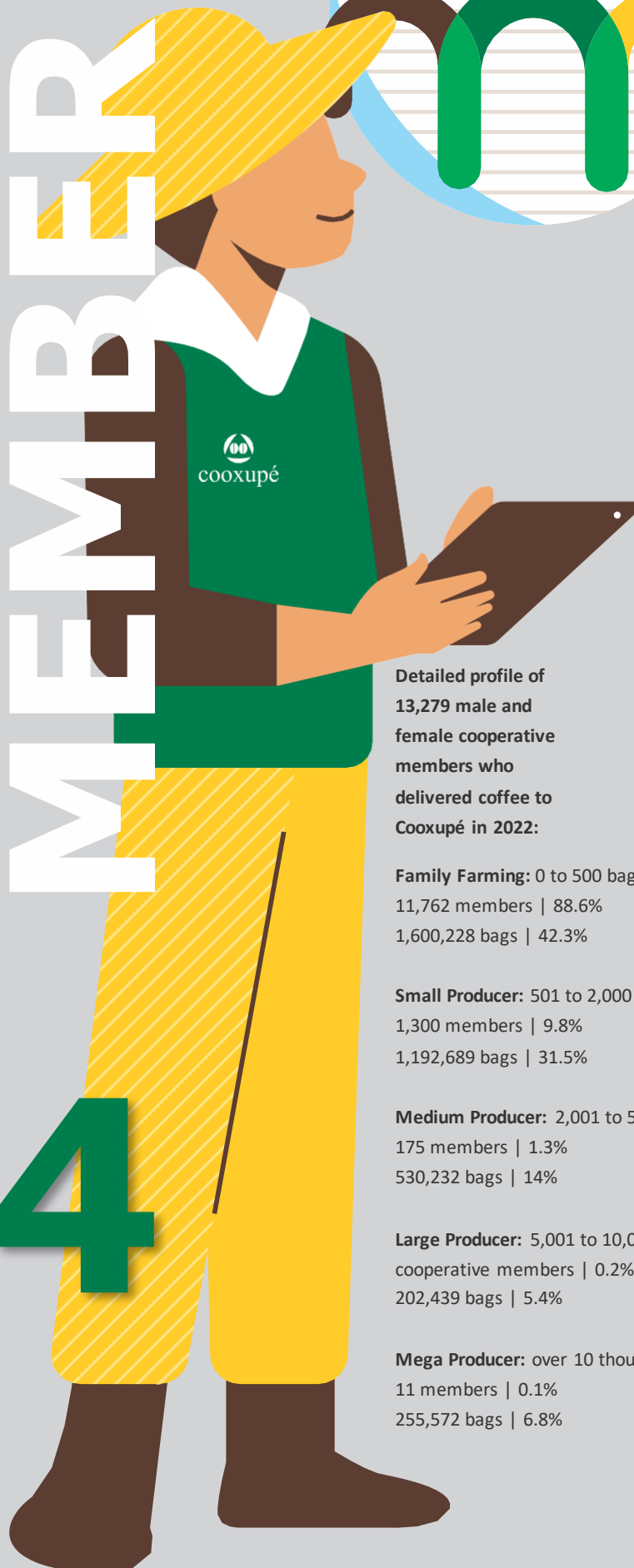
Of the coffee growers who delivered coffee, in 2022, to the cooperative:

98.4

are within the profile of family farming, that is, mini and small producers and represent 73.8% of coffee receipt.

PROFILE of

MEMBER



Detailed profile of 13,279 male and female cooperative members who delivered coffee to Cooxupé in 2022:

Family Farming: 0 to 500 bags
11,762 members | 88.6%
1,600,228 bags | 42.3%

Small Producer: 501 to 2,000 bags
1,300 members | 9.8%
1,192,689 bags | 31.5%

Medium Producer: 2,001 to 5,000 bags
175 members | 1.3%
530,232 bags | 14%

Large Producer: 5,001 to 10,000 bags
31 cooperative members | 0.2%
202,439 bags | 5.4%

Mega Producer: over 10 thousand bags
11 members | 0.1%
255,572 bags | 6.8%



Unimed Gourmet FOR COOPERATIVE MEMBERS

In 2022, Cooxupé brought something new: the healthcare plan Unimed Gourmet, an exclusive plan for cooperative members and their families, which has coverage listed on the ANS (National Supplementary Health Agency), with approximately 2,400 procedures.

It also offers Unimed Fone with 24-hour service to answer questions from members, with free dialing, without charging co-payment and which assists in exams, consultations and air medical transport. Cooperative members can choose between plans with state or national coverage, as well as private or collective accommodation.



COOXUPÉ AND MONTE CARMELO CLASSIFICATION: THE QUALITY OF MEMBER'S COFFEE

The classification work carried out by the laboratories located in Guaxupé and Monte Carmelo is responsible for maintaining the quality standard of the coffee produced by the more than 18,000 members of Cooxupé.

In Guaxupé, samples from producers in the South of Minas, Matas de Minas and Média Mogiana of São Paulo are evaluated and classified. In Monte Carmelo the samples of the cooperative members from Cerrado Mineiro are received. The purpose of the classification is to figure out the characteristics and attributes of each lot, for destination to the market.



A LABORATORY OF EXCELLENCE

João Carlos Pedreira de Freitas Laboratory was created in 1982 to carry out bromatological analysis for quality control in animal feed manufacturing, fulfilling a requirement of MAPA – Ministry of Agriculture, Livestock and Supply. However, given the need to work on improving the productivity and quality of the coffee produced by the co-op members, the laboratory increased the range of activities, carrying out soil and foliar analyzes, to serve the producers.

In 2022, given the high demand, it was reformulated to operate in a larger area, ensuring faster process flow.



**In 2022, the laboratory
received 56,919 samples
and made 678,822
determinations.**

OUTSTANDING AWARD

João Carlos Pedreira de Freitas Laboratory also received the Quality Seal from the IAC (Agronomic Institute of Campinas) and the Interlaboratory Program for Plant Tissue Analysis, endorsed by ESALQ/USP, proving the precision and quality of the analyzes provided.

And in 40 years of existence, completed in 2022, the laboratory collects certifications. According to the Brazilian Society of Soil Science, for 34 consecutive years, it was appointed as an ideal laboratory by obtaining grade A, certifying the quality of soil analysis. To obtain such certification, the laboratory had to achieve an Excellence Index equal to or greater than 90%. And the quality seal is valid until the following year.

GEOPROCESSING GREATER SAFETY for DECISION-MAKING



Cooxupé's Geoprocessing department provides information and data that help producers manage and make decisions, especially regarding weather conditions, prevention of diseases and pests that might affect production.



CLIMATE MONITORING

The Department is responsible for feeding SISMET (Meteorological Monitoring System), an essential tool for the operational planning of the coffee grower and for the results in the field. In this way, the System carries out the survey, controls and makes available the data captured by 17 meteorological stations and 420 rain gauges, in addition to gathering the information passed on by the cooperative members.

EXPANSION OF THE METEOROLOGICAL NETWORK

Aware of the importance of meteorology in agriculture, Cooxupé plans to have a total of 100 meteorological stations installed throughout the region where it operates. By these means, more coffee growers will be able to rely on detailed analysis for operational planning, which translates into more assertiveness in the field. Another advance that also enables continuous monitoring are the pluviometers installed in Cooxupé's coverage areas, which make it possible to assess current and future conditions. And with the greater number of stations, monitoring should soon be done in real time.

CROP ESTIMATE

Combining technological knowledge and agricultural practice, Geoprocessing corroborates the survey of production and productivity in the municipalities in the region where the cooperative operates. The proposal is that prior knowledge of the harvests, together with the mapping of the coffee park, will help Cooxupé and the coffee growers to make strategic decisions with greater confidence and assertiveness.

GEOPROCESSING

DISEASE NOTICE SYSTEM

Cooxupé, in partnership with UFLA (Federal University of Lavras), developed the SAD (Disease Warning System), based on the study and analysis of meteorological data to predict the occurrence of Rust and Phoma and, thus, launch an alert to the producer. The cooperative has a network of meteorological stations where precipitation, temperature, relative humidity, dew point and other data are collected, which help in the validation of mathematical models for this forecast.

In addition to the development and validation of the disease prediction model, this work aims to develop a panel that shows in which regions the meteorological conditions are favorable to the occurrence of these diseases and guide the producer to carry out the control in due time. The System also allows optimizing applications, avoiding unnecessary spraying, making the activity more rational and sustainable. When finalized, the SAD, which is sponsored by the company Ihara, will be available at Cooxupé's website and at SISMET platform.

TECHNOLOGY FOR THE DIAGNOSIS OF CLAY TYPES

Cooxupé, in partnership with the technology company Quanticum, pole EMBRAPIL (UFSCar), UNESP Jaboticabal and Federal Institute of the South of Minas Gerais, is developing an innovative project for coffee growing, the Terrus Café. The pioneering program comprises a soil nanoparticle diagnosis, that is, the type of clay.

This parameter will help in agronomic recommendations and in choosing the best source and dose of rock, limestone, gypsum, nitrogen, phosphorus, potassium and in choosing the crop to be planted for each type of clay and region. This contributes to regenerative agriculture and a sustainable production environment.



IFSULDEMINAS representatives, students and professors during a meeting with the Cooxupé team to present the planning of the Technological Validation Center.

ACADEMIC PARTNERSHIPS

Always looking for new ways to **spread and promote knowledge**, Cooxupé celebrates important partnerships with the academic universe. Below are some that marked 2022:

Innovation Hub in Coffee Farming:

The cooperative and the Federal Institute of Southern Minas Gerais (IF Sul de Minas) maintain the Coffee Innovation Hub. The objective is to encourage cooperative members to develop alternatives regarding the use of technologies and inputs to offer more efficient and economical management practices and techniques.

And this year, IFSULDEMINAS representatives, students and professors visited Cooxupé to talk about accountability and planning for the Technological Validation Center, which is part of the Coffee Innovation Hub.

Mococa Fatec:

Cooxupé's Information Technology Department has teamed up with the São Paulo State College of Technology (Fatec) for a partnership that unites the academic and corporate universes.

The initiative aims to offer students the possibility of projects in the area of scientific initiation, creation of short courses and also supervised internships at the cooperative, generating an exchange of knowledge, in addition to providing professors with research in the doctoral area.

Cooxupé and PUC:

Another agreement is with PUC (Pontifical Catholic University) Minas, Poços de Caldas campus. The plan offers an internship program that facilitates the student's entry into the corporate environment.

Cooxupé, Fundace and Ocemg with new graduates: In May, the headquarters of Cooxupé hosted the graduation of the 3rd group of cooperative members of the Development Program in Management and Education in Cooperatives, taught by the cooperative, in partnership with Fundace and Ocemg System. The course trains cooperative producers, helping them to be more prepared for the role played by the cooperative.



A network of coffee lovers

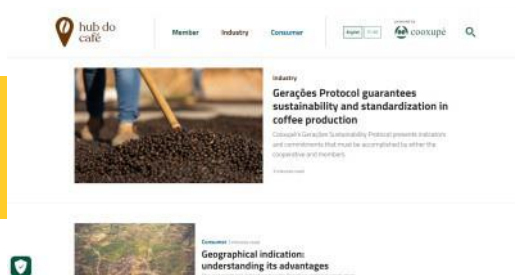
Cooxupé is increasingly consolidating itself in the virtual environment. The networks maintained by the cooperative, such as Instagram and Facebook, are proof of this. **There are currently more than 43,000 followers on Facebook and over 37,000 on Instagram.**

In 2022, the brand reached almost 9 million people on Facebook, a 20% increase compared to the previous year.

There are also 1.3 million users reached on Instagram, with an increase - in the period - of 71%, with a monthly average of 500 new followers accompanying the work developed by Cooxupé. On Twitter, the cooperative's posts recorded an average of 13,000 impressions per day throughout 2022.

On LinkedIn, Cooxupé recorded a growth of 1,212% in views compared to the same period last year.

HUB DO CAFÉ GETS HIGHLIGHT WITH PAGE IN ENGLISH



Launched in 2021, Hub do Café, a content portal about the coffee production chain and Cooxupé, has already expanded and gained an international page in 2022, with an English version of the main contents. The portal, in Portuguese and English versions, brings news about the coffee production market, domestic consumption, exports, curiosities, quotations, weather, in addition to the main facts that move Cooxupé. Thus, it promotes and encourages relevant information to producers, cooperative members, the market and consumers about the universe of coffee.

COOXUPÉ: BRAND PUBLISHING CASE

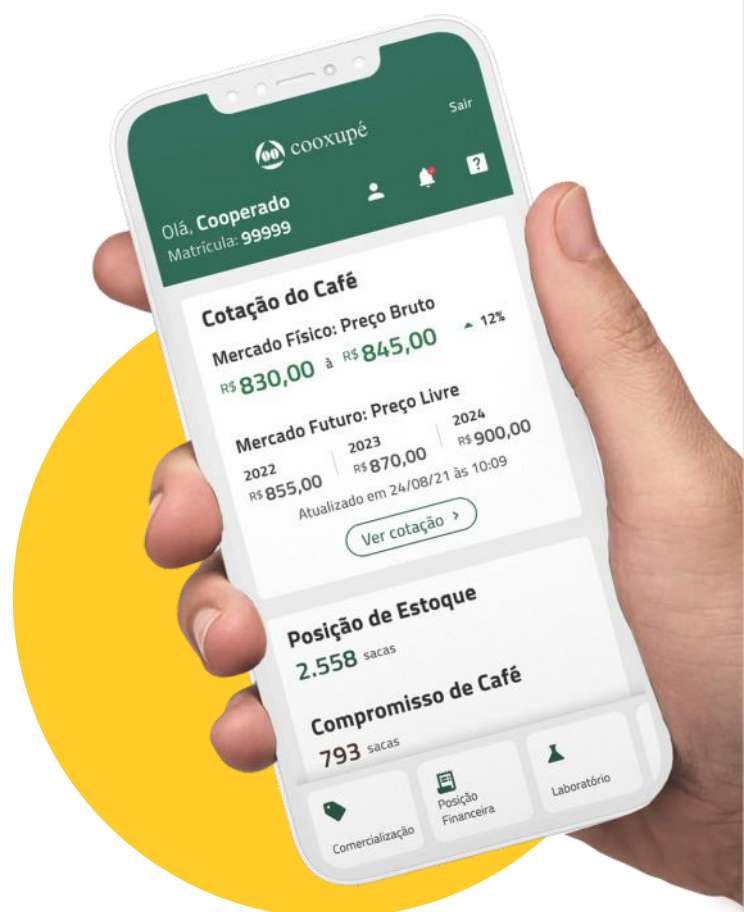


In September, during the first Brazilian event dedicated to discussions on brand publishing, promoted by Barões Digital Publishing, Cooxupé was present to highlight the functionalities and objectives of Hub do Café. Brand Publishing Exclusive took place in Rio de Janeiro with the participation of references from the media sector.

More services to cooperative members with **new APP**

In 2022, a major technological change took place with the development of the new Cooxupé application, which makes trading easier and safer. There are several services gathered in a single platform, which also had the unification for access credentials. That is, with a single user and password, the cooperative member accesses all his information with the cooperative, such as the sale of coffee for all enrollments linked to the registered identification document (CPF or CNPJ). The new app also integrates social media, Hub do Café and Cooxupé em Foco (a series of informational videos available on YouTube and other platforms).

Through the application, the cooperative member accesses registration data; financial position; inventory control; coffee appointments; laboratory analysis results; coffee quotation and price of the day paid by Cooxupé in its lots; situation of the stock exchange and currency quotations; information on income tax and balance sheet; in addition to being able to sell its coffee and settle overdue bills.



INCampo

Another application that facilitates and improves the relationship with cooperative members is INCampo. Developed to speed up services by integrating the technical and commercial teams, it is possible to consult products in stock at the stores, make quotations and even orders while the technical team is visiting the property, without the need for the member to travel. INCampo brings other resources to the team's agronomists and technicians that benefit the service, such as the recording of detected problems and consequent recommendations for improvements.



INDOOR TV QUALITY CONTENT FOR COOPERATIVE MEMBERS

In Cooxupé stores, the Indoor TV system takes content of interest to producers, such as quotations, weather forecast, in addition to Cooxupé em Foco.

CERTIFICATIONS

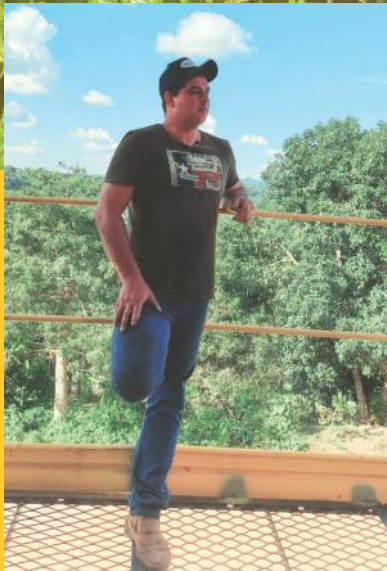
In January 2022, Cooxupé received the “PRÊMIO PARCEIRO CONFIÁVEL” – Reliable Partner Prize - certificate from the Nespresso team. The award recognizes the long-standing partnership, based on the commitment and dedication of Cooxupé and its cooperative members, together with the Swiss brand, to achieve the sustainability objectives established in The Positive Cup 2020.

Since 2014, Nespresso has maintained and strengthened the AAA Sustainable Quality Program TM, which is now responsible for 93% of the green coffee that enters Nespresso's production facilities in Switzerland.

Cooxupé's participation in the AAA Program takes place through the involvement of 736 cooperative farms in Cerrado Mineiro region, which meet the company's most demanding sustainability requirements. Since the beginning of the partnership with the Swiss brand, in 2008, more than 6.4 million bags of standard Nespresso coffee have been delivered by the cooperative's producers. Last year, 632 members were subsidized with the total amount of R\$30.8 million.

Through a pilot project with Farmer Connect and with the client Sucafina, Cooxupé passed on to 331 cooperative members, in April, a total award of R\$ 793.3 thousand.

FARMER CONNECT



José Olegário above and Francisco Carlos to the side, award-winning farmers from Farmer Connect.

Farmer Connect is a traceability platform that uses blockchain technology, in which all coffee operations are recorded from the property to the final consumer, providing more transparency to the process. This award is the result of the sale of 44,422 bags of coffee, involving 139 containers. As a result, lots from awarded cooperative members were part of the blends and included in Farmer Connect's traceability. The producers are located in 65 municipalities distributed in Cerrado Mineiro, in the south of Minas Gerais and in the state of São Paulo.

Internationally awarded lots



Cleide Aparecida da Silva Brito



Fatima Toth Antunes

In April, the Canadian company RGC Coffee awarded Cooxupé members by ordering and receiving a batch of specialty coffee produced especially by women who are part of the cooperative. **In total, 68 cooperative members received an award of**

R\$ 94,467. In March of the same year, 51 cooperative members had already benefited from the award.



Rainforest / UTZ Program

Last year, this certification program transferred R\$ 17,836,970 to 390 cooperative members.

Cooxupé pays more than R\$ 2.6 million to cooperative members that produced Ily standard

Also in November, Cooxupé awarded 120 cooperative members who produced Ily standard coffee in the 2022 harvest. In total, R\$ 2,633,075 were distributed among the associated coffee growers who achieved the differentiated quality for pulped natural coffees.

Award



Ernesto Illy Sustainable Quality Coffee Award for Espresso, held in May 2022, revealed the names of the winning coffee farmers in the National and Regional categories of the 31st edition of the award.

Two Cooxupé members from the region of São Paulo stood out: Luiz Miguel Costa Rocha, from Tapiratiba, was the champion and Luiz Antônio Poli Filho, from Caconde, won second place.

The Classifier of the Year trophy went to Luiz Evandro Ribeiro, coordinator of Cooxupé's Classification Department.



The Classifier of the Year trophy went to Luiz Evandro Ribeiro, coordinator of Cooxupé's Classification Department.

In November, illycaffè announced the 40 coffee growers selected for the final of the 32nd Ernesto Illy Sustainable Quality Coffee Award for Espresso. And of the 500 samples initially registered, eight are from Cooxupé cooperative members, who managed to reach the final stage. The reveal of the champions will take place in the first half of 2023.

Assistance for the development of cooperative members' families

The presence of technical assistance professionals is fundamentally important for the development of the cooperative member. The agronomists and agricultural technicians maintain a routine very close to the cooperative families throughout the year, collaborating for the sustainability of coffee and business, and also with the dissemination of information and new knowledge in the field. All of Cooxupé's technical assistance work is carried out with the cooperative member free of charge.

With the resumption of events and meetings, in 2022, Cooxupé's Technical Development department carried out 935 group services in activities such as Field Days, training, lectures, among others, impacting more than 22,000 participants. More than 80,000 people were assisted last year, through visits by professionals to the field and to the cooperative's service centers.

Technical Assistance Events

SERVICES						
Group services	Number of group events			Participants		
	2022	2021	Variation	2022	2021	Variation
Field Day	34	6	466.67%	1495	77	1841.56%
Training	474	370	28.11%	4,448	3,359	32.42%
Lecture	425	69	515.94%	11,518	1,599	620.33%
Specialty Coffees Live Streams (views)	1	7	-85.71%	2,200	10,437	-78.92%
Coffee and Climate Forum (views)	1	1	0.00%	2,400	3,900	-38.46%
SUBTOTAL	935	453	106.40%	22,061	19,372	13.88%

Total Assistance through field visits		2022	2021	Variation
SUBTOTAL		41,244	36,270	13.71%

Total Visits at the center		2022	2021	Variation
SUBTOTAL		16,836	12,864	30.88%

Total Visits		2022	2021	Variation
TOTAL		80,141	68,506	16.98%

ISSUED RECEIPTS		2022	2021	Variation
TOTAL		100,672	80,933	24.39%

EMPTY PACKAGES RECEIVED		2022	2021	Variation
TOTAL		88,896	102,469	-13.25%

2022



Postgraduate Degree

45 agronomists and agricultural technicians from Cooxupé completed, in June 2022, the postgraduate course on crop management, which started in June 2020. The specialization addressed technical novelties, in addition to further improving service to the producer and cooperative members, aiming at better quality of life, greater productivity and profitability within the properties. The graduation ceremony and certificate delivery took place at Assoxupé (Cooxupé's employees recreation center).

1 - Destination of Surpluses for Pay-ups of Capital Quotas	No. of Members	Amount in R\$
10% of the surplus/profit year 2022 - Payment in the capital quotas, according to Art. 66 of Social Statement	16,426	R\$14,088,606
2 - Destination of Surplus/Profit for Payment in Cash	No. of Members	Amount in R\$
10% of surplus/profit in 2021 - distribution in cash according to Article #66 §2 of Social Statement	16,426	R\$14,088,606
20% of surplus/profit in 2021 - available to the Assembly (Recommendation of the Administrative Board)	16,426	R\$28,177,211
Total	16,426	R\$ 42,265,817
3 - Payment of PRCI – Program of Capital Quotas Refund by Age	No. of Members	Amount in R\$
	1.098	R\$ 5,165,967
4 - Payment from Coffee Quality Programs	No. of Members	Amount in R\$
Nespresso AAA Rainforest Program	545	R\$30,814,695
Rainforest Alliance Program	390	R\$17,836,970
Specialty Coffee Program	744	R\$ 9,932,167
Illy/Cooxupé Program	120	R\$ 2,633,075
Specialíssimo Award	50	R\$ 330,000
Donas Do Café Program	46	R\$ 102,281
RGC Coffee Award – special prize for female producers only	68	R\$ 94,467
Total		R\$ 61,743,655
5 - Due date payment/delivery bonus for in-store purchase/Rural Product Bill - CPR	No. of Members	Amount in R\$
	12,981	R\$32,693,423
Grand total		R\$155,957,468

STATEMENT OF BENEFITS TO COOPERATIVE MEMBERS

RESULTS

Concluding this report, we present to the Annual General Meeting the allocations in accordance with Cooxupé's bylaws and Law No. 5,764/71, to be deducted from the net surplus for the year, in the amount of R\$ 277,335,998 (two hundred and seventy-eight million, three hundred and thirty-five thousand, nine hundred and ninety-eight Reais), as follows:

Direct Destinations

a) R\$ 54,477,259 (fifty-four million, four hundred and seventy-seven thousand, two hundred and fifty-nine Reais) equivalent to net income from non-cooperative members, adjusted by the realization of the revaluation reserve, appropriated directly to RATES;

b) R\$ 81,972,681 (eighty-one million, nine hundred and seventy-two thousand, six hundred and eighty-one Reais) allocated to the development reserve.

After these direct allocations, R\$ 140,886,058 (one hundred and forty million, eight hundred and eighty-six thousand, fifty-eight Reais) remain to be allocated according to statutory provisions, as follows:

Statutory Allocations

a) R\$ 42,265,817 (forty-two million, two hundred and sixty-five thousand, eight hundred and seventeen Reais) or 30%, to the legal reserve;

b) R\$ 21,132,908 (twenty-one million, one hundred and thirty-two thousand, nine hundred and eight Reais), or 15%, at RATES;

c) R\$ 21,132,908 (twenty-one million, one hundred and thirty-two thousand, nine hundred and eight Reais), or 15%, to the development reserve;

d) R\$ 14,088,606 (fourteen million, eighty-eight thousand, six hundred and six Reais), or 10%, to the capital quota account;

e) R\$ 14,088,606 (fourteen million, eighty-eight thousand, six hundred and six Reais), or 10%, which cash will be distributed to the cooperative members.

After these statutory allocations, R\$28,177,213 (twenty-eight million, one hundred and seventy-seven thousand, two hundred and thirteen Reais) are left for the Annual General Meeting, or 20%, for it to decide on its allocation.

The Board of Directors recommends the Annual General Assembly to allocate R\$ 28,177,213 (twenty-eight million, one hundred and seventy-seven thousand, two hundred and thirteen Reais), or 20%, to the distribution in cash to the cooperative members.

REPORT

On December 31, 2022 and
2021, attended by the
opinions of the
independent auditors and
the Fiscal Board



SOCIO EN VIRO NM ENTAL



cooxupé



GOVERNANCE AND ESG AGENDA PRESENT AT COOXUPÉ



Governance: adoption of best practices for the cooperative and its members

Governance is driven to adopt the best practices that combine the interests of the cooperative and its members. This is what Cooxupé practices in its administration.

At Cooxupé, Governance is represented through the activities of the Fiscal and Administrative Boards, composed by 15 board members. The Board of Directors' mission is to protect and value Cooxupé, promoting socioeconomic development

and the interests of the members, in addition to preserving the cooperative nature of the business. Always seeking balance between the wishes of the interested parties.

The Fiscal Board, is the body that permanently supervises the cooperative's economic and financial activities and any actions that compromise Cooxupé's administrative, fiscal, tax and social responsibility.

EASY ACCESS

In 2022, Cooxupé made access easier for cooperative members who want to know more about content related to governance and transparency, on the cooperative's website. The novelty was the creation of the new Governance and Transparency menu, in which the interested party can go deeper on the subjects: Bylaws, Code of Ethical Conduct, Integrity Program, Sustainability Policy and Privacy Policy.

Cooxupé implements



GERAÇÕES

COOXUPÉ SUSTAINABILITY PROTOCOL

ESG is an agenda full of practices linked to sustainability, social matters and governance, which has been meeting the demands of new consumers and the market as a whole. It is one more step towards a promising and strategic future.

Attentive to changes, new consumer relations and requirements, Cooxupé has been carrying out management based on ESG practices in recent years, to guarantee a better future for the cooperative and its members.

