

Periods Definition

2Q22: July to September 2021

6M22: April to September 2021

2Q23: July to September 2022

6M23: April to September 2022

Earnings Release 2Q23

November 28th, 2022

Lucas do Rio Verde - MT, November 28th, 2022 - FS Indústria de Biocombustíveis Ltda ("FS Ltda") and FS I Indústria de Etanol S.A. ("FS S.A.") (combined as "Company" or "FS"), leading producers of corn ethanol (anhydrous and hydrous), animal nutrition and bioenergy, announce their results for the second quarter ("2Q23") and the first half ("6M23") of the fiscal year 2023 ("FY23"), ended September 30th, 2022. FS combined 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.

2Q23 HIGHLIGHTS

- **Net revenue: BRL 1,906.7 million** (+25.4%).
- **EBITDA: BRL 707.4 million** (+14.7%) or BRL 2.005/liter of ethanol sold, with margin of 37.1% (-3.5 p.p.).
- **Net profit: BRL 274.5 million** (+119.7%), with 14.4% margin.
- **Capex: BRL 639.3 million**, of which BRL 609.5 million in growth capex.
- **Net debt: BRL 4,615.2 million**, or 1.61x LTM EBITDA, a de-leveraging of 0.30x.
- **Financial activities:** as of November 28th, 2022, we repurchased and cancelled USD 81.0 million of our Green Bond, reaching USD 599.0 million of outstanding principal.

Financial highlights (in BRL thousands)	2Q22	2Q23	2Q23 vs 2Q22	6M22	6M23	6M23 vs 6M22
Net revenue	1,520,312	1,906,740	25.4%	2,814,921	3,793,339	34.8%
Cost of goods sold	(806,658)	(1,235,533)	53.2%	(1,492,634)	(2,319,607)	55.4%
Gross profit	713,654	671,207	(5.9%)	1,322,287	1,473,732	11.5%
Gross margin	46.9%	35.2%	(11.7 p.p.)	47.0%	38.9%	(8.1 p.p.)
Selling, general & administrative expense	(125,970)	2,100	n.m.	(239,742)	(157,288)	(34.4%)
EBIT	587,684	673,307	14.6%	1,082,545	1,316,444	21.6%
EBIT margin	38.7%	35.3%	(3.4 p.p.)	38.5%	34.7%	(3.8 p.p.)
Depreciation and amortization	29,294	34,127	16.5%	60,635	66,991	10.5%
EBITDA	616,978	707,434	14.7%	1,143,180	1,383,435	21.0%
EBITDA margin	40.6%	37.1%	(3.5 p.p.)	40.6%	36.5%	(4.1 p.p.)
Net profit	124,953	274,512	119.7%	631,542	541,565	(14.2%)
Net margin	8.2%	14.4%	6.2 p.p.	22.4%	14.3%	(8.1 p.p.)
EBITDA minus maintenance capex	614,278	700,120	14.0%	1,057,143	1,367,009	29.3%
Net debt	3,615,195	4,615,242	27.7%	3,615,195	4,615,242	27.7%
EBITDA (LTM)	1,888,395	2,862,018	51.6%	1,888,395	2,862,018	51.6%
Net debt / EBITDA (LTM)	1.91 x	1.61 x	(0.30 x)	1.91 x	1.61 x	(0.30 x)

OPERATIONAL HIGHLIGHTS

Operational Highlights	2Q22	2Q23	2Q23 vs 2Q22	6M22	6M23	6M23 vs 6M22
Corn crushed (tons)	834,486	859,495	3.0%	1,611,992	1,588,160	(1.5%)
Biomass Consumption (m³)	785,167	724,532	(7.7%)	1,533,924	1,368,359	(10.8%)
Ethanol produced¹ (m³)	366,552	381,484	4.1%	702,886	701,476	(0.2%)
DDG Products produced ² (tons)	317,858	331,574	4.3%	612,603	620,013	1.2%
Corn Oil produced (tons)	11,552	13,316	15.3%	22,174	23,098	4.2%
Ethanol sold (m ³)	324,991	352,838	8.6%	642,540	659,629	2.7%
% volume anhydrous sold	50.6%	60.0%	9.5 p.p.	45.4%	54.8%	9.4 p.p.
DDG Products sold (tons)	316,383	345,656	9.3%	622,980	633,431	1.7%
Corn Oil sold (tons)	11,616	13,332	14.8%	22,027	22,847	3.7%
Corn marketing (tons)	36,665	252,465	n.m.	65,298	448,367	n.m.
Energy sold (MWh)	39,818	52,968	33.0%	80,018	97,344	21.7%

¹ Production of anhydrous ethanol and hydrous ethanol combined.

² Considers the sum of the products: DDG High protein, DDG High fiber and Wetcake.

The Company processed 859.5 thousand tons of corn in 2Q23, an increase of 3.0% compared to the 2Q22 driven by the increase in corn crushing capacity, as result of industrial improvements implemented last quarter at annual maintenance shutdown.

The consumption of biomass in 2Q23 reached 724.5 thousand m³, a decrease of 7.7% versus 2Q22, mainly explained by (i) improvements in production efficiency; (ii) greater ability to extract more calories from the biomass inputs; and (iii) mix of DDG produced.

In 2Q23, FS produced 381.5 thousand m³ of ethanol, an increase of 4.1% versus 2Q22, and sold 352.8 thousand m³ of ethanol, an increase of 8.6% versus 2Q22 mainly driven by (i) improvements in production yields; and (ii) increase in sales to the Northeast region. In 2Q23, FS increased the share of anhydrous ethanol sold by 9.5 p.p. compared to 2Q22, taking advantage of market supply and demand dynamics, result of commercial initiatives to capture better net prices, and increase sales to the Northeast region.

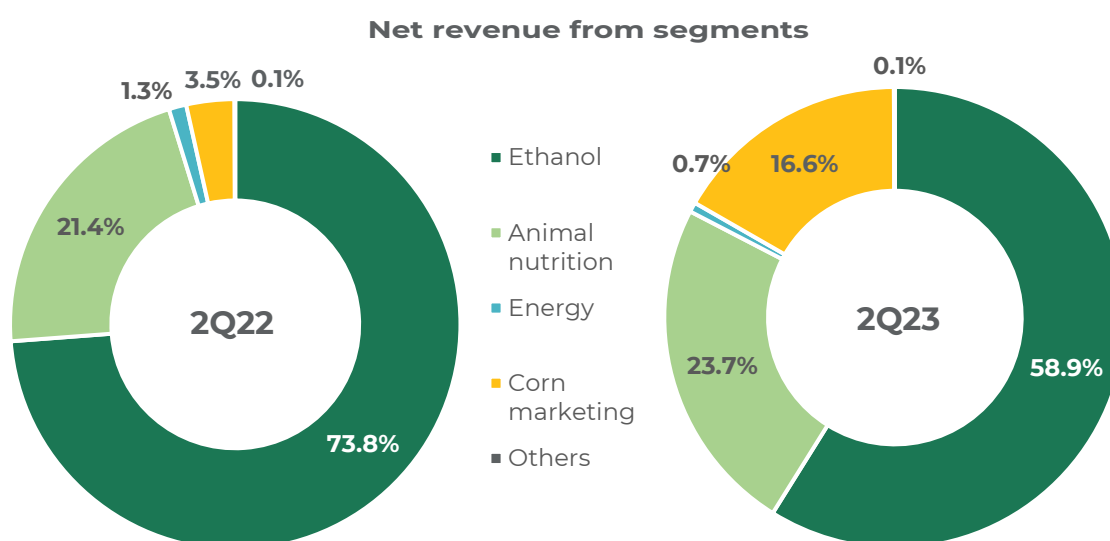
NET REVENUE

Net revenue (in BRL thousands)	2Q22	2Q23	2Q23 vs 2Q22	6M22	6M23	6M23 vs 6M22
Ethanol segment	1,050,291	1,004,221	(4.4%)	1,934,008	2,125,803	9.9%
Anhydrous ethanol	565,034	644,486	14.1%	946,718	1,209,182	27.7%
Hydrous ethanol	485,257	359,735	(25.9%)	987,290	916,621	(7.2%)
Animal nutrition segment	305,081	404,629	32.6%	583,814	743,502	27.4%
DDG High-protein	158,790	163,713	3.1%	321,177	306,545	(4.6%)
DDG High-fiber	58,988	95,657	62.2%	101,368	181,325	78.9%
Wetcake	24,611	58,963	139.6%	46,293	104,879	126.6%
Corn Oil	62,692	86,296	37.7%	114,976	150,753	31.1%
Energy co-generation segment	17,866	11,535	(35.4%)	25,356	18,467	(27.2%)
Corn marketing	49,125	283,857	n.m.	87,383	538,517	n.m.
Other segment	727	1,152	58.5%	1,415	2,108	49.0%
Total net revenue from segments	1,423,089	1,705,394	19.8%	2,631,975	3,428,397	30.3%
Reclassification - Freight	97,223	201,346	107.1%	182,946	364,942	99.5%
Net revenue	1,520,312	1,906,740	25.4%	2,814,921	3,793,339	34.8%

