

# Earnings Release FY20

August 31<sup>st</sup>, 2020

## Periods Definition

FY19: April 2018 to March 2019

FY20: April 2019 to March 2020

Lucas do Rio Verde - MT, August 31<sup>st</sup>, 2020 - FS Agrisolutions Indústria de Biocombustíveis Ltda. ("Company" or "FS"), a leading producer of corn ethanol, animal nutrition and bioenergy, announces its results for the fiscal year 2020 ("FY20"), ended in March 2020. The Company's financial statements were prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and with the accounting practices adopted in Brazil, however, are presented here in a managerial format to better explain the Company's performance.

## FY20 HIGHLIGHTS

- **Net Revenue: BRL 1,231.8 million**, 117.9% higher than FY19
- **Gross Profit: BRL 557.9 million**, an increase of 120.0% versus the same period of the previous year, with a gross margin of 45.3%, or 0.4 p.p. above FY19
- **Net loss: BRL 208.6 million**
- **EBITDA: BRL 480.5 million**, 126.0% above FY19, with a margin of 39.0% or BRL 0.930/liter of ethanol sold
- **CAPEX: BRL 1,296.4 million**, driven by expansion and construction of Sorriso Plant ("SRS Plant")
- **Net Debt: BRL 2,571.8 million**, or 5.35x of EBITDA, 2.08x above FY19

Financial Highlights (in BRL thousands)	FY19	FY20	FY20 vs FY19
<b>Net revenue</b>	<b>565,286</b>	<b>1,231,820</b>	<b>117.9%</b>
<b>Cost of goods sold</b>	<b>(311,658)</b>	<b>(673,893)</b>	<b>116.2%</b>
<b>Gross profit</b>	<b>253,628</b>	<b>557,927</b>	<b>120.0%</b>
<i>Gross margin</i>	44.9%	45.3%	0.4 p.p.
Selling, general & administrative expense	(58,027)	(119,102)	105.3%
<b>EBIT</b>	<b>195,601</b>	<b>438,825</b>	<b>124.3%</b>
<i>EBIT margin</i>	34.6%	35.6%	1.0 p.p.
Depreciation and amortization	17,013	41,697	145.1%
<b>EBITDA</b>	<b>212,614</b>	<b>480,522</b>	<b>126.0%</b>
<i>EBITDA margin</i>	37.6%	39.0%	1.4 p.p.
<b>Net profit / (loss) for the period</b>	<b>61,106</b>	<b>(208,644)</b>	<b>n.m.</b>
<i>Net margin</i>	10.8%	(16.9%)	(27.7 p.p.)
EBITDA minus maintenance capex	182,835	470,981	157.6%
Net debt	695,926	2,571,768	269.5%
Net debt / EBITDA	3.27 x	5.35 x	2.08 x

## OPERATIONAL HIGHLIGHTS

Operational Highlights	FY19	FY20	FY20 vs FY19
<b>Corn crushed (tons)</b>	<b>625,389</b>	<b>1,288,900</b>	<b>106.1%</b>
<b>Ethanol produced (m3) <sup>1</sup></b>	<b>259,060</b>	<b>543,233</b>	<b>109.7%</b>
DDG Products produced (tons) <sup>2</sup>	248,389	479,620	93.1%
Corn Oil produced (tons)	7,492	15,504	106.9%
Ethanol sold (m3)	257,899	516,558	100.3%
<i>% volume anhydrous sold</i>	71.0%	61.1%	(9.9 p.p.)
DDG Products sold (tons)	237,614	467,493	96.7%
Corn Oil sold (ton)	7,304	15,067	106.3%
Energy sold (MWh)	40,863	72,159	76.6%

<sup>1</sup> Production of anhydrous ethanol and hydrous ethanol combined.

<sup>2</sup> Considers the sum of the products: DDG High protein, DDG High fiber and Wetcake.

The Company processed approximately 1.3 million tons of corn in FY20, an increase of 106.1% compared to last fiscal year, driven by the conclusion of Lucas do Rio Verde Plant (“LRV Plant”) expansion in February 2019 at and the start-up of the new SRS Plant in February 2020.

In FY20, FS produced 543.2 thousand m3 of ethanol, an increase of 109.7% versus FY19, reducing anhydrous ethanol mix sold in 9.9 p.p. compared to the FY19. Of total volume produced, 520.0 thousand m3 was produced in LRV Plant and 23.2 thousand m3 was produced in SRS Plant.

Industrial yield was 1.7% higher than FY19, due to improvements in our operational processes and expansion of fermentation tanks at the LRV Plant.

With the start-up of the SRS Plant in February 2020, we closed FY20 with an annual production capacity of 1.12 million m3 of ethanol.

After the conclusion of the third phase of the SRS Plant, expected in March 2021, we estimate that we will have an annual production capacity of 1.4 million m3 of ethanol.