For this purpose, in 2022 it implemented "GERAÇÕES", an absolutely inclusive protocol designed with the consumer of the future in

mind, which are committed to good practices in the market, and whose decisions are based on sustainability. On the other hand, it also guarantees that the processes in the fields occur in sustainable ways, as well as the standardization of coffee for the market. With "GERAÇÕES", Cooxupé and its more than 18,000 co-op members are committed to adopting the best practices to ensure resilience, further improve working conditions on the farms and, consequently, enable production based on social responsibility.

The Sustainability Protocol presents requirements and commitments that must be met by both the cooperative and its members, which vary in production size, geographic location, experience, objectives, activities and resources. This translates into economic balance for the producer who drives socio-environmental actions to ensure productivity, market, traceability, remuneration for quality, cheaper credit, supply of inputs and also technology.

The levels of the Protocol are:

LEVEL 1: Aware of Sustainability

LEVEL 2: Engaged in Sustainability

LEVEL 3: Practicing Sustainability

LEVEL 4: Excellence in Sustainability



PROTOCOLO DE
SUSTENTABILIDADE
COOXUPÉ

CONSULTING WITH TOTVS

To structure ESG indicators (Environmental, Social and Governance) Cooxupé entered into a partnership with the consultancy TOTVS, an expert in business management.

A specific department was created, which has a committee to evaluate processes related to the topic and with the function of providing support to all Cooxupé's managers in the incorporation of sustainability at the co-op.

In this way, the cooperative is based on the search for the sustainable development of the cooperative, thinking about increasing its productivity in the field, without neglecting the attention to the environment and the community.

An in-depth assessment of all internal processes is also carried out, analyzing risks, opportunities and challenges related to ESG criteria, which go far beyond profits and financial indicators. Once adopted, these parameters also allow the cooperative to be in line with the 17 Sustainable Development Goals proposed by the UN for developing nations, such as sustainable consumption and production, decent work, economic growth and action against global climate change.



Encouraging the engagement of Cooxupé's employees

On July 29th, Cooxupé and TOTVS held a lecture, in a hybrid format, to engage employees and explain all the processes that involve diagnosing the ESG agenda. Challenges and opportunities were mapped in the short, medium and long term, as well as the benefits of this practice for the organization. All this because in 2023 the cooperative intends to launch its first sustainability report.

ESG

IN PRACTICE

E: FOCUS ON THE ENVIRONMENT (ENVIRONMENTAL):

encompasses aspects and analysis of greenhouse gas emissions, electrical/water efficiency and waste disposal. This is an important role for the company in preventing environmental damage.

S: FOCUS ON SOCIETY (SOCIAL):

how organizations relate to their communities, including transparency, the supply chain and employee satisfaction, as well as compliance with labor laws and attention to human rights.

G: FOCUS ON CORPORATE (GOVERNANCE):

transparency in actions, ensuring environmental and social aspects and, above all, sustainable management in line with the interests of its stakeholders.



Representatives of the Brazilian Federal Revenue Service (RFB) – Customs, based in Belo Horizonte, visited Cooxupé to deal with matters related to the export of coffee via REDEX. Present were the Deputy Superintendent of the RFB in Minas Gerais, Orlando Soares dos Santos; the RFB Customs Delegate in Belo Horizonte, Bruno Carvalho Nepomuceno; the Head of Customs at the SUP of the 6th Fiscal Region, Carmen Fantini de Castro e Carvalho Nepomuceno; and the RFB Delegate in Varginha, Michel Lopes Teodoro.



Students from the program Jovens do Cmapo (Youth of the Field), from the Union of Rural Producers of Monte Santo de Minas, visited Cooxupé's headoffice and got to know the entire structure, from reception to export of coffee. The initiative aims to insert young people into the rural job market, offering an entrepreneurial vision with a focus on regional opportunities.



Members of the Association of Rural Unions of Southern Minas Gerais (ASSUL) were received at Cooxupé to strengthen relations and partnerships. Diógenes Caxin, Manager of ASSUL; Elvira Alice Souza Ribeiro, President of the Union of Rural Producers of Alfenas and member of ASSUL; and José Eduardo Nunes de Souza, President of the Union of Rural Producers of Alterosa and also a member of ASSUL, participated in the meeting with members of the cooperative.



Cooxupé received members of the Rainforest Alliance. On the occasion, there were the new Director Brazil, Giovana Baggio de Bruns; the Market Development Manager, Giovanna Escoura; Head of Supply Chain Services, Lucas Negri; and the person responsible for the certification partnership, Paula Torres.



The 4th group of the Cooperative Management and Education Development Program, a course promoted by Cooxupé in partnership with Fundace and the Ocemg System, visited the cooperative's facilities and participated in a chat with the Executive Board and the superintendents.



Cooxupé's members that participated in the 3rd Group of Cooperative Management and Education Program, visited B3 Stock Exchange, in São Paulo, as well as Veiling Cooperative, in Holambra, which brings together flower producers from that region.



Andres Berron Palocios, Diana Roseli Tavares and Michelle Burns, from Starbuck, one of Cooxupé's important customers, visited the Port Complex of Santos together with the cooperative's export team.



Nine Minas Gerais cooperatives that are part of the Intercooperation in Practice Project, promoted by the Ocemg System, were received at Cooxupé to learn about the practices developed by the cooperative - such as the Cooperative Management and Education Development Program, and GERAÇÕES (Sustainability Protocol) - in addition to the head office, Japy Complex and Roastery facilities.

2022 VISITS

VISITS



Representatives of the companies Coffee America and Mother Parkers, accompanied by a team from Cooxupé, visited a property contemplated by the Minas D'Água project, which is carried out by the cooperative in partnership with the institutions.

COOXUPÉ AND COOPERATIVES FROM PARANÁ

With the aim of sharing lessons learned and experiences that help in management and future planning, Cooxupé participated in a visit schedule in the state of Paraná to get to know Lar Cooperativa, C.Vale, Copacol and Cocamar.



Portas Abertas with new opportunities



Cooxupé's Portas Abertas (Open Doors) program is a way of enabling cooperative members to be even closer to the cooperative, following developments and all the opportunities offered.



The program also has the objective of attracting new producers to join the membership.

1. Cooperative members of Cassia and Ibiraci

In April, co-op members of Cássia and Ibiraci were able to strengthen relations with Cooxupé at a meeting in which the board announced the arrival of a Service Point for the cooperative in Ibiraci, providing and improving services to members.

Before that, Cooxupé was already present in the region with an Advanced Unit in Cássia, serving, until then, producers in Capetinga, São Tomás de Aquino, Claraval and Delfinópolis.

In May, Cooxupé received a group of cooperative members from Ibiraci, who got to know the structure of the cooperative, in addition to strengthening the relationship.

2. Guaxupé, Guaranésia and Muzambinho

In April, the cooperative received members from Guaxupé, Guaranésia and Muzambinho who got to know Cooxupé's facilities and internal processes. They were received by the board and communication department.

3. Andradas and Ouro Fino

In May, also within the program, cooperative members from Andradas and Ouro Fino visited the cooperative's head office. In addition to getting to know the facilities and processes, they had a meeting with Cooxupé's board and team, exchanging knowledge and experiences on production and the market.

4. Students from Nova Resende

In June, Cooxupé received students from Padre Luiz Moreno State School, in Nova Resende. The group visited the facilities at the cooperative's head office and Japy Complex, in addition to participating in a chat with President Carlos Augusto Rodrigues de Melo and Vice President Osvaldo Bachião Filho.

5. Board goes to the business units

Throughout the year, the board made several visits to the municipalities where the cooperative maintains business units for meetings with co-op members and collaborators to strengthen relations, exchange information and welcome opinions on Cooxupé's activities. The delegation has been to the building site of a new warehouse in Campos Gerais, the service units in Lambari and Santo Antônio do Amparo and the units in Patrocínio and Serra do Salitre.

6. Co-op members from Machado

In August, producers from Machado visited Cooxupé's head office and were welcomed by the cooperative's directors and team. On that occasion, the group visited the head office and Japy Complex facilities, and also accompanied some of the processes developed, such as the classification of coffee.

7. Co-op members from Elói Mendes

In the same month, co-op members and producers from the region of Elói Mendes, in the south of Minas Gerais, visited the facilities at Cooxupé head office and Japy Complex. They were welcomed by the Cooxupé's Directors and team.

8. Board of Directors in Coromandel

In September, the executive board visited the business unit in Coromandel for a meeting with the members, where the demands for the town were discussed. President Carlos Augusto Rodrigues de Melo was present, as well as the vice-president Osvaldo Bachião Filho; board member Leocarlos Marques Mundim; Corporate Communication manager Jorge Florêncio Ribeiro Neto; the business unit's manager Flávio José Vieira and his team.

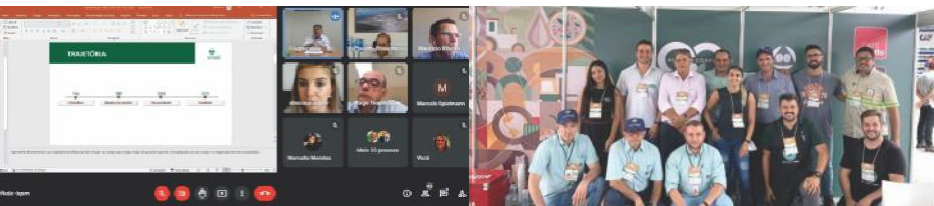
9. Boa Esperança and Ilícinea

In October, co-op members and producers from the region of Boa Esperança and Ilícinea visited Cooxupé, getting to know the installations, laboratories and functioning of Japy Complex. The group was welcomed by the executive board and team and took the opportunity to deepen their knowledge about the processes after receiving the coffee.

10. Manhuaçu and São Gonçalo do Sapucaí

In late end of November, producers and co-op members from Manhuaçu, in the region of Matas de Minas, and São Gonçalo do Sapucaí, in South of Minas Gerais, visited the cooperative's facilities in Guaxupé and Japy Complex. The groups were welcomed by the board and members of the Cooxupé team.

Throughout 2022, Cooxupé participated in **important agribusiness events**. Check it out:



OBSCOOP/USP SEMINAR

Cooxupé participated in the seminar “Professionalization of Management in Agricultural Cooperatives” promoted by the Observatory of Cooperatives (OBSCOOP) of the University of São Paulo (USP). The event presented the trajectory of the managers and the different ways of managing a cooperative, considering the complexities of the coffee, flowers and wine segments.

23rd SYMPOSIUM ON COFFEE GROWING IN MATAS DE MINAS

In April, the cooperative was present at the 23rd Symposium on Coffee Growing in Matas de Minas, in Manhuaçu. The event brought about the dissemination of technologies that guarantee a unique identity and standard to the coffee produced in Matas de Minas. Lectures and short courses brought together coffee growers, businesspeople, researchers, technicians and agronomists linked to the production chain.

PREVENTION OF WILDFIRE



In May, Cooxupé participated in a meeting to discuss the prevention of fires in rural areas. Organized by the Municipality of Guaxupé, in partnership with the 2nd Platoon of Military Firefighters in the town, the meeting also had the participation of members of the Technical Assistance and Rural Extension Company of the State of Minas Gerais (EMATER) and 21 rural producers, representing the class.

25th Fenicafé in Triângulo Mineiro

Also in April, Cooxupé’s board participated in the 25th edition of the National Irrigation Fair in Coffee Culture, held in Araguari. “The strength of irrigated coffee growing” was the theme of the event, promoted by the Association of Coffee Growers of Araguari (ACA) and the Federation of Coffee Growers of Cerrado, with the support of Embrapa Café.



INTERNATIONAL SEMINAR of COFFEE

Cooxupé also participated, in May, in the 23rd International Coffee Seminar in Santos, promoted by the Commercial Association of Santos (ACS). The theme of the event was “Coffee: how prepared is Brazil?” and promoted the debate on innovations and reflection on topics such as ESG culture, socio-environmental governance, regenerative agriculture and the sector’s sustainable demands.



ENCA

The president of Cooxupé, Carlos Augusto Rodrigues de Melo, has been to ENCA - National Meeting of Agricultural Cooperatives, held in June. On the occasion, he participated in the lecture "The importance of bringing cooperativism to the members", along with guests: Carolini Ap. Berlanda (expert in Agribusiness and Cooperativism), Haroldo José Polizel (Superintendent of Cooperativa Integrada) and Marcos Antonio Trintinalha (President of Cocari).



DELIVERY OF THE FPA AWARD

In May 2022, Cooxupé, through President Carlos Augusto, participated in the FPA Award Ceremony, in celebration of the 10 years of the Brazilian Forest Code. The ceremony took place in Brasilia. The award is granted by Instituto Pensar Agro and by the Parliamentary Front for Agriculture (FPA) and was attended by authorities and representatives of the sector, and also honored personalities of the Brazilian agro industry.

PROJECT INTERCOOPERATION IN PRACTICE BELO HORIZONTE

In June, another stage of the "Intercooperation in Practice" program was held in Belo Horizonte, which brings together representatives of different credit, health and agribusiness cooperatives. The meeting took place at Unimed-BH, with more than 50 leaders from entities. Cooxupé, which

in the last edition of the PDGC awards won gold in the "Commitment to Excellence" category, was represented by President Carlos Augusto Rodrigues de Melo; by the vice president, Osvaldo Bachião Filho; and by the corporate communication manager, Jorge Florêncio Ribeiro Neto.



AGRO BUSINESS CIRCUIT

Cooxupé headquarters welcomed, in July, the Agro Business Circuit. The initiative of Banco do Brasil marked the Regional Launch of the 2022/2023 Crop Plan and offered several lectures and business roundtables to members. The event addressed issues such as Female Entrepreneurship, with the Executive

Director of the International Coffee Organization (ICO), Vanusia Nogueira; lecture on ESG and the results for sustainable agriculture, with Matheus Franco Severino, from Cooxupé; lecture on ways to mitigate risks in agribusiness, with BB Seguros consultant, Bárbara Carine Sousa Mendes.



AGRICULTURAL NEWS EVENT CELEBRATES "FARMER'S DAY"

Also in July, the cooperative participated in the event celebrating the 25th anniversary of the Agricultural News portal and the Farmer's Day. The meeting brought together authorities, partners, sponsors and broadcasters of rural news.

NATIONAL MEETING OF WOMEN COOPERATIVES

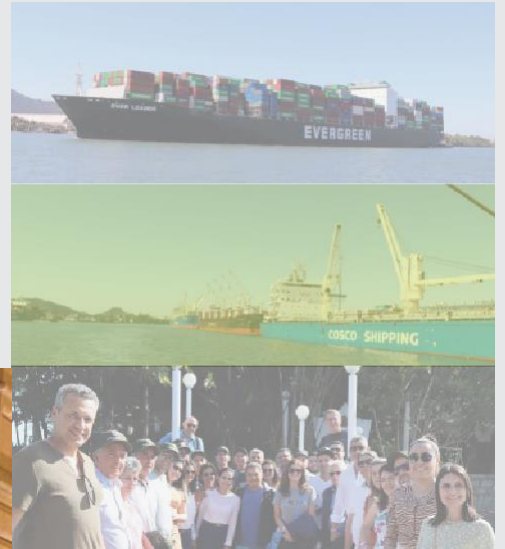
A group of cooperative members from Cooxupé participated in the National Meeting of Cooperative Women (ENMCOOP). The event took place in August, in Campinas/SP, and was organized by Grupo Conecta. Cooxupé's Financial Funding and Future Market manager, Mônica Lis, participated in the panel "What the future of credit holds for women", together with coffee grower and owner of Labareda Agropecuária, Flávia Lancha, and agribusiness specialist, Ticiane Figueiredo.

ENCOFFEE

In September, Cooxupé participated in the Encoffee (Coffee Growers Management Meeting) in Uberlândia/MG. During the meeting, the president of the cooperative, Carlos Augusto Rodrigues de Melo, was invited to talk about the logistical challenges for exports generated by the pandemic period and also due to the war in Eastern Europe.



CELEBRATING 100 YEARS OF THE OFFICIAL COFFEE TRADING MARKET



Directors, and Board members, as well as cooperative's team traveled to the port city of Santos (SP) for a schedule of visits and events. They visited Cooxupé's export office; an opportunity in which the current directors got to know the facilities and the work carried out by the employees of this department and, also, the Port of Santos, closely monitoring how the operations on the port platforms work. The entourage also participated in the celebrations of the 100th anniversary of the Official Coffee Exchange, where the Coffee Museum is located. Opened in 1922, the palace symbolizes the strength of Brazilian coffee growing.

46th BRAZILIAN COFFEE RESEARCH CONGRESS

The cooperative's team participated in the 46th Brazilian Coffee Research Congress, held by the Procafé Foundation, in Poços de Caldas (MG), also in October. At the meeting, scientific works and seminars were presented, in addition to debates aimed at disseminating technological innovations in favor of improving the sector.



WORLD COOP MANAGEMENT (WCM)

Cooxupé's Strategy, Innovation and Development team was present at the World Coop Management (WCM) congress, in Belo Horizonte, in October. This is the largest congress of strategic and cooperative leadership in Brazil.





POTÊNCIA AGRO HIGHLIGHTS COOXUPÉ'S COOPERATIVISM

In November, the Potência Agro (Agro Power) event took place, held by Banco do Brasil in the city of São Paulo. On the occasion, the president of Cooxupé, Carlos Augusto Rodrigues de Melo, was honored as "Potência Agro" for his commitment and dynamism at the head of the cooperative. The Board of Directors and former president of Cooxupé, Carlos Alberto Paulino da Costa, received an honorable mention during the event.



TRIBUTE IN BOOK

In addition to the honors awarded during the event in São Paulo, Carlos Augusto and Carlos Paulino will have their stories with coffee and cooperativism recorded in the book Potência Agro – Café, also created by Banco do Brasil.

1st COFFEE FROM WOMAN TO WOMAN



Cooperative members, wives of cooperative members, employees, representatives of suppliers and students of Agronomy course at the Federal University of Viçosa (UFV) - Campus Rio Paranaíba - participated in the 1st Café de Mulher para Mulher. The event took place at the Cooxupé unit in Rio Paranaíba, in partnership with the Women Agro Program, from the UFV, and the topics addressed were the strength of women in agriculture and entrepreneurship, as well as the Pink October Campaign.



INTERNATIONAL WEEK COFFEE 2022

Cooxupé was present, in November, at the International Coffee Week, held in Belo Horizonte. The cooperative was present with a booth for the Roastery and SMC Specialty Coffees, in addition to strengthening ties and promoting networking with other members of the production chain.

Also during the International Week, Cooxupé members participated in an exclusive meeting of women producers.



COOXUPÉ EVENTS

To increasingly improve the quality of services provided and strengthen relationships, Cooxupé holds various events throughout the year. These meetings are stages for a lot of exchange of information, knowledge and integration with cooperative members, collaborators and the production chain in general. Below are some of the events held:



Representing Cooxupé

One of the events promoted by the cooperative took place in April with self-employed drivers registered to provide services. During the 2022 meeting, the points of attention for the operational process of loading and unloading were highlighted, as well as guidelines for the professional to provide a quality service, representing the cooperative within the cooperative's property.



Keeping an eye on time

Cooxupé promoted a cycle of online lectures with climate specialist professor at USP's Institute of Astronomy, Geophysics and Atmospheric Sciences, Pedro Leite Dias da Silva.

He talked about the trend for winter and the following months. During the virtual meeting, Dias also commented that for 2022 the risk of frost would be minimized in the area covered by Cooxupé, due to the effects of the La Niña phenomenon, which increases the temperature of the Pacific waters by 2 to 3 degrees. This condition was confirmed over the subsequent months.

FIELD DAYS



In May, between the 10th and 11th, the Agricultural Research Company of Minas Gerais (Epamig) and Cooxupé promoted lectures and visits to the field in the cities of Alpinópolis and Cabo Verde. The events presented results on the performance of cultivation



Lecture with Flávio Borém

Between the end of May and the beginning of June, cooperative members from Guaxupé, Conceição da Aparecida, Patrocínio and Manhuaçu participated in lectures with professor and specialist in specialty coffees, Flávio Borém. The lecture was also published online for all members. During the cycle, Borém shared knowledge about the production of high-quality coffee, post-harvest processes and correct cleaning of the beans. The professor also guided cooperative members who wish to produce specialty coffees.



Ethics and Integrity Week

In July, Cooxupé held the Ethics and Integrity Week with the aim of disseminating the principles and guidelines contained in the Code of Ethical Conduct, in order to establish an honest, transparent and socially responsible work environment. The theme of this edition: "Ethics and Integrity in Business and Human Relations" addressed aspects that involve businesses and publics that maintain a relationship with Cooxupé.

NATIONAL TRAFFIC WEEK

On Truck Driver's Day, celebrated on September 16, Cooxupé carried out a series of actions dedicated to traffic safety in the Japy Complex. With the aim of raising awareness about the role of each one in traffic, alerting to defensive behaviors, the Department of Transport of the cooperative promoted lectures given by Rodrigo Donizeti da

Cruz, coordinator of Professional Development at SEST/SENAT (Social Service of Transport/National Service of Transport Apprenticeship). Finally, the activity included the delivery of gifts to self-employed drivers, carrier drivers and Cooxupé employees who participated in the meeting.



C DAY

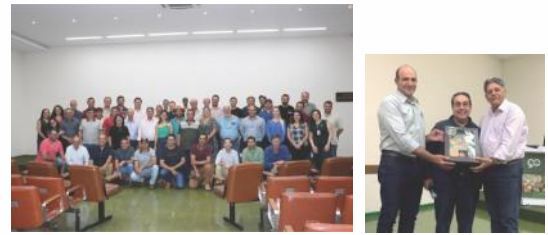
For another year, Cooxupé participated in Dia C, Dia de Cooperar, in an action in partnership with Sicoob Agrocredi. The focus was on collecting milk to be donated to entities where the cooperative is present.

In Guaxupé, for example, president Carlos Augusto Rodrigues de Melo and vice president Osvaldo Bachião Filho delivered 441 liters of milk to the institution Vila Vicentina Frederico Ozanam. The collection also took place in the other Cooxupé centers, which arranged for the delivery to entities in their respective cities.



Celebrated in July, C-Day was created in 2009 by the Ocemg System (Organization of Cooperatives of the State of Minas Gerais) with the support of the OCB System (Organization of Brazilian Cooperatives) to commemorate the International Day of Cooperatives.

Annual Meeting of the Cooperative Management and Education Development Program



At the end of October, the members of the Cooperative Management and Education Development Program, developed by Cooxupé in partnership with Fundace and Ocemg, participated in a meeting at the cooperative's headquarters in Guaxupé (MG). During the lecture "A Brazil of Opportunities", conducted by professor and anthropologist Luiz Almeida Marins Filho, subjects were discussed with a focus on the country's economic potential. The actions developed after the course were also worked on, in order to promote reflections and stimulate the continuity of knowledge acquisition.

In addition, the cooperative members who made up the 1st, 2nd and 3rd groups participated in a chat with Cooxupé's directors and superintendents about the considerations about the cooperative and the content presented.

FAIRS IN THE DIGITAL ENVIRONMENT



For another year, Femagri and Feira do Cerrado were held in the digital environment, in health protection and safety due to the pandemic scenario.

Femagri took place from the 1st to the 25th of February, while Feira do Cerrado was held from the 1st to the 31st of March. Once again, the virtual events registered a large participation of the cooperative members.

Coffee growers had access to new products and services that generate sustainability and greater profitability in the producer's activity, such as harvesters, sprayers, irrigation, precision agriculture, coffee yard projects, among others.

products and services that generate sustainability and greater profitability in the producer's activity, such as harvesters, sprayers, irrigation, precision agriculture, coffee yard projects, among others.

11,800
ACCESSES
IN THE APP

6.51%

POSITIVE RESULTS FOR ALL

More than 11,800 accesses were recorded in the Cooxupé application, in the Fairs area, in the months of February and March, representing a growth of 6.51% compared to the year 2021.

Through the platform, cooperative members had favorable business opportunities, with the support of the cooperative in offering products for stock and immediate delivery.

ACCESS AND NEGOTIATION

All negotiations were done through the application and the cooperative's service centers. In the application, the cooperative member had access to all participating companies and also to all products, images and technical specifications. Upon expressing interest, the producer requested a quote and received contact from the sales team.

COOXUPÉ PROJECT WINS BAYER PROGRAM

The project “Sustenta Mais: Agricultura Regenerativa”, created by Cooxupé, in partnership with the startup Quantum and the EMBRAPPI research center at IFSULDEMINAS, won in the Innovation category of Coopera+ Impulsion. The program is an initiative of Bayer with the cooperative system. The health and nutrition multinational supports the development of projects with the potential to generate a positive impact on agriculture and the surrounding communities. The choice contemplated two thematic axes: Innovation and Sustainability.



SUSTENTA MAIS

PROJECT “SUSTENTA MAIS: REGENERATIVE AGRICULTURE” MAPPED THE SOIL HEALTH IN 80 FARMS, TOTALING 10 THOUSAND HECTARES OF COFFEE CROP.

The initiative generates an analysis that supports the rural producer’s decision-making, productivity and carbon sequestration in the soil, through artificial intelligence.

The aim of the project is to transform tropical agriculture and help the producer achieve greater efficiency and sustainability based on soil ecosystem solutions, which is where everything begins, allowing diagnosis and regeneration in ultra detail.



INNOVATION WORK OF COOXUPÉ INTEGRA COMMEMORATIVE PUBLICATION

In the year celebrating the 60th anniversary of FAPESP – São Paulo Research Foundation, several scientists, journalists, managers and leaders highlighted relevant topics that were gathered in a commemorative digital leaflet. Cooxupé participated in the seventh issue of the publication, which deals with Innovation and entrepreneurship, for its work together with the company Quantum on magnetic mapping of tropical coffee growing, which can collaborate in environmental management activities.



MORE SUSTAINABILITY: COOXUPÉ IS A PARTNER OF PROJECT CAFÉ PRODUTOR DE ÁGUA

An initiative of the CNC (National Coffee Committee), in partnership with Cooxupé, the project Café Produtor de Água aims to create a favorable environment for the establishment of partnerships between entities that work in coffee growing, to enable the implementation of practices and conservation management and improvement of vegetation cover, which contribute to the effective abatement of erosion and sedimentation and to the increase of water infiltration into the soil, in addition to promoting the recomposition of riparian forests. The pilot phase of the project in a water basin in Alpinópolis began to be implemented in February, after a technical visit by the CNC to the cooperative.



YARA AND COOXUPÉ: PARTNERSHIP FOR GREEN FERTILIZER

In November, Cooxupé and Yara, a world leader in plant nutrition, announced a partnership to make the cooperative the first in the country to receive the green fertilizer produced by the company. The formalization took place during the International Coffee Week, in Belo Horizonte. This is an important step towards the decarbonization of the coffee chain. With the partnership, the two companies will study the feasibility of supplying the lowest carbon emission input, in addition to working on the adoption of agricultural practices, methods and tools to reduce the climate footprint involved in coffee production and increase the productivity and quality of the crop.



BELL SPRINGS

MATA DO SINO

Another sustainability project was started of Cooxupé in March. Mata do Sino Springs has the support of Sucafina and Farmer Connect and is aimed at protecting springs, serving producers located in Mata do Sino. Like Minas D'Água, already implemented by the cooperative in Guaxupé, the objective is to preserve water resources as an essential step to protect humanity and, consequently, agriculture.

The region located in the municipality of Juruáia was chosen for the execution of the project due to the scarcity of water faced by producers and the population in general.

The project encourages producers to establish new conservation zones along water courses. For this purpose, seedlings and fences are provided.

Implementation

In the first phase, training was offered to producers on legislation, general concepts and actions related to the preservation of springs. In addition, contour lines have already been implemented in order to redirect the flow, so that it does not reach the source and surrounding cords and allow for greater infiltration of water into the soil.



COOXUPÉ TO THE COOPERATIVE MEMBERS

Between April and May 2022, Cooxupé held more than 250 meetings as part of Cooxupé Até o Cooperado, bringing information to cooperative families.