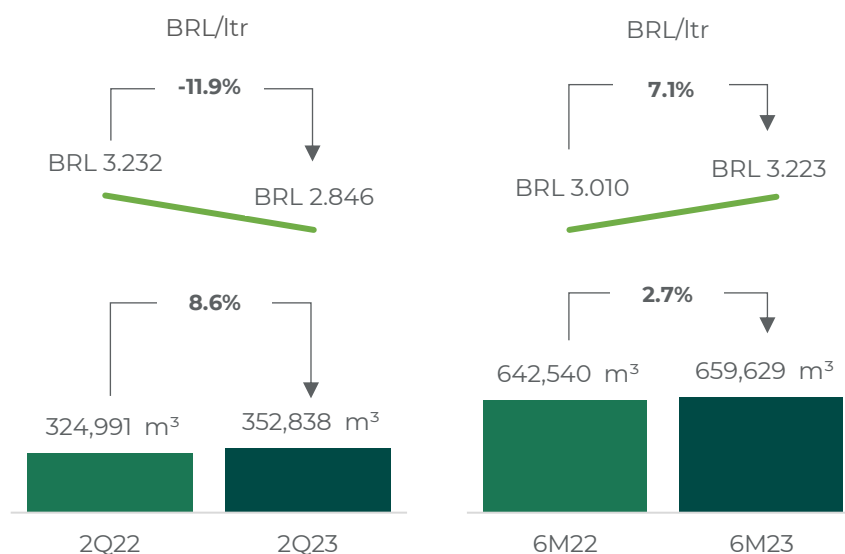
Total net revenue from segments

For managerial reporting purposes and for a better understanding and standardization of financial performance by product and segment, FS deducts from the net revenue all logistics and freight expenses to determine net revenue from segments and products. 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 2Q23, net revenue from segments totaled BRL 1,705.4 million, 19.8% higher than 2Q22, driven by (i) the growth in share of anhydrous ethanol; (ii) improvement in net sales prices of animal nutrition products; and (iii) the increase in corn marketing operations, which accounted for 16.6% of the net revenue of the quarter, 13.1 p.p. higher than 2Q22.



Ethanol Segment



(in BRL thousands)	2Q22	2Q23	2Q23 vs 2Q22	6M22	6M23	6M23 vs 6M22
Ethanol segment	1,050,291	1,004,221	(4.4%)	1,934,008	2,125,803	9.9%
Anhydrous ethanol	565,034	644,486	14.1%	946,718	1,209,182	27.7%
Hydrous ethanol	485,257	359,735	(25.9%)	987,290	916,621	(7.2%)
% volume anhydrous sold	50.6%	60.0%	9.5 p.p.	45.4%	54.8%	9.4 p.p.

Net revenue from the ethanol segment totaled BRL 1,004.2 million in 2Q23, 4.4% lower than 2Q22. The average net sales price of ethanol in 2Q23 was BRL 2.846/liter, 11.9% lower than 2Q22, while the average ESALQ hydrous net price in 2Q23 was BRL 2.655/liter, 14.5% lower than 2Q22, mainly driven by supply and demand dynamics, and the reductions on fuels taxation promoted by the Brazilian government. FS ethanol net sales price was BRL 0.191/liter above ESALQ hydrous in the 2Q23, an increase in the basis of BRL 0.063/liter vs the 2Q22.

Ethanol sales volume in 2Q23 was 8.6% higher than 2Q22. Share of anhydrous ethanol sold increased by 9.5 p.p. in 2Q23 compared to 2Q22, reaching 60.0% of total ethanol sold, as we took advantage of market supply and demand dynamics, result of commercial initiatives to capture better net prices and, increase sales to the Northeast region.

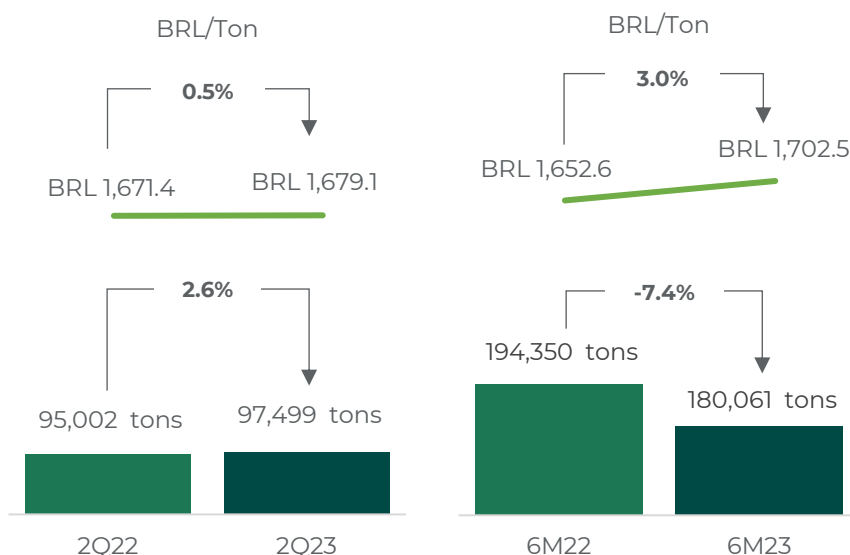
Animal Nutrition Segment

(in BRL thousands)	2Q22	2Q23	2Q23 vs 2Q22	6M22	6M23	6M23 vs 6M22
Animal nutrition segment (a)	305,081	404,629	32.6%	583,814	743,502	27.4%
DDG High-protein	158,790	163,713	3.1%	321,177	306,545	(4.6%)
DDG High-fiber	58,988	95,657	62.2%	101,368	181,325	78.9%
Wetcake	24,611	58,963	139.6%	46,293	104,879	126.6%
Total DDGs	242,389	318,333	31.3%	468,838	592,749	26.4%
Corn Oil	62,692	86,296	37.7%	114,976	150,753	31.1%
P&L corn marketing (b)	5,382	17,532	n.m.	8,041	25,979	n.m.
Production cost - corn (c)	605,136	782,877	29.4%	1,097,924	1,449,397	32.0%
Coverage rate (d) = (a + b) / (c)	51.3%	53.9%	2.6 p.p.	53.9%	53.1%	(0.8 p.p.)

Net revenue from the animal nutrition segment totaled BRL 404.6 million in 2Q23, 32.6% higher than 2Q22, mainly explained by price increases and higher volumes sold. The price appreciation of substitute products (soybean complex and corn), combined with commercial initiatives and better pricing positioning of our products, were the key drivers of price increases.

The coverage ratio of animal nutrition segment revenue plus the result of our corn marketing initiatives, compared to the production cost of corn, reached 53.9% in the 2Q23, 2.6 p.p. higher than 2Q22. The coverage ratio represents our ability to effectively hedge our cost of corn with the sales of animal nutrition products and is a key risk management metric for our operations.

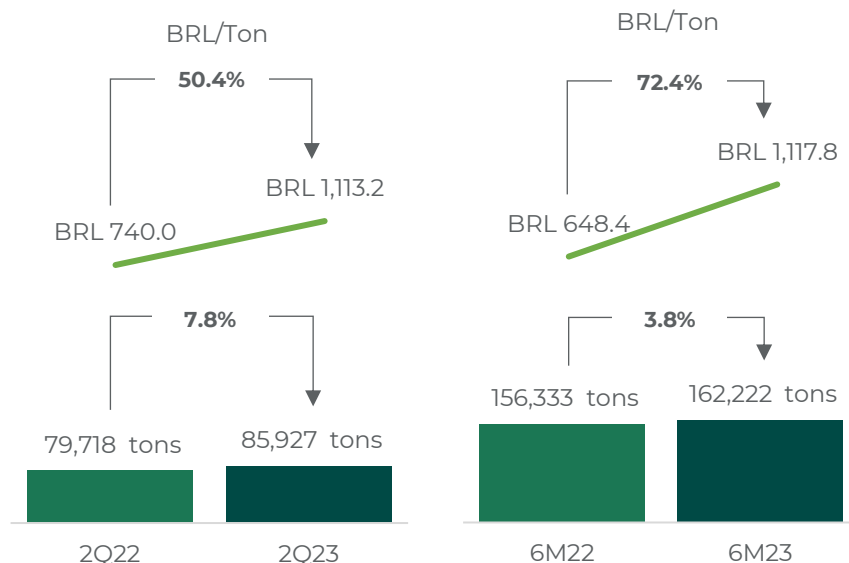
High Protein DDG FS Essential™



Net revenue from High Protein DDG totaled BRL 163.7 million in 2Q23, 3.1% higher than 2Q22, driven by the increase in volume sales. The net sales price of High Protein DDG in 2Q23 was BRL 1,679.1/ton, marginally higher when compared to 2Q22. Volume increased 2.6% in 2Q23 versus 2Q22, explained by: (i) improvements in production capacity; and (ii) changes in DDG production mix.