## NET REVENUE

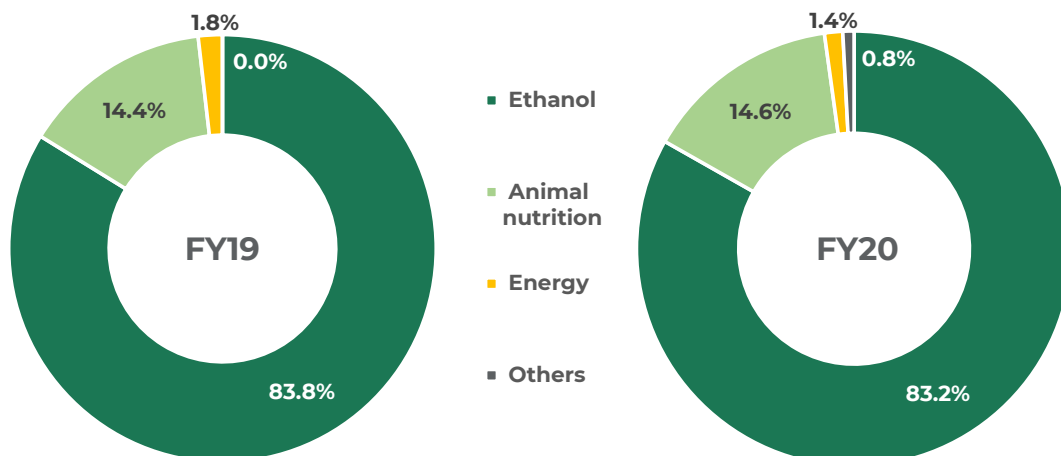
Net Revenue (in BRL thousands)	FY19	FY20	FY20 vs FY19
<b>Ethanol segment</b>	<b>456,539</b>	<b>974,244</b>	<b>113.4%</b>
Anhydrous ethanol	327,988	611,184	86.3%
Hydrous ethanol	128,551	363,060	182.4%
<b>Animal nutrition segment</b>	<b>78,352</b>	<b>171,074</b>	<b>118.3%</b>
DDG High-protein	37,368	82,567	121.0%
DDG High-fiber	19,925	47,116	136.5%
Wetcake	8,737	17,332	98.4%
Corn Oil	12,322	24,059	95.3%
Energy co-generation segment	9,925	15,855	59.7%
Other segment	-	9,744	n.m.
<b>Total net revenue from segments</b>	<b>544,816</b>	<b>1,170,917</b>	<b>114.9%</b>
Reclassification - Freight	20,469	60,903	197.5%
<b>Net revenue</b>	<b>565,286</b>	<b>1,231,820</b>	<b>117.9%</b>

### Total net revenue by segment

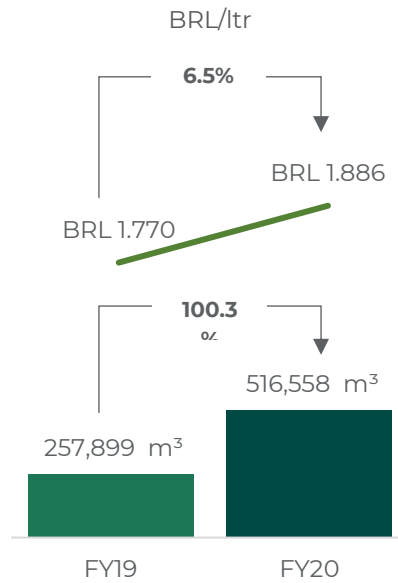
For management reporting purposes and for a better understanding and standardization of financial performance by product and segment, FS deducts from the revenue all logistics and freight expenses to determine net revenue by segment and product. With this view, the determination of net revenue per liter or per ton are directly comparable to each other, regardless of the sales incoterms - CIF or FOB, as well as being directly comparable with market indicators, such as the ethanol ESALQ index which is also net of taxes and freight.

In FY20, net revenue from segments totaled BRL 1,170.9 million, 114.9% higher than FY19, driven mainly by the increase in production capacity due to the completion of the expansion of the LRV Plant, providing 109.7% more volume of ethanol produced, in addition to improvement in net sales prices of ethanol and animal nutrition products.

### Net Revenue by Segment



## Ethanol Segment



<i>(in BRL thousands)</i>	FY19	FY20	FY20 vs FY19
<b>Ethanol segment</b>	<b>456,539</b>	<b>974,244</b>	<b>113.4%</b>
Anhydrous ethanol	327,988	611,184	86.3%
Hydrous ethanol	128,551	363,060	182.4%
<i>% volume anhydrous sold</i>	71.0%	61.1%	<i>(9.9 p.p.)</i>

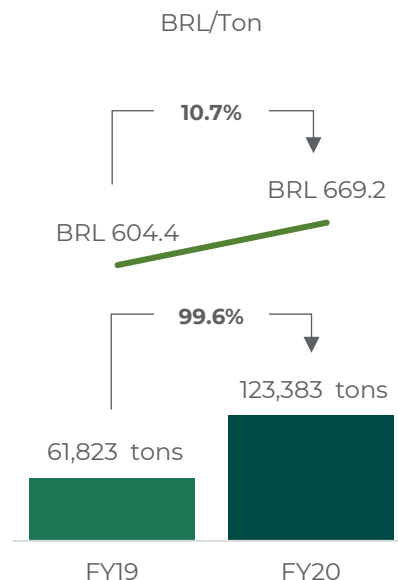
Net revenue from the ethanol segment totaled BRL 974.2 million in FY20, 113.4% higher than last fiscal year. The average net selling price of ethanol of in FY20 was BRL 1.886/liter, 6.5% higher than FY19. Additional highlights are i) the increase of 100.3% in sales volume versus last fiscal year, a result of the duplication of LRV Plant capacity in February 2019, ii) the start-up of the SRS Plant operations in February 2020, and iii) the increase of 323.2% in CIF sales versus FY19, mainly due to the increase in sales volume and the strategy to better manage our delivery routes, reducing logistics cost, as well as efficiently serving our customers.