The topics addressed were the rational use of inputs, ensuring more sustainability to the supply chain, the conflict between Russia and Ukraine, the strategies adopted to overcome this phase, in addition to information on commercial conditions that involve everything from harvesting materials to machinery in general and inputs. The meetings took place at Cooxupé's business units, and also in several rural neighborhoods where the cooperative members live.

The lectures were given by professionals from Cooxupé's Technical Development Department.



FAEMG/SENAR AND COOXUPÉ AGREEMENT

A partnership that brings benefits since 2011! In 2022, cooperative members and employees of the cooperative underwent several professional training courses and improvement of day-to-day techniques in the field.

Throughout the entire partnership, more than 35,000 people have been trained in over 3,000 courses. The renewal of the partnership for 2023 will ensure that even more people expand their knowledge.

In total, in the last year alone, the agreement signed between the FAEMG/SENAR System and Cooxupé trained 4,448 people - including employees, co-op members and producers - in 474 promoted courses.

4th Coffee and Climate Forum: forecasts for the crop

One of the most anticipated events by producers is the "Coffee and Climate Forum", which Cooxupé traditionally holds in September, to provide cooperative members with the necessary information for **crop planning**.



In 2022, the event had the participation of agronomist Éder Ribeiro dos Santos (right); plant physiologist Cláudio Pagotto Ronchi (center); and agronomist and agrometeorologist Marco Antônio dos Santos (left).

HIGH TEMPERATURES AND THE IMPACT ON COFFEE

In the last year, two situations drew attention to climatology. One was the hottest July in the historical series, which required more actions and attention from the producer. Another was in relation to the effects of the La Niña phenomenon, influencing periods of drought in the South and Southeast regions of Brazil.

And these conditions were analyzed by the three speakers, who also addressed climate forecasts for the 2023 coffee harvest as an instrument for producers to carry out mitigating actions, in order to minimize possible climate impacts.

During the Forum, Cooxupé also reinforced its commitment to install another 83 meteorological stations in its operating region, reaching a total of 100. In addition, the cooperative has 420 rain gauges installed on cooperative members' properties, forming an extensive meteorological network.





Commitment to Environmental Education

The Center for Environmental Education (NEA) ended the year 2022 registering the donation of **25,389 thousand seedlings of native trees**, distributed in the region where Cooxupé operates, for cooperative members, spring recovery programs and environmental projects developed in partnership with NGOs and public schools.



Founded in 2013, NEA is based on the cooperative's commitment to highlight the importance of preserving the environment for new generations. Currently, the nursery at the center has capacity for up to 40,000 seedlings of native plants such as copaíba, pau-d'algo, foxglove, monjoleiro, ipê-do-cerrado, chai-chai, jatobá, white oil, genipap and jequitibá, among others.

FAIR

In December 2022, NEA hosted the 1st Biological Sciences Fair held by Cooxupé and IFSULDEMINAS. The joint action aimed to spread the importance of environmental conservation and its impacts on the community, in addition to general knowledge about social values.





Container collection: commitment to the environment

Always concerned and attuned to the preservation of the environment and sustainability, Cooxupé develops actions with its members to minimize impacts on nature. One of them is the collection of empty packages of pesticides at accredited physical collection points and also through itinerant collections scheduled and disclosed to cooperative members. After collection, the materials are directed to the correct disposal by INPEV.

In 2022, the cooperative collected 88,896 empty packages from its members.

COOXUPÉ JOINS THE PROGRAM DESPOLUIR (DEPOLUTE)

In 2022, Cooxupé joined the Program Despoluir, implementing the measurement of pollutants emitted into the atmosphere in the entire fleet of vehicles registered in the cooperative, comprising more than 700 trucks powered by diesel. The project is conceived by the National Confederation of Transport (CNT), Social Service of Transport (SEST) and National Transport Learning Service (SENAT), with the support of the Federal Government.



Despoluir has no punitive character. It encourages prevention and guidance following the guidelines of the Federation of Passenger Transport and Affiliated Cargo, to promote socio-environmental responsibility.

The initiative encourages more efficient and cleaner procedures, reducing vehicle emissions. In this way, it reduces the impacts of global warming and contributes to fuel economy and sustainability of the company's fleet.

TREATMENT OF LIQUID AND ATMOSPHERIC EFFLUENTS

The preservation of the environment and the fight against pollution are priority pillars at Cooxupé. The cooperative takes care of all processes for the correct disposal of solid and liquid waste generated by its units and workshops, through a specialized company. Compact Sewage Treatment Stations (ECTEs) are installed at the head-office, at Japy Industrial Complex and at Monte Carmelo, Camoepetre,

Carmo do Rio Claro, Rio Paranaíba, Alpinópolis, Cabo Verde and São José do Rio Pardo, which return water in suitable conditions to the environment. The laboratory has a gas scrubber system for the treatment of atmospheric effluents. The mechanical workshops and machine supply lanes have water and oil separator boxes (CSAO) for the treatment of the oily liquid effluent generated.



New system for marking coffee bags: good environmental practices

The process for marking Cooxupé bags was reformulated in 2022 to comply with good environmental practices and, thus, save water resources.

The system adopted by the cooperative is essential for the identification and traceability of coffee. For this, it has machinery with stamps that adapts according to customer demand. The washing process also evolved, now having water recirculation to clean the entire system. As a result, the waste generated continues to be stored in reservoirs and is separated for final disposal by a specialized company licensed for the process.

In addition to being more advantageous from an environmental point of view, the new system results in a **cost savings of 96%**. Currently, almost 60% of the bags used come from our own “printing process”.



Correct disposal of organic waste

In the first half of 2022, Cooxupé and Cultivar Environmental Association entered into a partnership to give a new destination to the waste generated in all the cooperative's units in Guaxupé and Monte Carmelo. Before, the waste that went to landfills is now reused for the production of organic-mineral fertilizers.

The initiative, which is in line with the Sustainable Development Goals (SDGs) of the United Nations (UN), highlights good practices and allows such materials to be used for the benefit of producers and different areas of the cooperative, promoting the economy circular that guarantees the sustainability of Cooxupé's businesses.

YOUNG APPRENTICE PROGRAM

In 2022, the Young Apprentice Program, maintained by Cooxupé, had the **participation of 77 young people aged between 14 and 20 years**.

The project, carried out in partnership with the OCEMG/SESCOOP-MG System, is also an opportunity to help teenagers find their first job, offering theoretical and practical knowledge about the activities of a large company.

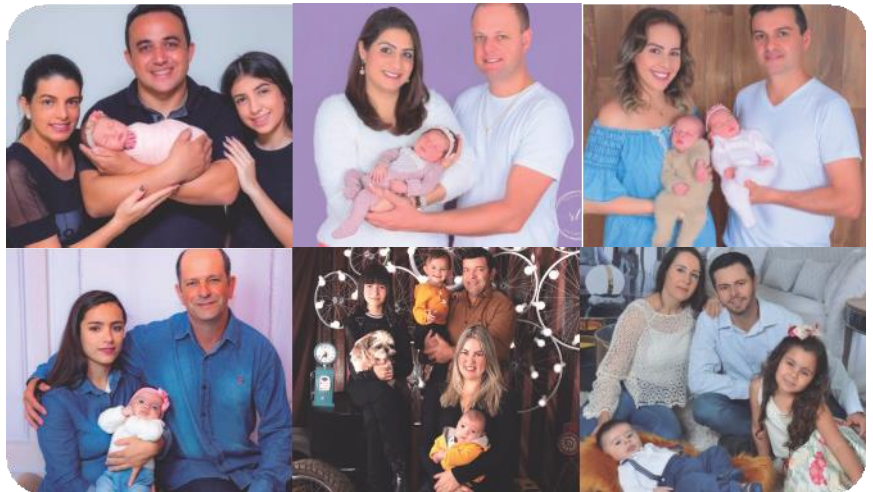
INTERNSHIP PROGRAM

The Cooxupé Internship Program had **48 participating students throughout 2022**.

Young people were able to experience the most different challenges in the corporate world, working in different departments of the cooperative, such as the Input Distribution Center, Technical Development, Japy Industrial Complex, SESMT, Roastery, Environmental Education Center (NEA), Information Technology, Laboratory Analysis, Geoprocessing, Projects and Works, Controllership, Tax and Financial Funding.

PREGNANT WOMEN'S WELCOME PROGRAM

In 2022, 92 women were assisted through the initiative. This program is a service that seeks to offer support and guidance to the family that is going to receive a new member. During this unique and special moment, the pregnant woman and her spouse/partner participate in lectures and events promoted by Unimed, receive the "Informed Mom" Manual and also a welcome kit with a maternity bag, diapers, hygiene products, medicines, among other essential items for the period.



Scholarships and Training for Employees

Always investing in knowledge and opportunities for its employees, in 2022 Cooxupé provided a total of 133 scholarships for undergraduate, graduate, MBA and language courses. In addition, the cooperative has a Corporate University Platform, which, in a Distance

Education system, promoted 118 courses in different areas for its employees throughout 2022. Activities on the platform totaled more than 2642 student enrollments who completed 19,745 hours of training.

CIPA AND SESMT PROMOTE SIPAT 2022

Preventing accidents and incidents is a serious matter and, therefore, Cooxupé seeks continuous improvement in care for its employees through SESMT (Specialized Service in Safety Engineering and Occupational Medicine) and CIPA (Internal Commission for Accident Prevention).

One of the works carried out is the SIPAT (Internal Week for the Prevention of Occupational Accidents), which in 2022 was promoted between 11/28 and 12/02, addressing the theme: "Your Safety Begins at Home".

Topics such as accident prevention, home safety, quality of life, Blue November campaign, mental health, STIs and AIDS were discussed.





STRUCTURE FOR EMPLOYEES' LEISURE

Assoxupé - Cooxupé Employees' Association - is a complete leisure center that offers structure for events for employees and their families. The space has sports courts, gym, kiosk and a social lounge. It also hosts official cooperative events.

In 2022, Assoxupé hosted several activities throughout the year:

- *Dance classes*
- *Friendly games on the field, society and indoor*
- *Soccer tournaments*
- *Internal Truco contest*
- *Children's Party*
- *Master Dance*
- *Running and Walking "All for Life"*

(A free translation of the original in Portuguese)

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***Cooperativa Regional de
Cafeicultores em
Guaxupé Ltda.***

***Parent company and consolidated
financial statements
at December 31, 2022
and independent auditor's report***





(A free translation of the original in Portuguese)

Independent auditor's report

To the Management and Members
Cooperativa Regional de Cafeicultores em Guaxupé Ltda.

Opinion

We have audited the accompanying parent company financial statements of Cooperativa Regional de Cafeicultores em Guaxupé Ltda. ("Cooperative"), which comprise the balance sheet as at December 31, 2022 and the statements of surplus, comprehensive surplus, changes in equity and cash flows for the year then ended, as well as the accompanying consolidated financial statements of Cooperativa Regional de Cafeicultores em Guaxupé Ltda. and its subsidiary ("Consolidated"), which comprise the consolidated balance sheet as at December 31, 2022 and the consolidated statements of surplus, comprehensive surplus, changes in equity and cash flows for the year then ended, and notes to the financial statements, including significant accounting policies and other explanatory information.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cooperativa Regional de Cafeicultores em Guaxupé Ltda. and of Cooperativa Regional de Cafeicultores em Guaxupé Ltda. and its subsidiary as at December 31, 2022, and the parent company financial performance and cash flows, as well as the consolidated financial performance and cash flows, for the year then ended, in accordance with accounting practices adopted in Brazil applicable to cooperatives.

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the parent company and Consolidated Financial Statements section of our report. We are independent of the Cooperative and its subsidiary in accordance with the ethical requirements established in the Code of Professional Ethics and Professional Standards issued by the Brazilian Federal Accounting Council, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other matters

Statement of value added

The parent company and consolidated statements of value added for the year ended December 31, 2022, prepared under the responsibility of the Cooperative's management and presented as supplementary information, were submitted to audit procedures performed in conjunction with the audit of the Cooperative's parent company and consolidated financial statements.



Cooperativa Regional de Cafeicultores em Guaxupé Ltda.

For the purposes of forming our opinion, we evaluated whether these statements are reconciled with the financial statements and accounting records, as applicable, and if their form and content are in accordance with the criteria defined in Technical Pronouncement CPC 09 - "Statement of Value Added". In our opinion, these statements of value added have been properly prepared, in all material respects, in accordance with the criteria established in the Technical Pronouncement and are consistent with the parent company and consolidated financial statements taken as a whole.

Other information accompanying the parent company and consolidated financial statements and the auditor's report

The Cooperative's management is responsible for the other information that comprises the Management Report.

Our opinion on the parent company and consolidated financial statements does not cover the Management Report, and we do not express any form of audit conclusion thereon.

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

Responsibilities of management and those charged with governance for the parent company and consolidated financial statements

Management is responsible for the preparation and fair presentation of these parent company and consolidated financial statements in accordance with accounting practices adopted in Brazil applicable to cooperatives, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the financial reporting process of the Cooperative and its subsidiary.

Auditor's responsibilities for the audit of the parent company and consolidated financial statements

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



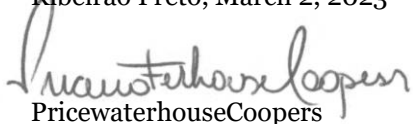
Cooperativa Regional de Cafeicultores em Guaxupé Ltda.

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

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

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

Ribeirão Preto, March 2, 2023


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

DocuSigned by:

Assinado por: LUIS FERNANDO DE SOUZA MARANHÃ.26831679897
CPF: 26831679897
Horário assinatura: 26 June 2023 16:29 BRT
 Luis Fernando de Souza Maranhã
Contador CRC 1SP201527/O-5

(A free translation of the original in Portuguese)

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Cooperativa Regional de Cafeicultores em Guaxupé Ltda.**Balance sheet at December 31**

All amounts in reais

(A free translation of the original in Portuguese)

Assets	Note	Parent company		Consolidated	
		2022	2021	2022	2021
Current assets					
Cash and cash equivalents	6	1,116,096,793	1,253,861,451	1,168,817,785	1,288,261,280
Marketable securities	7	37,906,845	35,007,279	44,073,094	38,261,415
Derivative financial instruments	8	320,053,688	21,995,780	321,138,653	22,527,884
Trade and foreign currency notes receivable	9.1	576,421,375	598,881,070	596,149,796	616,541,550
Loans and transfers	9.2	648,419,611	476,679,470	648,419,611	476,679,470
Inventories	10.1	943,212,581	3,737,743,466	1,013,854,227	3,828,029,117
Agricultural products for future receipt (CPR)	10.2	702,049,668	1,438,264,962	709,689,075	1,451,716,129
Inventories - agricultural products from members	11	2,072,905,865	2,513,346,222	2,072,905,865	2,513,346,222
Taxes recoverable	12	49,392,926	33,877,824	49,872,884	34,402,312
Other assets	13	7,362,900	7,195,856	7,184,392	7,073,600
Total current assets		6,473,822,252	10,116,853,380	6,632,105,382	10,276,838,979
Non-current assets					
Derivative financial instruments	8		16,620,103		16,620,103
Trade notes receivable	9.1		2,164,066		2,164,066
Loans and transfers	9.2	50,854,139	47,368,207	50,854,139	47,368,207
Agricultural products for future receipt (CPR)	10.2	179,313,899	601,016,826	179,313,899	602,623,185
Taxes recoverable	12	270,574,587	227,815,134	272,622,192	229,649,507
Deferred income tax and social contribution	24	37,206,586	59,374,780	39,718,607	63,547,604
Other assets	12				
		537,949,211	954,359,116	542,508,837	961,972,672
Property, plant and equipment	15	478,605,252	409,080,262	479,487,891	409,717,272
Investments	14	42,506,228	36,031,968	3,315,196	3,270,315
Intangible assets	17	29,569,503	20,918,508	29,576,358	20,919,804
Right-of-use assets	16	5,059,165	3,032,180	5,225,038	3,034,776
Total non-current assets		1,093,689,359	1,423,422,034	1,060,113,320	1,398,914,839
Total assets		7,567,511,611	11,540,275,414	7,692,218,702	11,675,753,818

Cooperativa Regional de Cafeicultores em Guaxupé Ltda.**Balance sheet at December 31**

All amounts in reais

(continued)

	Note	Parent company		Consolidated	
		2022	2021	2022	2021
Liabilities and equity					
Current liabilities					
Suppliers of goods and services	18	766,284,356	985,851,017	784,183,578	1,008,224,864
Trade payables - agricultural products from members	11	2,072,905,865	2,513,346,222	2,072,905,865	2,513,346,222
Lease liabilities	16	2,319,223	1,554,498	2,319,223	1,557,522
Derivative financial instruments	8	15,518,300	657,491,617	15,662,180	662,716,393
Advances on foreign exchange contracts and export prepayments	19	462,672,108	2,501,089,235	537,110,145	2,572,539,976
Borrowings	20	1,065,471,575	1,497,522,994	1,096,161,113	1,520,900,648
Federal Government Debt - PESA	22		952,384		952,384
Salaries, payroll charges, and taxes payable	21	51,926,974	66,031,964	53,066,501	70,790,392
Other liabilities	25	<u>21,390,128</u>	<u>36,061,459</u>	<u>21,390,128</u>	<u>36,061,459</u>
Total current liabilities		<u>4,458,488,529</u>	<u>8,259,901,390</u>	<u>4,582,798,733</u>	<u>8,387,089,860</u>
Non-current liabilities					
Suppliers of goods and services	18	158,945,247	365,424,170	158,945,247	366,596,608
Lease liabilities	16	2,597,729	1,407,412	2,597,729	1,407,412
Derivative financial instruments	8		24,613,479		24,613,479
Advances on foreign exchange contracts and export prepayments	19	365,239,000	490,752,693	365,239,000	497,471,492
Borrowings	20	596,186,775	547,272,553	596,186,775	547,272,553
Federal Government Debt - PESA	22				
Provision for contingencies	23	15,282,183	14,680,387	15,469,150	14,870,300
Deferred income tax and social contribution	23				
Other liabilities	25	<u>45,169,156</u>	<u>45,758,673</u>	<u>45,379,076</u>	<u>45,967,457</u>
Total non-current liabilities		<u>1,183,420,090</u>	<u>1,489,909,367</u>	<u>1,183,816,977</u>	<u>1,498,199,301</u>
Total liabilities		<u>5,641,908,619</u>	<u>9,749,810,757</u>	<u>5,766,615,710</u>	<u>9,885,289,161</u>
Equity					
Capital	28	225,785,391	221,345,034	225,785,391	221,345,034
Legal reserve		624,013,022	581,747,205	624,013,022	581,747,205
Technical, educational and social assistance reserve		322,291,322	289,571,502	322,291,322	289,571,502
Carrying value adjustments		15,727,068	17,306,431	15,727,068	17,306,431
Special capitalization reserve			13,776,069		13,776,069
Reserve for development		709,608,976	606,503,387	709,608,976	606,503,387
Surplus to be allocated at the general meeting		<u>28,177,213</u>	<u>60,215,029</u>	<u>28,177,213</u>	<u>60,215,029</u>
Total equity		<u>1,925,602,992</u>	<u>1,790,464,657</u>	<u>1,925,602,992</u>	<u>1,790,464,657</u>
Total liabilities and equity		<u>7,567,511,611</u>	<u>11,540,275,414</u>	<u>7,692,218,702</u>	<u>11,675,753,818</u>

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

Cooperativa Regional de Cafeicultores em Guaxupé Ltda.**Statement of surplus
Years ended December 31**

All amounts in reais

(A free translation of the original in Portuguese)

Note	Parent company				Consolidated				
	2022		2021		2022		2021		
	Members	Non-members	Total	Total	Members	Non-members	Total	Total	
Income (members) and net revenue (non-members)									
Sales in the foreign market	5,455,082,493	1,203,009,984	6,658,092,477	4,062,882,996	5,455,082,493	1,411,520,828	6,866,603,321	4,205,576,861	
Sales and services in the domestic market	2,763,281,890	473,874,567	3,237,156,457	2,498,818,572	2,763,281,890	475,239,831	3,238,521,721	2,501,854,754	
29	8,218,364,383	1,676,884,551	9,895,248,934	6,561,701,568	8,218,364,383	1,886,760,659	10,105,125,042	6,707,431,615	
Cost of products and goods sold, and services rendered	31	(7,566,743,495)	(1,506,796,060)	(9,073,539,555)	(5,354,386,449)	(7,566,743,495)	(1,701,405,885)	(9,268,149,380)	(5,473,213,190)
Net result of changes in prices of agricultural commodities and foreign exchange variations	30	(264,979,536)	(54,154,732)	(319,134,268)	(495,645,658)	(264,979,536)	(54,860,271)	(319,839,807)	(504,498,267)
Gross surplus/profit		386,641,352	115,933,759	502,575,111	711,669,461	386,641,352	130,494,503	517,135,855	729,720,158
Operating income/revenue (costs/expenses)									
Selling expenses	31	(314,368,447)	(62,163,661)	(376,532,108)	(351,430,923)	(314,368,447)	(66,045,437)	(380,413,884)	(355,294,218)
Administrative and general expenses	31	(61,902,912)	(7,588,566)	(69,491,478)	(66,515,537)	(61,902,912)	(8,399,341)	(70,302,253)	(67,963,715)
Other income/revenue, net	32	100,225,445	8,410,766	108,636,211	39,103,139	100,225,445	7,962,148	108,187,593	39,517,791
Equity in the results of the subsidiary	14.1		6,432,339	6,432,339	8,351,242				
Operating surplus/profit		110,595,438	61,024,637	171,620,075	341,177,382	110,595,438	64,011,873	174,607,311	345,980,016
Finance income/revenue	33	225,652,327	68,362,852	294,015,179	156,100,968	225,652,327	72,357,783	298,010,110	157,530,541
Finance costs/expenses	33	(163,794,298)	(25,059,353)	(188,853,651)	(149,339,113)	(163,794,298)	(28,691,196)	(192,485,494)	(151,234,279)
Surplus/profit before income tax and social contribution		172,453,467	104,328,136	276,781,603	347,939,237	172,453,467	107,678,460	280,131,927	352,276,278
Current income tax and social contribution			(21,747,122)	(21,747,122)	(40,338,814)		(23,436,643)	(23,436,643)	(47,162,570)
Deferred income tax and social contribution			(21,891,945)	(21,891,945)	11,204,247		(23,552,748)	(23,552,748)	13,690,962
Surplus/profit for the year	28.4	172,453,467	60,689,069	233,142,536	318,804,670	172,453,467	60,689,069	233,142,536	318,804,670

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

Cooperativa Regional de Cafeicultores em Guaxupé Ltda.
Statement of comprehensive surplus
Years ended December 31

All amounts in reais

(A free translation of the original in Portuguese)

	Parent company		Consolidated	
	2022	2021	2022	2021
Surplus/profit for the year	233,142,536	318,804,670	233,142,536	318,804,670
Other components of comprehensive income	-	-	-	-
Total comprehensive income for the year	<u>233,142,536</u>	<u>318,804,670</u>	<u>233,142,536</u>	<u>318,804,670</u>

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

Cooperativa Regional de Cafeicultores em Guaxupé Ltda.

Statement of changes in equity

All amounts in reais

(A free translation of the original in Portuguese)

	Note	Capital	Legal reserve (reserve fund)	Technical, educational and social assistance reserve	Carrying value adjustments	Special capitalization reserve	Reserve for development	Surplus to be allocated at the General Meeting	Total
At December 31, 2020		200,149,836	491,424,661	233,524,184	18,728,693	17,654,579	553,193,158	53,531,517	1,568,206,628
Allocation of surplus – distribution in cash	28.4							(53,531,517)	(53,531,517)
Admissions and withdrawals of members, net		(3,876,794)				(3,621,158)			(7,497,952)
Age-based capital refund program (PRCI)	28.5	(5,035,522)				(257,352)			(5,292,874)
Realization of carrying value adjustments	28.4				(1,305,478)			1,305,478	
Adjustment to deferred taxes on carrying value adjustments					(116,784)				(116,784)
Realization/utilization of technical, educational and social reserve	28.4			(36,000,393)				36,000,393	
Surplus/profit for the year								318,804,670	318,804,670
Statutory and legal allocations	28.4								
Legal reserve (reserve fund)			90,322,544					(90,322,544)	
Technical, educational and social assistance reserve				92,047,711				(92,047,711)	
Capital		30,107,514						(30,107,514)	
Reserve for development							53,310,229	(53,310,229)	
Distribution in cash								(30,107,514)	(30,107,514)
At December 31, 2021		221,345,034	581,747,205	289,571,502	17,306,431	13,776,069	606,503,387	60,215,029	1,790,464,657
Allocation of surplus – distribution in cash	28.4							(60,215,029)	(60,215,029)
Admissions and withdrawals of members, net		(4,665,683)				(13,592,668)			(18,258,351)
Age-based capital refund program (PRCI)	28.5	(4,982,566)				(183,401)			(5,165,967)
Realization of carrying value adjustments	28.4				(1,303,115)			1,303,115	
Adjustment to deferred taxes on carrying value adjustments					(276,248)				(276,248)
Realization/utilization of technical, educational and social reserve	28.4			(42,890,347)				42,890,347	
Surplus/profit for the year								233,142,536	233,142,536
Statutory and legal allocations	28.4								
Legal reserve (reserve fund)			42,265,817					(42,265,817)	
Technical, educational and social assistance reserve				75,610,167				(75,610,167)	
Capital		14,088,606						(14,088,606)	
Reserve for development							103,105,589	(103,105,589)	
Distribution in cash								(14,088,606)	(14,088,606)
At December 31, 2022		225,785,391	624,013,022	322,291,322	15,727,068		709,608,976	28,177,213	1,925,602,992

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

Cooperativa Regional de Cafeicultores em Guaxupé Ltda.