High Fiber DDG

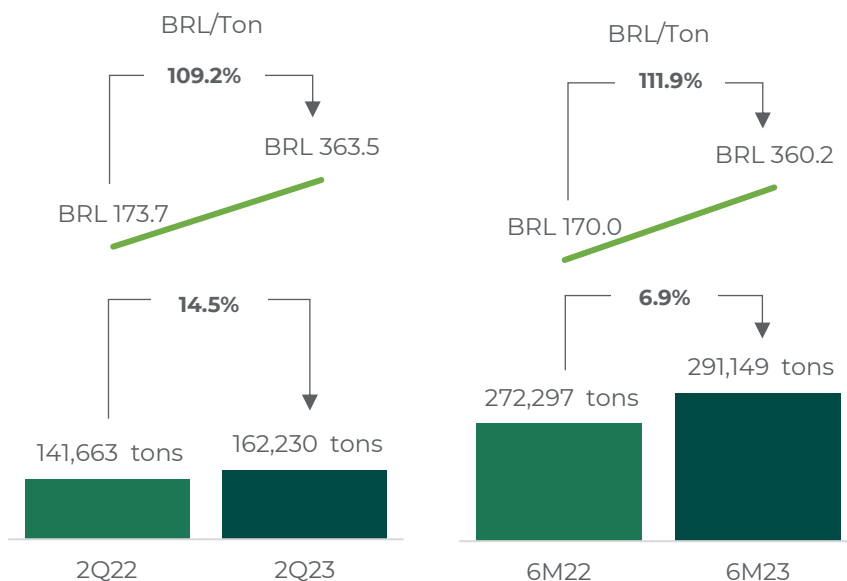
FS Ouro™



Net revenue from High Fiber DDG totaled BRL 95.7 million in 2Q23, 62.2% higher than 2Q22. The net sales price of High Fiber DDG in 2Q23 was BRL 1,113.2/ton, 50.4% higher than 2Q22, mainly due to the increase in the price of its substitute product (corn), combined with commercial initiatives and better pricing positioning of our products. Volume increased 7.8% in 2Q23 versus 2Q22, explained by: (i) improvements in production capacity; (ii) increase in High Fiber DDG consumption with the dry season; (iii) advance of commercial efforts with a campaign to reduce inventories previously to the rainy season; and (iv) change in DDG production mix.

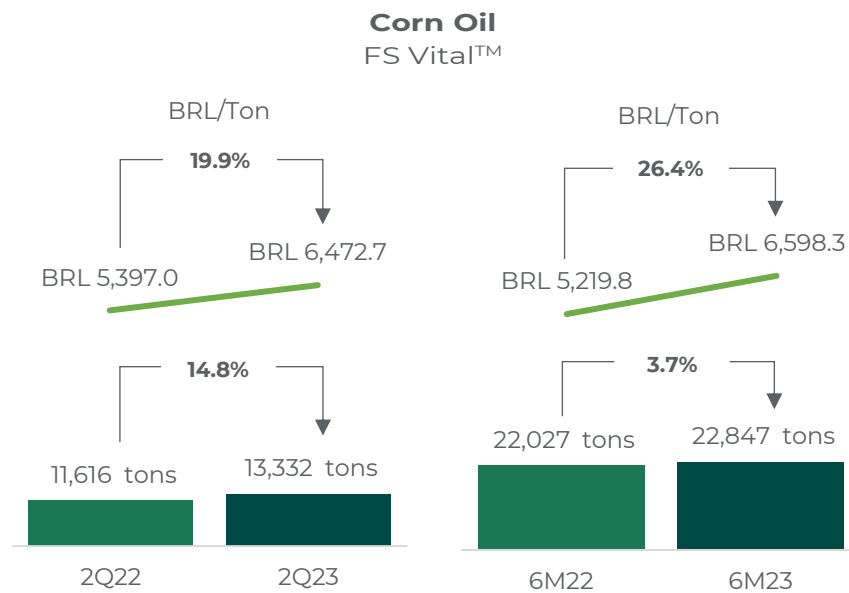
Wetcake

FS Úmido™



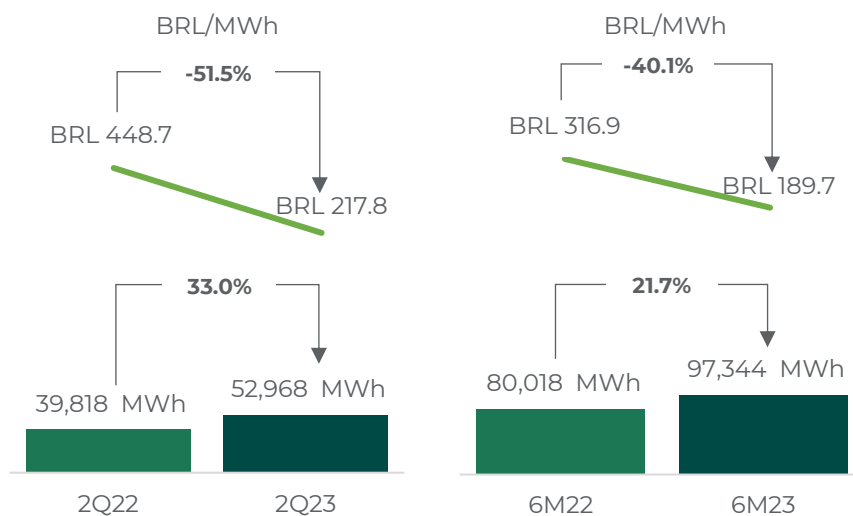
Net revenue from Wetcake totaled BRL 59.0 million in 2Q23, 139.6% higher than 2Q22. The net sales price of Wetcake in 2Q23 was BRL 363.5/ton, 109.2% higher than 2Q22, mainly due to the increase in the price of its substitute product (corn), combined with commercial initiatives and better pricing positioning of our products.

Volume increased 14.5% in 2Q23 versus 2Q22 explained by (i) improvements in production capacity; (ii) advance of commercial efforts with the campaign to reduce inventories previously to the rainy season; and (iii) change in DDG production mix.



Net revenue from Corn Oil totaled BRL 86.3 million in 2Q23, 37.7% higher than 2Q22. The net sales price of corn oil in 2Q23 was BRL 6,472.7/ton, 19.9% higher than 2Q22, mainly due to the increase in the price of its substitute product (soybean oil), combined with commercial initiatives and better pricing positioning of our products. Volume increased 14.8% in 2Q23 versus 2Q22 explained by the increase in oil production, reflecting operational and yield improvements.

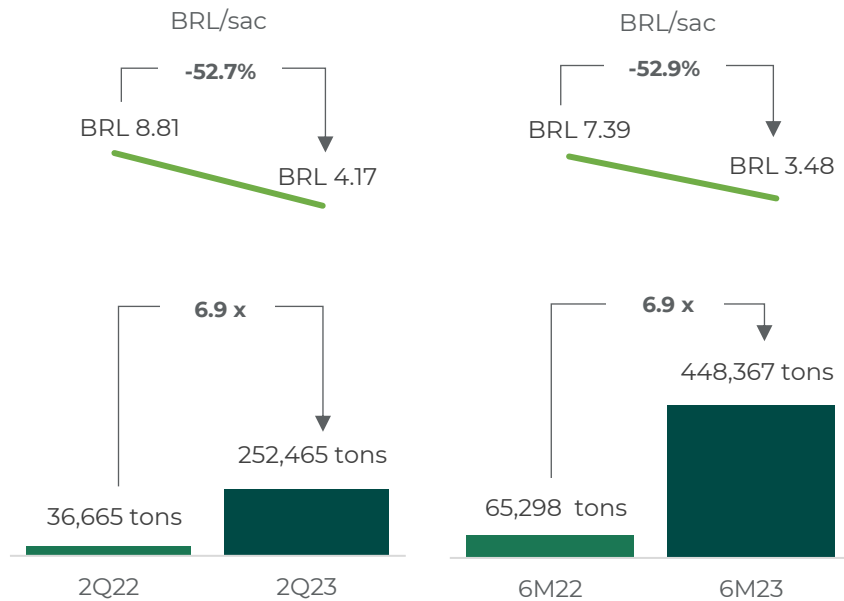
Energy Co-generation Segment



(in BRL thousands)	2Q22	2Q23	2Q23 vs 2Q22	6M22	6M23	6M23 vs 6M22
Energy co-generation segment	17,866	11,535	(35.4%)	25,356	18,467	(27.2%)

Net revenue from Energy Co-generation totaled BRL 11.5 million in 2Q23, 35.4% lower than 2Q22. Despite the increase in volume sold by 33.0% in 2Q23 versus 2Q22, the decrease in net sales price of energy of 51.5% drove the reduction in net revenue in the quarter. Price reduction was in line with reduction of energy market prices.

