

## Earnings Release 3Q21

January 30<sup>th</sup>, 2021

### Periods Definition

3Q20: October to December 2019

9M20: April to December 2019

3Q21: October to December 2020

9M21: April to December 2020

Lucas do Rio Verde - MT, January 30<sup>th</sup>, 2021 - FS Agrisolutions Indústria de Biocombustíveis Ltda. ("Company" or "FS"), a leading producer of corn ethanol, animal nutrition and bioenergy, announces its consolidated results for the third quarter ("3Q21") of the fiscal year 2021, ended December 31<sup>st</sup>, 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.

### 3Q21 HIGHLIGHTS

- **Net revenue: BRL 839.3 million**, (+146.9% vs. 3Q20), a record for the Company
- **Gross profit: BRL 391.1 million**, (+156.3% vs. 3Q20), with a gross margin of 46.6%, or (+1.7 p.p. vs. 3Q20)
- **EBITDA: BRL 325.1 million**, (+151.1% vs. 3Q20), with a margin of 38.7% or BRL 1.12/liter of ethanol sold
- **Net profit: BRL 250.6 million**, (+161.5% vs. 3Q20), with a margin of 29.9%
- **CAPEX: BRL 167.3 million**, almost entirely related to the expansion of the Sorriso Plant ("SRS Plant")
- **Finance activities:** Issuance in December 2020 of USD 550 million of five-year senior secured green notes ("Bond") and full repayment of outstanding project finance credit facility
- **Net debt: BRL 3,071.7 million**, or 3.32x EBITDA LTM, (-1.92x vs. 3Q20)

Financial highlights (in BRL thousands)	3Q20	3Q21	3Q21 vs 3Q20	9M20	9M21	9M21 vs 9M20
Net revenue	339,912	839,315	146.9%	816,430	2,111,239	158.6%
Gross profit	152,620	391,117	156.3%	354,572	898,846	153.5%
Gross margin	44.9%	46.6%	1.7 p.p.	43.4%	42.6%	(0.9 p.p.)
EBIT	117,646	307,483	161.4%	265,751	679,879	155.8%
EBIT margin	34.6%	36.6%	2.0 p.p.	32.6%	32.2%	(0.3 p.p.)
EBITDA	129,485	325,091	151.1%	295,528	739,956	150.4%
EBITDA margin	38.1%	38.7%	0.6 p.p.	36.2%	35.0%	(1.1 p.p.)
Net profit for the period	95,852	250,627	161.5%	81,392	315,911	288.1%
Net margin	28.2%	29.9%	1.7 p.p.	10.0%	15.0%	5.0 p.p.
EBITDA minus maintenance capex	123,800	325,099	162.6%	287,471	740,168	157.5%
Net debt	1,872,327	3,071,732	64.1%	1,872,327	3,071,732	64.1%
EBITDA (LTM)	357,006	924,667	159.0%	357,006	924,667	159.0%
Net debt / EBITDA (LTM)	5.24 x	3.32 x	(1.92 x)	5.24 x	3.32 x	(1.92 x)

## OPERATIONAL HIGHLIGHTS

Operational Highlights	3Q20	3Q21	3Q21 vs 3Q20	9M20	9M21	9M21 vs 9M20
<b>Corn crushed (tons)</b>	<b>320,325</b>	<b>659,967</b>	<b>106.0%</b>	<b>915,993</b>	<b>1,901,602</b>	<b>107.6%</b>
<b>Ethanol produced (m3) <sup>1</sup></b>	<b>133,616</b>	<b>280,305</b>	<b>109.8%</b>	<b>381,023</b>	<b>809,071</b>	<b>112.3%</b>
DDG Products produced (tons) <sup>2</sup>	120,124	237,590	97.8%	341,396	694,088	103.3%
Corn Oil produced (tons)	3,911	8,783	124.6%	11,174	25,022	123.9%
Ethanol sold (m3)	147,060	291,566	98.3%	356,672	800,909	124.6%
% volume anhydrous sold	63.3%	34.4%	(28.9 p.p.)	66.1%	36.9%	(29.2 p.p.)
DDG Products sold (tons)	121,864	232,492	90.8%	339,476	690,572	103.4%
Corn Oil sold (ton)	4,059	8,903	119.3%	11,237	24,987	122.4%
Energy sold (MWh)	17,638	45,687	159.0%	48,268	101,737	110.8%

<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 660 thousand tons of corn in 3Q21, an increase of 106.0% compared to the same period last year driven by the start-up of the new SRS Plant in February 2020.

In 3Q21, FS produced 280.3 thousand m3 of ethanol, an increase of 109.8% versus 3Q20, and sold 291.6 thousand m3 of ethanol, an increase of 98.3% versus 3Q20. In 3Q21, FS decreased the share of anhydrous ethanol sold by 28.9 p.p. compared to 3Q20.

After completion of the expansion 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

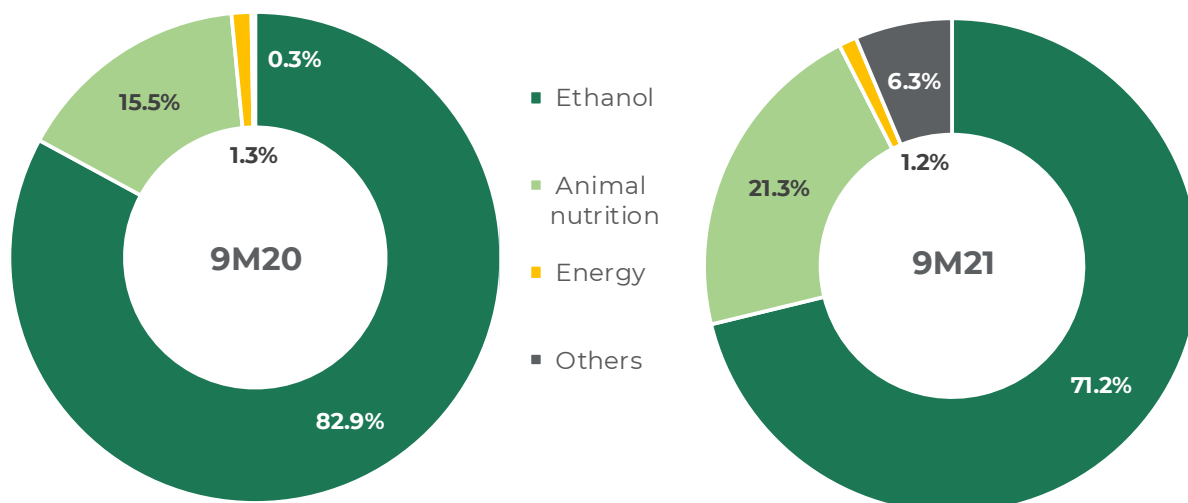
Net revenue (in BRL thousands)	3Q20	3Q21	3Q21 vs 3Q20	9M20	9M21	9M21 vs 9M20
<b>Ethanol segment</b>	<b>272,258</b>	<b>596,505</b>	<b>119.1%</b>	<b>642,308</b>	<b>1,381,660</b>	<b>115.1%</b>
Anhydrous ethanol	182,610	212,368	16.3%	442,568	534,642	20.8%
Hydrous ethanol	89,648	384,137	328.5%	199,740	847,018	324.1%
<b>Animal nutrition segment</b>	<b>44,344</b>	<b>168,008</b>	<b>278.9%</b>	<b>120,250</b>	<b>413,336</b>	<b>243.7%</b>
DDG High-protein	20,911	86,199	312.2%	57,112	215,864	278.0%
DDG High-fiber	11,302	32,493	187.5%	32,322	90,856	181.1%
Wetcake	5,065	9,986	97.2%	11,432	28,729	151.3%
Corn Oil	7,066	39,330	456.6%	19,384	77,886	301.8%
Energy co-generation segment	3,941	10,957	178.0%	10,076	22,497	123.3%
Other segment	916	1,143	24.7%	1,954	123,011	n.m.
<b>Total net revenue from segments</b>	<b>321,459</b>	<b>776,614</b>	<b>141.6%</b>	<b>774,588</b>	<b>1,940,504</b>	<b>150.5%</b>
Reclassification - Freight	18,453	62,701	239.8%	41,842	170,735	308.0%
<b>Net revenue</b>	<b>339,912</b>	<b>839,315</b>	<b>146.9%</b>	<b>816,430</b>	<b>2,111,239</b>	<b>158.6%</b>