## Animal Nutrition Segment

(in BRL thousands)	FY19	FY20	FY20 vs FY19
<b>Animal nutrition segment (a)</b>	<b>78,352</b>	<b>171,074</b>	<b>118.3%</b>
DDG High-protein	37,368	82,567	121.0%
DDG High-fiber	19,925	47,116	136.5%
Wetcake	8,737	17,332	98.4%
Total DDGs	66,030	147,015	122.6%
Corn Oil	12,322	24,059	95.3%
<b>Production cost - corn (b)</b>	<b>193,776</b>	<b>461,237</b>	<b>138.0%</b>
<b>Coverage rate (c) = (a / b)</b>	<b>40.4%</b>	<b>37.1%</b>	<b>(3.3 p.p.)</b>

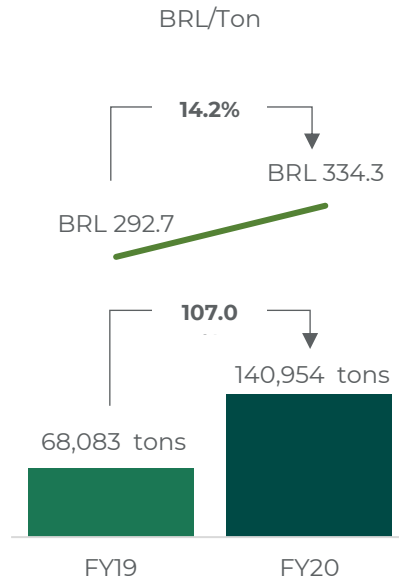
Net revenue from the animal nutrition segment totaled BRL 171.1 million in FY20, 118.3% higher than previous year, mainly driven by the expansion of LRV Plant capacity in February 2019. The price appreciation of substitute products (soybean derivatives and corn) was the key driver of price increases for our animal nutrition products. The coverage ratio of animal nutrition revenue compared to the cost of corn reached 37.1%, 3.3 p.p. lower than FY19.

### High Protein DDG FS Essential™



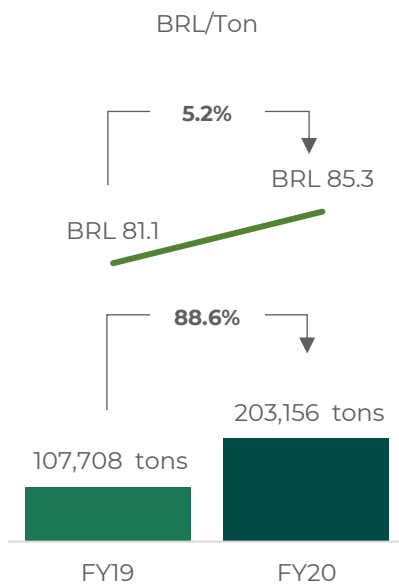
Net revenue from High Protein DDG totaled BRL 82.6 million in FY20, 121.0% higher than the last fiscal year, driven by the increase in volume and the increase in sales price. Volume increased 99.6% versus FY19, due to the duplication of LRV Plant capacity in February 2019 and the start-up of the SRS Plant operations in February 2020.

**High Fiber DDG**  
FS Ouro™



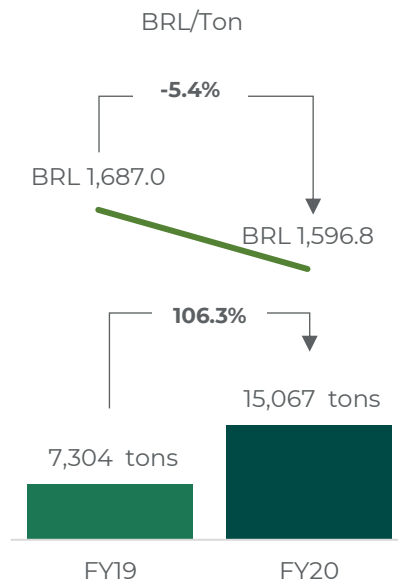
Net revenue from High Fiber DDG totaled BRL 47.1 million in FY20, 136.5% higher than last fiscal year. The net selling price per ton of DDG High Fiber in FY20 was BRL 334.3/ton, 14.2% higher than FY19. Volume increased 107.0% versus FY19, due of the duplication of LRV Plant capacity in February 2019 and the start-up of the SRS Plant operations in February 2020.

**Wetcake**  
FS Úmido™



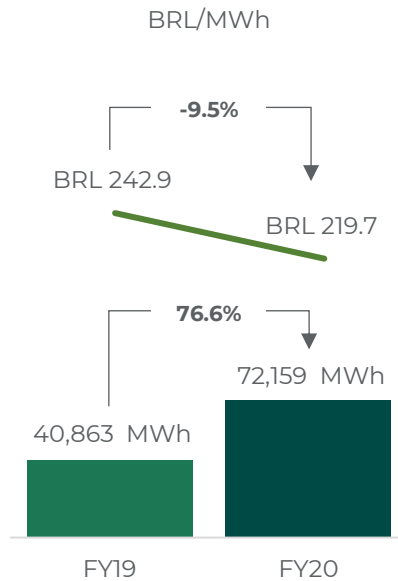
Net revenue from Wetcake totaled BRL 17.3 million in FY20, 98.4% higher than FY19. The net sales price of Wetcake in FY20 was BRL 85.3/ton, 5.2% higher than FY19. Volume increased 88.6% versus FY19 due to the duplication of LRV Plant capacity in February 2019 and the start-up of the SRS Plant operations in February 2020.

### Corn Oil FS Vital™



Net revenue from corn oil totaled BRL 24.1 million in FY20, 95.3% higher than FY19. The net sales price per ton of corn oil in FY20 was BRL 1,596.8/ton, 5.4% lower than FY19, mainly due to negative tax adjustments from previous years. Volume increased 106.3% versus FY19 due to the duplication of LRV Plant capacity in February 2019 and the start-up of the SRS Plant operations in February 2020.

## Energy Cogeneration Segment



(in BRL thousands)	FY19	FY20	FY20 vs FY19
Energy co-generation segment	9,925	15,855	59.7%

Net revenue from Energy Cogeneration totaled BRL 15.9 million in FY20, 59.7% higher than FY19. The net sales price of energy in FY20 was BRL 219.7/MWh, 9.5% lower than FY19, and the volume of energy sold during this period increased by 76.6% when compared to the previous fiscal year.