Statement of cash flows Years ended December 31

All amounts in reais

(A free translation of the original in Portuguese)

	Note	Parent company		Consolidated	
		2022	2021	2022	2021
Cash flows from operating activities					
Surplus/profit before income tax and social contribution					
		276,781,603	347,939,237	280,131,927	352,276,278
Adjustments					
Depreciation and amortization	31	36,083,591	33,447,859	36,212,214	33,573,546
Gain (loss) on unredeemed marketable securities		(962,919)	(106,406)	(996,068)	(122,921)
Gain (loss) on valuation of commodity inventories, reflecting the adjustment of inventories to net recoverable value	30	1,437,262,723	(890,763,150)	1,461,151,919	(906,984,854)
Changes in the provision for impairment of trade notes, loans and transfers, CPRs, and taxes	31	76,841,656	108,803,098	76,943,272	109,749,524
Tax credits	32 (a)	(35,218,037)		(35,218,037)	
Gain (loss) on unsettled derivative financial instruments	8	(305,948,561)	685,764,940	(306,889,646)	690,457,613
Capitalization of investment gains		(41,919)	(92,348)	(44,880)	(109,686)
Provision for social security contingencies	32	516,558	5,678,539	533,834	5,853,451
Foreign exchange variation on borrowings, advances on foreign exchange contracts, and export prepayments	35.1	(233,992,329)	178,626,550	(238,146,062)	183,867,593
Foreign exchange variation on foreign currency notes receivable		(354,035)	3,469,150	1,264,367	2,731,154
Interest on borrowings, advances on foreign exchange contracts, and export and lease prepayments	35.1	180,894,662	137,557,441	184,200,038	139,287,185
Gain (loss) on disposal of property, plant and equipment	35.2	(7,809,345)	(704,815)	(7,809,345)	(704,815)
Equity in the results of investees		(6,432,339)	(8,351,242)		
		1,417,621,309	601,268,853	1,451,333,533	609,874,068
Changes in assets and liabilities					
Marketable securities		(1,936,647)	(528,445)	(4,815,611)	(1,623,740)
Derivative financial instruments		(637,054,005)	(231,284,683)	(641,400,429)	(230,013,866)
Inventories		2,483,683,975	(1,019,297,263)	2,487,062,785	(1,052,118,967)
Trade notes, loans and transfers to members receivable, taxes recoverable and other assets		(197,072,995)	(524,913,361)	(201,179,284)	(532,125,365)
Trade payables		(431,211,551)	80,121,642	(436,858,614)	89,024,767
Other liabilities, salaries, payroll charges, taxes payable and provision for contingencies		(54,519,796)	(7,587,558)	(56,333,406)	(7,866,084)
Cash provided by (used in) operating activities					
		2,579,510,290	(1,102,220,815)	2,597,808,974	(1,124,849,187)
Interest paid	35.1	(168,701,844)	(103,885,980)	(171,361,564)	(105,185,493)
Income tax and social contribution paid		(2,657,209)	(2,794,091)	(6,171,107)	(5,825,733)
Net cash provided by (used in) operating activities					
		2,408,151,237	(1,208,900,886)	2,420,276,303	(1,235,860,413)
Cash flows from investing activities					
Purchases of property, plant and equipment, and intangible assets	15 and 17	(113,152,890)	(104,643,052)	(113,497,497)	(104,950,110)
Cash generated on disposals of property, plant and equipment	35.2	10,602,824	1,980,278	10,602,824	1,980,278
Net cash used in investing activities					
		(102,550,066)	(102,662,774)	(102,894,673)	(102,969,832)
Cash flows from financing activities					
Capital return, net		(18,258,351)	(7,497,952)	(18,258,351)	(7,497,952)
Distribution of surplus	28.4	(90,322,544)	(80,297,275)	(90,322,544)	(80,297,275)
New borrowings, advances on foreign exchange contracts and export prepayments	35.1	2,821,175,775	5,179,813,683	2,926,280,087	5,296,223,078
Repayments of borrowings, advances on foreign exchange contracts and export and lease prepayments	35.1	(5,155,960,709)	(3,286,994,572)	(5,254,524,317)	(3,358,538,908)
Net cash provided by (used in) financing activities					
		(2,443,365,829)	1,805,023,884	(2,436,825,125)	1,849,888,943
Decrease (increase) in cash and cash equivalents					
		(137,764,658)	493,460,224	(119,443,495)	511,058,698
Cash and cash equivalents at the beginning of the year					
	6	1,253,861,451	760,401,227	1,288,261,280	777,202,582
Cash and cash equivalents at the end of the year					
	6	1,116,096,793	1,253,861,451	1,168,817,785	1,288,261,280

Non-cash transactions are presented in Note 35.

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

Cooperativa Regional de Cafeicultores em Guaxupé Ltda.

Statement of value added Years ended December 31

All amounts in reais

(A free translation of the original in Portuguese)

	Note	Parent company				Consolidated			
		2022	%	2021	%	2022	%	2021	%
Revenue									
Income (members), revenue (non-members) and other income/ revenue, net		10,035,551,642	1637%	6,621,008,346	987%	10,245,034,292	1644%	6,767,181,129	996%
Net result of changes in prices of agricultural commodities and foreign exchange variations	30	(319,134,268)	-52%	(495,645,658)	-74%	(319,839,807)	-51%	(504,498,267)	-74%
Changes in the provision for impairment of trade notes, loans and transfers to members, CPRs, and taxes	31	(76,841,656)	-13%	(108,803,098)	-16%	(76,943,272)	-12%	(109,749,524)	-16%
		<u>9,639,575,718</u>		<u>6,016,559,590</u>		<u>9,848,251,213</u>		<u>6,152,933,338</u>	
Inputs purchased									
Materials consumed		(9,088,596,585)	-1482%	(5,324,284,157)	-793%	(9,281,967,988)	-1490%	(5,442,284,047)	-801%
Expenditures/expenses with services rendered		(25,563,361)	-4%	(23,799,658)	-4%	(26,291,597)	-4%	(24,480,457)	-4%
Operating expenditures/expenses		<u>(176,568,248)</u>	-29%	<u>(128,434,502)</u>	-19%	<u>(178,768,410)</u>	-29%	<u>(130,419,444)</u>	-19%
		<u>(9,290,728,194)</u>		<u>(5,476,518,317)</u>		<u>(9,487,027,995)</u>		<u>(5,597,183,948)</u>	
Gross value added									
Depreciation and amortization (cost)	31	348,847,524		540,041,273		361,223,218		555,749,390	
Depreciation of revaluation increment	31 and 28.4	(34,780,476)	-6%	(32,142,384)	-5%	(34,909,099)	-6%	(32,268,071)	-5%
		<u>(1,303,115)</u>	0%	<u>(1,305,475)</u>	0%	<u>(1,303,115)</u>	0%	<u>(1,305,475)</u>	0%
Net value added generated by the Cooperative									
		<u>312,763,933</u>		<u>506,593,414</u>		<u>325,011,004</u>		<u>522,175,844</u>	
Value added received through transfer									
Equity in the results of subsidiary	14.1 (i)	6,432,339	1%	8,351,242	1%				
Finance income/revenue	33	294,015,179	48%	156,100,968	23%	298,010,110	48%	157,530,541	23%
		<u>613,211,451</u>	100%	<u>671,045,624</u>	100%	<u>623,021,114</u>	100%	<u>679,706,385</u>	100%
Total value added to distribute									
Distribution of value added									
Employees									
Direct remuneration		146,836,407		140,524,746		149,574,764		143,006,360	
Benefits		32,058,793		29,594,688		32,742,154		30,130,717	
Government Severance Indemnity Fund for Employees (FGTS)		12,828,464		12,194,590		13,028,452		12,361,362	
Taxes		397,378		21,191,241		3,006,938		24,833,985	
Financing agents									
Interest		186,978,252		147,768,486		190,299,578		149,562,762	
Rentals		969,621		967,203		1,226,692		1,006,529	
Surplus/profit for the year		<u>233,142,536</u>		<u>318,804,670</u>		<u>233,142,536</u>		<u>318,804,670</u>	
		<u>613,211,451</u>		<u>671,045,624</u>		<u>623,021,114</u>		<u>679,706,385</u>	
Value added distributed									

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

(A free translation of the original in Portuguese)

Cooperativa Regional de Cafeicultores em Guaxupé Ltda.

Notes to the financial statements

at December 31, 2022

All amounts in reais unless otherwise stated

1 General information

Cooperativa Regional de Cafeicultores em Guaxupé Ltda. ("Cooxupé") is an agricultural production cooperative headquartered in Guaxupé, State of Minas Gerais, mainly engaged in the storage, standardization and trade of raw coffee beans, roasted and ground coffee and cereals, the resale of agribusiness inputs, as well as the rendering of technical assistance services and transfer of funds to its members. Its subsidiary, SMC - Comercial e Exportadora de Café S.A., sells and exports raw coffee beans for the special and certified coffee segment. Its subsidiary Cooxupé Corretora de Seguros Ltda. provides insurance brokerage and agency services. Both subsidiaries, together with Cooxupé, are referred to as the "Cooperative". In order to achieve its goals, the Cooperative fosters the sustainable development of its members, promoting the benefits of its cooperative structure to add value to its members through effective participation, by upholding the values of trust, dedication and cooperation. These are implemented through a policy designed to achieve customer satisfaction, by offering products that meet the requirements of their businesses, with qualified and engaged employees, and always seeking improved forms of delivery.

Cooxupé operates in 298 municipalities located in the States of Minas Gerais (Southern, Southeast and "Cerrado" regions) and São Paulo (Média Mogiana region), rendering services to members through its Head Office, 20 Operational Centers, 15 Service Centers, 13 Advanced Units, and an export office in Santos. At December 31, 2022, the Cooperative had 18,119 members (17,033 in 2021).

The issue of the parent company and consolidated financial statements was authorized by the Board of Directors on March 1, 2023.

1.1 Impact of the armed conflict between Russia and Ukraine on the financial statements

The year started with great uncertainty regarding the supply of potassium chloride with prices at high levels due to the sanctions imposed by the United States on Belarus and the logistical blockade in Lithuania (Baltic country with the most accessible route to the sea from where Belarus delivers its production). The outlook became worse in February 2022, when Russia launched a broad military invasion into Ukraine. In response, governments and authorities around the world, including the United States, the United Kingdom, and the European Union, imposed a number of sanctions and export restrictions on some Russian companies, financial institutions, individuals and economic sectors.

In turn, Russia's countermeasures were announced as a retaliation against foreign companies for the disruption of its activities. Cooxupé's businesses were affected by these sanctions and measures, since Russia has historically accounted for 21% of total NPK (nitrogen (N), phosphate (P) and potash (K)) fertilizer imports into Brazil and 94% of all the volume of ammonium nitrate, which is one of the key nutrients used in coffee cultures.

Soon after the beginning of the conflict, the Cooperative, seeking to avoid possible negative effects, such as lack of inputs, sought solutions in domestic business partners to fulfill the demand of its members, especially for nitrogen (N) and potassium (K), through, for example, organo-mineral and potassium-rich fertilizers.

Cooperativa Regional de Cafeicultores em Guaxupé Ltda.

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at December 31, 2022

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From June it became clear that there would be no trade barriers for the supply of Russian fertilizers to Brazil, and the international market started to show some stability, both in terms of prices and guarantee of supply. This was later confirmed, when the raw material prices at the end of the year were close to those of the beginning of 2022, without major supply problems.

The Russian geopolitical situation will continue to impact the fertilizer market in 2023, given that the fiscal measures imposed by Russia in response to the economic sanctions have already increased international market prices. However, as the supply chain resumes normal levels, it is still unclear whether such measures will impact the final price to producers.

The Cooperative's management has been closely following the fertilizer market by monitoring the effects caused by the conflict and taking commercial measures to meet the needs of its members. These include a continuous search for new partners able to bring the best product and technology options, in addition to a constant effort to strengthen sustainable commercial partnerships.

2 Basis of preparation

The parent company and consolidated financial statements have been prepared in accordance with accounting practices adopted in Brazil, including the pronouncements issued by the Brazilian Accounting Pronouncements Committee (CPC), especially those applicable to cooperatives, and Cooperative Law 5764/71. Disclosures are limited to all matters of significance to the financial statements, which is consistent with the information utilized by management in the performance of its duties.

The significant accounting policies adopted by the Cooperative are presented in the respective Notes; the accounting policies applicable to the financial statements as a whole are presented from Note 38.

The financial statements have been prepared under the historical cost convention, as modified to reflect the revaluation of property, plant and equipment recorded in 2007, and the measurement of financial assets and financial liabilities (including derivatives) at 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 Cooperative'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 3.

The Cooperative's Executive Board, its superintendents and the controllership department are responsible for the preparation and fair presentation of these financial statements.

Cooperativa Regional de Cafeicultores em Guaxupé Ltda.

Notes to the financial statements at December 31, 2022

All amounts in reais unless otherwise stated

2.1 Consolidation

2.1.1 Consolidated financial statements

The following accounting policies are applied in the preparation of the consolidated financial statements.

(a) Subsidiaries

A subsidiary is an entity over which Cooxupé has control. In 2022, Cooxupé had two subsidiaries (one subsidiary in 2021 (Note 14)).

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

(b) Cooperative companies

Investments in cooperative companies are recorded at cost of acquisition, in accordance with accounting practices adopted in Brazil, specifically General Technical Interpretation (ITG) 2004 - Cooperative entities. These investments are not consolidated, as the Cooperative does not have control over the companies.

Gains and losses relating to the associated cooperative companies are recorded in the statement of surplus or deficit within "Finance income/revenue".

2.1.2 Parent company financial statements

In the Cooperative's parent company financial statements, the subsidiary is recorded using the equity method of accounting. The same adjustments are made in the parent company and consolidated financial statements to align results and equity.

3. Critical accounting estimates and judgments

Critical accounting estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Based on assumptions, the Cooperative makes estimates concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

3.1 Valuation of commodity inventories

The fair value of commodity inventories ("agricultural products") is determined through the valuation of the physical quantity of the Cooperative's agricultural products and purchases for future delivery (CPR), to which a pre-negotiated sales price or realizable market value is assigned, based on the characteristics of the product ("quality"), net of costs to sell.

Cooperativa Regional de Cafeicultores em Guaxupé Ltda.

Notes to the financial statements at December 31, 2022

All amounts in reais unless otherwise stated

The Cooperative exercises judgment to determine these assumptions (product quality, quality-based pricing, cost of preparation and transportation, port dues etc.), which are primarily based on the market conditions at the balance sheet date.

At December 31, 2022, had the average prices used in the calculation of the fair value presented a difference of 10% in relation to management's estimates, the carrying amount of the agricultural commodity inventories would have been higher/ lower by R\$ 13,541,935 (R\$ 36,094,210 in 2021).

3.2 The Cooperative as an extension of the members' activities

Management believes that the transactions carried out between the Cooperative and its members are activities that connect the members to the market, thus representing a continuation of the activities carried out by each member. Therefore, based on this interpretation of Technical Pronouncement CPC 16 - Inventories, Cooxupé values its commodity inventories at net realizable value, which represents the best estimate of the price to be obtained from a future sale, based on past conditions.

3.3 Provision for impairment of trade receivables and CPRs

The provision for impairment of trade receivables is based on a percentage of estimated losses by category of trade receivables and the Rural Product Notes (CPRs) receivable. Notes receivable are classified according to their category/nature, the collection status (overdue or not yet due), and existing collateral.

At December 31, 2022, if the estimated impairment loss percentage were to be 10% higher/lower, the provision for impairment of trade receivables would have been increased/decreased by R\$ 44,617,352 in relation to management's estimates (R\$ 18,109,079 in 2021).

The increase in provisions for impairment reflects the consequences of the drought and frost (Note 4.2) that has affected and may still have a direct impact on the members' production, impairing their ability to honor future commitments.

3.4 Fair value of financial instruments

The fair value of financial instruments classified at fair value through surplus or deficit and included in Level 2 is determined by using valuation techniques. The Cooperative exercises judgment to select the techniques and determine assumptions which are primarily based on the market conditions at the balance sheet date. The discounted cash flow analysis was used to calculate the fair value of these instruments.

At December 31, 2022, if the discount rate used in the discounted cash flow analysis were to be 10% higher/lower in relation to management's estimates, the carrying amount of financial assets at fair value through surplus or deficit (Level 2) would have been R\$726,000 lower or R\$744,000 higher (R\$662,000 lower or R\$657,000 higher in 2021).

3.5 Deferred tax assets

Deferred income tax and social contribution assets in the Cooperative include R\$46,430,883 (R\$9,768,682 in 2021) of carryforward tax losses, based on the expectation that taxable profit is likely to be available to offset such tax losses in the future.

Cooperativa Regional de Cafeicultores em Guaxupé Ltda.

Notes to the financial statements

at December 31, 2022

All amounts in reais unless otherwise stated

3.6 Provision for contingencies

The Cooperative is a party to tax, labor, social security and civil lawsuits, and is discussing such matters at different court levels. The provision for probable losses is estimated and periodically adjusted by the Cooperative's management, under the advice of its legal counsel, requiring a high degree of judgment.

4 Financial risk management

4.1 Financial risk factors

The Cooperative's activities expose it to a number of financial risks, and its risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on its financial performance. The Cooperative uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by the Cooperative's treasury department, under policies approved by the Executive Board. The treasury department identifies, evaluates and hedges financial risks in close cooperation with the Cooperative's operating units. The Board provides formal protocols for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, price risk of agricultural commodities, credit risk, use of derivative and non-derivative financial instruments, and investment of cash surpluses.

4.1.1 Market risk

(a) Foreign exchange risk

The Cooperative operates internationally and is exposed to foreign currency volatility, primarily with respect to the U.S. dollar. Foreign exchange risk arises from future commercial transactions and assets and liabilities.

The Cooperative's risk policy establishes strict limits on asset and liability exposure in foreign currency. On a net basis, the position of Cooxupé may vary from minus to plus US\$ 2 million and the position of the subsidiary SMC may vary from minus to plus US\$ 200 thousand. In order to offset its asset and/or liability positions in foreign currency, the Cooperative and the subsidiary SMC carry out sales/purchases of U.S. dollars on the B3 futures exchange market, and enters into Non-Deliverable Forward (NDF) contracts with prime financial institutions.

(b) Price risk of agricultural commodities

The Cooperative purchases and sells coffee and corn, and, consequently, is subject to the risk of fluctuations in the prices of these commodities. The coverage of possible mismatches between the short and long positions in these commodities is achieved through purchases and sales under futures contracts on B3 in Brazil and ICE - NY, as well as Non-Deliverable Forward (NDF) contracts entered into with prime financial institutions.

The risk policies of Cooxupé and its subsidiary SMC limit the exposure to agricultural commodities (coffee) from 30 thousand bags sold to 50 thousand bags purchased for Cooxupé, and from 5,000 bags sold to 7,000 bags purchased for SMC, except for low quality coffee, which is not subject to hedge, since it is impractical to contract hedging instruments for this product.

Cooperativa Regional de Cafeicultores em Guaxupé Ltda.

Notes to the financial statements

at December 31, 2022

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4.1.2 Credit risk

The Cooperative's sales policy considers the credit risk level it is willing to accept in the course of its business. The diversification of its receivables portfolio, the procedures for the assessment of members' credit, the selectivity in accepting customers, as well as the monitoring of its sales terms per business segment and individual limits of position are the procedures adopted to minimize potential default on its accounts receivable.

Sales policies are subordinated to the credit assignment rules determined by the Cooperative's management, which aim at avoiding problems from default by the members. The credit limit of each member is established according to the Cooperative's past experience with the member, through a credit system integrated with other computerized systems.

4.1.3 Liquidity risk

This is the risk of the Cooperative not having sufficient liquid funds to honor its financial commitments, due to a mismatch of terms or volume in expected receipts and payments.

To manage cash liquidity in local and foreign currency, strategies for future disbursements and receipts are established and monitored by the treasury department on a daily basis.

The table below analyzes the Cooperative's derivative and non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows:

	Parent company				
	Up to 1 year	From 1 to 2 years	From 2 to 5 years	Over 5 years	Total
At December 31, 2022					
Derivative financial instruments (Note 8)	16,146,786				16,146,786
Agricultural products from members (Note 11)	2,072,905,865				2,072,905,865
Lease liabilities (Note 16)	2,621,859	1,665,891	1,098,299	1,350,000	6,736,049
Trade payables for products and services (Note 18)	816,030,143	179,939,638	16,646,733		1,012,616,514
Advances on foreign exchange contracts and export prepayments (Note 19)	478,444,137	305,748,219	71,020,086		855,212,442
Borrowings (Note 20)	1,145,050,031	443,416,433	175,725,188	24,393,181	1,788,584,833
Other liabilities (Note 25)	21,081,995	574,317	2,945,530	7,519,511	32,121,353
	<u>4,552,280,816</u>	<u>931,344,498</u>	<u>267,435,836</u>	<u>33,262,692</u>	<u>5,784,323,842</u>
	Consolidated				
	Up to 1 year	From 1 to 2 years	From 2 to 5 years	Over 5 years	Total
At December 31, 2022					
Derivative financial instruments (Note 8)	16,293,392				16,293,392
Agricultural products from members (Note 11)	2,072,905,865				2,072,905,865
Lease liabilities (Note 16)	2,621,859	1,665,891	1,098,299	1,350,000	6,736,049
Trade payables for products and services (Note 18)	834,530,129	179,939,638	16,646,733		1,031,116,500
Advances on foreign exchange contracts and export prepayments (Note 19)	554,513,078	305,748,219	71,020,086		931,281,383
Borrowings (Note 20)	1,177,102,135	443,416,433	175,725,188	24,393,181	1,820,636,937
Other liabilities (Note 25)	21,081,995	574,317	2,945,530	7,519,511	32,121,353
	<u>4,679,048,453</u>	<u>931,344,498</u>	<u>267,435,836</u>	<u>33,262,692</u>	<u>5,911,091,479</u>

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	Parent				Total
	Up to 1 year	From 1 to 2 years	From 2 to 5 years	Over 5 years	
At December 31, 2021					
Derivative financial instruments (Note 8)	666,281,407	26,694,121			692,975,528
Agricultural products from members (Note 11)	2,513,346,222				2,513,346,222
Lease liabilities (Note 16)	1,773,347	1,484,076	85,778		3,343,201
Trade payables for products and services (Note 18)	1,062,373,503	312,614,718	142,726,997		1,517,715,218
Advances on foreign exchange contracts and export prepayments (Note 19)	2,535,052,004	334,781,421	170,469,936		3,040,303,361
Borrowings (Note 20)	1,553,463,805	264,011,273	315,498,362	32,709,970	2,165,683,410
Federal Government Debt - PESA (Note 22)	969,671				969,671
Other liabilities (Note 25)	34,925,171	2,173,650	4,985,903	3,027,868	45,112,592
	8,368,185,130	941,759,259	633,766,976	35,737,838	9,979,449,203
Consolidated					
	Up to 1 year	From 1 to 2 years	From 2 to 5 years	Over 5 years	Total
At December 31, 2021					
Derivative financial instruments (Note 8)	671,584,059	26,694,121			698,278,180
Agricultural products from members (Note 11)	2,513,346,222				2,513,346,222
Lease liabilities (Note 16)	1,777,509	1,484,076	85,778		3,347,363
Trade payables for products and services (Note 18)	1,085,460,415	314,017,849	142,726,997		1,542,205,261
Advances on foreign exchange contracts and export prepayments (Note 19)	2,607,267,076	341,659,968	170,469,936		3,119,396,980
Borrowings (Note 20)	1,577,734,447	264,011,273	315,498,362	32,709,970	2,189,954,052
Federal Government Debt - PESA (Note 22)	969,671				969,671
Other liabilities (Note 25)	34,925,171	2,173,650	4,985,903	3,027,868	45,112,592
	8,493,064,570	950,040,937	633,766,976	35,737,838	10,112,610,321

4.2 Climate-related risks

Coffee growing is significantly affected by climate changes, as both temperature and rainfall have a major influence on coffee bean yield and quality.

In 2022, production was affected by adverse weather conditions (frost, prolonged drought, water deficit in 2021, and low solar radiation in early 2022) that resulted in poor yield, with good quality, though, favored by the dry weather during the harvest period. Given the expected lower supply of coffee in 2022, prices increased at the end of 2021, avoiding a major negative impact on producers' income. However, the conflict between Russia and Ukraine led to a significant increase in production costs, mainly due to the higher prices of fertilizers, which affected the producers' gross margin.

The loss of productivity and the higher price of coffee increased the risk of the cooperative members not fulfilling their contracts with Cooxupé. Therefore, as a preventive measure and to support the members that had their crops affected, a survey and an individual technical assessment was carried out to allow the renegotiation of contracts with the interested members, conditioned upon compliance with the rules defined by Cooxupé.

A survey conducted by the Cooperative's technical team indicates as the first estimate for 2023 a slight improvement in production in relation to the 2022 harvest and a small increase in the planted area. This projection, however, still depends on consistently good weather conditions up to the harvest period.

In order to minimize the adverse climate effects, it is essential that a public policy is drawn up to encourage a more sustainable agricultural and livestock production. The Ministry of Agriculture and Livestock (MAPA) is already discussing new financing models for the adoption of sustainable production practices, aiming to bring together the producer, the private sector, and those interested in Brazil's ability to mitigate carbon emissions.

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The Cooperative joined the Clean-Up program in partnership with the Brazilian National Confederation of Transport (CNT), the Social Service for Transport (SEST), and the National Service for Transportation Training (SENAT), which consists of measuring the pollutants in the entire fleet of vehicles registered with the Cooperative, with the aim of reducing the emission of greenhouse gases produced by vehicles.

Furthermore, some projects were implemented by the Cooperative in partnership with institutions such as UNICAMP, CECAFÉ, SUSTANABLE CARBON, among others, in order to assess and identify measures that contribute to reduce greenhouse gas emissions and increase carbon fixation in rural properties.

Among these measures, the Cooperative recommends and encourages the adoption of practices such as the planting of cover crops, the use of organic material in the crops, the reforestation of springs and riparian forests using seedlings supplied by the Cooperative's Environmental Education Center, and the use of clean energy through the supply and financing of photovoltaic plants to the cooperative members.

Furthermore, to help mitigate climate change effects, the Cooperative provides its members with technical assistance and recommends the use of agricultural gypsum based on soil analysis, in addition to the use of organic material that contributes to crops being more resistant to drought. Also, irrigation systems and agricultural insurance are encouraged, provided, and financed to the members, so as to minimize the losses caused by adverse weather conditions.

4.3 Capital management

The Cooperative's objectives when managing capital are to ensure the availability of sufficient funds for the investments required for it to continue as a going concern, and the necessary liquidity for its commercial activities.

Funds for investments in the Cooperative's property, plant and equipment, to assure sustainable growth and technological modernization, are financed by retained surpluses and long-term credit facilities from the Brazilian Bank for Economic and Social Development (BNDES), which are obtained either directly or through onlending.

The funds required to ensure the liquidity of the Cooperative's commercial operations are obtained through borrowings in the financial market, primarily: advances on foreign exchange contracts, export prepayments, export credit notes, rural credit, financial Rural Product Notes (CPRs), Program for Capitalization of Agricultural Cooperatives (PROCAP), Law 4131, and the Coffee Economy Defense Fund (FUNCAFÉ).

Maintaining liquidity is of the utmost importance, particularly for purchases of coffee from members, when they take the decision to sell, and the purchase of agricultural inputs supplied to members. The borrowings required to ensure the liquidity of these operations are disclosed in Notes 16, 19, 20 and 22 and in the table below:

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	Consolidated	
	2022	2021
Borrowings (Note 20)	1,692,347,888	2,068,173,201
Advances on foreign exchange contracts and export prepayments (Note 19)	902,349,145	3,070,011,468
Federal Government Debt - PESA (Note 22)		952,384
Lease liabilities (Note 16)	4,916,952	2,964,934
(-) Cash and cash equivalents (Note 6)	(1,168,817,785)	(1,288,261,280)
(-) Interest rate swap (Note 8)	(6,580,203)	(1,057,487)
Net debt	<u>1,424,215,997</u>	<u>3,852,783,220</u>
Total equity	1,925,602,992	1,790,464,657
Total capitalization	<u>3,349,818,989</u>	<u>5,643,247,877</u>
Gearing ratio - %	<u>43</u>	<u>68</u>

(i) Financial covenants

Under the terms of the main credit facilities (Notes 19 and 20), Cooxupé is required to comply with the financial covenants listed below, which have been regularly met:

- a) Current assets must exceed current liabilities by R\$300 million.
- b) Equity excluding property, plant and equipment, intangible assets and right-of-use assets must be greater than R\$130 million.
- c) Net debt plus derivative financial instruments, less inventories, agricultural products for future receipt (CPR), foreign exchange receivables and trade receivables from the sale of coffee on the domestic market, over equity must be less than one (1).

4.4 Fair value estimation

The carrying values of trade receivables and payables, less impairment provision in the case of trade receivables, are assumed to approximate their fair values.

The table below classifies assets and liabilities carried at fair value by valuation method. The levels have been defined as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities. Financial instruments included in Level 1 comprise mainly coffee, corn, and U.S. dollar transactions in the futures market.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). The fair value of financial instruments is determined by using valuation techniques. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. Financial instruments included in Level 2 comprise NDFs, swaps, borrowings and onlendings - Federal Government Debt (PESA), Rural Product Notes (CPRs), and agricultural products of the Cooperative and its members.
- Level 3 - inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs). The Cooperative does not have any instruments included in Level 3.