### Total net revenue from segments

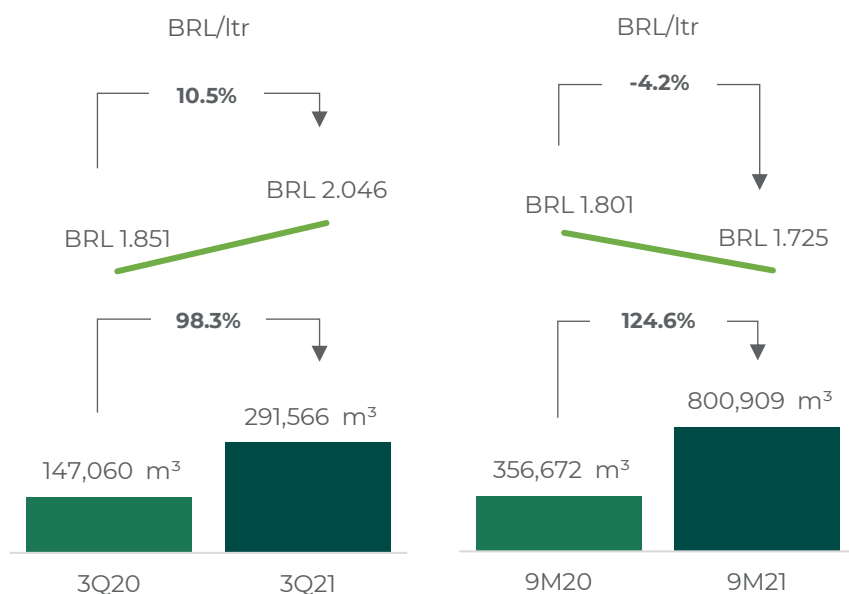
For management reporting purposes and for a better understanding and standardization of financial performance by product and segment, FS deducts from the revenue all logistics and freight expenses to determine net revenue by segment and product. With this view, the determination of net revenue per liter 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 3Q21, net revenue from segments totaled BRL 776.6 million, 141.6% higher than 3Q20, driven by the increase in production capacity due to the start-up of the SRS Plant in February 2020 and the improvement in net sales prices of ethanol and animal nutrition products.

### Net Revenue by Segment



## Ethanol Segment



(in BRL thousands)	3Q20	3Q21	3Q21 vs 3Q20	9M20	9M21	9M21 vs 9M20
<b>Ethanol segment</b>	<b>272,258</b>	<b>596,505</b>	<b>119.1%</b>	<b>642,308</b>	<b>1,381,660</b>	<b>115.1%</b>
Anhydrous ethanol	182,610	212,368	16.3%	442,568	534,642	20.8%
Hydrous ethanol	89,648	384,137	328.5%	199,740	847,018	324.1%
% volume anhydrous sold	67.1%	35.6%	(31.5 p.p.)	68.9%	38.7%	(30.2 p.p.)

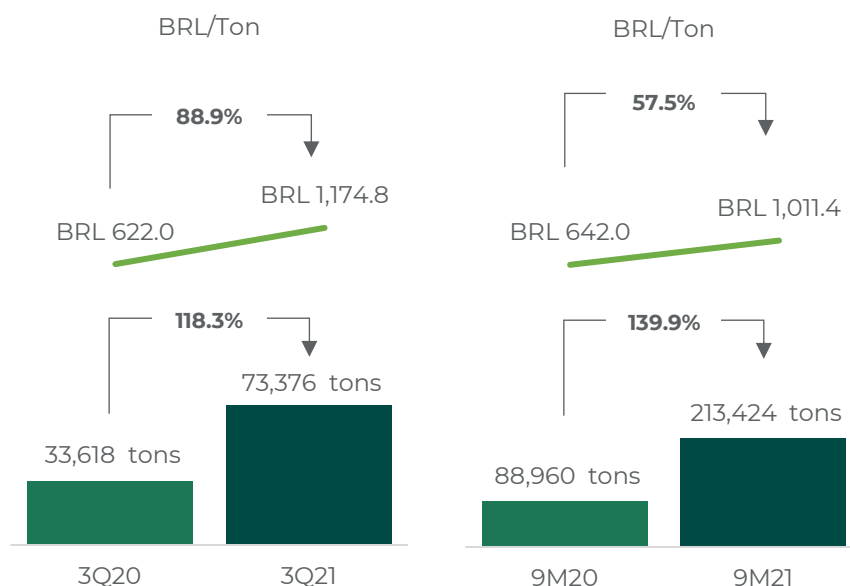
Net revenue from the ethanol segment totaled BRL 596.5 million in 3Q21, 119.1% higher than 3Q20. The average net sales price of ethanol in 3Q21 was BRL 2.046/liter, 10.5% higher than 3Q20. Additional highlights are: i) increase of 98.3% in sales volume versus 3Q20, a result of the start-up of SRS Plant, ii) increase of 30.1 p.p. in CIF sales versus 3Q20, and iii) the growth in the share of hydrous ethanol in the sales mix, mainly driven by the increase in sales to the southeast region by railway.