## Other Segment

Net revenue from the Other Segment totaled BRL 9.7 million in FY20, driven mainly by the extraordinary sale of 10,138 tons of corn, traded at BRL 39.38 / sac.



## COST OF GOODS SOLD

Cost of Goods Sold (in BRL thousands)	FY19	FY20	FY20 vs FY19
<b>Variable cost (a)</b>	<b>(248,036)</b>	<b>(568,117)</b>	<b>129.0%</b>
Costs of corn	(193,776)	(461,237)	138.0%
Biomass costs	(28,556)	(64,500)	125.9%
Chemicals and enzymes	(25,704)	(42,379)	64.9%
<b>Fixed cost (b)</b>	<b>(63,621)</b>	<b>(94,501)</b>	<b>48.5%</b>
Maintenance	(13,280)	(18,384)	38.4%
Labor	(19,980)	(24,730)	23.8%
Depreciation	(15,479)	(37,411)	141.7%
Other production costs	(14,882)	(13,976)	(6.1%)
<b>Cost of goods sold (c) = (a+b)</b>	<b>(311,658)</b>	<b>(662,618)</b>	<b>112.6%</b>
<b>Cost of goods resold (d)</b>	-	<b>(11,275)</b>	<b>n.m.</b>
<b>Cost of goods sold (e) = (c+d)</b>	<b>(311,658)</b>	<b>(673,893)</b>	<b>116.2%</b>
Gross margin	44.9%	45.3%	0.4 p.p.
<b>Corn cost - in BRL per sac</b>	<b>18.25</b>	<b>22.53</b>	<b>23.5%</b>
<b>Biomass cost - in BRL per m<sup>3</sup></b>	<b>43.29</b>	<b>48.83</b>	<b>12.8%</b>

### Cost of goods sold (c)

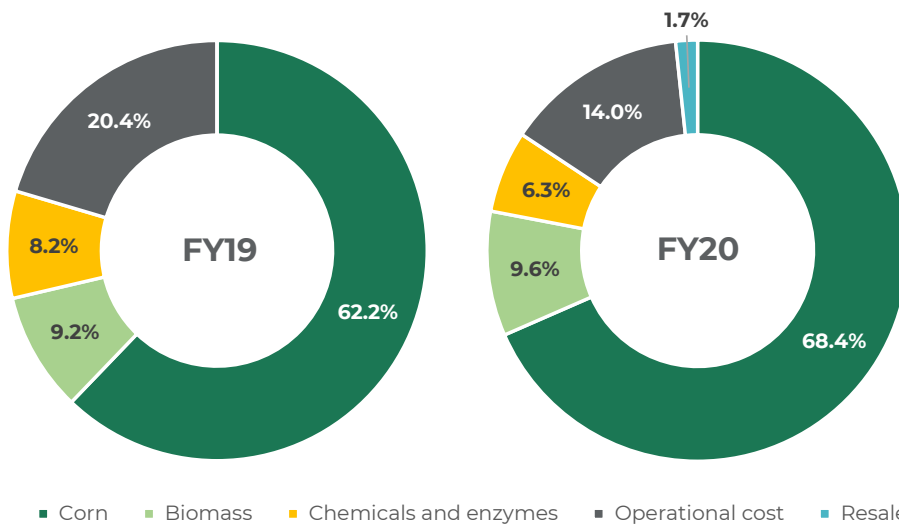
In FY20, the total cost of goods sold was BRL 662.6 million, 112.6% higher than FY19. The main reasons for the variation were:

- i. Corn cost: total cost of BRL 461.2 million, 138.0% higher than FY19, impacted by the increase in the volume of corn crushed at the LRV Plant, the start-up of the SRS Plant operations in February 2020, and the increase in the price of the commodity, resulting in an average cost of BRL 22.53/sac in FY20, versus BRL 18.25/sac in FY19, an increase of 23.5%; and
- ii. Biomass cost: total cost of BRL 64.5 million, 125.9% higher than FY19, closing FY20 with an average cost of BRL 48.83/m<sup>3</sup>, versus BRL 43.29/m<sup>3</sup> in FY19, an increase of 12.8%.

### Cost of Goods Resold (d)

In FY20, the cost of goods resold was BRL 11.3 million, BRL 7.0 million related to the energy purchased and BRL 4.3 million related to the extraordinary sale of corn recorded in Other Segment during the fiscal year.

### Breakdown of cost of goods sold (e)



## SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

<b>SG&amp;A Expenses</b> <i>(in BRL thousands)</i>	<b>FY19</b>	<b>FY20</b>	<b>FY20 vs FY19</b>
Expenses with freight	(20,469)	(60,903)	197.5%
Other selling expenses	(9,663)	(12,538)	29.8%
General and administrative expenses	(24,852)	(52,195)	110.0%
Other results	(3,043)	6,534	n.m.
<b>Total expenses</b>	<b>(58,027)</b>	<b>(119,102)</b>	<b>105.3%</b>
<i>% net revenue</i>	10.3%	9.7%	(0.6 p.p.)

### Selling, general and administrative expenses and other results

In FY20, selling, administrative and general expenses, and other results totaled BRL 119.1 million, an increase of 105.3% compared to FY19, and represented 9.7% of net revenue for the period, 0.6 p.p. below FY19. The main highlights were:

- i. Expenses with freight: Freight and logistics expenses were BRL 60.9 million in FY20, an increase of 197.5% over FY19, mainly due to the increase in the total volume of sales and especially CIF sales, where FS delivers the product at the client facility, being responsible for the management, control and costs of all freight and logistics expenses. In FY20, CIF sales reached 28.0% in the Ethanol segment, an increase of 21.4 p.p. versus FY19. The increase of CIF sales is part of the Company's strategy to better manage its logistics routes, improve net prices and efficiently serve its customers; and
- ii. Other selling, administrative and general expenses, and other operating income: These three items represented a total expense of BRL 58.2 million in FY20, or 4.7% of net revenue in the period, a reduction of 1.9 p.p. compared to FY19, mainly due to the dilution of expenses with LRV Plant expansion and the start-up of the SRS Plant, consequently increasing net revenue.