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The Cooperative's financial assets and liabilities measured at fair value at December 31, 2022 were as follows:

	Parent company		
	Level 1	Level 2	Total
Assets			
Financial assets at fair value through profit or loss			
Derivative financial instruments (Note 8)	260,988	319,792,700	320,053,688
Loans and funds transferred to members - PESA (Note 9.2)		637,365	637,365
Agricultural products – physical inventory (Nota 10.1)		565,111,556	565,111,556
Agricultural products for future receipt (CPR) (Note 10.2)		881,363,567	881,363,567
Agricultural products from members (Note 11)		2,072,905,865	2,072,905,865
Total assets	<u>260,988</u>	<u>3,839,811,053</u>	<u>3,840,072,041</u>
Liabilities			
Financial liabilities at fair value through profit or loss			
Agricultural products from members (Note 11)		2,072,905,865	2,072,905,865
Derivative financial instruments (Note 8)	1,545,004	13,973,296	15,518,300
Total liabilities	<u>1,545,004</u>	<u>2,086,879,161</u>	<u>2,088,424,165</u>
Consolidated			
	Level 1	Level 2	Total
Assets			
Financial assets at fair value through profit or loss			
Derivative financial instruments (Note 8)	357,336	320,781,317	321,138,653
Loans and funds transferred to members - PESA (Note 9.2)		637,365	637,365
Agricultural products – physical inventory (Nota 10.1)		634,627,220	634,627,220
Agricultural products for future receipt (CPR) (Note 10.2)		889,002,974	889,002,974
Agricultural products from members (Note 11)		2,072,905,865	2,072,905,865
Total assets	<u>357,336</u>	<u>3,917,954,741</u>	<u>3,918,312,077</u>
Liabilities			
Financial liabilities at fair value through profit or loss			
Agricultural products from members (Note 11)		2,072,905,865	2,072,905,865
Derivative financial instruments (Note 8)	1,547,402	14,114,778	15,662,180
Total liabilities	<u>1,547,402</u>	<u>2,087,020,643</u>	<u>2,088,568,045</u>

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The Cooperative's financial assets and liabilities measured at fair value at December 31, 2021 were as follows:

	Parent		
	Level 1	Level 2	Total
Assets			
Financial assets at fair value through profit or loss			
Derivative financial instruments (Note 8)	703,546	37,912,337	38,615,883
Loans and funds transferred to members - PESA (Note 9.2)		1,838,109	1,838,109
Agricultural products – physical inventory (Nota 10.1)		3,365,340,362	3,365,340,362
Agricultural products for future receipt (CPR) (Note 10.2)		2,039,281,788	2,039,281,788
Agricultural products from members (Note 11)		2,513,346,222	2,513,346,222
Total assets	703,546	7,957,718,818	7,958,422,364
Liabilities			
Financial liabilities at fair value through profit or loss			
Agricultural products from members (Note 11)		2,513,346,222	2,513,346,222
Derivative financial instruments (Note 8)		682,105,096	682,105,096
Federal Government Debt - PESA (Note 22)		952,384	952,384
Total liabilities		3,196,403,702	3,196,403,702
Consolidated			
	Level 1	Level 2	Total
Assets			
Financial assets at fair value through profit or loss			
Derivative financial instruments (Note 8)	912,360	38,235,627	39,147,987
Loans and funds transferred to members - PESA (Note 9.2)		1,838,109	1,838,109
Agricultural products – physical inventory (Nota 10.1)		3,454,714,129	3,454,714,129
Agricultural products for future receipt (CPR) (Note 10.2)		2,054,339,314	2,054,339,314
Agricultural products from members (Note 11)		2,513,346,222	2,513,346,222
Total assets	912,360	8,062,473,401	8,063,385,761
Liabilities			
Financial liabilities at fair value through profit or loss			
Agricultural products from members (Note 11)		2,513,346,222	2,513,346,222
Derivative financial instruments (Note 8)		687,329,872	687,329,872
Federal Government Debt - PESA (Note 22)		952,384	952,384
Total liabilities		3,201,628,478	3,201,628,478

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5 Financial instruments by category

5.1 Assets as per balance sheet

	Parent company		
	At amortized cost	At fair value through profit or loss	Total
At December 31, 2022			
Cash and cash equivalents (Note 6)	1,116,096,793		1,116,096,793
Marketable securities (Note 7)	37,906,845		37,906,845
Derivative financial instruments (Note 8)		320,053,688	320,053,688
Trade and foreign exchange notes receivable (Note 9.1)	576,421,375		576,421,375
Loans and funds transferred to members (Note 9.2)	698,636,385	637,365	699,273,750
Judicial deposits (Note 23)	319,462,516		319,462,516
	<u>2,748,523,914</u>	<u>320,691,053</u>	<u>3,069,214,967</u>
At December 31, 2021			
Cash and cash equivalents (Note 6)	1,253,861,451		1,253,861,451
Marketable securities (Note 7)	35,007,279		35,007,279
Derivative financial instruments (Note 8)		38,615,883	38,615,883
Trade and foreign exchange notes receivable (Note 9.1)	601,045,136		601,045,136
Loans and funds transferred to members (Note 9.2)	522,209,568	1,838,109	524,047,677
Judicial deposits (Note 23)	295,043,533		295,043,533
	<u>2,707,166,967</u>	<u>40,453,992</u>	<u>2,747,620,959</u>
			Consolidated
	At amortized cost	At fair value through profit or loss	Total
At December 31, 2022			
Cash and cash equivalents (Note 6)	1,168,817,785		1,168,817,785
Marketable securities (Note 7)	44,073,094		44,073,094
Derivative financial instruments (Note 8)		321,138,653	321,138,653
Trade and foreign exchange notes receivable (Note 9.1)	596,149,796		596,149,796
Loans and funds transferred to members (Note 9.2)	698,636,385	637,365	699,273,750
Judicial deposits (Note 23)	320,665,415		320,665,415
	<u>2,828,342,475</u>	<u>321,776,018</u>	<u>3,150,118,493</u>
At December 31, 2021			
Cash and cash equivalents (Note 6)	1,288,261,280		1,288,261,280
Marketable securities (Note 7)	38,261,415		38,261,415
Derivative financial instruments (Note 8)		39,147,987	39,147,987
Trade and foreign exchange notes receivable (Note 9.1)	618,705,616		618,705,616
Loans and funds transferred to members (Note 9.2)	522,209,568	1,838,109	524,047,677
Judicial deposits (Note 23)	296,163,582		296,163,582
	<u>2,763,601,461</u>	<u>40,986,096</u>	<u>2,804,587,557</u>

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5.2 Liabilities as per balance sheet

	Parent		
	Amortized cost	Fair value through profit or loss	Total
At December 31, 2022			
Derivative financial instruments (Note 8)		15,518,300	15,518,300
Agricultural products from members (Note 11)		2,072,905,865	2,072,905,865
Lease liabilities (Note 16)	4,916,952		4,916,952
Trade payables for products and services (Note 18)	925,229,603		925,229,603
Advances on foreign exchange contracts and export prepayments (Note 19)	827,911,108		827,911,108
Borrowings (Note 20)	1,661,658,350		1,661,658,350
Other liabilities (Note 25)	32,121,353		32,121,353
	<u>3,451,837,366</u>	<u>2,088,424,165</u>	<u>5,540,261,531</u>
At December 31, 2021			
Derivative financial instruments (Note 8)		682,105,096	682,105,096
Agricultural products from members (Note 11)		2,513,346,222	2,513,346,222
Lease liabilities (Note 16)	2,961,910		2,961,910
Trade payables for products and services (Note 18)	1,351,275,187		1,351,275,187
Advances on foreign exchange contracts and export prepayments (Note 19)	2,991,841,928		2,991,841,928
Borrowings (Note 20)	2,044,795,547		2,044,795,547
Federal Government Debt - PESA (Note 22)		952,384	952,384
Other liabilities (Note 25)	45,112,591		45,112,591
	<u>6,435,987,163</u>	<u>3,196,403,702</u>	<u>9,632,390,865</u>
			Consolidated
	Amortized cost	Fair value through profit or loss	Total
At December 31, 2022			
Derivative financial instruments (Note 8)		15,662,180	15,662,180
Agricultural products from members (Note 11)		2,072,905,865	2,072,905,865
Lease liabilities (Note 16)	4,916,952		4,916,952
Trade payables for products and services (Note 18)	943,128,825		943,128,825
Advances on foreign exchange contracts and export prepayments (Note 19)	902,349,145		902,349,145
Borrowings (Note 20)	1,692,347,888		1,692,347,888
Other liabilities (Note 25)	32,121,353		32,121,353
	<u>3,574,864,163</u>	<u>2,088,568,045</u>	<u>5,663,432,208</u>
At December 31, 2021			
Derivative financial instruments (Note 8)		687,329,872	687,329,872
Agricultural products from members (Note 11)		2,513,346,222	2,513,346,222
Lease liabilities (Note 16)	2,964,934		2,964,934
Trade payables for products and services (Note 18)	1,374,821,472		1,374,821,472
Advances on foreign exchange contracts and export prepayments (Note 19)	3,070,011,468		3,070,011,468
Borrowings (Note 20)	2,068,173,201		2,068,173,201
Federal Government Debt - PESA (Note 22)		952,384	952,384
Other liabilities (Note 25)	45,112,591		45,112,591
	<u>6,561,083,666</u>	<u>3,201,628,478</u>	<u>9,762,712,144</u>

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6 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits with banks, other short-term highly liquid investments with original maturities of three months or less and immaterial risk of change in value, which are held for the purpose of meeting short-term cash needs.

	Parent company		Consolidated	
	2022	2021	2022	2021
Cash and banks	619,914,069	499,615,286	661,549,280	528,520,893
Marketable securities (i)	496,182,724	754,246,165	507,268,505	759,740,387
	<u>1,116,096,793</u>	<u>1,253,861,451</u>	<u>1,168,817,785</u>	<u>1,288,261,280</u>

- (i) Marketable securities consist of floating-rate investments in Bank Deposit Certificates (CDBs), which accrue interest from 100% to 102.7% (99% to 103% in 2021) of the Interbank Deposit Certificate (CDI) rate.

7 Marketable securities

Marketable securities include repurchase agreements with foreign and local brokers, the purpose of which is to collateralize derivative financial instrument transactions.

The amounts deposited are not readily redeemable and may undergo changes in value based on the rate of return.

	Parent company		Consolidated	
	2022	2021	2022	2021
Repurchase agreements entered into with foreign brokers (i)	27,350,548	26,655,184	32,318,268	28,666,397
Repurchase agreements entered into with local brokers (ii)	10,556,297	8,352,095	11,754,826	9,595,018
	<u>37,906,845</u>	<u>35,007,279</u>	<u>44,073,094</u>	<u>38,261,415</u>

- (i) These are non-interest earning amounts pledged as collateral for transactions carried out on the ICE - NY and indexed to the US dollar, equivalent to US\$ 6,194,681 at December 31, 2022 (US\$ 5,137,439 in 2021).
- (ii) At December 31, 2022, the amount of R\$ 10,470,801 (R\$ 8,604,957 in 2021) in floating-rate investments in CDBs, earning from 100% to 101% (99% to 100.5% in 2021) of the CDI rate and the amount of R\$ 1,284,025 (R\$ 990,061 in 2021), non-interest earning, were pledged as collateral for transactions carried out on B3 and for purchase of electric energy.

8 Derivative financial instruments

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. Although the Cooperative uses derivatives to hedge fluctuations in exchange rates and commodity prices, it does not apply hedge accounting. Changes in the fair value of derivative instruments are recognized immediately in the statement of surplus within "Net results of changes in agricultural commodity prices and foreign exchange variations".

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8.1 Parent company

	2022		2021	
	Assets	Liabilities	Assets	Liabilities
NDF - Non deliverable forward - coffee	158,141,292	12,482,334	13,240,480	572,781,682
NDF - Non deliverable forward - U.s. dollar	155,071,205	1,490,962	23,223,503	109,278,796
Interest rate swap	6,580,203		1,448,354	44,618
Futures market operations:				
Coffee - B3	260,988	1,539,829	703,546	
Corn - B3		5,175		
	320,053,688	15,518,300	38,615,883	682,105,096
Current	(320,053,688)	(15,518,300)	(21,995,780)	(657,491,617)
Non-current			16,620,103	24,613,479

8.2 Consolidated

	2022		2021	
	Assets	Liabilities	Assets	Liabilities
NDF - Non deliverable forward - coffee	158,141,292	12,482,334	13,240,480	575,773,887
NDF - Non deliverable forward - U.s. dollar	156,059,822	1,632,444	23,546,793	111,165,118
Interest rate and currency swaps	6,580,203		1,448,354	390,867
Futures market operations:				
US dollar - B3	4,650	2,398	207,282	
Coffee - B3	352,686	1,539,829	705,078	
Corn - B3		5,175		
	321,138,653	15,662,180	39,147,987	687,329,872
Current	(321,138,653)	(15,662,180)	(22,527,884)	(662,716,393)
Non-current			16,620,103	24,613,479

8.3 Characteristics of these transactions

The Cooperative's derivative financial instruments comply with the exposure limits in its risk policy (Note 4.1.1).

8.3.1 Non-Deliverable Forwards

NDFs are contracted by the Cooperative for the purpose of hedging its operations against the risk of fluctuations in foreign exchange rates and commodity prices, and are not used for speculative purposes. At December 31, 2022, the notional amounts of the outstanding NDFs (short position) totaled approximately R\$ 2,808,000,000 (R\$ 4,865,000,000 in 2021) for foreign exchange and commodity operations.

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8.3.2 Interest rate and currency swaps

At December 31, 2022, the notional amounts of the outstanding interest rate swap contracts totaled R\$ 239,000,000 (R\$ 349.000,000 of interest rate swaps and R\$ 7.000,000 of currency swaps) and their purpose is to reduce the exposure to borrowings accruing interest based on the London Interbank Offered Rate (LIBOR) and the Extended Consumer Price Index (IPCA), and exchange the currency in which the debt is denominated.

8.3.3 Futures market transactions

At December 31, 2022, the notional amounts of the transactions carried out by the Cooperative to hedge agricultural commodity prices on the futures market corresponded to R\$ 1,433,000 (R\$ 2,396,000 in 2021), of which R\$ 813,000,000 (R\$ 1,303,000,000 in 2021) in a long position, R\$ 620,000,000, (R\$ 1,093,000,000 in 2021) in a short position, and R\$ 3,000,000 (R\$ 3,000,000 in 2021) in a short position to hedge against fluctuations in foreign exchange rates.

9 Trade and foreign currency notes receivable, and loans to transfers to members

Trade and foreign currency notes receivable and loans and transfers to members correspond to amounts receivable from customers and members for the sale of goods, the rendering of services, or the transfer of funds obtained for specific purposes from financial institutions in the ordinary course of the Cooperative's activities. If collection is expected in one year or less, the receivables are classified as current assets. Receivables classified as non-current comprise invoices with maturity and payment expected later than one year (including overdue invoices under judicial collection).

Accounts receivable from customers and members are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method, less a provision for impairment of trade receivables. Usually, in practice, they are recognized at the amount billed, adjusted to present value, plus interest and, where necessary, less a provision for impairment.

9.1 Trade and foreign currency notes receivable

	Parent company		Consolidated	
	2022	2021	2022	2021
Foreign currency notes receivable (i)	431,703,187	498,533,265	451,451,224	516,290,183
Trade notes receivable	190,273,740	131,579,680	190,317,186	131,483,242
Provision for impairment (Note 3.3)	(45,555,552)	(29,067,809)	(45,618,614)	(29,067,809)
	576,421,375	601,045,136	596,149,796	618,705,616
Current	(576,421,375)	(598,881,070)	(596,149,796)	(616,541,550)
Non-current (ii)		2,164,066		2,164,066

- (i) The Cooperative's foreign currency notes receivable are denominated in U.S. dollars, and totaled US\$ 86,532,983 at December 31, 2022 (US\$ 92,526,781 in 2021).
- (ii) The breakdown of trade and foreign currency notes receivable classified as non-current assets, by maturity year, is presented in Note 9.3.

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Trade and foreign currency notes receivable, net of impairment provision, mature as follows:

	Parent company		Consolidated	
	2022	2021	2022	2021
Not yet due:				
Current				
2022		594,740,545		612,401,025
2023	570,116,234		588,661,941	
	570,116,234	594,740,545	588,661,941	612,401,025
Non-current				
2023		2,164,066		2,164,066
		2,164,066		2,164,066
Total not yet due	570,116,234	596,904,611	588,661,941	614,565,091
Overdue:				
Current				
From 1 to 15 days	5,379,484	3,253,353	6,562,198	3,253,353
From 16 to 30 days	398,140	282,364	398,140	282,364
From 31 to 60 days	333,895	487,047	333,895	487,047
From 61 to 90 days	105,888	61,606	105,888	61,606
From 91 to 180 days	50,489	52,421	50,489	52,421
Over 180 days	37,245	3,734	37,245	3,734
	6,305,141	4,140,525	7,487,855	4,140,525
Total overdue	6,305,141	4,140,525	7,487,855	4,140,525
Current	576,421,375	598,881,070	596,149,796	616,541,550
Non-current		2,164,066		2,164,066
	576,421,375	601,045,136	596,149,796	618,705,616

Changes in the provision for impairment of trade and foreign currency notes receivable were as follows:

	Parent company		Consolidated	
	2022	2021	2022	2021
At January 1	29,067,809	21,209,760	29,067,809	21,209,760
Provisions in the year	17,932,296	13,861,191	17,995,356	13,861,191
Write-offs during the year	(14,376,312)	(8,976,474)	(14,376,311)	(8,976,474)
Transfer to loans and transfers to members	(15,576)	(383,672)	(15,575)	(383,672)
Transfer from loans and transfers to members	12,947,335	3,357,004	12,947,335	3,357,004
At December 31	45,555,552	29,067,809	45,618,614	29,067,809

The maximum exposure to credit risk at the reporting date is the carrying amount of the balances of trade and foreign currency notes receivable.

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9.2 Loans and transfers to members

Type	Financial charges	Parent company		Consolidated	
		2022	2021	2022	2021
Borrowings for inputs					
Rural credit	Interest from 7.5% to 11.5% p.a. (2021 - up to 7.5% p.a.)	538,897,342	398,835,323	538,897,342	398,835,323
Own resources	Interest from 8% to 16.5% p.a. (2021 - 7% to 15.5% p.a.)	202,316,060	154,007,174	202,316,060	154,007,174
Special financing	Interest from 10.44% to 16.78% p.a. (2021 - 7.5% to 18.48% p.a.)	49,383,580	25,410,992	49,383,580	25,410,992
	Variation of the coffee bag price	10,582,226	13,178,355	10,582,226	13,178,355
	IGP-M variation (i)	637,365	1,838,109	637,365	1,838,109
	Interest of 3% p.a.	399,547	540,251	399,547	540,251
Advance on sale	Interest of 15.07% p.a. (2021 - 11.39% p.a.)	2,440,959	1,641,624	2,440,959	1,641,624
Provision for impairment of loans and transfers (Note 3.3)		(105,383,329)	(71,404,151)	(105,383,329)	(71,404,151)
Current		699,273,750	524,047,677	699,273,750	524,047,677
		(648,419,611)	(476,679,470)	(648,419,611)	(476,679,470)
Non-current (ii)		50,854,139	47,368,207	50,854,139	47,368,207

- (i) Special financing includes receivables negotiated under the same terms and conditions as the Federal Government Debt (PESA) program (Note 22), recorded at realizable fair value, which is determined based on the future flow of receipts discounted to present value, and are backed by sureties, mortgages, commercial pledges, and/or promissory notes issued by the cooperative members.
- (ii) The breakdown of trade and foreign currency notes receivable classified as non-current assets, by maturity year, is presented in Note 9.3.

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Loans and transfers to members, net of impairment provision, mature as follows:

	Parent company		Consolidated	
	2022	2021	2022	2021
Not yet due:				
Current				
2022		476,343,832		476,343,832
2023	645,370,236		645,370,236	
	645,370,236	476,343,832	645,370,236	476,343,832
Non-current				
2023		8,272,408		8,272,408
2024	14,625,183	28,633,389	14,625,183	28,633,389
2025	27,957,386	10,098,857	27,957,386	10,098,857
2026	7,824,294	10,098,857	7,824,294	10,098,857
2027	447,276	363,553	447,276	363,553
	50,854,139	47,368,207	50,854,139	47,368,207
Total not yet due	696,224,375	523,712,039	696,224,375	523,712,039
Overdue				
Current				
From 1 to 15 days	2,475,389		2,475,389	
From 16 to 60 days	19,540	1,795	19,540	1,795
From 61 to 90 days	344,940		344,940	
From 91 to 180 days	209,267	331,087	209,267	331,087
Over 181 days	239	2,756	239	2,756
Total overdue	3,049,375	335,638	3,049,375	335,638
Current	648,419,611	476,679,470	648,419,611	476,679,470
Non-current	50,854,139	47,368,207	50,854,139	47,368,207
	699,273,750	524,047,677	699,273,750	524,047,677

Changes in the provision for impairment of loans and transfers to members were as follows:

	Parent company	
	2022	2021
At January 1	71,404,151	43,224,499
Provisions in the year	90,391,528	59,441,700
Write-offs during the year	(47,192,527)	(35,927,953)
Transfer of Rural Product Notes – CPRs	3,711,936	7,639,237
Transfer from trade notes receivable	15,576	383,672
Transfer to trade notes receivable	(12,947,335)	(3,357,004)
At December 31	105,383,329	71,404,151

The maximum exposure to credit risk at the reporting date is the carrying amount of the loans and transfers to members.

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9.3 Analysis of the portfolios of trade and foreign currency notes receivable and loans and transfers to members, classified as non-current assets, by maturity year

	Parent company	
	2022	2021
2023		14,190,392
2024	19,796,774	31,901,076
2025	31,281,450	12,244,865
2026	8,265,280	382,688
2027	470,647	
In-court collection	28,521,607	19,014,886
Provision for impairment	(37,481,619)	(28,201,634)
	<u>50,854,139</u>	<u>49,532,273</u>
Trade and foreign currency notes receivable		2,164,066
Loans and transfers to members	<u>50,854,139</u>	<u>47,368,207</u>
	<u>50,854,139</u>	<u>49,532,273</u>

At December 31, the provision for impairment was as follows:

	Parent company	
	2022	2021
In-court collection	28,521,607	19,014,886
Renegotiated by Cooxupé's management	6,268,652	6,451,522
Other receivables	2,691,360	2,735,226
	<u>37,481,619</u>	<u>28,201,634</u>

10 Inventories and agricultural products for future delivery (CPR)

10.1 Inventories

	Parent company		Consolidated	
	2022	2021	2022	2021
Agricultural products – physical inventory (i)	565,111,556	3,365,340,362	634,627,220	3,454,714,129
Goods for resale – stores (i)	323,609,788	327,539,989	323,609,788	327,539,989
Warehouse materials and others	54,491,237	44,863,115	55,617,219	45,774,999
	<u>943,212,581</u>	<u>3,737,743,466</u>	<u>1,013,854,227</u>	<u>3,828,029,117</u>

10.2 Inventories and agricultural products for future delivery (CPR)

	Parent company		Consolidated	
	2022	2021	2022	2021
Agricultural products for future receipt – CPR (i and iii)	1,026,911,612	2,160,434,382	1,034,984,111	2,176,130,879
Provision for impairment of agricultural products for future receipt (CPR)	(145,548,045)	(121,152,594)	(145,981,137)	(121,791,565)
	<u>881,363,567</u>	<u>2,039,281,788</u>	<u>889,002,974</u>	<u>2,054,339,314</u>
Current	(702,049,668)	(1,438,264,962)	(709,689,075)	(1,451,716,129)
Non-current	<u>179,313,899</u>	<u>601,016,826</u>	<u>179,313,899</u>	<u>602,623,185</u>

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- (i) Physical inventories of commodities held by the Cooperative and agricultural products for future delivery (Rural Product Note - CPR) are valued at the amount negotiated or realized, considering the selling price of these products at the reporting date, less the costs required for their realization, and net of estimated losses, where applicable. The adjustments arising from this valuation are recorded in "Net results of changes in agricultural commodity prices and foreign exchange variations" in the statement of surplus for the year (Note 30).
- (ii) Goods for resale at stores comprise mainly fertilizers and crop protection products, and are stated at the lower of cost and net realizable value. Cost is determined using the weighted moving average method. Net realizable value is the estimated selling price in the ordinary course of business, less selling expenses.
- (iii) Rural Product Notes (CPR) are guaranteed by sureties from members, mortgages and/or lien on crops.

At December 31, 2022, the Cooperative had entered into agreements with customers for the delivery of approximately 1,688,954 bags of coffee and 43,007 bags of corn, at fixed prices (5,204,432 bags of coffee and 6,647 bags of corn in 2021); the negotiated prices were considered in the valuation of the agricultural inventories (commodities). The Cooperative uses these instruments in its strategy to hedge against the volatility risk of the agricultural commodities market (Note 4.1.1 (b)).

Physical inventories of commodities and agricultural products for future delivery, in 60-kilogram bags, are comprised as follows:

	Parent company		Consolidated	
	2022	2021	2022	2021
Coffee - physical inventory	610,333	3,141,307	666,745	3,204,688
Corn - physical inventory	86,471	33,303	86,471	33,303
Sub-total	696,804	3,174,610	753,216	3,237,991
Coffee – purchase for future receipt – CPR	1,201,330	2,173,905	1,207,350	2,184,526
Corn – purchase for future receipt – CPR	1,284	6,836	1,284	6,836
Sub-total	1,202,614	2,180,741	1,208,634	2,191,362
Total bags of agricultural products	1,899,418	5,355,351	1,961,850	5,429,353

Changes in the provision for impairment of CPRs were as follows:

	Parent company		Consolidated	
	2022	2021	2022	2021
At January 1	121,152,594	52,156,327	121,791,565	52,436,107
Provisions in the year	78,708,849	93,518,626	79,071,785	94,157,598
Write-offs during the year	(50,601,462)	(16,883,122)	(51,170,277)	(17,162,903)
Transfer to loans and transfers to members	(3,711,936)	(7,639,237)	(3,711,936)	(7,639,237)
At December 31	145,548,045	121,152,594	145,981,137	121,791,565

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11 Inventories - Members' commodities stored by the Cooperative and related trade payables

These relate to inventories received from members for storage purposes and not yet purchased by the Cooperative, which are recognized with a corresponding entry to trade payables in current liabilities. These inventories and the related payables, are measured based on the best estimate of the selling price at the reporting date, as determined by ITG 2004.

Members' inventories are reclassified to Cooperative-owned inventories at the time the member sells these agricultural commodities to the Cooperative

At December 31, the composition of the members' agricultural commodities stored by the Cooperative and related trade payables was as follows:

	<u>Parent company</u>	
	<u>2022</u>	<u>2021</u>
Coffee	2,070,333,046	2,512,817,375
Corn	2,572,819	528,847
	<u>2,072,905,865</u>	<u>2,513,346,222</u>

At December 31, the members' agricultural commodities stored by the Cooperative, in 60-kilogram bags, were as follows:

	<u>Parent company</u>	
	<u>2022</u>	<u>2021</u>
Coffee	1,998,669	1,741,444
Corn	34,304	6,222
	<u>2,032,973</u>	<u>1,747,666</u>

12 Taxes recoverable

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
IPI (i)	194,479,741	194,479,741	194,479,741	194,479,741
PIS and COFINS (ii)	90,728,276	74,387,230	96,593,153	79,894,059
ICMS (iii)	52,171,915	45,405,906	52,985,972	46,008,402
IOF (iv)	33,574,088		33,574,088	
IRRF, IRPJ, and CSLL withheld at source	19,974,730	4,749,611	20,257,680	4,813,165
Others			462,970	462,878
Impairment of taxes recoverable	(70,961,237)	(57,329,530)	(75,858,528)	(61,606,426)
	319,967,513	261,692,958	322,495,076	264,051,819
Current	(49,392,926)	(33,877,824)	(49,872,884)	(34,402,312)
Non-current	<u>270,574,587</u>	<u>227,815,134</u>	<u>272,622,192</u>	<u>229,649,507</u>

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- (i) In 2019, a decision was rendered in favor of Cooxupé in a lawsuit which claimed its right to the deemed IPI credits provided for in Law 9363/96, as amended, on coffee exports from January 1997 to April 2004. At the time the decision was made final and unappealable, these credits were recorded at the net amount of R\$ 253,567,463. From December 2019 to June 2021, the Company offset R\$ 90,426,107 of these credits against other taxes managed by the Brazilian Federal Revenue Service (RFB), supported by the aforementioned final ruling.