Corn Marketing



(in BRL thousands)	2Q22	2Q23	2Q23 vs 2Q22	6M22	6M23	6M23 vs 6M22
Net revenue corn marketing	49,125	283,857	5.8 x	87,383	538,517	6.2 x
Cost of goods resold corn marketing	(43,743)	(266,325)	6.1 x	(79,342)	(512,538)	6.5 x
P&L corn marketing	5,382	17,532	3.3 x	8,041	25,979	3.2 x
Corn marketing margin	11.0%	6.2%	(4.8 p.p.)	9.2%	4.8%	(4.4 p.p.)
Volume of corn marketing (tons)	36,665	252,465	6.9 x	65,298	448,367	6.9 x
Spread per sac (BRL/sac)	8.81	4.17	(52.7%)	7.39	3.48	(52.9%)

Net revenue from Corn Marketing totaled BRL 283.9 million in 2Q23, 5.8x higher than 2Q22. The spread of Corn Marketing in 2Q23 was BRL 4.17/sac, 52.7% lower than 2Q22. Volume negotiated in 2Q23 increased to 252.5 thousand tons, 6.9x higher than 2Q22, driven by our strategy to increase our presence in corn procurement and trading. Important to highlight that we only operate in back-to-back transactions, without taking directional positions in corn trading, neither bringing additional credit risks to our balance sheet.

Other Segment

(in BRL thousands)	2Q22	2Q23	2Q23 vs 2Q22	6M22	6M23	6M23 vs 6M22
Other segment	727	1,152	58.5%	1,415	2,108	49.0%

Net revenue from the Other Segment totaled BRL 1.2 million in 2Q23, driven mainly by the commercialization of 11.0 thousand tons of steam, traded at a net price of BRL 105.20/ton.

COST OF GOODS SOLD

Cost of Goods Sold (in BRL thousands)	2Q22	2Q23	2Q23 vs 2Q22	6M22	6M23	6M23 vs 6M22
Net revenue	1,520,312	1,906,740	25.4%	2,814,921	3,793,339	34.8%
Variable cost (a)	(690,698)	(875,981)	26.8%	(1,264,539)	(1,628,500)	28.8%
Cost of corn crushed	(605,136)	(782,877)	29.4%	(1,097,924)	(1,449,397)	32.0%
Biomass costs	(49,468)	(60,627)	22.6%	(99,117)	(116,840)	17.9%
Chemicals and enzymes	(36,094)	(32,477)	(10.0%)	(67,498)	(62,263)	(7.8%)
Fixed cost (b)	(64,912)	(88,314)	36.1%	(136,115)	(171,335)	25.9%
Maintenance	(10,515)	(13,612)	29.5%	(20,771)	(27,595)	32.9%
Labor	(14,070)	(23,476)	66.9%	(27,921)	(43,844)	57.0%
Depreciation	(28,234)	(32,086)	13.6%	(58,685)	(62,532)	6.6%
Other production costs	(12,093)	(19,140)	58.3%	(28,738)	(37,364)	30.0%
Cost of goods sold (c) = (a+b)	(755,610)	(964,295)	27.6%	(1,400,654)	(1,799,835)	28.5%
Cost of goods resold (d)	(51,048)	(271,238)	n.m.	(91,980)	(519,772)	n.m.
Cost of goods resold (Corn)	(43,743)	(266,325)	n.m.	(79,342)	(512,538)	n.m.
Cost of goods resold (Energy)	(7,305)	(4,913)	(32.7%)	(12,638)	(7,234)	(42.8%)
Cost of goods sold (e) = (c+d)	(806,658)	(1,235,533)	53.2%	(1,492,634)	(2,319,607)	55.4%
Gross profit	713,654	671,207	(5.9%)	1,322,287	1,473,732	11.5%
Gross margin	46.9%	35.2%	(11.7 p.p.)	47.0%	38.9%	(8.1 p.p.)
Corn Crushed cost - in BRL per sac	47.36	56.34	19.0%	44.12	56.16	27.3%
Biomass cost - in BRL per m³	68.94	87.41	26.8%	69.23	88.56	27.9%

Cost of goods sold (c)

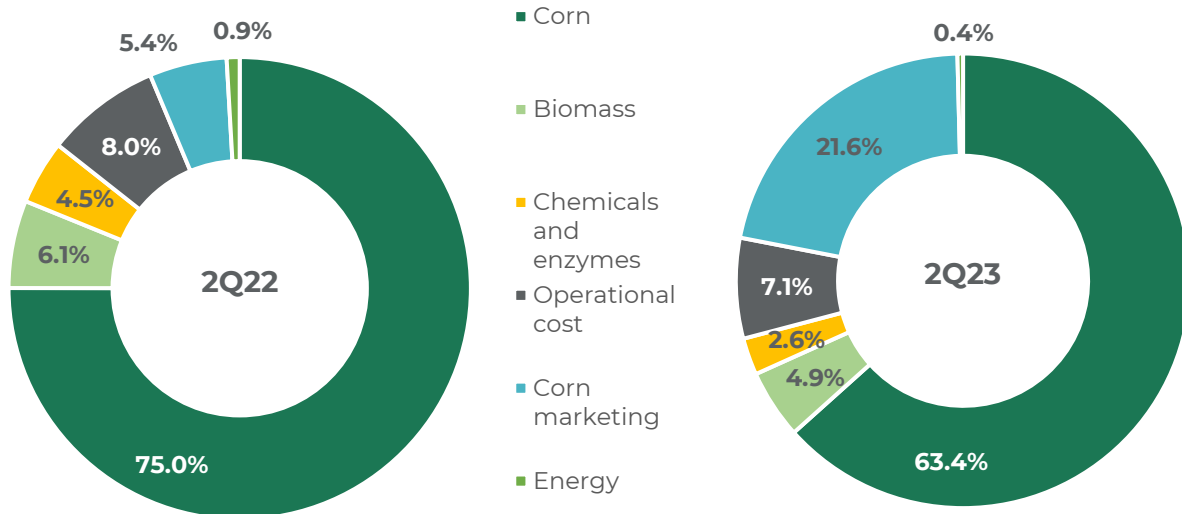
In 2Q23, the total cost of goods sold was BRL 964.3 million, 27.6% higher than 2Q22. The main reasons for the variation were:

- Corn cost: total cost of BRL 782.9 million, 29.4% higher than 2Q22, driven by (a) the increase in the volume of corn crushed at the period; and (b) the increase in commodity price, resulting in an average cost of BRL 56.34/sac in 2Q23, versus BRL 47.36/sac in 2Q22, an increase of 19.0%;
- Biomass costs: total cost of BRL 60.6 million, 22.6% higher than 2Q22, closing 2Q23 with an average cost of BRL 87.41/m³, versus BRL 68.94/m³ in 2Q22, an increase of 26.8%;
- Chemicals and enzymes: total cost of BRL 32.5 million, 10.0% lower than 2Q22, mainly driven by improvements in industrial processes; and
- Labor: total cost of BRL 23.5 million, 66.9% higher than 2Q22, due to wage inflation and higher bonus related to operational performance.

Cost of goods resold (d)

In 2Q23, the cost of goods resold was BRL 271.2 million, mainly driven by the increase of corn marketing volume and cost per sac.

Breakdown of cost of goods sold (e)



Our gross margin dropped 11.7 p.p. in the quarter, from 46.5% to 35.2%. The main reasons for the decrease in margins are related to (i) lower crush spread, driven by lower ethanol prices and higher corn costs; and (ii) our corn marketing initiatives, which gained share in our revenues (16.6% in 2Q23 versus 3.5% in 2Q22), but with significant lower margins.