## Animal Nutrition Segment

(in BRL thousands)	3Q20	3Q21	3Q21 vs 3Q20	9M20	9M21	9M21 vs 9M20
<b>Animal nutrition segment (a)</b>	<b>44,344</b>	<b>168,008</b>	<b>278.9%</b>	<b>120,250</b>	<b>413,336</b>	<b>243.6%</b>
DDG High-protein	20,911	86,199	312.2%	57,112	215,864	278.0%
DDG High-fiber	11,302	32,493	187.5%	32,322	90,856	181.1%
Wetcake	5,065	9,986	97.2%	11,432	28,729	150.0%
Total DDGs	37,278	128,678	245.2%	100,866	335,449	232.4%
Corn Oil	7,066	39,330	456.6%	19,384	77,886	301.9%
<b>Production cost - corn (b)</b>	<b>130,008</b>	<b>319,921</b>	<b>146.1%</b>	<b>315,488</b>	<b>796,217</b>	<b>152.4%</b>
<b>Coverage rate (c) = (a / b)</b>	<b>34.1%</b>	<b>52.5%</b>	<b>18.4 p.p.</b>	<b>38.1%</b>	<b>51.9%</b>	<b>13.8 p.p.</b>

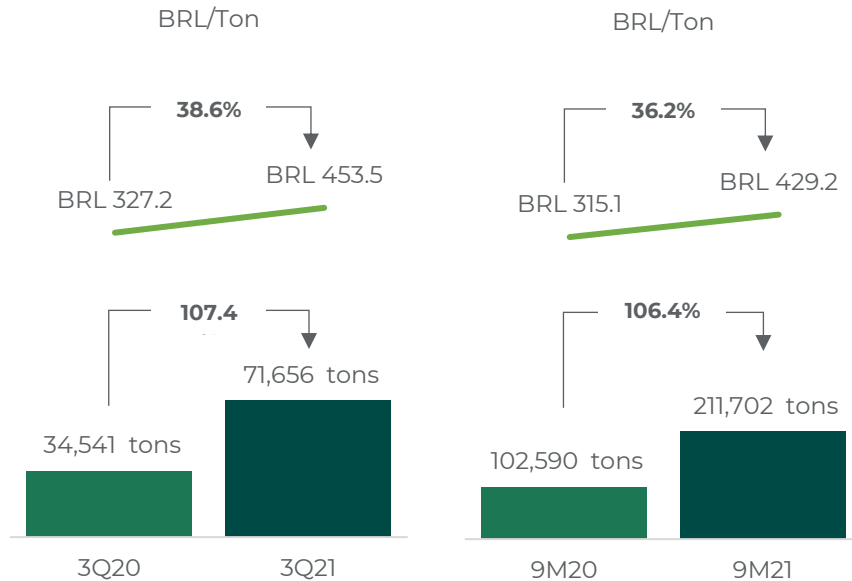
Net revenue from the animal nutrition segment totaled BRL 168.0 million in 3Q21, 278.9% higher than 3Q20 mainly driven by the start-up of SRS Plant and price increases. The price appreciation of substitute products (soybean complex and corn) was the key driver of price increases for our animal nutrition products. The coverage ratio of animal nutrition revenue compared to the cost of corn reached 52.5%, 18.4 p.p. higher than 3Q20. 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™



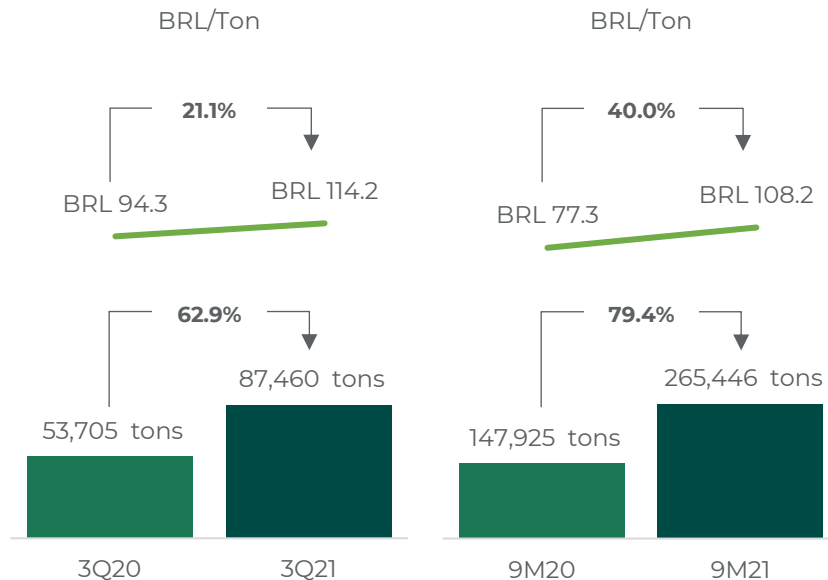
Net revenue from High Protein DDG totaled BRL 86.2 million in 3Q21, 312.2% higher than 3Q20, driven by the increase in volume and the increase in sales price. The net sales price of High Protein DDG in 3Q21 was BRL 1,174.8/ton, 88.9% higher than 3Q20. Volume increased 118.3% in 3Q21 versus 3Q20, due to the start-up of the SRS Plant in February 2020.

**High Fiber DDG**  
FS Ouro™



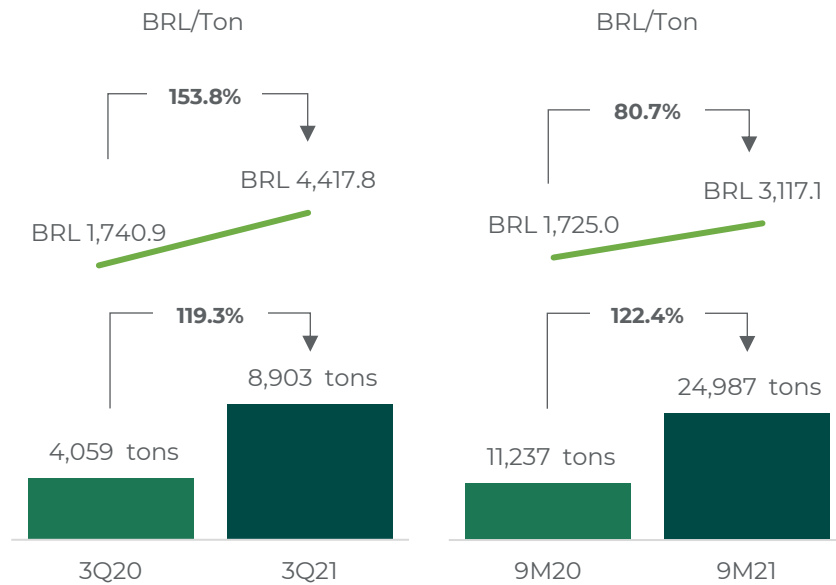
Net revenue from High Fiber DDG totaled BRL 32.5 million in 3Q21, 187.5% higher than 3Q20. The net sales price of DDG High Fiber in 3Q21 was BRL 453.5/ton, 38.6% higher than 3Q20. Volume increased 107.4% in 3Q21 versus 3Q20 due to the start-up of the SRS Plant in February 2020.