In August 2021, after having been notified of an order issued by the Brazilian Federal Revenue Service (RFB) disallowing the offsetting of the credits, Cooxupé lodged an appeal against the administrative decision of the RFB, which its legal counsel believes has violated the *res judicata* effect. On August 31, 2022, the appeal was unanimously granted by the RJ06 - Federal Revenue Office - 6th Region, which determined that the case should be returned to the RFB's Inspection Office in Varginha, for calculation of the tax credit and issuance of a new Decision.

On September 8, 2022, a new Decision issued by the RFB partially recognized the credit amount claimed, approved the offsetting in the amount mentioned above and allowed for new offsets. Cooxupé filed an administrative appeal claiming the remaining tax credit, arguing that the Decision contains errors of calculation and interpretation in the application of the regulatory instruction issued by the RFB itself.

Regarding the statute of limitations for offsetting, initially scheduled to end in August 2024 (five years from the date of the final and unappealable decision), Cooxupé filed a lawsuit seeking to postpone the deadline for the same period during which the offsets were disallowed by the RFB. If any balance remains to be offset, Cooxupé may resume legal proceedings to request the enforcement of the court decision by means of a court-ordered debt. Management, supported by the opinion of its legal advisors, believes that it will not incur losses on the aforementioned credits, and therefore has not set up any provision for impairment on the balance at issue.

- (ii) PIS and COFINS recoverable relate substantially to credits on manufacturing costs linked to revenue from exports and sales in the domestic market, calculated pursuant to Article 3 of Laws 10,637/02 and 10,833/03, and credits on export revenue, calculated pursuant to Law 12,599/12. The breakdown and expected realization of tax credits at December 31, 2022 are shown below:
- R\$ 45.8 million - credits on manufacturing costs linked to export revenues, relating to the period from 2008 to 2022, which require a tax refund application. Of this amount, R\$ 24 million is awaiting review of the refund application by the Brazilian Federal Revenue Office, and R\$ 21.8 million is currently under analysis by administrative bodies, without an expected deadline for resolution.
 - R\$ 26 million - credits on manufacturing costs linked to revenues from sales in the domestic market, which are being offset against PIS/COFINS.
 - R\$ 16.9 million - Deemed credit on export revenues (Art. 5 of Law 12,599/12), relating substantially to the fourth quarter of 2022, which will be offset against other federal taxes payable in 2023.
- (iii) Value-added Tax on Sales and Services (ICMS) relates basically to credits on purchases of goods for sale, raw materials, packaging materials and property, plant and equipment items, which were accrued mainly due to subsequent shipments in which the ICMS exemption was not applied. These credits may be used to reduce the ICMS debt balance calculated as per the tax records and to be transferred to third parties in the State of Minas Gerais, upon approval of the Statement of Accumulated Credit (DCA) on exports. Therefore, these credits are expected to be realized within three years, due to the transfer queue imposed by the State of Minas Gerais after the authorization is granted.

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- (iv) In 2022, Cooxupé obtained a favorable outcome in a lawsuit that disputed the non-levy of the Tax on Financial Transactions (IOF) on loan transactions, foreign exchange, insurance, and securities, providing also for the possible offsetting of amounts paid in the period from January 1997 to December 2021 against federal taxes. In August 2022, the credit was approved by the RFB, and recorded against "Other income/revenue, net" (Note 32 (i) (a)) in the statement of surplus.

The statute of limitations expires in March 2027 (five years from the date of the final and unappealable decision). If any balance remains to be offset, Cooxupé may resume legal proceedings to request the enforcement of the court decision by means of a court-ordered debt.

Changes in the provision for impairment of taxes recoverable were as follows:

	Parent company		Consolidated	
	2022	2021	2022	2021
At January 1	57,329,530	63,788,445	61,606,426	67,744,536
Provisions for the year	23,570,025	10,599,288	24,260,477	11,006,916
Write-offs during the year	(9,938,318)	(17,058,203)	(10,008,375)	(17,145,026)
At December 31	<u>70,961,237</u>	<u>57,329,530</u>	<u>75,858,528</u>	<u>61,606,426</u>

The balance of the provision for impairment relates substantially to PIS and COFINS credits on manufacturing costs linked to export revenues and sales revenues in the domestic market, which are derecognized by management as the credits are used.

13 Other assets

Other assets comprise the following non-financial assets:

	Parent company		Consolidated	
	2022	2021	2022	2021
Prepaid expenses	5,483,444	5,187,964	5,483,444	5,187,964
Advances to employees	1,695,700	1,883,164	1,699,144	1,884,454
Others	183,756	124,728	1,804	1,182
	<u>7,362,900</u>	<u>7,195,856</u>	<u>7,184,392</u>	<u>7,073,600</u>

14 Investments

The investment in the subsidiaries SMC - Comercial e Exportadora de Café S.A. and Cooxupé Corretora de Seguros are accounted for in the parent company financial statements under the equity method.

Investments in cooperatives are stated at cost of acquisition, since the accounting practices adopted in Brazil do not permit their recognition using the equity method. The carrying amount of these investments is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.1.1(b)).

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SMC - Comercial e Exportadora de Café S.A., headquartered in the city of Guaxupé, State of Minas Gerais, was incorporated on March 12, 2009. It is engaged in the sale and export of raw coffee grains for the special and certified coffee segment.

At December 31, 2022, the sureties granted by the Cooperative in favor of SMC - Comercial e Exportadora de Café S.A. totaled R\$ 63,103,093 (R\$ 52,545,477 in 2021). No costs were incurred by Cooxupé and SMC in connection with the sureties/collateral granted.

Cooxupé Corretora de Seguros Ltda., headquartered in the city of Guaxupé, State of Minas Gerais, was incorporated on December 26, 2022. Its activities comprise insurance brokerage and agency services.

The investment of Cooxupé in Cooxupé Corretora de Seguros Ltda. amounted to R\$ 100,000, which represents the latter's capital, divided into 100 quotas in the nominal value of R\$ 1,000, fully held by Cooxupé, and paid up on February 17, 2023.

14.1 Nature of the investments

	Parent company		Consolidated	
	2022	2021	2022	2021
Investments in other cooperative companies	3,131,390	3,089,469	3,315,196	3,270,315
SMC - Comercial e Exportadora de Café S.A. (i)	39,374,838	32,942,499		
	<u>42,506,228</u>	<u>36,031,968</u>	<u>3,315,196</u>	<u>3,270,315</u>

(i) Investment in SMC - Comercial e Exportadora de Café S.A.

	2022	2021
Information on the subsidiary		
Number of shares held	10,000,000	10,000,000
Shareholding	100%	100%
Profit (loss) for the year	6,432,339	8,351,242
Equity	39,374,838	32,942,499
Changes in the investment		
At the beginning of the year	32,942,499	24,591,257
Equity in the results	6,432,339	8,351,242
At the end of the year	<u>39,374,838</u>	<u>32,942,499</u>

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This subsidiary's financial statements may be summarized as follows:

	<u>2022</u>	<u>2021</u>
Current assets	158,480,238	164,987,671
Non-current assets	9,812,421	8,435,305
Total assets	168,292,659	173,422,976
Current liabilities	125,710,019	132,190,543
Non-current liabilities	3,207,802	8,289,934
Total liabilities	128,917,821	140,480,477
Equity	39,374,838	32,942,499
Total liabilities and equity	168,292,659	173,422,976
Net revenue	226,005,317	159,342,613
Costs and expenses	(216,585,742)	(146,085,711)
Finance income (costs)	363,088	(568,619)
Taxes on profit	(3,350,324)	(4,337,041)
Profit for the year	6,432,339	8,351,242

15 Property, plant and equipment

Land and buildings comprise mainly warehouses, stores, factories, and offices. As permitted by accounting practices in Brazil, the Cooperative has carried forward the increment from the revalued deemed cost of the related assets, with a corresponding entry to "Carrying value adjustments", in equity. The recognition of this revaluation surplus, calculated based on reports issued by independent experts in 2007, was approved by the members at an Annual General Meeting held on March 28, 2008. At December 31, 2022, property, plant and equipment included R\$ 18,128,773 (R\$ 19,431,888 in 2021) corresponding to the balance of these revaluations, the depreciation and disposals of which totaled R\$ 1,303,115 in the year (R\$ 1,305,478 in 2021).

Property, plant and equipment items recorded at cost since the last revaluation include expenditures directly attributable to the acquisition of the items, as well as borrowing costs related to the acquisition of assets, where applicable.

Subsequent costs are included in an asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will be realized and the cost of the item can be measured reliably. The carrying amount of replaced items or parts is derecognized. All other repair and maintenance costs are recorded in the statement of surplus or deficit as incurred.

Land is not depreciated. Depreciation of other assets is calculated using the straight-line method to reduce their cost to the residual values over their estimated useful lives, in accordance with the average rates disclosed in Note 15. The residual values and the useful lives of the assets are reviewed and adjusted, if appropriate, at the end of each reporting period. The carrying amount of these investments is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within "Other income/revenue, net", in the statement of surplus or deficit.

Assets pledged as collateral

At December 31, 2022, property, plant and equipment items totaling R\$ 8,637,605 (R\$ 13,198,478 in 2021) were pledged as collateral for borrowings (Note 20).

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15.1 Parent company

	Land	Buildings and leasehold improvements	Machinery equipment and facilities	Furniture and fixtures	Vehicles	IT equipment	Others	Construction in progress	Total PP&E
At December 31, 2020	29,725,223	182,498,295	98,084,244	2,831,952	558,617	4,575,859	1,431,076	20,059,795	339,765,061
Additions	6,198,482	7,635,291	23,814,852	571,337	1,697,552	3,833,126	6,726,563	44,183,095	94,660,298
Sales and disposals			(2,084,032)	(65,487)	(862,114)	(109,590)	(1,159,167)		(4,280,390)
Transfers		22,584,048	10,264,196	2,020,220		3,472	2,195,424	(37,067,360)	
Depreciation for the year		(9,574,145)	(12,524,122)	(605,879)	(495,435)	(1,612,112)	(371,819)		(25,183,512)
Depreciation write-offs			1,925,767	62,568	862,114	109,189	1,159,167		4,118,805
At December 31, 2021	<u>35,923,705</u>	<u>203,143,489</u>	<u>119,480,905</u>	<u>4,814,711</u>	<u>1,760,734</u>	<u>6,799,944</u>	<u>9,981,244</u>	<u>27,175,530</u>	<u>409,080,262</u>
Total cost	35,923,705	282,820,450	204,263,890	10,990,871	4,784,648	22,232,724	14,550,513	27,175,530	602,742,331
Accumulated depreciation		(79,676,961)	(84,782,985)	(6,176,160)	(3,023,914)	(15,432,780)	(4,569,269)		(193,662,069)
Net book value	<u>35,923,705</u>	<u>203,143,489</u>	<u>119,480,905</u>	<u>4,814,711</u>	<u>1,760,734</u>	<u>6,799,944</u>	<u>9,981,244</u>	<u>27,175,530</u>	<u>409,080,262</u>
At December 31, 2021	35,923,705	203,143,489	119,480,905	4,814,711	1,760,734	6,799,944	9,981,244	27,175,530	409,080,262
Additions	2,962,896	12,431,822	59,183,304	1,736,852	374,283	5,261,546	5,891,582	12,057,812	99,900,097
Sales and disposals			(383,092)	(46,429)		(342,009)	(5,340,991)		(6,112,521)
Transfers		21,302,734	229,473	1,199,065	109,763	126,724	(84,873)	(22,882,886)	
Depreciation for the year		(10,160,603)	(14,695,738)	(843,466)	(477,964)	(2,227,531)	(820,390)		(29,225,692)
Depreciation write-offs			353,520	41,615		339,687	4,228,284		4,963,106
At December 31, 2022	<u>38,886,601</u>	<u>226,717,442</u>	<u>164,168,372</u>	<u>6,902,348</u>	<u>1,766,816</u>	<u>9,958,361</u>	<u>13,854,856</u>	<u>16,350,456</u>	<u>478,605,252</u>
Total cost	38,886,601	316,555,006	263,293,575	13,880,359	5,268,694	27,278,985	15,016,231	16,350,456	696,529,907
Accumulated depreciation		(89,837,564)	(99,125,203)	(6,978,011)	(3,501,878)	(17,320,624)	(1,161,375)		(217,924,655)
Net book value	<u>38,886,601</u>	<u>226,717,442</u>	<u>164,168,372</u>	<u>6,902,348</u>	<u>1,766,816</u>	<u>9,958,361</u>	<u>13,854,856</u>	<u>16,350,456</u>	<u>478,605,252</u>
Annual depreciation rates - %		<u>3%</u>	<u>9%</u>	<u>10%</u>	<u>20%</u>	<u>20%</u>	<u>10%</u>		

Construction in progress relates substantially to the expansion of coffee storage facilities, which is expected to be completed by the end of 2023 (in 2021, construction in progress related substantially to the expansion of coffee storage facilities, and construction of new facilities for resale of agricultural inputs).

In 2022, Cooxupé's capitalized borrowing charges of R\$ 1,159,909 (R\$ 873,522 in 2021).

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15.2 Consolidated

	Land	Buildings and leasehold improvements	Machinery equipment and facilities	Furniture and fixtures	Vehicles	IT equipment	Others	Construction in progress	Total PP&E
At December 31, 2020	29,725,223	182,593,379	98,232,941	2,854,615	686,281	4,580,098	1,431,076	20,059,795	340,163,408
Additions	6,198,483	7,635,291	23,888,368	575,504	1,697,552	3,871,272	6,916,495	44,183,095	94,966,060
Sales and disposals			(2,084,032)	(65,487)	(862,114)	(109,590)	(1,159,167)		(4,280,390)
Transfers		22,584,048	10,264,196	2,020,220		3,472	2,195,424	(37,067,360)	
Depreciation for the year		(9,581,145)	(12,544,088)	(612,301)	(523,012)	(1,615,080)	(374,985)		(25,250,611)
Depreciation write-offs			1,925,767	62,568	862,114	109,189	1,159,167		4,118,805
At December 31, 2021	<u>35,923,706</u>	<u>203,231,573</u>	<u>119,683,152</u>	<u>4,835,119</u>	<u>1,860,821</u>	<u>6,839,361</u>	<u>10,168,010</u>	<u>27,175,530</u>	<u>409,717,272</u>
Total cost	35,923,706	282,995,450	204,559,653	11,077,664	4,922,534	22,330,821	14,740,445	27,175,530	603,725,803
Accumulated depreciation		(79,763,877)	(84,876,501)	(6,242,545)	(3,061,713)	(15,491,460)	(4,572,435)		(194,008,531)
Net book value	<u>35,923,706</u>	<u>203,231,573</u>	<u>119,683,152</u>	<u>4,835,119</u>	<u>1,860,821</u>	<u>6,839,361</u>	<u>10,168,010</u>	<u>27,175,530</u>	<u>409,717,272</u>
At December 31, 2021	35,923,706	203,231,573	119,683,152	4,835,119	1,860,821	6,839,361	10,168,010	27,175,530	409,717,272
Additions	2,962,897	12,431,822	59,225,380	2,003,441	374,283	5,291,254	5,891,581	12,057,812	100,238,470
Sales and disposals			(383,092)	(46,429)		(342,009)	(5,340,991)		(6,112,521)
Transfers		21,302,734	229,473	1,199,065	109,763	126,724	(84,873)	(22,882,886)	
Depreciation for the year		(10,167,603)	(14,716,734)	(853,534)	(505,541)	(2,235,641)	(839,383)		(29,318,436)
Depreciation write-offs			353,520	41,615		339,687	4,228,284		4,963,106
At December 31, 2022	<u>38,886,603</u>	<u>226,798,526</u>	<u>164,391,699</u>	<u>7,179,277</u>	<u>1,839,326</u>	<u>10,019,376</u>	<u>14,022,628</u>	<u>16,350,456</u>	<u>479,487,891</u>
Total cost	38,886,603	316,730,006	263,631,414	14,233,741	5,406,580	27,406,790	15,206,162	16,350,456	697,851,752
Accumulated depreciation		(89,931,480)	(99,239,715)	(7,054,464)	(3,567,254)	(17,387,414)	(1,183,534)		(218,363,861)
Net book value	<u>38,886,603</u>	<u>226,798,526</u>	<u>164,391,699</u>	<u>7,179,277</u>	<u>1,839,326</u>	<u>10,019,376</u>	<u>14,022,628</u>	<u>16,350,456</u>	<u>479,487,891</u>
Annual depreciation rates - %		<u>3%</u>	<u>9%</u>	<u>10%</u>	<u>20%</u>	<u>20%</u>	<u>10%</u>		

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16 Right-of-use assets

These relate to leases of commercial properties for resale of agricultural inputs, vehicles for own use, and the central telephone exchange system for corporate communications. Lease agreements have an average term of up to 10 years, and the lease liability is periodically settled over this term.

16.1 Parent company

	<u>Buildings</u>	<u>Vehicles</u>	<u>IT equipment</u>	<u>Total</u>
Right-of-use-assets				
At December 31, 2020	780,610	135,486	921,113	1,837,209
Acquisitions/remeasurements	521,427	2,444,736	36,772	3,002,935
Write-offs	(354,651)	(2,277,302)	(2,297,781)	(4,929,734)
Depreciation for the year	(641,047)	(806,459)	(360,458)	(1,807,964)
Depreciation write-offs	<u>354,651</u>	<u>2,277,302</u>	<u>2,297,781</u>	<u>4,929,734</u>
At December 31, 2021	<u>660,990</u>	<u>1,773,763</u>	<u>597,427</u>	<u>3,032,180</u>
Total cost	1,929,205	1,773,763	1,357,500	5,060,468
Accumulated depreciation	<u>(1,268,215)</u>		<u>(760,073)</u>	<u>(2,028,288)</u>
Net book value	<u>660,990</u>	<u>1,773,763</u>	<u>597,427</u>	<u>3,032,180</u>
At December 31, 2021	<u>660,990</u>	<u>1,773,763</u>	<u>597,427</u>	<u>3,032,180</u>
Acquisitions/remeasurements (i)	4,276,253		59,585	4,335,838
Write-offs	(378,945)	(30,553)		(409,498)
Depreciation for the year	(1,179,946)	(828,481)	(300,426)	(2,308,853)
Depreciation write-offs	<u>378,945</u>	<u>30,553</u>		<u>409,498</u>
At December 31, 2022	<u>3,757,297</u>	<u>945,282</u>	<u>356,586</u>	<u>5,059,165</u>
Total cost	5,826,513	1,743,210	1,417,085	8,986,808
Accumulated depreciation	<u>(2,069,216)</u>	<u>(797,928)</u>	<u>(1,060,499)</u>	<u>(3,927,643)</u>
Net book value	<u>3,757,297</u>	<u>945,282</u>	<u>356,586</u>	<u>5,059,165</u>
Annual depreciation rate	20%	48%	21%	26%
Lease liabilities				
At December 31, 2022				
Current	1,284,289	780,629	254,305	2,319,223
Non-current	<u>2,597,729</u>			<u>2,597,729</u>
	<u>3,882,018</u>	<u>780,629</u>	<u>254,305</u>	<u>4,916,952</u>
Lease liabilities				
At December 31, 2021				
Current	427,474	886,881	240,143	1,554,498
Non-current	<u>309,388</u>	<u>886,881</u>	<u>211,143</u>	<u>1,407,412</u>
	<u>736,862</u>	<u>1,773,762</u>	<u>451,286</u>	<u>2,961,910</u>

- (i) The acquisitions/remeasurements in 2022 substantially relate to lease agreements signed for operational units opened in the municipalities of Manhuaçu and Campos Altos.

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16.2 Consolidated

	<u>Buildings</u>	<u>Vehicles</u>	<u>IT equipment</u>	<u>Total</u>
Right-of-use-assets				
At December 31, 2020	832,639	135,486	921,113	1,889,238
Acquisitions/remeasurements	530,582	2,444,736	36,772	3,012,090
Write-offs	(1,408,155)	(2,277,302)	(2,297,781)	(5,983,238)
Depreciation for the year	(699,635)	(806,459)	(360,458)	(1,866,552)
Depreciation write-offs	1,408,155	2,277,302	2,297,781	5,983,238
At December 31, 2021	<u>663,586</u>	<u>1,773,763</u>	<u>597,427</u>	<u>3,034,776</u>
Total cost	1,050,956	1,773,763	1,357,500	4,182,219
Accumulated depreciation	(387,370)		(760,073)	(1,147,443)
Net book value	<u>663,586</u>	<u>1,773,763</u>	<u>597,427</u>	<u>3,034,776</u>
At December 31, 2021	<u>663,586</u>	<u>1,773,763</u>	<u>597,427</u>	<u>3,034,776</u>
Acquisitions/remeasurements	4,474,734		59,585	4,534,319
Write-offs	(507,596)	(30,553)		(538,149)
Depreciation for the year	(1,215,150)	(828,481)	(300,426)	(2,344,057)
Depreciation write-offs	507,596	30,553		538,149
At December 31, 2022	<u>3,923,170</u>	<u>945,282</u>	<u>356,586</u>	<u>5,225,038</u>
Total cost	5,018,094	1,743,210	1,417,085	8,178,389
Accumulated depreciation	(1,094,924)	(797,928)	(1,060,499)	(2,953,351)
Net book value	<u>3,923,170</u>	<u>945,282</u>	<u>356,586</u>	<u>5,225,038</u>
Annual depreciation rate	24%	48%	21%	29%
Lease liabilities				
At December 31, 2022				
Current	1,284,289	780,629	254,305	2,319,223
Non-current	2,597,729			2,597,729
	<u>3,882,018</u>	<u>780,629</u>	<u>254,305</u>	<u>4,916,952</u>
Lease liabilities				
At December 31, 2021				
Current	430,498	886,881	240,143	1,557,522
Non-current	309,388	886,881	211,143	1,407,412
	<u>739,886</u>	<u>1,773,762</u>	<u>451,286</u>	<u>2,964,934</u>

Changes in lease liabilities are presented in Note 35.1.

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Current and non-current portions recorded in liabilities mature as follows:

	Parent company		Consolidated	
	2022	2021	2022	2021
Current				
2022		1,554,498		1,557,522
2023	2,319,223		2,319,223	
	2,319,223	1,554,498	2,319,223	1,557,522
Non-current				
2023		1,342,444		1,342,444
2024	1,413,964	56,340	1,413,964	56,340
2025	315,345	8,628	315,345	8,628
2026	197,835		197,835	
2027	164,822		164,822	
2028	138,556		138,556	
2029	122,102		122,102	
2030	107,526		107,526	
2031	94,620		94,620	
2032	42,959		42,959	
	2,597,729	1,407,412	2,597,729	1,407,412
	4,916,952	2,961,910	4,916,952	2,964,934

17 Intangible assets

Computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with maintaining computer software programs are recognized as an expense as incurred.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Cooperative are recognized as intangible assets. Other development expenditures that do not meet these capitalization criteria are recognized as an expense as incurred.

These costs are amortized over their estimated useful lives of up to eight years.

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17.1 Parent company

	Software licenses	Software development	Total
At December 31, 2020	14,108,835	3,283,302	17,392,137
Additions	962,974	9,019,780	9,982,754
Amortization for the year	(6,456,383)		(6,456,383)
Transfers	121,212	(121,212)	
At December 31, 2021	<u>8,736,638</u>	<u>12,181,870</u>	<u>20,918,508</u>
Total cost	70,215,619	12,181,870	82,397,489
Accumulated amortization	(61,478,981)		(61,478,981)
Net book value	<u>8,736,638</u>	<u>12,181,870</u>	<u>20,918,508</u>
At December 31, 2021	8,736,638	12,181,870	20,918,508
Additions	3,810,268	9,442,525	13,252,793
Write-offs	(14,733)	(38,019)	(52,752)
Amortization for the year	(4,549,046)		(4,549,046)
Transfers	15,183,499	(15,183,499)	
At December 31, 2022	<u>23,166,626</u>	<u>6,402,877</u>	<u>29,569,503</u>
Total cost	89,194,653	6,402,877	95,597,530
Accumulated amortization	(66,028,027)		(66,028,027)
Net book value	<u>23,166,626</u>	<u>6,402,877</u>	<u>29,569,503</u>

17.2 Consolidated

	Software licenses	Software development	Total
At December 31, 2020	14,108,835	3,283,302	17,392,137
Additions	964,270	9,019,780	9,984,050
Amortization for the year	(6,456,383)		(6,456,383)
Transfers	121,212	(121,212)	
At December 31, 2021	<u>8,737,934</u>	<u>12,181,870</u>	<u>20,919,804</u>
Total cost	70,227,439	13,831,390	84,058,829
Accumulated amortization	(61,489,505)	(1,649,520)	(63,139,025)
Net book value	<u>8,737,934</u>	<u>12,181,870</u>	<u>20,919,804</u>
At December 31, 2021	8,737,934	12,181,870	20,919,804
Additions	3,816,502	9,442,525	13,259,027
Write-offs	(14,733)	(38,019)	(52,752)
Amortization for the year	(4,549,721)		(4,549,721)
Transfers	15,183,499	(15,183,499)	
At December 31, 2022	<u>23,173,481</u>	<u>6,402,877</u>	<u>29,576,358</u>
Total cost	89,212,707	8,052,397	97,265,104
Accumulated amortization	(66,039,226)	(1,649,520)	(67,688,746)
Net book value	<u>23,173,481</u>	<u>6,402,877</u>	<u>29,576,358</u>

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18 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired from suppliers or members in the ordinary course of business. Trade payables are classified as current liabilities if payment is due within one year. If not, they are presented as non-current liabilities.

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method, and are adjusted to present value at an average rate of 13.51% per year, according to the maturity dates (-10.83% per year in 2021). The adjustment to present value is based on the Interbank Deposit Certificate (CDI) rate available in the market.

	Parent company		Consolidated	
	2022	2021	2022	2021
Agricultural products (i)	836,802,980	1,262,716,577	854,308,338	1,285,983,680
Services	42,661,436	41,949,998	43,055,300	42,229,180
Goods for resale	30,110,181	34,701,236	30,110,181	34,701,236
Property, plant and equipment	8,657,233	6,769,823	8,657,233	6,769,823
Others	4,895,132	3,390,773	4,895,132	3,390,773
Roasting activities	2,102,641	1,746,780	2,102,641	1,746,780
	925,229,603	1,351,275,187	943,128,825	1,374,821,472
Current	(766,284,356)	(985,851,017)	(784,183,578)	(1,008,224,864)
Non-current	158,945,247	365,424,170	158,945,247	366,596,608

- (i) Trade payables for agricultural products relate mainly to coffee purchased from members, under the Purchase for Future Delivery (CPR price guarantee) method, and fall due as follows:

	Parent company		Consolidated	
	2022	2021	2022	2021
Not yet due:				
Current				
2022		825,892,090		842,221,206
2023	637,484,859		648,965,548	
	637,484,859	825,892,090	648,965,548	842,221,206
Non-current				
2023		271,862,372		273,034,810
2024	96,099,546	41,116,007	96,099,546	41,116,007
2025	27,820,344	14,197,688	27,820,344	14,197,688
2026	3,149,584	1,305,651	3,149,584	1,305,651
	127,069,474	328,481,718	127,069,474	329,654,156
	764,554,333	1,154,373,808	776,035,022	1,171,875,362

19 Advances on foreign exchange contracts and export prepayments

Advances on foreign exchange contracts and export prepayments are recognized initially at fair value, net of transaction costs incurred, and are subsequently carried at amortized cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the total amount payable is recognized in the statement of surplus over the period of the borrowings.