Excluding the corn marketing initiatives, our gross margin would have been 40.2% versus 48.1% in 2Q22.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

SG&A expenses (in BRL thousands)	2Q22	2Q23	2Q23 vs 2Q22	6M22	6M23	6M23 vs 6M22
Expenses with freight	(97,222)	(201,346)	107.1%	(182,945)	(364,942)	99.5%
Other SG&A (d = a + b + c)	(28,748)	203,446	n.m.	(56,797)	207,654	n.m.
Other selling expenses (a)	(7,427)	(11,037)	48.6%	(12,466)	(18,499)	48.4%
General and administrative expenses (b)	(23,483)	(36,490)	55.4%	(42,359)	(67,889)	60.3%
Other results (c)	2,162	250,973	n.m.	(1,972)	294,042	n.m.
Total income / (expenses)	(125,970)	2,100	(101.7%)	(239,742)	(157,288)	146.5%
% net revenue	(8.3%)	0.1%	8.4 p.p.	(8.5%)	(4.1%)	4.4 p.p.

Selling, general and administrative expenses and other results

In 2Q23, selling, administrative and general expenses, and other results totaled an income of BRL 2.1 million, representing 0.1% of net revenue for the period. The main highlights were:

- i. Expenses with freight: Freight and logistics expenses were BRL 201.3 million in 2Q23, an increase of 107.1% above 2Q22, mainly due to (i) higher diesel and fuel prices during 2Q23; (ii) the increase of CIF sales (reached 84.8% in the ethanol sold, +1.3 p.p. versus 2Q22), where FS takes responsibility for the management, control and costs of all freight and logistic expenses to deliver the product to the clients facility; and (iii) the increase of ethanol sales to the Northeast region (12.5% of total sales, +12.2 p.p. versus 2Q22), which have relatively higher freight and logistics expenses.
- ii. Other SG&A (Other selling, administrative and general expenses, and other results): these three items represented a total income of BRL 203.4 million in 2Q23 versus an expense of BRL 28.7 million in 2Q22. The main reasons for the variation were:
 - a. Other selling expenses: total cost of BRL 11.0 million, 48.6% higher than 2Q22, driven by the higher costs of labor due to the increase of the commercial structure;
 - b. General and administrative expenses: total cost of BRL 36.5 million, 55.4% higher than 2Q22, mainly due to additional administrative costs considering the growth of the Company; and
 - c. Other results: total income of 251.0 million in 2Q23, mainly due to (i) BRL 170.1 million of a non-recurring gain on the sale of BRL 295.0 million of biological assets; (ii) BRL 57.5 million of a non-recurring tax credit related to the exclusion of ICMS of PIS/COFINS basis, recognized in 2Q23; and (iii) CBIOs (decarbonization credits from RenovaBio program) in 2Q23, FS recognized BRL 23.0 million in other results of CBIOs, in connection with 343.6 thousand of new CBIOs unit issued.

CORN ETHANOL PRODUCTION COST

Corn ethanol production cost (in BRL/liter)	2Q22	2Q23	2Q23 vs 2Q22	6M22	6M23	6M23 vs 6M22
Net Revenue¹	4.249	4.684	10.2%	4.003	5.080	26.9%
Ethanol ¹	3.232	2.846	(11.9%)	3.010	3.223	7.1%
Animal Nutrition and other segments ^{2,4}	1.017	1.838	80.7%	0.993	1.857	87.0%
Revenue ex-Animal Nutrition and other segments⁴	3.232	2.846	(11.9%)	3.010	3.223	7.1%
Total net cost (a)	(2.436)	(3.427)	40.7%	(2.285)	(3.418)	49.6%
Cost of goods sold ¹	(2.482)	(3.502)	41.1%	(2.323)	(3.517)	51.4%
Selling, administrative and general expenses ^{2,5}	(0.045)	(0.022)	(50.8%)	(0.056)	(0.003)	(93.8%)
Depreciation and amortization ¹	0.090	0.097	7.3%	0.094	0.102	7.6%
Net revenue from animal nutrition and other segments (b) ^{2,4}	1.017	1.838	80.7%	0.993	1.857	87.0%
Cash costs (+) expenses (-) anim. nutr. / others (c) = (a + b)⁴	(1.419)	(1.589)	11.9%	(1.292)	(1.562)	20.9%
Maintenance CAPEX (d)¹	(0.008)	(0.021)	n.m.	(0.134)	(0.025)	(81.4%)
Corn ethanol production cost (e) = (c + d)	(1.428)	(1.610)	12.7%	(1.426)	(1.586)	11.3%
EBITDA^{1,5} minus Maintenance CAPEX	1.890	1.338	(29.2%)	1.645	1.719	4.5%

Note: (1) Items divided by ethanol sold; (2) items divided by ethanol produced; (3) SG&A expenses are divided by ethanol produced and freight expenses are divided by ethanol sold; (4) Other segments include: energy co-generation, corn marketing and others; (5) Doesn't consider the results of the sale of biological assets, neither FS tax credit, both considered non-recurring events.

Corn ethanol production cost

In 2Q23, corn ethanol production cost was BRL 1.610/liter, 12.7% higher than 2Q22. The main highlights were:

- Cost of goods sold was BRL 3.502/liter, 41.1% higher than 2Q22, driven by the increase in corn and biomass prices;
- Net revenue from animal nutrition and other segments was BRL 1.838/liter, 80.7% higher than 2Q22, mainly due to higher volumes sold and better net sales prices obtained from animal nutrition sales, contributing to the reduction of the corn ethanol production cost; and
- Selling, administrative and general expenses, adjusted by non-recurring items, was BRL (0.022)/liter, 50.8% lower than 2Q22, explained mainly due CBIOS (decarbonization credits from RenovaBio program) results recognized in the quarter.

NET FINANCE RESULTS

Net finance results (in BRL thousands)	2Q22	2Q23	2Q23 vs 2Q22	6M22	6M23	6M23 vs 6M22
Derivative	(32,742)	(40,668)	24.2%	(282,741)	129,218	n.m.
Realized	(70,958)	(14,305)	(79.8%)	(50,161)	(286,487)	n.m.
Unrealized	38,217	(26,363)	n.m.	(232,579)	415,705	n.m.
Finance income	93,473	209,163	123.8%	191,903	370,276	92.9%
Finance expenses	(208,843)	(324,146)	55.2%	(404,449)	(631,432)	56.1%
Foreign exchange rate variation	(272,214)	(115,413)	(57.6%)	164,435	(413,738)	n.m.
Realized	(6,031)	(118)	(98.0%)	(3,874)	(562)	(85.5%)
Unrealized	(266,183)	(115,295)	(56.7%)	168,309	(413,176)	n.m.
Adjustment to present value	(22,747)	(40,812)	79.4%	(24,068)	(46,916)	94.9%
Net finance results	(443,073)	(311,876)	(29.6%)	(354,920)	(592,591)	67.0%

Net finance results

In 2Q23, we recognized an expense loss of BRL 311.9 million in net finance results, versus an expense of BRL 443.1 million in 2Q22. The main highlights were:

- i. Derivatives: loss of BRL 40.7 million in 2Q23 versus a loss of BRL 32.7 million in 2Q22. The main reasons for the variation were:
 - a. Derivative realized: Loss of BRL 14.3 million, mainly related to (i) a profit from the hedge of ethanol future sales; (ii) a loss from the hedge of corn purchases; and (iii) a loss from debt protection of Brazilian interest rate and FX variation (from BRL/USD 5.2380 in 1Q23 to BRL/USD 5.4066 in 2Q23); and
 - b. Derivative unrealized: Loss of BRL 26.4 million, mainly related to a profit from the debt protection of FX variation, totally offset by a loss from CDI increase, impacting directly on total amount of the Bond interest.
- ii. Finance income: BRL 209.2 million mainly from the strong cash position at the period and higher CDI rates.
- iii. Finance expenses: BRL 324.1 million, 55.2% higher than 2Q22, mainly due to the higher gross debt position after the issuance of new working capital lines and the increase of Brazilian interest rate ("SELIC") compared to the previous period (13.75% p.y. as of September 30th, 2022 versus 6.25% p.y. as of September 30th, 2021).
- iv. Foreign exchange variation on the Company's USD denominated debt: loss of BRL 115.4 million, reflecting the impact of the depreciation of 3.2% of BRL against the USD in the 2Q23 (BRL/USD 5.2380 as of June 30th, 2022 to BRL/USD 5.4066 as of September 30th, 2022), which BRL 0.1 million is realized loss and BRL 115.3 million is unrealized loss, against the depreciation of 8.7% of BRL against the USD in the 2Q22 (BRL/USD 5.0022 as of June 30th, 2021 to BRL/USD 5.4394 as of September 30th, 2021).