**Wetcake**  
FS Úmido™



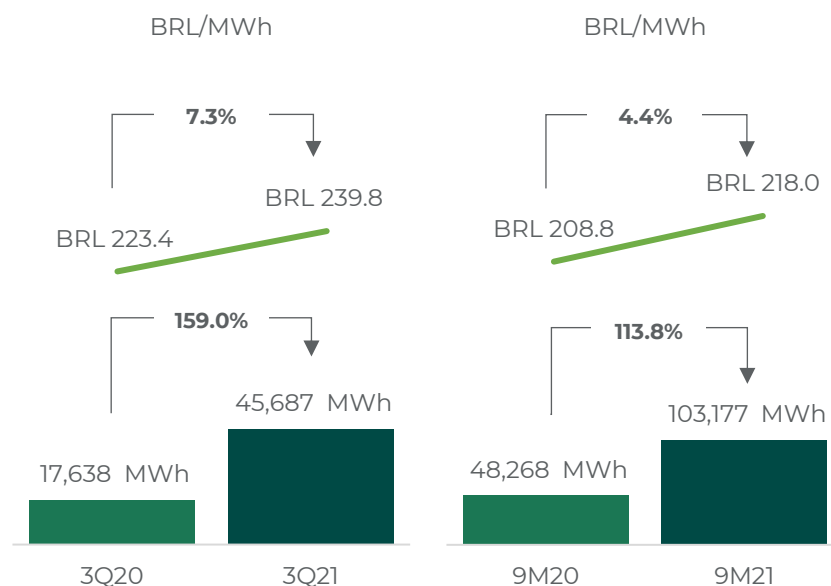
Net revenue from Wetcake totaled BRL 10.0 million in 3Q21, 97.2% higher than 3Q20. The net sales price of Wetcake in 3Q21 was BRL 114.2/ton, 21.1% higher than 3Q20. Volume increased 62.9% in 3Q21 versus 3Q20 due to the start-up of the SRS Plant in February 2020.

### Corn Oil FS Vital™



Net revenue from Corn Oil totaled BRL 39.3 million in 3Q21, 456.6% higher than 3Q20. The net sales price of corn oil in 3Q21 was BRL 4,417.8/ton, 153.8% higher than 3Q20, mainly due to the increase in the price of its substitute product (soybean oil). Volume increased 119.3% in 3Q21 versus 3Q20 due to the start-up of the SRS Plant in February 2020.

## Energy Cogeneration Segment



(in BRL thousands)	3Q20	3Q21	3Q21 vs 3Q20	9M20	9M21	9M21 vs 9M20
Energy co-generation segment	3,941	10,957	178.0%	10,076	22,497	123.3%

Net revenue from Energy Cogeneration totaled BRL 11.0 million in 3Q21, 178.0% higher than 3Q20. The net sales price of energy in 3Q21 was BRL 239.8/MWh, 7.3% higher than 3Q20. Volume increased 159.0% in 3Q21 versus 3Q20.

## Other Segment

Net revenue from the Other Segment, mostly represented in the 3Q21 by the sales of excess steam generated from the production process, totaled BRL 1.1 million, 24.7% higher than 3Q20.



## COST OF GOODS SOLD

Cost of Goods Sold (in BRL thousands)	3Q20	3Q21	3Q21 vs 3Q20	9M20	9M21	9M21 vs 9M20
<b>Variable cost (a)</b>	<b>(158,192)</b>	<b>(387,429)</b>	<b>144.9%</b>	<b>(388,375)</b>	<b>(971,131)</b>	<b>150.0%</b>
Costs of corn	(130,008)	(319,921)	146.1%	(315,488)	(796,217)	152.4%
Biomass costs	(16,651)	(43,052)	158.6%	(43,683)	(107,634)	146.4%
Chemicals and enzymes	(11,533)	(24,456)	112.1%	(29,204)	(67,280)	130.4%
<b>Fixed cost (b)</b>	<b>(27,361)</b>	<b>(56,989)</b>	<b>108.3%</b>	<b>(67,502)</b>	<b>(144,191)</b>	<b>113.6%</b>
Maintenance	(5,294)	(8,625)	62.9%	(13,732)	(19,956)	45.3%
Labor	(6,940)	(12,442)	79.3%	(17,905)	(36,564)	104.2%
Depreciation	(11,086)	(16,930)	52.7%	(27,611)	(57,281)	107.5%
Other production costs	(4,041)	(18,992)	370.0%	(8,254)	(30,390)	268.2%
<b>Cost of goods sold (c) = (a+b)</b>	<b>(185,553)</b>	<b>(444,418)</b>	<b>139.5%</b>	<b>(455,877)</b>	<b>(1,115,322)</b>	<b>144.7%</b>
<b>Cost of goods resold (d)</b>	<b>(1,739)</b>	<b>(3,780)</b>	<b>117.4%</b>	<b>(5,981)</b>	<b>(97,071)</b>	<b>1523.0%</b>
<b>Cost of goods sold (e) = (c+d)</b>	<b>(187,292)</b>	<b>(448,198)</b>	<b>139.3%</b>	<b>(461,858)</b>	<b>(1,212,393)</b>	<b>162.5%</b>
<b>Corn cost - in BRL per sac</b>	<b>22.75</b>	<b>28.79</b>	<b>26.5%</b>	<b>21.88</b>	<b>25.74</b>	<b>17.6%</b>
<b>Biomass cost - in BRL per m<sup>3</sup></b>	<b>53.71</b>	<b>60.92</b>	<b>13.4%</b>	<b>47.39</b>	<b>58.03</b>	<b>22.4%</b>

### Cost of goods sold (c)

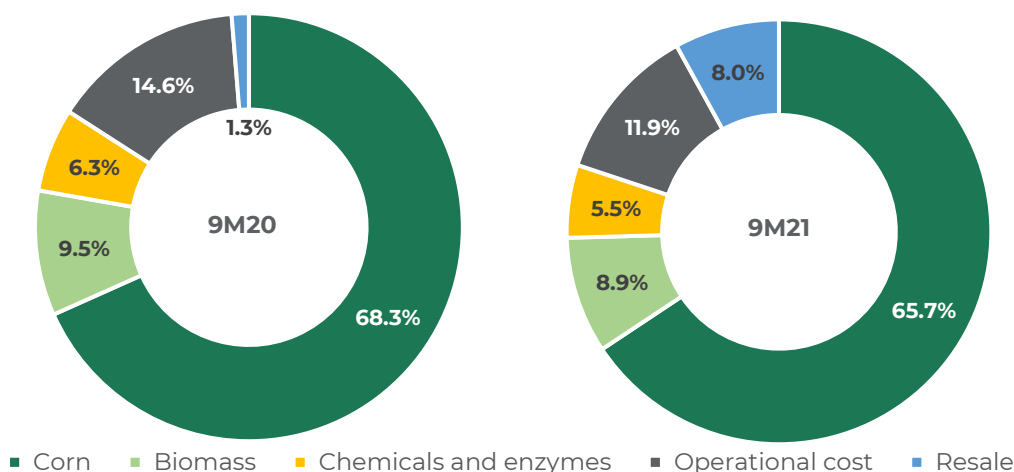
In 3Q21, the total cost of goods sold was BRL 444.4 million, 139.5% higher than 3Q20. The main reasons for the variation were:

- Corn cost: total cost of BRL 319.9 million, 146.1% higher than 3Q20, impacted by the increase in the volume of corn crushed from the start-up of the SRS Plant in February 2020 and the increase in the price of the commodity, resulting in an average cost of BRL 28.79/sac in 3Q21, versus BRL 22.75/sac in 3Q20, an increase of 26.5%; and
- Biomass cost: total cost of BRL 43.1 million, 151.6% higher than 3Q20, closing 3Q21 with an average cost of BRL 60.92/m<sup>3</sup>, versus BRL 53.71/m<sup>3</sup> in 3Q20, an increase of 13.4%.

### Cost of goods resold (d)

In 3Q21, the cost of goods resold was BRL 3.8 million, 117.4% higher than 3Q20, mainly related to the energy purchased.

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



## SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

<b>SG&amp;A expenses</b> <i>(in BRL thousands)</i>	<b>3Q20</b>	<b>3Q21</b>	<b>3Q21 vs 3Q20</b>	<b>9M20</b>	<b>9M21</b>	<b>9M21 vs 9M20</b>
Expenses with freight	(18,453)	(62,701)	239.8%	(41,842)	(170,735)	308.0%
Other selling expenses	(4,278)	(4,993)	16.7%	(8,859)	(16,558)	86.9%
General and administrative expenses	(12,244)	(15,809)	29.1%	(37,687)	(44,241)	17.4%
Other results	1	(131)	n.m.	(433)	12,567	n.m.
<b>Total expenses</b>	<b>(34,974)</b>	<b>(83,634)</b>	<b>139.1%</b>	<b>(88,821)</b>	<b>(218,967)</b>	<b>146.5%</b>
<i>% net revenue</i>	<i>10.3%</i>	<i>10.0%</i>	<i>(0.3 p.p.)</i>	<i>10.9%</i>	<i>10.4%</i>	<i>(0.5 p.p.)</i>

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

In 3Q21, selling, administrative and general expenses, and other results totaled BRL 83.6 million, an increase of 139.1% compared to 3Q20, and represented 10,0% of net revenue for the period, 0.3 p.p. below 3Q20. The main highlights were:

- i. Expenses with freight: Freight and logistics expenses were BRL 62.7 million in 3Q21, an increase of 239.8% above 3Q20, 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 this last quarter, CIF sales reached 62.2% in the Ethanol segment, an increase of 30.1 p.p. versus 3Q20. 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;
- ii. Other selling, administrative and general expenses, and other operating income: These three items represented a total expense of BRL 20.9 million in 3Q21, or 2.5% of net revenue in the period, a reduction of 2.4 p.p. compared to 3Q20, mainly due to the dilution of expenses with the start-up of the SRS Plant, consequently increasing net revenue; and
- iii. CBIOs (decarbonization credit from RenovaBio program): In 3Q21, FS recognized BRL 1.0 million in Other results of CBIOs sales.

## CORN ETHANOL PRODUCTION COST

Corn ethanol production cost (in BRL/liter)	3Q20	3Q21	3Q21 vs 3Q20	9M20	9M21	9M21 vs 9M20
<b>Total net cost (a)</b>	<b>(1.318)</b>	<b>(1.547)</b>	<b>17.4%</b>	<b>(1.322)</b>	<b>(1.375)</b>	<b>4.0%</b>
Cost of goods sold <sup>1</sup>	(1.262)	(1.524)	20.8%	(1.292)	(1.393)	7.8%
Selling, administrative and general expenses <sup>2</sup>	(0.136)	(0.083)	(38.9%)	(0.115)	(0.057)	(49.8%)
Depreciation and amortization <sup>3</sup>	0.081	0.060	(25.0%)	0.084	0.075	(11.1%)
Net revenue from animal nutrition and energy (b)	0.361	0.638	76.7%	0.342	0.539	57.4%
Ethanol production cost (c) = (a + b)	(0.956)	(0.909)	(5.0%)	(0.980)	(0.836)	(14.7%)
Maintenance CAPEX (d)	(0.043)	0.000	n.m.	(0.021)	0.000	n.m.
<b>Corn ethanol production cost (e) = (c + d)</b>	<b>(0.999)</b>	<b>(0.909)</b>	<b>(9.0%)</b>	<b>(1.001)</b>	<b>(0.836)</b>	<b>(16.5%)</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 3Q21, corn ethanol production cost was BRL 0.909 per liter, 9.0% lower than 3Q20. The main highlights were:

- i. 38.9% decrease in selling, administrative and general expenses per liter, mainly due to the dilution of expenses with the start-up of SRS Plant in February 2020;
- ii. 76.7 % increase in the contribution in BRL per liter of net revenue from the animal nutrition and energy cogeneration segments, reducing the corn ethanol production cost; and
- iii. Reduction in maintenance capex.

## NET FINANCE RESULTS

Net finance results (in BRL thousands)	3Q20	3Q21	3Q21 vs 3Q20	9M20	9M21	3M21 vs 3M20
Derivative	5,286	(9,740)	n.m.	(37,857)	109,214	n.m.
Realized	(37,459)	16,585	n.m.	(72,835)	102,776	n.m.
Unrealized	42,745	(26,325)	n.m.	34,978	6,438	(81.6%)
Finance income	3,120	16,691	435.0%	5,734	26,460	361.5%
Finance expenses	(34,521)	(141,363)	309.5%	(82,334)	(318,930)	287.4%
Foreign exchange rate variation	52,605	202,255	284.5%	(21,537)	(14,709)	(31.7%)
Realized	1,428	(595,401)	n.m.	2,537	(598,806)	n.m.
Unrealized	51,177	797,656	1458.6%	(24,074)	584,097	n.m.
Adjustment to present value	(3,898)	(4,937)	26.7%	(12,992)	(17,403)	34.0%
<b>Net finance results</b>	<b>22,592</b>	<b>62,906</b>	<b>178.4%</b>	<b>(148,986)</b>	<b>(215,368)</b>	<b>44.6%</b>

### Net finance results

In 3Q21, net finance costs were a gain of BRL 62.9 million, 178.4% higher than 3Q20. The main highlights were:

- i. Finance expenses: total finance expenses of BRL 141.4 million, 309.5% higher than 3Q20, due to the increase in gross debt in the period, mainly attributable to the increase in the Project Finance facility to fund the construction of SRS Plant and additional working capital loans to sustain growth; and
- ii. Foreign exchange variation: gain of BRL 202.3 million, reflecting the impact of the appreciation of 22.4% of BRL against the USD in 3Q21 vs 2Q21 on the Company's USD denominated debt, which BRL 595.4 million is realized loss due to the payment of the Project Finance and BRL 797.7 million is unrealized profit due to the Senior Secured Green Notes - Bond issuance (USD 550.0 million).