## CORN ETHANOL PRODUCTION COST

Corn Ethanol Production Cost (in BRL/liter)	FY19	FY20	FY20 vs FY19
<b>Total net cost (a)</b>	<b>(1.287)</b>	<b>(1.303)</b>	<b>1.3%</b>
Cost of goods sold <sup>1</sup>	(1.208)	(1.283)	6.7%
Selling, administrative and general expenses <sup>2</sup>	(0.145)	(0.101)	(29.9%)
Depreciation and amortization <sup>3</sup>	0.066	0.081	22.4%
Net revenue from animal nutrition and energy (b)	0.341	0.344	1.0%
Ethanol production cost (c) = (a + b)	(0.946)	(0.959)	1.4%
Maintenance CAPEX (d)	(0.115)	(0.018)	(84.0%)
<b>Corn ethanol production cost (e) = (c + d)</b>	<b>(1.062)</b>	<b>(0.978)</b>	<b>(7.9%)</b>

Note: The items (1) and (3) are divided by ethanol sold, and the items (2), (b) and (d) are divided by ethanol produced.

### Corn ethanol production cost

In FY20, corn ethanol production cost was BRL 0.978 per liter, 7.9% lower than FY19. The main highlights were:

- i. 29.9% decrease in selling, administrative and general expenses per liter, mainly due to the dilution of expenses with LRV Plant expansion in February 2019 and the start-up of the SRS Plant in February 2020; and
- ii. Reduction in maintenance capex.

## NET FINANCE COSTS

Net finance costs (in BRL thousands)	FY19	FY20	FY20 vs FY19
Derivative	(19,598)	(59,209)	202.1%
Realized	3,845	(71,227)	n.m.
Unrealized	(23,443)	12,018	n.m.
Finance income	7,422	10,827	45.9%
Finance expenses	(42,302)	(140,200)	231.4%
Foreign exchange rate variation	(79,913)	(563,330)	604.9%
Realized	(566)	7,508	n.m.
Unrealized	(79,347)	(570,838)	619.4%
Adjustment to present value	(6,519)	(14,795)	127.0%
<b>Net finance cost</b>	<b>(140,910)</b>	<b>(766,707)</b>	<b>444.1%</b>

### Net Finance Costs

In FY20, net finance costs were BRL 766.7 million, 444.1% higher than in FY19. The main highlights were:

- i. Derivatives: negative total result with derivatives of BRL 59.2 million, mainly reflecting the result of the instruments implemented for currency protection of the financing in USD and the acquisition of corn denominated in USD;
- ii. Finance expenses: total finance expenses of BRL 140.2 million, 231.4% higher than FY19, due to the increase in gross debt in the period and the increase in interest rates and fees associated with the loans; and
- iii. Foreign exchange variation: BRL 563.3 million, 604.9% higher than FY19, reflecting the impact of the devaluation of 33.4% of BRL against the USD in FY20 vs FY19 on the Company's USD-denominated debt. Most of the foreign exchange variation was not realized, therefore had no cash impact.

## NET INCOME

Net Income (in BRL thousands)	FY19	FY20	FY20 vs FY19
<b>(Loss) profit before income and social contribution taxes (a)</b>	<b>54,691</b>	<b>(327,882)</b>	<i>n.m.</i>
<i>Nominal rate</i>	<i>34.0%</i>	<i>34.0%</i>	<i>0.0p.p.</i>
<b>Tax expense at nominal rate (b)</b>	<b>(18,595)</b>	<b>111,480</b>	<i>n.m.</i>
<i>Adjustment of income and social contribution taxes (c)</i>	<i>2,233</i>	<i>7,758</i>	<i>247.4%</i>
<b>Tax and social contribution before tax incentive (d) = (b + c)</b>	<b>(16,362)</b>	<b>119,238</b>	<i>n.m.</i>
Current tax	(20,856)	4,091	<i>n.m.</i>
Deferred tax	4,494	115,147	<i>2462.1%</i>
<b>Tax incentives (e)</b>	<b>22,777</b>	-	<i>n.m.</i>
<b>Income tax and social contribution (f) = (d + e)</b>	<b>6,415</b>	<b>119,238</b>	<b>1756.8%</b>
<i>Effective rate</i>	<i>(11.7%)</i>	<i>36.4%</i>	<i>n.m.</i>
<b>Net Income (g) = (a + f)</b>	<b>61,106</b>	<b>(208,644)</b>	<i>n.m.</i>

### Tax and Social Contribution

In FY20, income tax and social contribution totaled a credit of BRL 119.1 million, driven by booking of deferred tax over a loss before income and social contribution taxes.

The adjustment of income and social contribution taxes (c) mainly includes tax depreciation, adjustment to present value and tax losses.

FS has a tax incentive for operating in the SUDAM area, which results in a 75% reduction in income tax on the operations of the LRV Plant for a period of 10 years, which was awarded in 2018. This benefit will occur when there are taxable profits in the calculation period. The Company anticipates having the same tax benefit awarded at the SRS Plant starting in 2021.

### Net Profit (losses) of the period

In FY20, FS recorded a loss of BRL 208.6 million, compared to a profit of BRL 61.1 million in FY19, mainly driven by unrealized foreign exchange variation on USD-denominated debt.