NET PROFIT (LOSS)

Net profit (in BRL thousands)	2Q22	2Q23	2Q23 vs 2Q22	6M22	6M23	6M23 vs 6M22
Profit (loss) before income and social contribution taxes (a)	144,611	361,431	149.9%	727,625	723,853	(0.5%)
Nominal rate	34.0%	34.0%	0.0 p.p.	34.0%	34.0%	0.0 p.p.
Tax expense at nominal rate (b)	(49,168)	(122,887)	149.9%	(247,393)	(246,110)	(0.5%)
Adjustment of income and social contribution taxes (c)	11,869	12,904	8.7%	26,708	40,758	n.m.
Tax and social contribution before tax incentive (d) = (b + c)	(37,298)	(109,983)	n.m.	(220,684)	(205,352)	(6.9%)
Current tax	(10,171)	(114,677)	n.m.	(170,383)	(199,933)	17.3%
Deferred tax	(27,128)	4,694	n.m.	(50,302)	(5,419)	n.m.
Tax incentives (e)	17,641	23,064	30.7%	124,602	23,064	(81.5%)
Income tax and social contribution (f) = (d + e)	(19,658)	(86,919)	n.m.	(96,083)	(182,288)	89.7%
Effective tax rate	13.6%	24.0%	0.8 p.p.	13.2%	25.2%	12.0 p.p.
Net profit (g) = (a + f)	124,953	274,512	119.7%	631,542	541,565	(14.2%)

Tax and social contribution

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

In 2Q23 we recognized an expense of BRL 86.9 million in income tax and social contributions (f), BRL 67.3 million higher than 2Q22, the main reasons for the variation were:

- i. Tax and social contribution before tax incentive (d): expense of BRL 110.0 million, BRL 72.7 million higher than 2Q22, mainly due to the increase of profit before income and social contribution taxes; and
- ii. Tax incentives¹ (e): BRL 23.1 million on tax incentives were recognized in 2Q23, versus BRL 17.6 million in 2Q22, mainly due to SUDAM tax incentives over the taxable profits of the period.

Net profit (loss) of the period (g)

In 2Q23, FS recorded a profit of BRL 274.5 million, 119.7% higher when compared to the profit of BRL 125.0 million in 2Q22, driven mainly by:

- i. The income recognized in the SG&A due to the non-recurring results of biological asset sale and PIS/COFINS tax credit; and
- ii. The improvement in net finance results due to the higher finance income and lower impact of FX variation.

¹ 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 and the SRS Plant for a period of 10 years which was awarded in 2018 and 2020 respectively. This benefit will occur when there are taxable profits in the calculation period.

Ownership structure

There were no changes at the ownership structure of the Company in the 2Q23.

FS Ltda. quotaholders are Summit Brazil Renewables I LLC ("Summit") with 71.04%, Tapajós Participações S.A. with 23.68%, and preferred quotaholders with 5.28%.

FS S.A. shareholders are SBR FS Fundo de Investimento em Participações Multiestratégia Investimento no Exterior ("FIP Summit") controlled by Summit with 71.11%, LRV Fundo de Investimento em Participações Multiestratégia Investimento no Exterior ("FIP Amerra") controlled by Amerra Chapada LCC with 8.72% and other shareholders with 20.17%.

Both companies (FS Ltda. e FS S.A.) have the same shareholders and controlling group. Summit, the controlling group at FS Ltda., is represented by the FIP Summit at FS S.A., and the shareholders of Tapajós are represented partly by FIP Amerra and partly by individual investors joining the group of "others".

Dividends and Tax Distributions

The Company primarily distributes dividends in connection with tax liabilities incurred by our USA shareholders related to their investment in the Company ("Tax Distributions"). In addition, FS may distribute additional dividends beyond Tax Distributions if financial leverage metrics are within the Company's targets. In 2Q23 the total distribution was BRL 325.0 million.

RECONCILIATION OF EBITDA, EBIT AND EBITDA minus MAINTENANCE CAPEX

Reconciliation of EBITDA <i>(in BRL thousands)</i>	2Q22	2Q23	2Q23 vs 2Q22	6M22	6M23	6M23 vs 6M22
Net revenue	1,520,312	1,906,740	25.4%	2,814,921	3,793,339	34.8%
Net profit/(loss)	124,953	274,512	119.7%	631,542	541,565	(14.2%)
(+) Finance costs	280,423	456,451	62.8%	761,386	992,493	30.4%
(-) Finance income	(109,564)	(259,988)	137.3%	(242,031)	(813,640)	n.m.
(+) Foreign exchange rate variations, net	272,214	115,413	(57.6%)	(164,435)	413,738	n.m.
(+) Income tax and social contribution	19,658	86,919	n.m.	96,083	182,288	89.7%
EBIT	587,684	673,307	14.6%	1,082,545	1,316,444	21.6%
<i>EBIT Margin</i>	<i>38.7%</i>	<i>35.3%</i>	<i>(3.3 p.p.)</i>	<i>38.5%</i>	<i>34.7%</i>	<i>(3.8 p.p.)</i>
(+) Depreciation and amortization	29,294	34,127	16.5%	60,635	66,991	10.5%
EBITDA	616,978	707,434	14.7%	1,143,180	1,383,435	21.0%
<i>EBITDA Margin</i>	<i>40.6%</i>	<i>37.1%</i>	<i>(3.5 p.p.)</i>	<i>40.6%</i>	<i>36.5%</i>	<i>(4.1 p.p.)</i>
(-) Maintenance Capex	2,700	7,314	n.m.	86,037	16,426	(80.9%)
EBITDA Minus Maintenance Capex	614,278	700,120	14.0%	1,057,143	1,367,009	29.3%

CAPEX

CAPEX ¹ (in BRL thousands)	2Q22	2Q23	2Q23 vs 2Q22	6M22	6M23	6M23 vs 6M22
Property, plant, and equipment - beginning of period (a)	2,921,751	3,711,837	27.0%	2,879,404	3,329,098	15.6%
Capex: (e) = (b + c + d)	108,758	639,338	n.m.	183,832	1,059,092	n.m.
Growth capex ² (b)	98,377	609,469	n.m.	87,650	1,008,978	n.m.
Maintenance capex ³ (c)	2,700	7,314	n.m.	86,037	16,426	(80.9%)
Biological assets capex (d)	7,681	22,555	n.m.	10,145	33,688	n.m.
Depreciation (f)	(33,770)	(38,109)	12.8%	(66,467)	(74,633)	12.3%
Assets sale and disposals ⁴ (g)	(516)	(165,482)	n.m.	(546)	(165,973)	n.m.
Property, plant, and equipment - end of period (h) = (a+e+f+g)	2,996,223	4,147,584	38.4%	2,996,223	4,147,584	38.4%

¹ Includes acquisitions and transfers.

² 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.

³ 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.

⁴ Includes casualties.

In 2Q23, capex (e) totaled BRL 639.3 million, an increase of BRL 530.6 million versus 2Q22, explained by: (i) BRL 609.5 million of growth capex, related to the investments in the construction of our third plant in Primavera do Leste Plant ("PDL Plant"); and (ii) BRL 22.6 million of investments in biological assets.

In the 2Q23, the assets sale and disposals (g) are explained mainly by the non-recurring sale of the biological assets.

The Company expects to have a BRL 1,201.0 million in capex in the next two quarters, comprised of: (i) BRL 1,165.8 million in growth capex, mostly related to the investment in the construction of PDL Plant; and (ii) BRL 35.2 million in maintenance capex.

NET DEBT EVOLUTION

Net Debt <i>(in BRL thousands)</i>	3Q22	4Q22	1Q23	2Q23	2Q23 (LTM)
Net Debt BoP	3,615,195	3,768,507	3,041,556	3,294,535	3,615,195
EBITDA	852,664	625,923	675,997	707,434	2,862,018
Working capital	88,310	422,571	552,536	(1,043,312)	20,105
Income tax paid	(14,853)	(23,965)	-	-	(38,818)
Cash flow from operations	926,121	1,024,529	1,228,533	(335,878)	2,843,305
Cash Capex	(125,442)	(215,712)	(281,820)	(370,577)	(993,551)
Cash flow from operations minus Capex	800,679	808,817	946,713	(706,455)	1,849,754
Cash flow from financing activities	(953,990)	(81,866)	(1,199,693)	(614,252)	(2,849,800)
Provision for interest	(117,072)	(137,703)	(181,883)	(118,473)	(555,131)
Impact from FX, derivatives and others	(217,856)	343,535	(640,310)	(170,779)	(685,409)
FX and derivatives impact	(129,641)	456,561	(570,507)	(129,718)	(373,305)
Other operational cash	(88,215)	(113,027)	(69,802)	(41,060)	(312,104)
Dividends paid / Tax distribution	(342,303)	(287,697)	(377,500)	(325,000)	(1,332,500)
Loans with related parties	(276,760)	(0)	-	-	(276,760)
Net Debt EoP (a)	3,768,507	3,041,556	3,294,535	4,615,242	4,615,242
Change in Net Debt	153,311	(726,951)	252,980	1,320,707	1,000,046
Raw material inventories ¹ (b)	1,464,126	682,693	1,473,542	2,328,234	2,328,234
Finished goods inventories ² (c)	155,894	117,594	155,103	198,145	198,145
Raw material payables ³ (d)	(342,913)	(280,751)	(1,605,976)	(1,807,981)	(1,807,981)
Readily Marketable Inventories - RMI (e) = (b + c + d)	1,277,108	519,536	22,669	718,398	718,398
Net Debt EoP adjusted by RMI (f) = (a - e)	2,491,399	2,522,019	3,271,866	3,896,844	3,896,844

¹ Corn inventories position at market value.