## NET INCOME

Net income (in BRL thousands)	3Q20	3Q21	3Q21 vs 3Q20	9M20	9M21	9M21 vs 9M20
<b>(loss) profit before income and social contribution taxes (a)</b>	<b>140,238</b>	<b>370,389</b>	<b>n.m.</b>	<b>116,765</b>	<b>464,511</b>	<b>297.8%</b>
Nominal rate	34.0%	34.0%	0.0%	34.0%	34.0%	0.0%
<b>Tax expense at nominal rate (b)</b>	<b>(47,681)</b>	<b>(125,932)</b>	<b>164.1%</b>	<b>(39,700)</b>	<b>(157,934)</b>	<b>297.8%</b>
Adjustment of income and social contribution taxes (c)	3,029	6,170	103.7%	9,945	9,334	(6.1%)
<b>Tax and social contribution before tax incentive (d) = (b + c)</b>	<b>(44,652)</b>	<b>(119,762)</b>	<b>168.2%</b>	<b>(29,755)</b>	<b>(148,600)</b>	<b>399.4%</b>
Current tax	(389)	-	n.m.	9,483	-	n.m.
Deferred tax	(44,263)	(119,762)	170.6%	(39,238)	(148,600)	278.7%
<b>Tax incentives (e)</b>	<b>266</b>	<b>-</b>	<b>n.m.</b>	<b>(5,618)</b>	<b>-</b>	<b>n.m.</b>
<b>Income tax and social contribution (f) = (d + e)</b>	<b>(44,386)</b>	<b>(119,762)</b>	<b>168.2%</b>	<b>(35,373)</b>	<b>(148,600)</b>	<b>320.1%</b>
Effective rate	31.7%	32.3%	0.5 p.p.	30.3%	32.0%	1.7 p.p.
<b>Net profit of the period (g) = (a + f)</b>	<b>95,852</b>	<b>250,627</b>	<b>161.5%</b>	<b>81,392</b>	<b>315,911</b>	<b>288.1%</b>

### Tax and social contribution

In 3Q21, income tax and social contribution totaled BRL 119.8 million, with an effective rate of 32.3%, 0.5 p.p. higher than 3Q20, 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 Lucas do Rio Verde Plant ("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. In December 2020, the Company also obtained the benefit for the SRS Plant, which will be valid for a period of 10 years, starting in 2021.

### Net profit of the period

In 3Q21, FS recorded a profit of BRL 250.6 million, compared to a profit of BRL 95.9 million in 3Q20, driven by i) higher revenue due higher selling prices and volume by the start-up of SRS Plant, and ii) positive impact of foreign exchange variation on USD-denominated debt.

### Ownership structure

On November 6<sup>th</sup>, a subscription of new class of preferred quotas from members of management occurred. The Company's quotaholders after this subscription are Summit Brazil Renewables I LLC (Summit) with 71.22%, Tapajós Participações S.A. with 23.74%, and preferred quotaholders with 5.04%.

### Dividends

The Company has a practice of not distributing 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 did not declare dividends in 3Q21.

**Subsequent event:** In January 2021, the Company declared dividends related to tax distributions totaling BRL 48.2 million.

## CAPEX

CAPEX (in BRL thousands)	3Q20 <sup>1</sup>	3Q21 <sup>1</sup>	3Q21 vs 3Q20	9M20 <sup>1</sup>	9M21 <sup>1</sup>	9M21 vs 9M20
<b>Property, Plant, and Equipment - beginning of period (a)</b>	<b>1,568,700</b>	<b>2,621,496</b>	<b>67.1%</b>	<b>948,240</b>	<b>2,190,785</b>	<b>131.0%</b>
Capex: (d) = (b + c)	350,899	167,311	(52.3%)	1,001,721	644,735	(35.6%)
Growth capex <sup>2</sup> (b)	345,214	167,319	(51.5%)	993,663	644,946	(35.1%)
Maintenance capex <sup>3</sup> (c)	5,685	(8)	n.m.	8,057	(211)	n.m.
Depreciation (e)	(10,821)	(23,527)	117.4%	(41,182)	(70,240)	70.6%
<b>Property, Plant, and Equipment - end of period (f) = (a + d + e)</b>	<b>1,908,778</b>	<b>2,765,280</b>	<b>44.9%</b>	<b>1,908,778</b>	<b>2,765,280</b>	<b>44.9%</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 3Q21, capex totaled BRL 167.3 million, a decrease of 52.3% versus 3Q20, mostly related to the expansion of the SRS Plant. The Company expects to invest approximately BRL 175.3 million in growth capex in the next two quarters to conclude the expansion of the SRS Plant scheduled for March 2021.

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

Reconciliation of EBITDA (in BRL thousands)	3Q20	3Q21	3Q21 vs 3Q20	9M20	9M21	9M21 vs 9M20
<b>Net revenue</b>	<b>339,912</b>	<b>839,315</b>	<b>146.9%</b>	<b>816,430</b>	<b>2,111,239</b>	<b>158.6%</b>
<b>(Loss)/profit for the period</b>	<b>95,852</b>	<b>250,627</b>	<b>161.5%</b>	<b>81,392</b>	<b>315,911</b>	<b>288.1%</b>
(+) Finance costs	48,170	163,751	239.9%	170,767	371,764	117.7%
(-) Finance income	(18,157)	(24,402)	34.4%	(43,318)	(171,105)	295.0%
(+) Foreign exchange rate variations, net	(52,605)	(202,255)	284.5%	21,537	14,709	(31.7%)
(+) Income tax and social contribution	44,386	119,762	169.8%	35,373	148,600	320.1%
<b>EBIT</b>	<b>117,646</b>	<b>307,483</b>	<b>161.4%</b>	<b>265,751</b>	<b>679,879</b>	<b>155.8%</b>
(+) Depreciation and amortization	11,839	17,608	48.7%	29,777	60,078	101.8%
<b>EBITDA</b>	<b>129,485</b>	<b>325,091</b>	<b>151.1%</b>	<b>295,528</b>	<b>739,957</b>	<b>150.4%</b>
(-) Maintenance Capex	5,685	(8)	(100.1%)	8,057	(211)	(102.6%)
<b>EBITDA Minus Maintenance Capex</b>	<b>123,800</b>	<b>325,099</b>	<b>162.6%</b>	<b>287,471</b>	<b>740,168</b>	<b>157.5%</b>
EBITDA Margin	38.1%	38.7%	0.6 p.p.	36.2%	35.0%	(1.1 p.p.)
EBIT Margin	34.6%	36.6%	2.0 p.p.	32.6%	32.2%	(0.3 p.p.)