### Ownership structure

There was no change in the number of quotas of the Company, nor was there any change in the participation and distribution of quotas between subsidiaries and non-controlling shareholders.

### Dividends

The Company has not distributed any dividends other than tax distributions related to tax liabilities that are generated from the Company's taxable income flowing through to our USA shareholders. The Company made a tax distribution payment of BRL 16 million in FY19, and a tax distribution payment of BRL 31 million in FY20.

## CAPEX

CAPEX (in BRL thousands)	FY19 <sup>1</sup>	FY20 <sup>1</sup>	FY20 vs FY19
<b>Property, Plant, and Equipment - beginning of period (a)</b>	<b>433,424</b>	<b>939,544</b>	<b>116.8%</b>
Capex: (d) = (b + c)	525,813	1,296,383	146.5%
Growth capex <sup>2</sup> (b)	496,034	1,291,967	160.5%
Maintenance capex <sup>3</sup> (c)	29,779	4,416	(85.2%)
Depreciation (e)	(19,693)	(45,142)	129.2%
<b>Property, Plant, and Equipment - end of period (f) = (a + d + e)</b>	<b>939,544</b>	<b>2,190,785</b>	<b>133.2%</b>

<sup>1</sup> Includes acquisitions, transfers and casualties.

<sup>2</sup> Growth Capex is calculated as the sum of additions, acquisitions disposals and transfers for the following line items in the note to the financial statements entitled "Property, plant and equipment": Land, Construction in progress, Advances to suppliers, Right of use, Bearer plant, buildings, machinery and equipment and installations.

<sup>3</sup> Maintenance Capex is calculated as the sum of additions, acquisitions, disposals and transfers for the following line items in the note to the financial statements entitled "Property, plant and equipment": Buildings, Machinery and equipment, Furniture and computers, Vehicles, and Installations.

In FY20, capex totaled BRL 1,296.4 million, an increase of 146.5% versus FY19, mostly related with growth capex on the expansion of the LRV Plant and the construction of the SRS Plant.

## RECONCILIATION OF EBITDA, EBIT AND EBITDA minus MAINTENANCE CAPEX

Reconciliation of EBITDA (In BRL thousands)	FY19	FY20	FY20 vs FY19
<b>Net revenue</b>	<b>565,286</b>	<b>1,231,820</b>	<b>117.9%</b>
<b>(Loss)/profit for the period</b>	<b>61,106</b>	<b>(208,644)</b>	<b>(441.4%)</b>
(+) Finance costs	87,561	287,457	228.3%
(-) Finance income	(26,564)	(84,080)	216.5%
(+) Foreign exchange rate variations, net	79,913	563,330	604.9%
(+) Income tax and social contribution	(6,414)	(119,238)	1759.1%
<b>EBIT</b>	<b>195,601</b>	<b>438,825</b>	<b>124.3%</b>
(+) Depreciation and amortization	17,013	41,697	145.1%
<b>EBITDA</b>	<b>212,613</b>	<b>480,522</b>	<b>126.0%</b>
(-) Maintenance Capex	29,779	9,541	(68.0%)
<b>EBITDA Minus Maintenance Capex</b>	<b>182,834</b>	<b>470,981</b>	<b>157.6%</b>
EBITDA Margin	37.6%	39.0%	(1.4 p.p.)
EBIT Margin	34.6%	35.6%	(1.0 p.p.)

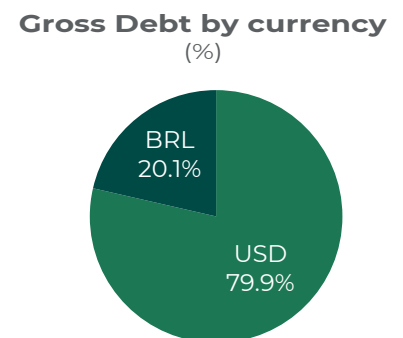
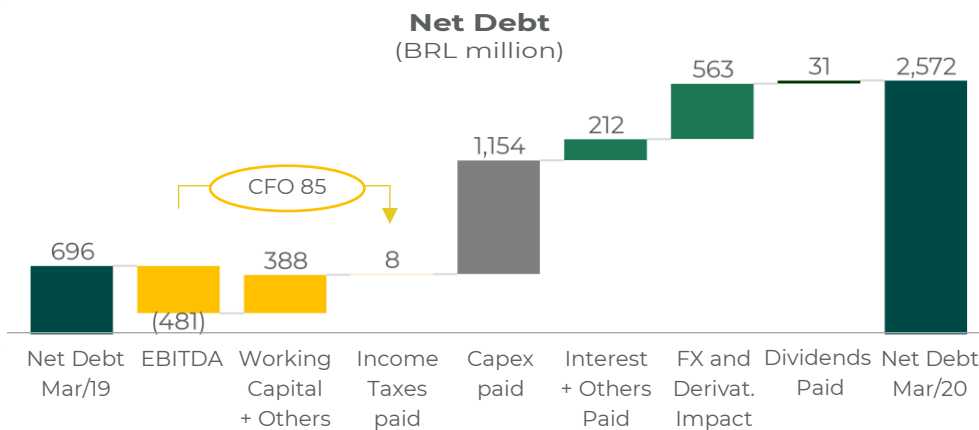
## DEBT

Indebteness (in BRL thousands)	FY19	FY20	FY20 vs FY19
Project Finance	705,686	2,419,889	242.9%
Certificate of Agribusiness Receivables (CRA)	-	194,732	n.m.
Certificate of Real Estate Receivables (CRI)	-	-	n.m.
Other working capital lines	40,799	422,552	935.7%
<b>Gross debt <sup>1</sup></b>	<b>746,485</b>	<b>3,037,173</b>	<b>306.9%</b>
Total Cash <sup>2</sup>	50,559	465,405	820.5%
<b>Net Debt</b>	<b>695,926</b>	<b>2,571,768</b>	<b>269.5%</b>
Net Debt / EBITDA	3.27 x	5.35 x	2.08 x
EBITDA	212,614	480,522	126.0%