² Ethanol inventories valued by the ESALQ Hydrated Ethanol Ribeirão Preto/SP index.

³ Position of account payables to suppliers of raw materials and inputs according to the Financial Statements (Note 15).

In 2Q23, the net debt in the end of period totaled BRL 4,615.2 million, an increase of BRL 1,320.7 million compared to the net debt in the beginning of the quarter, mostly related to the seasonality of corn purchases, capex, and financing activities.

Cash flow from operations was negative in BRL 335.9 million in 2Q23, mainly driven by seasonal working capital needs, reflecting the beginning of corn cash payments that occurs approximately 90 days after we receive the corn during the harvest season.

On the other hand, our RMI (Readily Marketable Inventories), which accounts for seasonality of our inventories, increased by BRL 695.7 million in comparison to the previous quarter. So, our net debt adjusted by RMI was BRL 3,896.8 million.

In the last twelve months, cash flow from operations reached a positive BRL 2,843.3 million, or 99.3% of our EBITDA.

INDEBTEDNESS

Indebtedness (in BRL thousands)	2Q22	2Q23	2Q23 vs 2Q22
Senior Secured Green Notes (Bond) and CPRF ^{1,2,3}	3,307,089	3,387,583	2.4%
Certificate of Agribusiness or Real Estate Receivables (CRA/CRI)	533,781	1,983,797	n.m.
Other working capital lines ⁴	579,380	1,372,331	136.9%
Gross debt	4,420,250	6,743,710	52.6%
Total cash ^{3,5,6}	805,055	2,128,468	164.4%
Net debt	3,615,195	4,615,242	27.7%
Net debt / EBITDA (LTM)	1.91 x	1.61 x	(0.30 x)
Net debt adjusted by RMI	1,647,313	3,896,844	136.6%
Net debt adjusted by RMI / EBITDA (LTM)	0.87 x	1.36 x	0.49 x
EBITDA (LTM)	1,888,395	2,862,018	51.6%

¹ Issuance of USD 680.0 million Senior Secured Green Notes - Bond - Notes by the subsidiary FS Luxembourg s.à.r.l., ("FS Lux").

² Issuance of USD 540.9 million of CPRF (Cédula de Produtor Rural Financeira) by FS, in connection with the Bond issued.

³ Acquisition of rights over a TRS (Total Return Swap) of USD 540.9 million - The TRS is a financial instrument agreement between FS Lux and a financial institution that mirrors the terms and cash flows of the CPRF issued by FS. The TRS amount is fully deducted from the Gross Debt in order to eliminate the duplicate debt caused by the local issuance of a CPRF.

⁴ Issuance of BRL 1.5 billion of CPRF (Cédula de Produtor Rural Financeira) by FS, due the back-to-back transaction to transfer assets from FS LTDA to FS S.A.

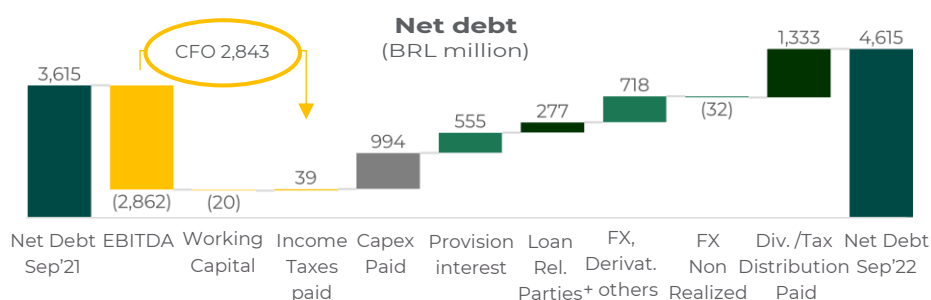
⁵ Financial instrument/application of BRL 1.5 billion between FS LTDA and financial institutions that mirrors the terms and cash flows of the CPRF issued by FS to cover the back-to-back transition.

⁶ Includes cash and cash equivalents, financial investments, and restricted cash (short-term and long-term).

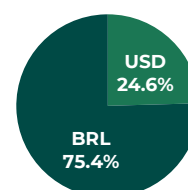
At the end of 2Q23, total gross debt reached BRL 6,743.7 million and total cash closed at BRL 2,128.5 million, resulting in a net debt of BRL 4,615.2 million, 27.7% higher than 2Q22. The increase in gross debt was driven by: (i) the impact of the BRL depreciation vs USD in our USD denominated debt; (ii) the additional issuance of CRA and working capital lines; and (iii) the stronger cash position, more than 2.6x higher than 2Q22.

We reduced our leverage in 0.30x compared to 2Q22 but increased by 0.42x compared to the previous quarter, most related to growth capex and payments for corn purchases as explained previously, reaching 1.61x. If we adjust by RMI, our leverage reached 1.36x.

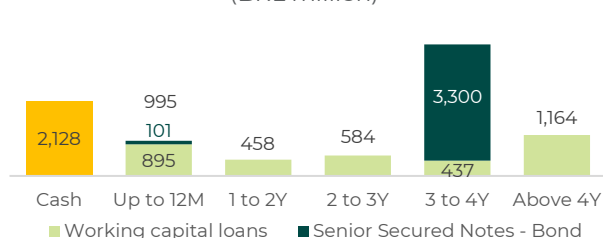
We have been purchasing our Green Bond in the market (OMR) as we see this debt as one of our most expensive credit lines and had the opportunities to raise cheaper financing in the local markets. As of November 28th, 2022, we repurchased and cancelled USD 81.0 million of our Green Bond, reaching USD 599.0 million of outstanding principal.



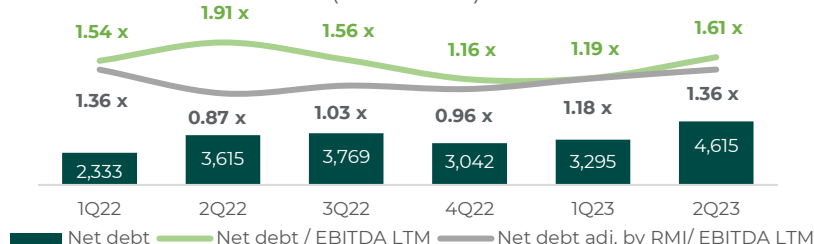
Gross debt by currency (%)



Debt amortization schedule⁷
(BRL million)



Net Debt / EBITDA LTM
(BRL million)



⁷ Does not include the impact of transaction costs.

CONTROLLED COMPANIES

FS Ltda has one controlled company, which is the wholly owned subsidiary FS Lux, established on September 8th, 2020 with the main purpose of issuing international debt securities. FS S.A. has no 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, and is currently in the process of constructing a third industrial plant, also in the State of Mato Grosso.

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.

STATEMENT OF INCOME

Statement of income (in BRL thousands)	2Q22	2Q23	2Q23 vs 2Q22	6M22	6M23	6M23 vs 6M22
Revenue from segments						
Segment - Ethanol	1,050,291	1,004,221	(4.4%)	1,934,008	2,125,803	9.9%
Segment - Animal nutrition	305,081	404,629	32.6%	583,814	743,502	27.4%
Segment - Energy co-generation	17,866	11,535	(35.4%)	25,356	18,467	(27.2%)
Segment - Corn marketing	49,125	283,857	n.m.	87,383	538,517	n.m.
Segment - Other	727	1,152	58.5%	1,415	2,108	49.0%
Total revenue from segments	1,423,089	1,705,394	19.8%	2,631,975	3,428,397	30.3%
Reclassification - Freight	97,223	201,346	107.1%	182,946	364,942	99.5%
Net revenue	1,520,312	1,906,740	25.4%	2,814,921	3,793,339	34.8%
Cost of goods sold	(806,658)	(1,235,533)	53.2%	(1,492,634)	(2,319,607)	55.4%
Gross profit	713,654	671,207	(5.9%)	1,322,287	1,473,732	11.5%
<i>Gross margin</i>	46.9%	35.2%	(11.7 p.p.)	47.0%	38.9%	(8.1 p.p.)
Selling, general & administrative expense	(125,970)	2,100	n.m.	(239,742)	(157,288)	(34.4%)
EBIT	587,684	673,307	14.6%	1,082,545	1,316,444	21.6%
<i>EBIT margin</i>	38.7%	35.3%	(3.3 p.p.)	38.5%	34.7%	(3.8 p.p.)
Depreciation and amortization	29,294	34,127	16.5%	60,635	66,991	10.5%
EBITDA	616,978	707,434	14.7%	1,143,180	1,383,435	21.0%
<i>EBITDA margin</i>	40.6%	37.1%	(3.5 p.p.)	40.6%	36.5%	(4.1 p.p.)
Net finance costs	(443,073)	(311,876)	(29.6%)	(354,920)	(592,591)	67.0%
Profit before tax	144,611	361,431	149.9%	727,625	723,853	(0.5%)
Tax	(19,658)	(86,919)	n.m.	(96,083)	(182,288)	89.7%
Net profit for the period	124,953	274,512	119.7%	631,542	541,565	(14.2%)
<i>Net margin</i>	8.2%	14.4%	6.2 p.p.	22.4%	14.3%	(8.2 p.p.)