## DEBT

Indebtedness (in BRL thousands)	3Q20	3Q21	3Q21 vs 3Q20
Senior Secured Green Notes - Bond <sup>1</sup>	-	2,824,658	n.m.
CPRF (Cédula de produtor rural financeira) <sup>2</sup>	-	2,825,981	n.m.
TRS (Total return swap) <sup>3</sup>	-	(2,824,105)	n.m.
Project Finance	1,649,109	-	n.m.
Certificate of Agribusiness Receivables (CRA)	-	198,341	n.m.
Certificate of Real Estate Receivables (CRI)	-	118,234	n.m.
Other working capital lines	431,876	593,059	37.3%
<b>Gross debt <sup>4</sup></b>	<b>2,080,985</b>	<b>3,736,168</b>	<b>79.5%</b>
Total cash (a) <sup>5</sup>	208,658	3,488,540	n.m.
TRS (Total return swap) (b) <sup>3</sup>	-	(2,824,105)	n.m.
<b>Total cash (c) = (a)+(b)</b>	<b>208,658</b>	<b>664,435</b>	<b>218.4%</b>
<b>Net debt</b>	<b>1,872,327</b>	<b>3,071,732</b>	<b>64.1%</b>
Net debt / EBITDA (LTM)	5.24 x	3.32 x	(1.92 x)
EBITDA (LTM)	357,006	924,667	159.0%

<sup>1</sup> Issuance of USD 550.0 million Senior Secured Green Notes - Bond - Notes by the subsidiary FS Luxembourg s.à.r.l., ("FS Lux").

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

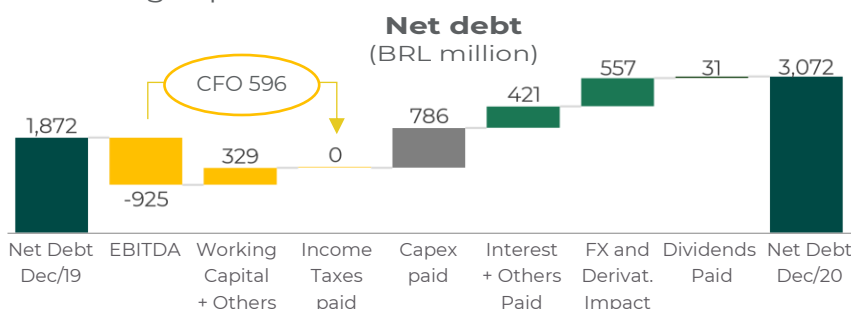
<sup>3</sup> Acquisition of rights over a TRS (Total Return Swap) of USD 540.9 million - The TRS is a financial instrument agreement between FS Lux and a financial institution that mirrors the terms and cash flows of the CPRF issued by FS. The TRS amount is fully deducted from the Gross Debt in order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

<sup>4</sup> Related party debt not included.

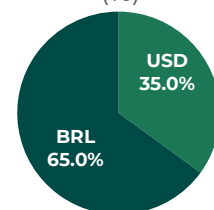
<sup>5</sup> Includes cash and cash equivalents, financial investments, and restricted cash (short-term and long-term).

At the end of 3Q21, total gross debt reached BRL 3,736.2 million and total cash closed at BRL 664.4 million, resulting in a net debt of BRL 3,071.7 million, 64.1% higher than 3Q20. The increase in net debt was driven by: (i) new Project Finance lines to fund the construction of SRS Plant; (ii) the impact of the currency devaluation in USD denominated debt; (iii) other additional working capital loans to support growth; and (iv) the issuance of the Bond, on December 15<sup>th</sup>, 2020 of USD 550.0 million, used to prepay the outstanding Project Finance Debt. FS fully swapped (principal plus interest) USD 300.0 million into BRL, maintaining exposure in USD for only USD 250.0 million of the Bond. The Bond matures in December 2025.

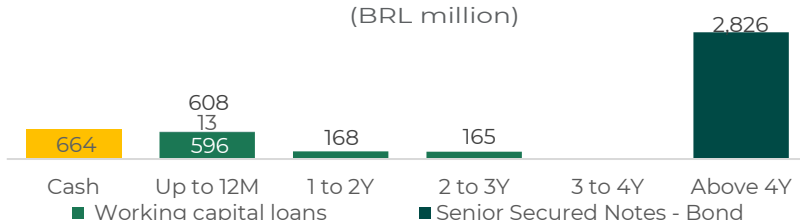
**Subsequent event:** In January 2021, FS re-opened the Bond for an additional issuance of USD 50.0 million, fully hedged (principal plus interest) to BRL, to prepay existing working capital loans.



**Gross debt by currency (%)**

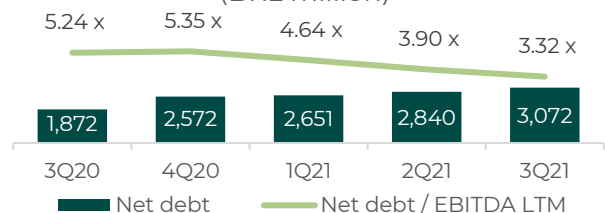


**Debt amortization schedule <sup>6</sup> (BRL million)**



<sup>6</sup> does not include the impact of transaction costs.

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





## **CONTROLLED COMPANIES**

FS has one controlled company, which is the wholly owned subsidiary FS Lux, established on September 8<sup>th</sup>, 2020 with the exclusive purpose of issuing international debt securities.