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Advances on foreign exchange contracts and export prepayments are classified in current liabilities if payment is due in one year or less. If not, they are presented as non-current liabilities.

Type	Financial charges	Parent company		Consolidated	
		2022	2021	2022	2021
Advances on foreign exchange contracts	US dollar variation plus interest from 2.62% to 6.35% p.a. (2021 - 1.39% to 2.85% p.a.)	155,053,160	2,119,204,088	229,491,197	2,197,373,628
Export prepayments	US dollar variation plus interest from 2.55% to 4.08% p.a. (2021 - 2.14% to 5.12% p.a.)	526,161,390	611,051,446	526,161,390	611,051,446
	US dollar variation plus interest of 2.20% p.a. + LIBOR (i) (from 2.20% to 2.81% p.a. + LIBOR in 2021) (i)	146,696,558	261,586,394	146,696,558	261,586,394
		827,911,108	2,991,841,928	902,349,145	3,070,011,468
Current		(462,672,108)	(2,501,089,235)	(537,110,145)	(2,572,539,976)
Non-current (ii)		365,239,000	490,752,693	365,239,000	497,471,492

Advances on foreign exchange contracts and export prepayments are not collateralized. In addition, for long-term transactions, Cooxupé must comply with certain financial covenants (Note 4.3(i), which are being met on a timely basis.

- (i) Cooxupé entered into derivative financial instruments to lock the LIBOR rate for export prepayment agreements up to May 31, 2023. Therefore, no impacts are expected from the LIBOR phase-out process to be completed on June 30, 2023.
- (ii) Export prepayments classified in non-current liabilities fall due as follows:

	Parent company		Consolidated	
	2022	2021	2022	2021
2023		323,337,693		330,056,492
2024	295,669,667	167,415,000	295,669,667	167,415,000
2025	69,569,333		69,569,333	
Non-current	365,239,000	490,752,693	365,239,000	497,471,492

19.1 Analysis of the fair value of advances on foreign exchange contracts and export prepayments by type

Type	Parent		Consolidated	
	2022	2021	2022	2021
Advances on foreign exchange contracts	155,679,454	2,116,525,303	229,758,865	2,194,493,442
Export prepayments	651,381,257	866,262,503	651,381,257	866,262,503
	807,060,711	2,982,787,806	881,140,122	3,060,755,945

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20 Borrowings

Borrowings are recognized using the same accounting practices applicable to advances on foreign exchange contracts and export prepayments (Note 19).

Borrowing costs directly related to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset, when it is probable that future economic benefits associated with the item will flow to the Cooperative, and such costs can be measured reliably. A qualifying asset is an asset that requires a substantial period of time to get ready for its intended use or sale. Other borrowing costs are recognized as "Finance costs/expenses" in the period in which they are incurred.

Type/Purpose	Financial charges	Parent company	
		2022	2021
FUNCAFÉ (i)	Interest from 3.25% to 10.5% p.a. (3.25% to 6% p.a. in 2021)	479,891,605	1,021,273,340
Working capital	Interest from 2.35% to 4.84% p.a. + exchange variation (2.35% to 4.84% p.a. in 2021)	432,524,499	180,027,089
	Interest from 5.20% to 9% p.a. (2.95% to 9% p.a. in 2021)	126,108,767	259,499,124
	Interest of 1.10% p.a. + 100% of CDI	83,470,779	
Crops and inputs (ii)	Interest from 7.5% to 11.5% p.a. (3.1% to 7.5% p.a. in 2021)	273,171,761	325,760,841
Financial CPR (iv)	Interest of 5.89% p.a. + 100% of IPCA	92,608,879	86,760,463
	Interest of 1.90% p.a. + 100% of CDI	69,957,681	67,633,047
PRODECOOP, PCA and FINAME PSI (iii)	Interest from 3% to 9.5% p.a. (2022 and 2021)	103,924,379	103,841,643
Current		1,661,658,350 (1,065,471,575)	2,044,795,547 (1,497,522,994)
Non-current (v)		596,186,775	547,272,553
		<u>596,186,775</u>	<u>547,272,553</u>
Type/Purpose	Financial charges	Consolidated	
		2022	2021
FUNCAFÉ (i)	Interest from 3.25% to 10.5% p.a. (3.25% to 6% p.a. in 2021)	510,581,143	1,037,464,827
Working capital	Interest from 2.35% to 4.84% p.a. + exchange variation (2.35% to 4.84% p.a. in 2021)	432,524,499	180,027,089
	Interest from 5.20% to 9% p.a. (2.95% to 9% p.a. in 2021)	126,108,767	259,499,124
	Interest of 9.95% p.a. (i)		7,186,167
	Interest of 1.10% p.a. + 100% of CDI	83,470,779	
Crops and inputs (ii)	Interest from 7.5% to 11.5% p.a. (3.1% to 7.5% p.a. in 2021)	273,171,761	325,760,841
Financial CPR (iv)	Interest of 5.89% p.a. + 100% of IPCA	92,608,879	86,760,463
	Interest of 1.90% p.a. + 100% of CDI	69,957,681	67,633,047
PRODECOOP, PCA and FINAME PSI (iii)	Interest from 3% to 9.5% p.a. (2022 and 2021)	103,924,379	103,841,643
Current		1,692,347,888 (1,096,161,113)	2,068,173,201 (1,520,900,648)
Non-current (v)		596,186,775	547,272,553
		<u>596,186,775</u>	<u>547,272,553</u>

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Borrowings obtained under the *Funcafé Comercialização* and *FAC* (financing for acquisition of coffee) credit facilities are secured by commercial lien, and certain borrowings for investments are secured by property, plant, and equipment items. In addition to these guarantees, the Cooperative must comply with certain covenants provided for in the agreements, which are being met on a timely basis.

- (i) Relate to funds originated from the Coffee Economy Defense Fund (FUNCAFÉ), under the conditions established in the Rural Credit Manual (MCR), Chapter 9, to finance the storage and trade of coffee (*Funcafé Comercialização* and *FAC*), working capital, coffee roasting and input costs.
- (ii) Relate to Rural Credit funds obtained to pay suppliers of agricultural inputs that are transferred to members under the "payment after harvest" modality, or as non-earmarked funds.
- (iii) Funds obtained through the National Bank for Economic and Social Development (BNDES) under the following modalities:
 - PRODECOOP- Cooperative Development Program for the Enhancement of Value of Agricultural Production introduced by Resolution 2,987 of July 3, 2002, which aims to increase the competitiveness of the agro-industrial complex of Brazilian cooperatives, through the modernization of production and trading systems;
 - PCA - Program for Construction and Expansion of Warehouses, which aims to support the investments required to increase the storage capacity through the construction and expansion of warehouses;
 - FINAME PSI - Government Agency for Machinery and Equipment Financing (FINAME) - Investment Sustainability Program (PSI), aimed at supporting the acquisition of equipment.
- (iv) Financial Rural Product Notes (CPRs) were issued, with expected maturity in August 2024 and August 2026, to back up Agribusiness Receivables Certificates (CRAs) issued in the capital market by the securitization firm Virgo Companhia de Securitização, in compliance with CVM Instruction 476. Cooxupé entered into a swap contract to convert the cost of this transaction from 5.89% per year + 100% of the Extended Consumer Price Index (IPCA) to 1.90% per year + 100% of the Interbank Deposit (DI) rate .
- (v) Borrowings classified in non-current liabilities fall due as follows:

	Parent company	
	2022	2021
2023		230,438,072
2024	421,174,338	183,630,655
2025	93,404,545	60,815,116
2026	43,873,691	42,888,874
2027	15,682,144	13,586,551
2028	8,782,294	6,686,640
2029	7,700,682	5,605,028
2030	3,145,771	2,496,617
2031	1,774,155	1,125,000
2032	649,155	
	<u>596,186,775</u>	<u>547,272,553</u>
Working capital	385,642,598	309,224,572
Financial CPR	124,225,046	151,484,695
FUNCAFÉ/ PRODECOOP/ PCA/ FINAME PSI/ CROP AND INPUTS	<u>86,319,131</u>	<u>86,563,286</u>
Non-current	<u>596,186,775</u>	<u>547,272,553</u>

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20.1 Analysis of the fair value by financing type

Type/Purpose	Parent		Consolidated	
	2022	2021	2022	2021
FUNCAFÉ	474,737,209	1,010,720,244	505,251,633	1,026,178,438
Working capital	620,675,138	425,809,166	620,675,138	432,705,366
Crops and inputs	271,044,480	315,018,571	271,044,480	315,018,571
Financial CPR	157,645,661	153,733,501	157,645,661	153,733,501
PRODECOOP, PCA, and FINAME PSI	94,063,514	101,256,920	94,063,514	101,256,920
	<u>1,618,166,002</u>	<u>2,006,538,402</u>	<u>1,648,680,426</u>	<u>2,028,892,796</u>

21 Salaries, social charges and taxes payable

	Parent company		Consolidated	
	2022	2021	2022	2021
Provision for vacation pay and related charges, and share of surplus	33,834,251	41,552,611	34,557,874	42,334,083
Salaries and social charges payable	12,203,729	10,985,835	12,436,122	11,171,712
Income tax and social contribution	3,203,592	10,310,361	3,333,576	13,986,735
Social security contribution (INSS) on sales of agricultural products	2,118,307	2,255,412	2,157,154	2,359,841
Others	567,095	927,745	581,775	938,020
	<u>51,926,974</u>	<u>66,031,964</u>	<u>53,066,501</u>	<u>70,790,392</u>

22 Federal Government Debt - Special Asset Recovery Program (PESA)

	Parent company
	2021
Debt principal at present value	116,872,222
Restricted financial investments - National Treasury Certificate (CTN), at fair value	(116,872,222)
Present value of interest payable	<u>952,384</u>
	952,384

The amounts were settled in 2022, through the redemption of National Treasury Certificates (CTNs), which were acquired, assigned and irrevocably transferred to the creditor.

These bank borrowings, the maturity dates for which were extended through renegotiation with the government-owned financial institution in 1998, as per Brazilian Central Bank Resolution 2,471/98, under the Special Asset Recovery Program (PESA), were recorded at the fair value of the amount payable, determined based on the future flow of disbursements discounted to present value.

Based on the renegotiation, the principal amount was adjusted for inflation based on the General Market Price Index (IGP-M). The annual interest of 4.935% was calculated on the principal amount, indexed to the IGP-M, and limited to 9.5% p.a.

The CTNs were also indexed to the IGP-M, plus annual interest of 12%, which was contractually capitalized so that, upon maturity, the CTN amount equaled the debt amount.

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Based on Provisional Measure 2,196, the Federal Government became the creditor of this borrowing, and the remaining conditions included in the agreement signed with the financial institution remained unchanged.

In addition to the certificates described above, which fall due on the same date as the debt, sureties, mortgages and property, plant and equipment items have also been pledged as collateral.

23 Provision for contingencies

The Cooperative is a party to civil, labor, social security and tax lawsuits, which are disputed at the administrative and judicial levels. The provision for probable risk of losses arising from these matters is estimated and periodically adjusted by management, supported by the advice of its legal advisors.

The nature of the contingencies is summarized as follows:

- . Tax - relate mainly to state taxes levied on transactions carried out by the Cooperative, and the Funrural (Rural Workers' Assistance Fund) lawsuit with its respective judicial deposits.
- . Labor and social security - relate mainly to employee claims, social security contributions on dismissal with prior notice, the Accident Prevention Factor (FAP), and the rate applicable based on the Level of Incidence of Disability Arising from Environmental Labor Risks (GILRAT).
- . Civil - relate mainly to indemnity claims.

Provisions for contingencies are recognized when the Cooperative has a present legal or constructive obligation as a result of past events; it is probable that an outflow of funds will be required to settle the obligation; and the amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation, according to the specific risks of the obligation. The increase in the obligation is recorded in the statement of surplus or deficit for the year, within "Operating costs/expenses".

23.1 Composition and changes in the provision for contingencies

23.1.1 Composition of contingencies

At the reporting dates, the Cooperative had the following contingencies and related judicial deposits:

	Parent company		Consolidated	
	2022	2021	2022	2021
Tax	305,884,007	284,428,837	307,086,906	285,548,886
Labor and social security	26,661,055	23,509,366	26,848,022	23,699,279
Civil	2,199,637	1,785,717	2,199,637	1,785,717
(-) Judicial deposits	(319,462,516)	(295,043,533)	(320,665,415)	(296,163,582)
	<u>15,282,183</u>	<u>14,680,387</u>	<u>15,469,150</u>	<u>14,870,300</u>

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23.1.2 Changes in contingencies

	Parent company				
	Civil	Labor and Social security	Tax	(-) Judicial deposits	Total
At 1 January 2021	1,103,111	15,459,124	238,275,550	(247,414,656)	7,423,129
Additions (i)	724,615	6,582,967	37,715,562	(38,825,107)	6,198,037
Write-offs	(54,000)	(453,775)		49,879	(457,896)
Interest/indexation accruals	11,991	1,921,050	8,437,725	(8,853,649)	1,517,117
At December 31, 2021	1,785,717	23,509,366	284,428,837	(295,043,533)	14,680,387
Additions (i)	381,340	1,833,891	38,150,556	(39,822,185)	543,602
Write-offs (Note 32 (i) (b))	(152)	(1,850,209)	(43,714,525)	43,776,610	(1,788,276)
Interest/indexation accruals	32,732	3,168,007	27,019,139	(28,373,408)	1,846,470
At December 31, 2022	2,199,637	26,661,055	305,884,007	(319,462,516)	15,282,183

	Consolidated				
	Civil	Labor and Social security	Tax	(-) Judicial deposits	Total
At 1 January 2021	1,103,111	15,474,124	239,368,796	(248,507,902)	7,438,129
Additions (i)	724,615	6,772,880	37,715,562	(38,825,107)	6,387,950
Write-offs	(54,000)	(468,775)		49,879	(472,896)
Interest/indexation accruals	11,991	1,921,050	8,464,528	(8,880,452)	1,517,117
At December 31, 2021	1,785,717	23,699,279	285,548,886	(296,163,582)	14,870,300
Additions (i)	381,340	1,833,891	38,150,556	(39,822,185)	543,602
Write-offs (Note 32 (i) (b))	(152)	(1,860,420)	(43,714,525)	43,776,610	(1,798,487)
Interest/indexation accruals	32,732	3,175,272	27,101,989	(28,456,258)	1,853,735
At December 31, 2022	2,199,637	26,848,022	307,086,906	(320,665,415)	15,469,150

- (i) Tax - relates substantially to the FUNRURAL lawsuit. In April 2015, Cooxupé obtained a favorable ruling in a lawsuit, which allowed it to deposit in court the FUNRURAL amounts relating to coffee exports. In the event this lawsuit is finally ruled in favor of Cooxupé, the escrow deposit will be returned to the members, with interest. The FUNRURAL amounts relating to sales in the domestic market are being duly paid.

Labor and social security - relate substantially to an additional social contribution tax rate applicable based on the Level of incidence of Work Disability Arising from Environmental Labor Risks (GILRAT) caused by noise and chemical agents. Despite the proven efficiency of the Personal Protective Equipment (PPE) provided, informed in the Professional Profile for Social Security Purposes (PPP), special retirement, as defined by the Federal Supreme Court (STF), is not precluded.

23.2 Possible risk of losses not provided for in the balance sheet

At December 31, 2022, the Cooperative had tax, civil and labor contingencies involving risks of loss classified by management as possible, under the advice of legal advisors, amounting to R\$ 17,291,081 (R\$ 8,825,227 in 2021), for which no provision has been recorded, consistent with the accounting practices adopted in Brazil, pursuant to CPC 25 - "Provisions, Contingent Liabilities and Assets".

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24 Deferred income tax and social contribution

Income tax and social contribution expenses for the year comprise current and deferred taxes and are recognized in the statement of surplus, and are calculated based on tax laws enacted up to the balance sheet date. Management periodically reviews the positions taken by the Cooperative in income tax returns with respect to situations in which the applicable tax regulation is subject to interpretation, and establishes provisions, where appropriate, based on the amounts expected to be paid to the tax authorities.

Since Cooxupé is a not-for-profit entity, the operations carried out with its members are exempt from corporate income tax and social contribution on net income.

The results obtained by Cooxupé from operations with non-members, as well as the results obtained by the subsidiaries, are taxed at the current income tax and social contribution rates.

Deferred income tax and social contribution are recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax and social contribution assets are recognized only to the extent that it is probable that future taxable profit (arising from operations with non-members and the operations of the subsidiaries) will be available against which the temporary differences can be utilized, based on management's projections of future results, which may, therefore, suffer changes. The operations carried out with non-members accounted for approximately 16.95% of the total operations in 2022 (11.54% in 2021). At December 31, 2022 and 2021, deferred tax assets were expected to be realized as follows:

	Parent company		Consolidated	
	2022	2021	2022	2021
2022		55,115,971		57,914,653
2023	21,915,673	6,336,452	23,699,106	6,336,452
2024	15,132,583	4,501,310	16,277,149	4,501,310
After 2024	20,196,610	3,173,837	22,111,920	4,868,857
	<u>57,244,866</u>	<u>69,127,570</u>	<u>62,088,175</u>	<u>73,621,272</u>

Deferred tax assets and liabilities are presented net in the balance sheet when there is a legally enforceable right and the intention to offset them upon the calculation of current taxes, generally when related to the same legal entity and the same tax authority.

The currently enacted tax rates of 25% for income tax and 9% for social contribution are used to calculate deferred taxes.

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The balances of deferred tax assets and liabilities are as follows:

	Parent company			Consolidated		
	Net balance at January 1	Recognized in profit or loss	12/31/2022	Net balance at January 1	Recognized in profit or loss	12/31/2022
Assets						
Deferred tax assets on:						
Derivative transactions	48,314,964	(48,314,964)		50,720,579	(50,720,579)	
Income tax and social contribution losses	9,768,682	34,084,532	43,853,214	9,768,682	36,662,201	46,430,883
Impairment of taxes	4,683,331	815,291	5,498,622	6,307,364	1,035,198	7,342,562
Provision for contingencies	2,116,001	208,128	2,324,129	2,220,424	174,149	2,394,573
Impairment of trade notes, loans, and transfers to members	2,037,613	288,842	2,326,455	2,254,863	274,612	2,529,475
Retirement benefit obligations	983,536	520,245	1,503,781	1,054,523	520,631	1,575,154
Other temporary differences	659,939	515,222	1,175,161	731,333	520,691	1,252,024
Provision for legal fees	563,504		563,504	563,504		563,504
	<u>69,127,570</u>	<u>(11,882,704)</u>	<u>57,244,866</u>	<u>73,621,272</u>	<u>(11,533,097)</u>	<u>62,088,175</u>
Liabilities						
Deferred tax liabilities on:						
Derivative transactions		12,943,362	12,943,362		15,070,391	15,070,391
Adjustment of trade payables to present value	7,581,763	(3,010,197)	4,571,566	7,902,641	(3,126,816)	4,775,825
Carrying value adjustments	2,125,458	276,248	2,401,706	2,125,458	276,248	2,401,706
Other temporary differences	45,569	76,077	121,646	45,569	76,077	121,646
	<u>9,752,790</u>	<u>10,285,490</u>	<u>20,038,280</u>	<u>10,073,668</u>	<u>12,295,900</u>	<u>22,369,568</u>
Deferred taxes, net	<u>59,374,780</u>	<u>(22,168,194)</u>	<u>37,206,586</u>	<u>63,547,604</u>	<u>(23,828,997)</u>	<u>39,718,607</u>
Deferred tax assets	59,374,780		37,206,586	63,547,604		39,718,607
Deferred tax liabilities		(22,168,194)			(23,828,997)	

24.1 Reconciliation of income tax and social contribution rates

The effective income tax and social contribution rates levied on operations with non-members are reconciled from the statutory tax rates as follows:

	Parent company		Consolidated	
	2022	2021	2022	2021
Profit before income tax and social contribution	104,328,136	84,215,363	107,678,460	88,552,404
Income tax and social contribution at the rate of 34%	(35,471,566)	(28,633,223)	(36,610,676)	(30,107,817)
Income from financial investment transferred to members, as per ITG 2004	(10,129,170)	(2,109,554)	(10,129,170)	(2,109,554)
Other permanent differences	(622,102)	(2,014,590)	(664,321)	(2,061,615)
Equity in the results of subsidiaries	2,186,995	2,839,422		
Tax incentives	390,776	806,988	390,776	806,988
Others		(41,610)	-	(41,610)
Tax rate adjustment	6,000	18,000	24,000	42,000
Income tax and social contribution expense	<u>(43,639,067)</u>	<u>(29,134,567)</u>	<u>(46,989,391)</u>	<u>(33,471,608)</u>
Current income tax and social contribution	(21,747,122)	(40,338,814)	(23,436,643)	(47,162,570)
Deferred income tax and social contribution	(21,891,945)	11,204,247	(23,552,748)	13,690,962
	<u>(43,639,067)</u>	<u>(29,134,567)</u>	<u>(46,989,391)</u>	<u>(33,471,608)</u>

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25 Other liabilities

	Parent company		Consolidated	
	2022	2021	2022	2021
Retirement benefit obligations (Note 26.2)	34,437,931	35,464,599	34,647,851	35,673,383
Surplus to be distributed (Note 28.4)	14,088,606	30,107,514	14,088,606	30,107,514
Age-based capital refund program (PRCI)	12,054,420	12,851,337	12,054,420	12,851,337
Capital and Special Capitalization Fund (FEC) refundable	5,978,327	2,153,740	5,978,327	2,153,740
Advances from customers		1,242,942		1,242,942
	66,559,284	81,820,132	66,769,204	82,028,916
Current	(21,390,128)	(36,061,459)	(21,390,128)	(36,061,459)
Non-current	45,169,156	45,758,673	45,379,076	45,967,457
Financial liabilities	32,121,353	45,112,591	32,121,353	45,112,591
Non-financial liabilities	34,437,931	36,707,541	34,647,851	36,916,325
	66,559,284	81,820,132	66,769,204	82,028,916

26 Pension obligations (Consolidated)

26.1 Free Benefit Generating Plan (PGBL)

The Cooperative offers a PGBL, funded by its own contributions and those of participating employees calculated in equal proportions. The contribution can either be contractually established or voluntary. The Cooperative has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions are recognized as "Employee benefit costs/expenses" as they become due.

During 2022, the contributions paid by the Cooperative under this plan amounted to R\$ 1,801,462 (R\$ 1,640,158 in 2021).

26.2 Post-employment benefits

In addition, Cooxupé grants a "retirement premium" benefit equivalent to half of the employee's monthly salary for each year worked for Cooxupé. This premium is paid on the termination date of the employment contract, provided that the employee (i) is not included in the private pension plan, (ii) has completed a minimum service period of 15 years with Cooxupé, and (iii) is terminating the employment contract because of retirement. The employees included in the private pension plan also receive from Cooxupé the difference between the amounts deposited in their pension plan accounts and the retirement premium benefit, should the latter represent a higher benefit to the employee.

At December 31, 2022, the actuarial liability (present value of the actuarial obligation), calculated based on a report issued by a specialized firm, totaled R\$ 28,388,425 (R\$ 28,523,589 in 2021).

26.3 Other post-employment obligations

The Cooperative provides post-retirement healthcare benefits to its employees for two years. Entitlement to these benefits is usually contingent on the employee remaining in service up to retirement age and the completion of a minimum service period of 15 years.

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During 2022, the contributions paid by the Cooperative with regard to this benefit amounted to R\$ 411,624 (R\$ 304,786 in 2021).

27 Related parties

27.1 Parent company

	2022		2021	
	SMC Comercial e Exportadora de Café S.A.	Management	Total	Total
Main balances				
Current assets				
Trade notes receivable	15,540	842,904	858,444	962,018
Loans and transfers		23,088,132	23,088,132	12,129,017
Rural Product Notes – CPRs		55,113,511	55,113,511	38,188,775
Inventories - agricultural products from members		29,175,424	29,175,424	49,435,821
Non-current assets				
Loans and transfers		756,717	756,717	4,069,703
Rural Product Notes – CPRs		2,008,188	2,008,188	6,749,138
Current liabilities				
Trade payables for products		49,787,188	49,787,188	27,915,650
Trade payables - agricultural products from members		29,175,424	29,175,424	49,435,821
Non-current liabilities				
Trade payables for products		1,018,249	1,018,249	5,002,409
Main transactions				
Purchases of agricultural products (commodities)	4,102,373	88,154,193	92,256,566	81,489,343
Purchase of Rural Product Note (CPR)		53,876,107	53,876,107	46,106,731
Loans and transfers to members		31,740,353	31,740,353	28,591,749
Sales of agricultural products (commodities)	14,500,216		14,500,216	9,734,109
Sales of agricultural inputs		10,617,068	10,617,068	8,637,935
Sale of Rural Product Note (CPR)				8,278,926
Management compensation		8,473,069	8,473,069	7,629,841
Interest on loans and transfers to members		2,526,471	2,526,471	1,823,456
Advance payment for sale		2,266,377	2,266,377	1,791,500
Sale of services	1,730,876		1,730,876	1,244,963
Distribution of surplus in cash			2,085,316	1,522,001
Sale of professional consultancy and services	893,568		893,568	595,000
Payment of surplus			695,105	507,334
Interest on loan granted to subsidiary (intercompany loan)				20,559

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27.2 Consolidated - Management

	2022	2021
Main balances		
Current assets		
Trade notes receivable	842,904	850,761
Loans and transfers	23,088,132	12,129,017
Rural Product Notes – CPRs	55,113,511	36,517,101
Inventories - agricultural products from members	29,175,424	49,435,821
Non-current assets		
Loans and transfers	756,717	4,069,703
Rural Product Notes – CPRs	2,008,188	6,749,138
Current liabilities		
Trade payables for products	50,452,554	29,443,747
Trade payables - agricultural products from members	29,175,424	49,435,821
Non-current liabilities		
Trade payables for products	1,018,249	5,002,409
Main transactions		
Purchases of agricultural products (commodities)	92,916,215	84,162,675
Purchase of Rural Product Note (CPR)	54,016,962	49,071,517
Loans and transfers to members	31,740,353	28,591,749
Sales of agricultural inputs	10,617,068	8,637,935
Management compensation	8,473,069	7,629,841
Finance income	2,526,471	1,823,456
Advance payment for sale	2,710,497	1,504,000
Distribution of surplus in cash	2,085,316	1,522,001
Payment of surplus	695,105	507,334

27.3 Other information

- (i) Cooxupé is a partnership of individuals under which all the members can carry out commercial transactions with the entity.
- (ii) The Cooperative carries out commercial and financial transactions with related parties under usual market conditions.
- (iii) Management includes officers, members of the statutory audit committee, members of the Board of Directors, superintendents, as well as close family members.
- (iv) The subsidiaries SMC Comercial e Exportadora de Café S.A. and Cooxupé Corretora de Seguros Ltda. are managed by the Executive officers and the Board of Directors of Cooxupé.

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28 Equity

28.1 Capital

The capital quotas (Cooxupé) are classified in equity. Capital is represented by quotas with a par value of R\$ 1.00 each.