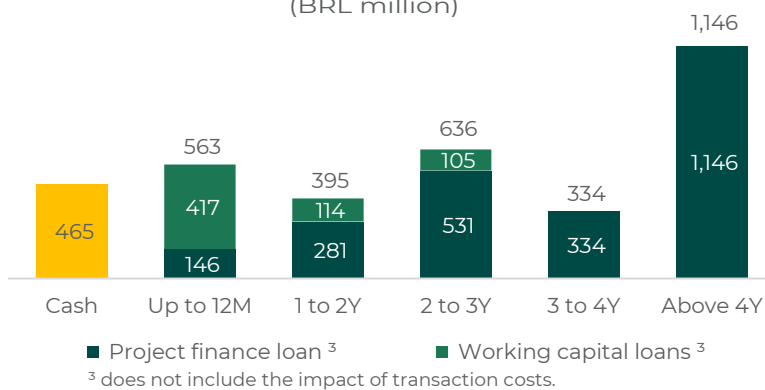
<sup>1</sup> Intercompany debts not included.

<sup>2</sup> includes cash and cash equivalents, financial investments e restricted cash.

At the end of FY20, total gross debt reached BRL 3,037.2 million and total cash closed at BRL 465.4 million, resulting in a net debt of BRL 2,571.8 million, 269.5% higher than FY19. The increase in net debt was driven by: (i) new Project Finance lines to fund the expansion of LRV Plant and the construction of SRS Plant; and (ii) the impact of the currency devaluation in USD denominated debt.

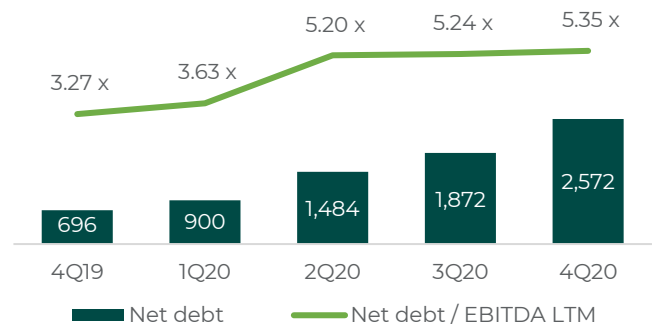


### Debt Amortization Schedule (BRL million)



<sup>3</sup> does not include the impact of transaction costs.

### Net Debt / EBITDA LTM (BRL million)





## **CONTROLLED COMPANIES**

FS has no subsidiaries or controlled companies.

## **ABOUT FS**

FS is a leading producer of low-carbon ethanol biofuel and animal nutrition products from corn, as well as bioenergy from renewable biomass. The Company owns and operates two industrial plants in the State of Mato Grosso, Brazil.

## **LEGAL NOTICE**

The statements contained in this document related to business prospects, projections of operating and financial results and those related to growth prospects of FS are merely projections and, as such, are based exclusively on management's expectations about the future of the business. These expectations depend, substantially, on market conditions, the performance of the Brazilian economy, the sectors in which the Company operates and international markets and are subject to change without prior notice. The information contained herein does not mean and should not be interpreted as a guarantee of the Company's performance or future results.



## STATEMENTS OF INCOME

Statements of income (in BRL thousands)	FY19	FY20	FY20 vs FY19
<b>Revenue from segments</b>			
Segment - Ethanol	456,539	974,244	113.4%
Segment - Animal nutrition	78,352	171,074	118.3%
Segment - Energy co-generation	9,925	15,855	59.7%
Segment - Others	-	9,744	n.m.
<b>Total revenue from segments</b>	<b>544,816</b>	<b>1,170,917</b>	<b>114.9%</b>
Reclassification - Freight	20,469	60,903	197.5%
<b>Net revenue</b>	<b>565,286</b>	<b>1,231,820</b>	<b>117.9%</b>
Cost of goods sold	(311,658)	(673,893)	116.2%
<b>Gross profit</b>	<b>253,628</b>	<b>557,927</b>	<b>120.0%</b>
<i>Gross margin</i>	44.9%	45.3%	0.4 p.p.
Selling, general & administrative expense	(58,027)	(119,102)	105.3%
<b>EBIT</b>	<b>195,601</b>	<b>438,825</b>	<b>124.3%</b>
<i>EBIT margin</i>	34.6%	35.6%	1.0 p.p.
Depreciation and amortization	17,013	41,697	145.1%
<b>EBITDA (a)</b>	<b>212,614</b>	<b>480,522</b>	<b>126.0%</b>
<i>EBITDA margin</i>	37.6%	39.0%	1.4 p.p.
Net finance costs	(140,910)	(766,706)	444.1%
<b>Profit (loss) before tax</b>	<b>54,691</b>	<b>(327,882)</b>	<b>n.m.</b>
Tax	6,415	119,238	1758.7%
<b>Net profit / (loss) for the period</b>	<b>61,106</b>	<b>(208,644)</b>	<b>n.m.</b>
<i>Net margin</i>	10.8%	(16.9%)	(27.7 p.p.)