STATEMENTS OF FINANCIAL POSITION

Statements of financial position (in BRL thousands)	2Q22	2Q23	2Q23 vs 2Q22
Cash and cash equivalents	689,438	1,589,854	130.6%
Financial investments	97,633	96,958	(0.7%)
Restricted cash	115,617	2,051,740	n.m.
Trade and other receivables	167,976	310,801	85.0%
Inventories	1,977,124	2,377,212	20.2%
Advances to suppliers	26,889	56,811	111.3%
Income tax and social contribution	17,142	-	n.m.
Recoverable taxes	268,086	236,883	(11.6%)
Prepaid expenses	42,604	53,448	25.5%
Biological assets	6,093	5,621	(7.7%)
Derivative financial instruments	13,804	35,357	156.1%
Other credits	1,895	16,702	n.m.
Total current assets	3,424,301	6,831,387	99.5%
Financial investments	3,231,825	3,212,337	(0.6%)
Restricted cash	-	16,908	n.m.
Advances to suppliers	20,029	112,114	n.m.
Recoverable taxes	-	289,949	n.m.
Related parties loans	-	296,143	n.m.
Biological assets	19,484	55,561	n.m.
Derivative financial instruments	-	16,503	n.m.
Judicial deposits	3,734	3,964	6.2%
Total long-term assets	3,275,072	4,003,479	22.2%
Property, plant and equipment	2,996,223	4,147,584	38.4%
Intangible assets	14,615	16,985	16.2%
Total non-current assets	6,285,910	8,168,048	29.9%
Total Assets	9,710,211	14,999,435	54.5%
Trade payables	1,044,269	2,276,455	118.0%
Loans and borrowings	936,187	1,264,321	35.1%
Advances from customers	25,398	61,711	143.0%
Lease liabilities	18,413	16,910	(8.2%)
Income tax and social contribution payable	-	91,582	n.m.
Taxes and contributions payable	13,973	13,607	(2.6%)
Payroll and related changes	30,117	41,856	39.0%
Derivative financial instruments	291,461	431,717	48.1%
Total current liabilities	2,359,818	4,198,159	77.9%
Trade payables	21,201	43,835	106.8%
Loans and borrowings	6,813,521	10,318,718	51.4%
Lease liabilities	69,546	60,961	(12.3%)
Derivative financial instruments	-	76,048	n.m.
Deferred taxes liabilities	59,453	11,603	n.m.
Other non-current liabilities	31,952	-	n.m.
Total non-current liabilities	6,995,673	10,511,165	50.3%
Capital	87,806	-	n.m.
Net parent investment	-	290,111	n.m.
Tax incentive reserve	157,198	-	n.m.
Accumulated gains / (losses)	109,481	-	n.m.
Cumulative translation adjustment	235	-	n.m.
Total equity	354,720	290,111	(18.2%)
Total liabilities and equity	9,710,211	14,999,435	54.5%

STATEMENTS OF CASH FLOW

Statement of cash flow (in BRL thousands)	2Q22	2Q23	2Q23 vs 2Q22	6M22	6M23	6M23 vs 6M22
Net profit/ (loss) for the period	124,953	274,512	119.7%	631,542	541,565	(14.2%)
Adjustment for:						
Depreciation and amortization	29,294	34,127	16.5%	60,635	66,991	10.5%
Current and deferred income tax, net of tax incentives	19,658	87,086	n.m.	96,083	182,289	89.7%
Adjustment to present value	(7,000)	(13,754)	96.5%	(9,738)	(26,297)	n.m.
Income from financial investments	(92,726)	(130,465)	40.7%	(190,588)	(212,915)	11.7%
Provision for interest on loans	183,666	248,938	35.5%	362,046	513,271	41.8%
Adjustment to fair value - derivatives	(38,216)	44,789	n.m.	232,580	(117,117)	n.m.
Adjustment to fair value - biological assets	(1,085)	-	n.m.	3,844	(4,419)	n.m.
Expected losses on credit	(13)	(1)	(92.3%)	(10)	(2)	(80.0%)
Gain on sale of assets	-	(171,302)	n.m.	-	(171,302)	n.m.
Foreign exchange rate gains or losses	(797,729)	115,498	n.m.	(170,740)	413,179	n.m.
Changes in:						
Trade receivables	(14,909)	(57,882)	n.m.	(61,527)	(34,980)	(43.1%)
Inventories	(1,270,286)	(891,145)	(29.8%)	(1,507,241)	(1,590,485)	5.5%
Advances to suppliers	(15,072)	(68,840)	n.m.	(6,983)	(64,298)	n.m.
Recoverables taxes	(136,339)	(228,638)	67.7%	(171,453)	(274,473)	60.1%
Trade payables	416,886	302,054	(27.5%)	987,123	1,707,957	73.0%
Advance from customers	4,386	33,765	n.m.	4,511	34,744	n.m.
Payroll and related charges	4,287	3,532	(17.6%)	1,592	(5,803)	n.m.
Taxes and contributions payable	8,054	(94,717)	n.m.	303	(160,179)	n.m.
Others	(34,320)	(41,441)	20.8%	(45,646)	(103,259)	126.2%
Interest and charges paid	(23,843)	(134,893)	n.m.	(363,844)	(349,212)	(4.0%)
Interest received	-	-	n.m.	160,304	151,040	(5.8%)
Income tax paid	(23,175)	-	n.m.	(49,042)	-	n.m.
Net cash from operation (used in) activities (a)	(867,119)	(688,777)	(20.6%)	(36,249)	496,295	n.m.
Cash flow from investing activities						
Acquisition of property, plant and equipment	(129,722)	(479,295)	n.m.	(273,294)	(758,154)	177.4%
Proceeds from sale of biological assets and bearer plants	-	295,185	n.m.	-	295,185	n.m.
Biologic assets	(390)	(10,879)	n.m.	(1,238)	(10,666)	n.m.
Interest capitalized from loans	(123)	29,088	n.m.	(874)	29,030	n.m.
Acquisition of intangible assets	(2,663)	(2,836)	6.5%	(3,806)	(6,010)	57.9%
Investments in parent company	-	48,121	n.m.	-	-	n.m.
Redemption of financial investments	(2,777,277)	-	n.m.	18,768	138,371	n.m.
Acquisition of restricted deposits	147,160	(1,709,211)	n.m.	(86,741)	(1,668,125)	n.m.
Net cash used in investing activities (b)	(67,272)	(1,829,826)	n.m.	(347,185)	(1,980,369)	n.m.
Cash flow from financing activities						
Proceeds from loans and borrowings	5,696,874	1,917,054	(66.3%)	820,848	3,184,638	n.m.
Repayment of loans and borrowings	(1,954,123)	(322,765)	(83.5%)	(180,340)	(842,939)	n.m.
Lease paid	(3,500)	(870)	(75.1%)	(2,538)	(12,389)	n.m.
Derivative financial instruments (paid) and received	(1,315)	(14,306)	n.m.	98	(286,488)	n.m.
Capital increase	4,504	(47,107)	n.m.	-	195	n.m.
Dividends paid	(259,445)	(325,000)	25.3%	(513,720)	(702,500)	36.7%
Net cash from financing activities (c)	3,694,855	1,207,007	(67.3%)	124,348	1,340,517	n.m.
Foreign currency translation adjustment	106	9,824	n.m.	(89)	14,216	n.m.
Increase in cash and cash equivalents (d) = (a+b+c)	94,889	(1,301,969)	n.m.	(259,175)	(129,341)	(50.1%)
Cash and cash equivalents at the beginning of the period	859,818	2,891,822	n.m.	948,613	1,719,194	81.2%
Cash and cash equivalents at the end of the period	689,438	1,589,854	130.6%	689,438	1,589,854	130.6%