28.2 Statutory and legal allocations

Pursuant to the Cooperative's bylaws and Law 5,764/71, the surplus for the year, as adjusted by the realization of the revaluation reserve and the Technical, Educational and Social Assistance Reserve (RATES) (Note 28.4), is allocated as follows:

- the results of operations (net profit) with non-members are allocated to the RATES,
- 30% to the legal reserve, to be used to offset losses and support the development of activities,
- 15% to the RATES, to be used for educational activities and the rendering of assistance to members, their families and Cooxupé employees,
- 15% to the reserve for development, to be used for investments in infrastructure, new technologies and working capital;
- 10% to capital increase, recorded directly in each member's capital account, proportionally to each member's contribution to the Cooperative's total billings;
- 10% is distributed to the members, in cash, proportionately to the specific transactions that each member carried out with the Cooperative,
- losses for the year are offset against the legal reserve, and, if this is not sufficient, are apportioned among the members,
- other reserves may be created at the General Meeting, including revolving funds to be used for specific purposes, with pre-established rules for their formation, investment and settlement.

At the Extraordinary General Meeting held on November 28, 2008, the members approved the creation of a development fund reserve. At the Extraordinary General Meetings held on September 3, 2010, and November 25, 2022, the members decided that the development fund reserve would be constituted through the recovery of overdue receivables recognized as definitive losses in prior years, and through the recovery or reimbursement of taxes and/or reversal of the provisions for tax contingencies, paid or recorded in prior years, unless otherwise stipulated by law or resolution of the Board of Directors.

At the Extraordinary General Meeting held on December 20, 1998, the members approved the creation of the Special capitalization Fund reserve, to be constituted during the period that the Cooperatives' Revitalization Program (RECOOP) is in effect, through the allocation of the surplus for each year. At the Extraordinary General Meeting held on November 5, 2007, the members decided that this allocation would be optional as from 2008. On November 25, 2022, the Board of Directors decided for the termination of this reserve, with the refund of the balance to the cooperative members.

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28.3 Carrying value adjustments

This account refers to the balance of the revaluation reserve which was transferred to "Carrying value adjustments" when the Cooperative carried out the deemed cost revaluation (Note 15). The reserve is realized based on the depreciation or disposal of the revalued assets, and transferred to surplus/profit before allocations.

28.4 Composition of statutory and legal allocations

The statutory and legal allocations at December 31 were as follows:

	<u>2022</u>	<u>2021</u>
Surplus/profit for the year	226,710,197	310,453,428
Surplus/profit for the year - SMC	6,432,339	8,351,242
	<u>233,142,536</u>	<u>318,804,670</u>
Realization of the Technical, Educational and Social Assistance Reserve (RATES)	42,890,347	36,000,393
Realization of revaluation reserve	1,303,115	1,305,478
	<u>277,335,998</u>	<u>356,110,541</u>
Surplus/profit for the year before allocations		
Direct allocations		
Profit (non-members), adjusted by the realization of the revaluation reserve, allocated directly to RATES	(54,477,259)	(46,886,439)
Reserve for development (recovery of tax credits) (Note 32 (i))	(79,735,721)	(1,934,946)
Reserve for development (recovery of trade receivables)	(2,236,960)	(6,214,011)
	<u>140,886,058</u>	<u>301,075,145</u>
Surplus, calculation basis of the statutory allocations		
Legal reserve - 30%	(42,265,817)	(90,322,544)
RATES - 15%	(21,132,908)	(45,161,272)
Development reserve - 15%	(21,132,908)	(45,161,272)
Capital - 10%	(14,088,606)	(30,107,514)
Distribution in cash - 10%	(14,088,606)	(30,107,514)
	<u>28,177,213</u>	<u>60,215,029</u>
Surplus to be allocated at the General Meeting		

As determined by ITG 2004, the allocations of the results of the Cooperative's financial investments and equity interests (in cooperative and non-cooperative entities) is deliberated by the General Meeting, when not provided for in the bylaws. The Cooperative understands that Article 65 of its bylaws addresses the allocations of the results recognized for the year, and includes the result of the aforementioned operations in the calculation basis of statutory and legal allocations (Note 28.2).

Statutory and legal allocations, including interest on paid-up capital, where applicable, are recognized in Cooxupé's financial statements at the end of the year, based on its bylaws. The surplus to be allocated at the General Meeting is only provisioned on the date it is approved by the members, at the General Meeting.

The Annual General Meeting held on March 25, 2022 approved the allocation of the surplus for 2021, totaling R\$ 60,215,029, as a cash distribution to members.

The Annual General Meeting held on March 31, 2021 approved the allocation of the surplus for 2020, totaling R\$ 53,531,517, as a cash distribution to members.

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28.5 Age-based capital refund program (PRCI)

This program aims to provide a capital refund for members aged over 75 years, provided that the minimum capital amount required by Cooxupé is maintained.

Since the inception of this program, a total of R\$ 35,900,000 has been refunded to members.

The capital refund will only be granted upon request by the respective member.

29 Income (members) and revenue (non-members), net

Income/revenue comprises the fair value received or receivable for the sale of products and services in the ordinary course of the Cooperative's activities. Income/revenue is shown net of value-added tax, returns, rebates, interest and discounts and after eliminating sales between the Cooperative and its subsidiary, in the case of the consolidated financial statements.

The Cooperative recognizes income/revenue when the amount can be reliably measured, it is probable that future economic benefits will flow to it, and when specific criteria have been met for each of the Cooperative's activities, as described below:

29.1 Sale of coffee and corn

The Cooperative is responsible for the receipt, storage, standardization and sale of coffee and corn. Sales of goods are recognized when the Cooperative has delivered the products to the customer, the customer has full discretion over the channel and price to resell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery does not occur until: (i) the products have been shipped to the specified location; (ii) the risks of obsolescence and loss have been transferred to the customer (iii) the customer has accepted the products in accordance with the sales contract; and (iv) the acceptance provisions have lapsed, or the Cooperative has objective evidence that all criteria for acceptance have been satisfied.

These sales have an average receipt term of 30 days and are discounted to present value using an average discount rate of 11.67% p.a. (8.20% p.a. in 2021) when financial charges are already included.

29.2 Resale of agribusiness inputs

Cooxupé operates through its head office, distribution centers and advanced units for sale of agribusiness inputs and various products. Sales are recognized when Cooxupé delivers a product to the member. Sales of agribusiness inputs usually have a payment term of more than 90 days and characteristics of crop financing. These sales, where applicable, are discounted to present value, using an average discount rate of 8.52% p.a. (4.92% p.a. in 2021), when financial charges are already included, and are presented net of discounts.

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29.3 Sale of services

The Cooperative sells services mainly related to the storage of coffee and corn. These services are provided based on the time of storage, and the revenue is recognized at the contractual rates.

The reconciliation between gross and net sales revenue is as follows:

	Parent company		Consolidated	
	2022	2021	2022	2021
Gross sales - foreign market	6,690,352,511	4,070,626,360	6,899,080,879	4,213,320,225
Gross sales - domestic market	3,298,667,422	2,516,744,264	3,301,614,443	2,521,011,944
Gross sales of services	45,581,953	36,797,779	44,247,393	35,713,323
Taxes on sales and services	(31,666,496)	(20,203,639)	(31,721,655)	(20,231,724)
Discounts	(35,993,709)	(14,574,856)	(36,180,351)	(14,693,813)
Returns	(71,692,747)	(27,688,340)	(71,915,667)	(27,688,340)
	<u>9,895,248,934</u>	<u>6,561,701,568</u>	<u>10,105,125,042</u>	<u>6,707,431,615</u>

30 Net result of changes in agricultural commodity prices and foreign exchange variations

The classification of "Net results of changes in agricultural commodity prices and foreign exchange variations" as operating profit or loss is based on the nature of the assets and liabilities exposed to the foreign exchange rate risk and variations in commodity prices, which are mainly contracted or acquired for the purpose of hedging sales and purchases of agricultural commodities, especially coffee.

In 2022 and 2021, these were as follows:

	Parent company		Consolidated	
	2022	2021	2022	2021
NDF transactions	859,743,313	(1,050,198,860)	870,170,493	(1,056,083,117)
Exchange variation	178,964,400	(168,720,692)	180,081,129	(173,592,203)
Transactions on commodities and futures exchanges (B3 and ICE)	79,420,742	(167,489,256)	91,060,490	(181,807,801)
Gain (loss) on valuation of commodity inventories, reflecting the adjustment of inventories to net recoverable value	<u>(1,437,262,723)</u>	<u>890,763,150</u>	<u>(1,461,151,919)</u>	<u>906,984,854</u>
	<u>(319,134,268)</u>	<u>(495,645,658)</u>	<u>(319,839,807)</u>	<u>(504,498,267)</u>

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31 Expenses by nature

	Parent company		Consolidated	
	2022	2021	2022	2021
Commodities	7,150,120,458	3,793,572,162	7,341,659,447	3,910,147,681
Inputs and other products for resale	1,806,459,481	1,451,575,025	1,806,459,481	1,451,575,025
Personnel	229,385,742	215,027,577	233,677,618	218,753,968
Changes in the provision for impairment of trade notes, loans and transfers to members, CPRs, and taxes	76,841,656	108,803,098	76,943,272	109,749,524
Commissions	50,955,619	38,475,443	51,480,493	38,904,722
Freight and loading	48,141,826	35,901,283	48,555,284	36,120,223
Depreciation and amortization	36,083,591	33,447,859	36,212,214	33,573,546
Other expenses	25,934,931	20,431,919	26,835,213	21,465,112
Marketing actions	23,156,159	13,638,424	23,156,159	13,638,424
Maintenance	14,083,073	12,800,194	14,304,286	12,918,024
Water, electricity and telephone bills	13,932,035	13,851,030	14,455,618	14,354,180
Travel and lodging	10,781,396	6,975,445	10,882,692	7,058,348
IT expenses	9,057,466	6,945,989	9,070,176	6,947,432
Advertising and publicity	7,300,134	5,864,460	7,300,134	5,864,460
Professional consultancy and services	6,839,875	6,888,183	7,000,253	7,086,355
Banking expenses	5,591,775	3,757,363	5,670,829	3,848,094
Taxes and fees	2,007,917	1,580,892	2,032,883	1,607,110
Insurance	1,920,386	1,829,360	1,942,773	1,852,366
Rentals	969,621	967,203	1,226,692	1,006,529
	<u>9,519,563,141</u>	<u>5,772,332,909</u>	<u>9,718,865,517</u>	<u>5,896,471,123</u>
Cost of products and goods sold, and services rendered	9,073,539,555	5,354,386,449	9,268,149,380	5,473,213,190
Selling expenses	376,532,108	351,430,923	380,413,884	355,294,218
Administrative and general expenses	69,491,478	66,515,537	70,302,253	67,963,715
	<u>9,519,563,141</u>	<u>5,772,332,909</u>	<u>9,718,865,517</u>	<u>5,896,471,123</u>

32 Other income/revenue, net

	Parent company		Consolidated	
	2022	2021	2022	2021
Other income/revenue				
Tax credits (i)	79,835,769	21,473,074	79,947,862	22,447,170
Bonuses	16,060,768	9,912,779	16,060,768	9,912,779
Gain (loss) on disposal of assets	8,087,939	1,828,217	8,087,939	1,829,561
Recovery of losses on receivables	3,694,188	14,942,320	3,694,188	14,942,320
Others	1,494,105	1,188,550	950,670	802,674
	<u>109,172,769</u>	<u>49,344,940</u>	<u>108,741,427</u>	<u>49,934,504</u>
Other costs/expenses				
Provision for social security contingencies	(516,558)	(5,678,539)	(533,834)	(5,853,451)
Donations to fight COVID-19		(2,568,234)		(2,568,234)
Donations for hospital treatment	(20,000)	(1,995,028)	(20,000)	(1,995,028)
	<u>(536,558)</u>	<u>(10,241,801)</u>	<u>(553,834)</u>	<u>(10,416,713)</u>
	<u>108,636,211</u>	<u>39,103,139</u>	<u>108,187,593</u>	<u>39,517,791</u>

(i) In 2022, these tax credits refer mainly to:

- (a) Recognition of the Tax on Financial Transactions (IOF) credit, in the net amount of R\$ 35,218,037, arising from a lawsuit with a final and unappealable decision, in which Cooxupé disputed the right to not have the IOF levied on loan, foreign exchange, insurance, and securities transactions carried out with members. The decision recognized tax overpayments in the period from January 1997 to June 2022, as well as the right to offset the tax credits against any other federal taxes; and

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- (b) Reversal of the provision for contingencies, in the net amount of R\$ 43,260.791, resulting from the favorable outcome of a lawsuit claiming annulment of a Tax Debit that arose from Tax Assessment Notices issued by the Finance Department of the State of São Paulo, which alleged that Cooxupé had unduly benefited from ICMS credits on shipments of live poultry between its parent company and its subsidiary located in the State of São Paulo, in the period from October 2007 to April 2010, and destined for slaughterhouses in the State of São Paulo. Cooxupé was granted a favorable final and unappealable decision in February 2022.

These credits were recognized in accordance with the applicable accounting practices, classified as cooperative activities, based on the criteria adopted for the preparation of the statement of surplus, and were fully allocated to the development reserve, in compliance with the requirements for the constitution thereof, as determined in an Extraordinary General Meeting (Note 28.2).

In 2021, these relate substantially to PIS and COFINS credits on manufacturing costs linked to revenue from exports and sales to the domestic market, calculated as per Article 3 of Laws 10637/02 and 10833/03. These credits were approved, refunded and offset against other taxes managed by the Brazilian Federal Revenue Service.

33 Finance income/revenue and finance costs, net

Interest income is recognized on the accrual basis, using the effective interest rate method. Receivables with characteristics of financing are discounted to present value at initial recognition, and, as time elapses, interest is incorporated into receivables against "Finance income/revenue". This interest income is mainly calculated at the same effective interest rate used to determine the present value, that is, the original rate of the receivables.

Finance costs are recognized on the accrual basis.

	Parent company		Consolidated	
	2022	2021	2022	2021
Adjustment to present value	103,378,516	34,995,811	105,941,574	36,075,398
Interest on loans and transfers to members	98,607,020	64,438,016	98,607,020	64,417,458
Income from marketable securities	76,355,994	20,694,642	77,742,629	21,027,792
Income from National Treasury Certificates (CTNs)	9,125,683	28,190,913	9,125,683	28,190,913
Discounts obtained	6,325,889	7,622,026	6,325,889	7,622,026
Others	222,077	159,560	267,315	196,954
Total finance income/revenues	294,015,179	156,100,968	298,010,110	157,530,541
Interest on borrowings	(136,318,877)	(94,441,899)	(137,359,963)	(94,988,717)
Interest on advances on foreign exchange contracts and export prepayments	(44,364,486)	(42,935,102)	(46,590,404)	(44,108,373)
Interest on National Treasury Certificates (CTN)	(5,963,774)	(10,106,820)	(5,963,774)	(10,106,820)
Tax on Financial Transactions (IOF)	(1,408,500)	(1,415,240)	(1,717,916)	(1,516,130)
Interest on lease	(211,299)	(180,440)	(249,671)	(190,095)
Interest on contingencies	(466,899)	(155,387)	(468,000)	(155,387)
Others	(119,816)	(104,225)	(135,766)	(168,757)
Total finance costs/expenses	(188,853,651)	(149,339,113)	(192,485,494)	(151,234,279)
Finance income (costs)	105,161,528	6,761,855	105,524,616	6,296,262

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34 Statement of surplus/profit for the year, by activity

	2022							2021		
	Surplus for the year (members)	Profit for the year (non members)	Surplus/profit for the year	Realization of revaluation reserve	Realization of technical, educational, and social assistance reserve	Surplus/profit for the year before allocations (Note 28.4)	Profit (non-members), adjusted by the realization of revaluation reserve allocated directly to RATES	Development reserve	Surplus, calculation basis of the statutory allocations	Surplus, calculation basis of the statutory allocations
Coffee	78,839,695	55,266,619	134,106,314	965,973	13,368,386	148,440,673	(48,997,740)	(30,875,869)	68,567,064	178,293,866
Inputs	92,685,111	5,063,316	97,748,427	337,096	29,508,769	127,594,292	(5,120,377)	(51,093,488)	71,380,427	122,715,731
Cereals	928,661	359,134	1,287,795	46	13,192	1,301,033	(359,142)	(3,324)	938,567	65,548
	<u>172,453,467</u>	<u>60,689,069</u>	<u>233,142,536</u>	<u>1,303,115</u>	<u>42,890,347</u>	<u>277,335,998</u>	<u>(54,477,259)</u>	<u>(81,972,681)</u>	<u>140,886,058</u>	<u>301,075,145</u>

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35 Other cash flows disclosures

35.1 Reconciliation of net debt

35.1.1 Parent company

	<u>Lease liabilities</u>	<u>Advances on foreign exchange contracts and export prepayments</u>	<u>Federal Government Debt - PESA</u>	<u>Total debt</u>	<u>Cash equivalents</u>	<u>Interest rate and currency swaps</u>	<u>Net debt</u>
Net debt at January 1, 2021	1,692,729	1,461,343,875	1,465,955,934	2,928,992,538	(760,401,227)	1,881,007	2,170,472,318
Changes that affected the cash flow							
Proceeds from new borrowings		2,999,932,690	2,179,880,993	5,179,813,683			5,179,813,683
Amortization	(1,914,193)	(1,643,937,128)	(1,639,796,879)	(3,285,648,200)		(1,346,372)	(3,286,994,572)
Interest paid		(44,527,263)	(59,358,717)	(103,885,980)			(103,885,980)
Other					(493,460,224)	154,432	(493,305,792)
Changes that did not affect the cash flow							
Inclusions/rem easurements	3,002,934			3,002,934			3,002,934
Interest	180,440	44,454,665	95,015,139	139,650,244		(2,092,803)	137,557,441
Exchange variation		174,575,089	4,051,461	178,626,550			178,626,550
Net debt at December 31, 2021	<u>2,961,910</u>	<u>2,991,841,928</u>	<u>2,045,747,931</u>	<u>5,040,551,769</u>	<u>(1,253,861,451)</u>	<u>(1,403,736)</u>	<u>3,785,286,582</u>
Changes that affected the cash flow							
Proceeds from new borrowings		1,038,271,225	1,782,904,550	2,821,175,775			2,821,175,775
Amortization	(2,592,095)	(2,967,538,233)	(2,182,792,147)	(5,152,922,475)		(3,038,234)	(5,155,960,709)
Interest paid		(57,362,538)	(111,339,306)	(168,701,844)			(168,701,844)
Other					137,764,658	1,006,781	138,771,439
Changes that did not affect the cash flow							
Inclusions/rem easurements	4,335,838			4,335,838			4,335,838
Interest	211,299	50,479,467	133,348,910	184,039,676		(3,145,014)	180,894,662
Exchange variation		(227,780,741)	(6,211,588)	(233,992,329)			(233,992,329)
Net debt at December 31, 2022	<u>4,916,952</u>	<u>827,911,108</u>	<u>1,661,658,350</u>	<u>2,494,486,410</u>	<u>(1,116,096,793)</u>	<u>(6,580,203)</u>	<u>1,378,389,617</u>

Cooperativa Regional de Cafeicultores em Guaxupé Ltda.

Notes to the financial statements at December 31, 2022

All amounts in reais unless otherwise stated

35.1.2 Consolidated

	<u>Lease liabilities</u>	<u>Advances on foreign exchange contracts and export prepayments</u>	<u>Federal Government Debt - PESA</u>	<u>Total debt</u>	<u>Cash equivalents</u>	<u>Interest rate and currency swaps</u>	<u>Net debt</u>
Net debt at January 1, 2021	1,718,596	1,502,564,429	1,476,060,491	2,980,343,516	(777,202,582)	1,881,007	2,205,021,941
Changes that affected the cash flow							
Proceeds from new borrowings		3,093,342,085	2,202,880,993	5,296,223,078			5,296,223,078
Amortization	(1,955,847)	(1,705,439,811)	(1,649,796,878)	(3,357,192,536)		(1,346,372)	(3,358,538,908)
Interest paid		(45,541,326)	(59,644,167)	(105,185,493)			(105,185,493)
Other					(511,058,698)	154,432	(510,904,266)
Changes that did not affect the cash flow							
Inclusions/rem easurements	3,012,090			3,012,090			3,012,090
Interest	190,095	45,627,936	95,573,685	141,391,716		(2,104,531)	139,287,185
Exchange variation		179,458,155	4,051,461	183,509,616		357,977	183,867,593
Net debt at December 31, 2021	<u>2,964,934</u>	<u>3,070,011,468</u>	<u>2,069,125,585</u>	<u>5,142,101,987</u>	<u>(1,288,261,280)</u>	<u>(1,057,487)</u>	<u>3,852,783,220</u>
Changes that affected the cash flow							
Proceeds from new borrowings		1,113,375,537	1,812,904,550	2,926,280,087			2,926,280,087
Amortization	(2,831,972)	(3,043,585,202)	(2,205,792,145)	(5,252,209,319)		(2,314,998)	(5,254,524,317)
Interest paid		(58,755,063)	(112,606,501)	(171,361,564)			(171,361,564)
Other					119,443,495	1,006,781	120,450,276
Changes that did not affect the cash flow							
Inclusions/rem easurements	4,534,319			4,534,319			4,534,319
Interest	249,671	52,705,385	134,927,987	187,883,043		(3,683,005)	184,200,038
Exchange variation		(231,402,980)	(6,211,588)	(237,614,568)		(531,494)	(238,146,062)
Net debt at December 31, 2022	<u>4,916,952</u>	<u>902,349,145</u>	<u>1,692,347,888</u>	<u>2,599,613,985</u>	<u>(1,168,817,785)</u>	<u>(6,580,203)</u>	<u>1,424,215,997</u>

Cooperativa Regional de Cafeicultores em Guaxupé Ltda.

Notes to the financial statements at December 31, 2022

All amounts in reais unless otherwise stated

35.2 Sale of property, plant and equipment

	Parent company	
	2022	2021
Net book value (Note 15.1)	1,149,415	161,585
Surplus/profit on disposal of property, plant and equipment	7,809,345	704,815
Proceeds from disposal of property, plant and equipment	8,958,760	866,400
Cash generated on disposals of property, plant and equipment in prior years	1,591,314	1,113,878
Cash generated on disposals of property, plant and equipment in the year	9,011,510	866,400
	<u>10,602,824</u>	<u>1,980,278</u>

36 Insurance

The Cooperative's assets are insured against risks at amounts considered sufficient by management to cover losses, considering the nature of its activities (unaudited information).

The Cooperative contracts insurance for its inventories taking into consideration the physical structure of the locations at risk, the history of claims, the individual risk of each unit, and protective measures. Based on an analysis conducted by the Insurance Committee and experts in risk analysis, the Cooperative opted to contract all its insurance under the Multi-risk type, with coverage for its own assets and inventories of members held by the Cooperative.

The maximum indemnity limit is R\$ 300,000,000. The individual risk of each Cooperative unit does not exceed this limit and corresponds to the total amount insured.

37 Events after the balance sheet date

On February 8, 2023, the Federal Supreme Court (STF) issued a new interpretation that may override the *res judicata* in tax matters for taxes paid on a continuous basis, if decisions are overturned by the Court, either under general repercussion or full control of constitutionality.

Based on a review of its final and unappealable tax lawsuits, and the tax issues under discussion at the STF, the Cooperative's management concluded that all final and unappealable decisions on tax matters in favor of the Cooperative were based on infra-constitutional legislation, and that there are no cases currently under dispute at the Supreme Court; therefore, no impacts are expected that could affect the Cooperative's financial statements for the year ending December 31, 2022.

38 Summary of significant accounting policies

The accounting policies used for preparing the Cooperative's financial statements are described below. These policies have been consistently applied to all the years presented.

Cooperativa Regional de Cafeicultores em Guaxupé Ltda.

Notes to the financial statements at December 31, 2022

All amounts in reais unless otherwise stated

38.1 Foreign currency translation

Functional and presentation currency

Items included in the financial statements of the parent company and subsidiaries are measured using the currency of the primary economic environment in which the entities operate (the "functional currency"). The parent company and consolidated financial statements are presented in Brazilian Real/Reais (R\$), which is the Cooperative's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are converted into the functional currency at the exchange rate in effect at the reporting date.

Foreign exchange gains and losses resulting from the settlement of these transactions and from the translation at year-end exchange rates are recognized in the statement of surplus.

38.2 Financial assets

38.2.1 Classification and measurement

The Cooperative's financial assets are classified in the following categories:

- "Financial assets at fair value": with the related gains and losses recognized in the statement of surplus or deficit within "Finance income/revenue" when related to "Loans and transfers to members", and within "Net results of changes in agricultural commodity prices and foreign exchange variations", when related to derivative transactions, in the period in which they occur.
- "Financial assets at amortized cost": which are held by the Cooperative for the collection of contractual cash flows when these cash flows represent solely payment of principal and interest. Interest income from these financial assets is recognized under "Finance income" using the effective interest rate method. Any gains or losses due to the write-off of assets are recognized directly in the statement of surplus and presented under "Finance income" and "Finance costs". Impairment losses are also presented under "Selling expenses" in the statement of surplus.

Regular purchases and sales of financial assets are recognized on the trade date, i.e., the date on which the Cooperative commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows have expired or have been transferred, and the Cooperative has transferred substantially all the risks and rewards of ownership.

The Cooperative initially recognizes financial assets at fair value plus, in the case of financial assets not stated at fair value through surplus or deficit, transaction costs directly attributable to the acquisition of the financial asset. Transaction costs of financial assets at fair value through surplus or deficit are expensed in the statement of surplus or deficit.

Classification depends on the purpose for which the financial assets have been acquired, and the business model adopted by the Cooperative is to hold the financial assets to collect contractual cash flows.

Cooperativa Regional de Cafeicultores em Guaxupé Ltda.

Notes to the financial statements at December 31, 2022

All amounts in reais unless otherwise stated

38.2.2 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount presented in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

38.2.3 Provision for impairment of financial assets

The Cooperative assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Cooperative applies the simplified approach allowed by CPC 48, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

38.3 New accounting standards and interpretations

After assessing the content of the new standards and interpretations amended effective from January 1, 2022, the Cooperative concluded that they have no material impact on its financial statements

38.4 Amendments to new accounting standards that are not yet effective

On July 4, 2022, the Brazilian Accounting Pronouncements Committee (CPC) issued the 20th revision of accounting standards, effective on or after January 1, 2023, i.e., not applicable to the year ended December 31, 2022. Early adoption of standards is not permitted by the CPC in Brazil.

- Change to the concept of "accounting estimates" in item 5, items 32, 34, 38 and 48 and title of item 32, and inclusion of items 32A, 32B, 34A and 54I in CPC 23 - Accounting Policies, Changes in Estimates and Error Correction, to clarify the distinction between changes in accounting policies and changes in accounting estimates, applicable to transactions or events prospectively, retrospectively, as well as to the current period.
- Inclusion of the definition of "accounting policies" in item 7, amending letter "e" of item 10, sub-item ii of letter "c" of item 114 and items 117 and 122, including items 117A and 117E and 139V and excluding items 118, 119 and 121 in CPC 26 (R1) - Presentation of Financial Statements, so that "material" instead of "significant" accounting policies are disclosed, including the definition and an explanation on how to identify them.
- Amendment to items 15 (b) (i) and (ii), 22 (b and c) and 24 (a and b) and inclusion of item 15 (b) (iii), 22A, 24 (c), 98J, 98K and 98L and example 8 of Appendix B in CPC 32 - Income Taxes, to require the recognition of deferred tax on transactions that on initial recognition give rise to equal amounts of taxable and deductible temporary differences. These amendments are generally applicable to lease transactions (right-of-use assets and lease liabilities).

There are no other CPCs or ICPC interpretations not yet effective that would be expected to have a material impact on the parent company and consolidated financial statements.

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