## STATEMENTS OF FINANCIAL POSITION

Statements of financial position (in BRL thousands)	FY19	FY20	FY20 vs FY19
Cash and cash equivalents	11,283	310,001	2647.5%
Financial investments	16,814	79,586	373.3%
Restricted cash	22,462	75,818	237.5%
Trade and other receivables	37,721	104,197	176.2%
Inventories	122,651	305,176	148.8%
Advances to suppliers	6,817	60,652	789.7%
Income tax and social contribution	14,906	3,881	(74.0%)
Recoverable taxes	8,415	64,412	665.4%
Prepaid expenses	1,075	2,909	170.6%
Biological assets	-	5,564	n.m.
Derivative financial instrument	-	24,049	n.m.
Other credits	386	387	0.3%
<b>Total current assets</b>	<b>242,530</b>	<b>1,036,632</b>	<b>327.4%</b>
Deferred taxes assets	-	115,536	n.m.
Biological assets	-	10,042	n.m.
Judicial deposits	3,354	3,580	6.7%
Advances to suppliers	6,883	9,106	32.3%
<b>Total long-term assets</b>	<b>10,237</b>	<b>138,264</b>	<b>1250.6%</b>
Investments	-	-	n.m.
Property, plant and equipment	939,544	2,190,785	133.2%
Intangible assets	3,917	8,209	109.6%
<b>Total non-current assets</b>	<b>953,698</b>	<b>2,337,258</b>	<b>145.1%</b>
<b>Total Assets</b>	<b>1,196,228</b>	<b>3,373,890</b>	<b>182.0%</b>
Trade payables	102,390	233,508	128.1%
Loans	66,638	538,943	708.8%
Advances from customers	10,787	29,326	171.9%
Lease payables	-	-	n.m.
Income tax and social contribution	4,091	-	n.m.
Taxes and contributions payable	5,391	9,323	72.9%
Payroll and related changes	5,740	23,885	316.1%
Derivative financial instruments	23,443	35,474	51.3%
<b>Total current liabilities</b>	<b>218,480</b>	<b>870,459</b>	<b>298.4%</b>
Trade payables	17,563	3,565	(79.7%)
Lease payables	-	-	n.m.
Loans	679,847	2,498,230	267.5%
Loans with related parties	78,032	59,416	(23.9%)
Other non-current liabilities	13,805	30,544	121.3%
Deferred taxes liabilities	12,277	-	n.m.
<b>Total non-current liabilities</b>	<b>801,524</b>	<b>2,591,755</b>	<b>223.4%</b>
Capital	83,381	83,381	0.0%
Capital reserve	26,579	612	(97.7%)
Tax incentive reserve	22,777	16,741	(26.5%)
Accumulated profit (loss)	43,487	(189,058)	n.m.
<b>Total equity</b>	<b>176,224</b>	<b>(88,324)</b>	<b>n.m.</b>
<b>Total liabilities and equity</b>	<b>1,196,228</b>	<b>3,373,890</b>	<b>182.0%</b>

## STATEMENTS OF CASH FLOWS

Statements of cash flow <i>(in BRL thousands)</i>	FY19	FY20	FY20 vs FY19
<b>Net profit / (loss) for the period</b>	<b>61,106</b>	<b>(208,644)</b>	<b>n.m.</b>
Adjustment for:			
Depreciation and amortization	17,013	41,697	145.1%
Current and deferred income tax, net of tax incentives	(6,415)	(119,238)	1758.7%
Adjustment to present value - loans, trade payables and receivable and leasing	2,425	(9,897)	n.m.
Provision for interest on loans	29,333	105,677	260.3%
Provision for interest on loans with related parties	4,883	5,393	10.5%
Adjustment to fair value - derivatives	23,443	(12,018)	n.m.
Expected losses on credit	576	5	(99.1%)
Provision for loss of advances to suppliers	1,841	-	n.m.
Foreign exchange rate gains or losses	79,829	570,838	615.1%
Changes in:			
Trade receivables	(16,594)	(68,777)	314.5%
Inventories	(85,853)	(176,246)	105.3%
Advances to suppliers	(7,990)	(56,059)	601.6%
Recoverable taxes	(22,653)	(44,971)	98.5%
Trade payables	14,999	58,693	291.3%
Advance from customers	1,934	18,539	858.6%
Payroll and related charges	3,078	18,145	489.5%
Taxes and contributions payable	17,382	12,377	(28.8%)
Others	(2,548)	(16,577)	550.7%
Interest and charges paid	(27,155)	(146,780)	440.5%
Income tax paid	(16,446)	(8,446)	(48.6%)
<b>Net cash from operation (used in) activities (a)</b>	<b>72,189</b>	<b>(36,289)</b>	<b>n.m.</b>
<b>Cash flow from investing activities</b>			
Acquisition of property, plant and equipment	(383,316)	(1,136,347)	196.5%
Biologic assets	-	(9,918)	n.m.
Interest charges paid over capitalized loans	(42,862)	(65,408)	52.6%
Acquisition of intangible assets	(3,536)	(7,262)	105.4%
Financial investments	192,617	(62,772)	n.m.
Restricted deposits	(6,948)	(53,356)	667.9%
<b>Net cash used in investing activities (b)</b>	<b>(244,045)</b>	<b>(1,335,063)</b>	<b>447.1%</b>
<b>Cash flow from financing activities</b>			
Loans	257,821	1,833,282	611.1%
Loans paid to related parties	(39,591)	(63,603)	60.6%
Repayment of loans	(28,581)	(68,291)	138.9%
Profits distribution	(16,031)	(31,318)	95.4%
<b>Net cash from financing activities (c)</b>	<b>173,618</b>	<b>1,670,071</b>	<b>861.9%</b>
<b>Increase in cash and cash equivalents (d) = (a+b+c)</b>	<b>1,762</b>	<b>298,719</b>	<b>16855.3%</b>
Cash and cash equivalents at the beginning of the period	9,521	11,283	18.5%
<b>Cash and cash equivalents at the end of the period</b>	<b>11,283</b>	<b>310,001</b>	<b>2647.6%</b>