## **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.



## STATEMENT OF INCOME

Statement of income (in BRL thousands)	3Q20	3Q21	3Q21 vs 3Q20	9M20	9M21	9M21 vs 9M20
<b>Revenue from segments</b>						
Segment - Ethanol	272,258	596,505	119.1%	642,308	1,381,660	115.1%
Segment - Animal nutrition	44,344	168,008	278.9%	120,250	413,336	243.7%
Segment - Energy co-generation	3,941	10,957	178.0%	10,076	22,497	123.3%
Segment - Others	916	1,143	24.7%	1,954	123,011	n.m.
<b>Total revenue from segments</b>	<b>321,459</b>	<b>776,614</b>	<b>141.6%</b>	<b>774,588</b>	<b>1,940,504</b>	<b>150.5%</b>
Reclassification - Freight	18,453	62,701	239.8%	41,842	170,735	308.0%
<b>Net revenue</b>	<b>339,912</b>	<b>839,315</b>	<b>146.9%</b>	<b>816,430</b>	<b>2,111,239</b>	<b>158.6%</b>
Cost of goods sold	(187,292)	(448,198)	139.3%	(461,859)	(1,212,393)	162.5%
<b>Gross profit</b>	<b>152,620</b>	<b>391,117</b>	<b>156.3%</b>	<b>354,571</b>	<b>898,846</b>	<b>153.5%</b>
Gross margin	44.9%	46.6%	1.7 p.p.	43.4%	42.6%	(0.8 p.p.)
Selling, general & administrative expense	(34,974)	(83,634)	139.1%	(88,821)	(218,967)	146.5%
<b>EBIT</b>	<b>117,646</b>	<b>307,483</b>	<b>161.4%</b>	<b>265,751</b>	<b>679,879</b>	<b>155.8%</b>
EBIT margin	34.6%	36.6%	2.0 p.p.	32.6%	32.2%	(0.3 p.p.)
Depreciation and amortization	11,839	17,608	48.7%	29,777	60,078	101.8%
<b>EBITDA</b>	<b>129,485</b>	<b>325,091</b>	<b>151.1%</b>	<b>295,529</b>	<b>739,957</b>	<b>150.4%</b>
EBITDA margin	38.1%	38.7%	0.6 p.p.	36.2%	35.0%	(1. p.p.)
Net finance costs	22,592	62,906	178.4%	(148,986)	(215,368)	44.6%
<b>Profit before tax</b>	<b>140,238</b>	<b>370,389</b>	<b>164.1%</b>	<b>116,765</b>	<b>464,511</b>	<b>297.8%</b>
Tax	(44,386)	(119,762)	169.8%	(35,373)	(148,600)	320.1%
<b>Net profit for the period</b>	<b>95,852</b>	<b>250,627</b>	<b>161.5%</b>	<b>81,392</b>	<b>315,911</b>	<b>288.1%</b>
Net margin	28.2%	29.9%	1.7 p.p.	10.0%	15.0%	5.0 p.p.

## STATEMENTS OF FINANCIAL POSITION

Statements of financial position (in BRL thousands)	3Q20	3Q21	3T21 vs 3T20
Cash and cash equivalents	18,772	593,832	3063.3%
Financial investments	129,222	13,540	(89.5%)
Restricted cash	60,664	70,528	16.3%
Trade and other receivables	72,329	120,590	66.7%
Inventories	428,359	781,916	82.5%
Advances to suppliers	58,464	24,904	(57.4%)
Income tax and social contribution	2,363	2,589	9.6%
Recoverable taxes	52,797	133,168	152.2%
Prepaid expenses	3,559	7,423	108.6%
Biological assets	-	19,462	n.m.
Derivative financial instrument	14,863	10,723	(27.9%)
Other credits	14,313	964	(93.3%)
<b>Total current assets</b>	<b>855,705</b>	<b>1,779,639</b>	<b>108.0%</b>
Financial investments	-	2,810,640	n.m.
Biological assets	-	4,509	n.m.
Judicial deposits	3,354	3,571	6.5%
Advances to suppliers	9,106	12,968	42.4%
<b>Total long-term assets</b>	<b>12,460</b>	<b>2,831,688</b>	<b>22626.2%</b>
Investments	-	-	n.m.
Property, plant and equipment	1,908,778	2,765,280	44.9%
Intangible assets	5,997	9,544	59.1%
<b>Total non-current assets</b>	<b>1,927,235</b>	<b>5,605,512</b>	<b>190.9%</b>
<b>Total Assets</b>	<b>2,782,940</b>	<b>7,386,151</b>	<b>165.4%</b>
Trade payables	243,743	398,013	63.3%
Loans	412,957	867,389	110.0%
Advances from customers	46,459	28,131	(39.4%)
Lease payables	-	199	n.m.
Income tax and social contribution	226	-	n.m.
Taxes and contributions payable	16,067	4,145	(74.2%)
Payroll and related changes	14,434	22,437	55.4%
Derivative financial instruments	3,158	15,709	397.4%
<b>Total current liabilities</b>	<b>737,044</b>	<b>1,336,023</b>	<b>81.3%</b>
Trade payables	9,170	46,599	408.2%
Lease payables	-	15,262	n.m.
Loans	1,668,028	5,692,883	241.3%
Loans with related parties	64,559	461	(99.3%)
Other non-current liabilities	23,685	30,531	28.9%
Deferred taxes liabilities	41,764	32,832	(21.4%)
<b>Total non-current liabilities</b>	<b>1,807,206</b>	<b>5,818,568</b>	<b>222.0%</b>
Capital	83,381	87,806	5.3%
Capital reserve	6,345	112	(98.2%)
Tax incentive reserve	28,395	95,424	236.1%
Accumulated gains / (losses)	120,569	48,218	(60.0%)
<b>Total equity</b>	<b>238,690</b>	<b>231,560</b>	<b>(3.0%)</b>
<b>Total liabilities and equity</b>	<b>2,782,940</b>	<b>7,386,151</b>	<b>165.4%</b>

## STATEMENTS OF CASH FLOW

Statement of cash flow (in BRL thousands)	9M20	9M21	9M21 vs 9M20
<b>Net profit/ (loss) for the period</b>	<b>81,392</b>	<b>315,911</b>	<b>288.1%</b>
Adjustment for:			
Depreciation and amortization	29,777	60,078	101.8%
Current and deferred income tax, net of tax incentives	35,373	148,600	320.1%
Adjustment to present value - loans, trade payables and receivable and leasing	(4,420)	(11,443)	158.9%
Provision for interest on loans	54,864	215,850	293.4%
Provision for interest on loans with related parties	4,003	5,159	28.9%
Adjustment to fair value - derivatives	(34,978)	(5,124)	(85.3%)
Adjustment to fair value - Bearer plant (bamboo)	-	(13,547)	n.m.
Income from financial investments	-	(13,465)	n.m.
Expected losses on credit	30	(447)	(1588.5%)
Foreign exchange rate gains or losses	24,074	(584,116)	(2526.3%)
Changes in:			
Trade receivables	(37,980)	(21,283)	(44.0%)
Inventories	(305,708)	(476,740)	55.9%
Advances to suppliers	(53,871)	30,905	n.m.
Recoverables taxes	(31,838)	(50,451)	48.7%
Trade payables	76,889	203,264	164.4%
Advance from customers	35,672	(1,195)	n.m.
Payroll and related charges	8,694	(1,448)	n.m.
Taxes and contributions payable	19,117	(22,194)	n.m.
Others	(16,352)	(1,350)	n.m.
Interest and charges paid	(58,680)	(243,088)	(314.3%)
Income tax paid	(8,442)	-	n.m.
<b>Net cash from operation (used in) activities (a)</b>	<b>(182,384)</b>	<b>(466,125)</b>	<b>155.6%</b>
<b>Cash flow from investing activities</b>			
Acquisition of property, plant and equipment	(872,364)	(507,690)	(41.8%)
Biologic assets	-	5,166	n.m.
Interest charges paid over capitalized loans	(30,275)	(55,060)	81.9%
Acquisition of intangible assets	(4,070)	(6,191)	52.1%
Investments in parent company	-	(79)	n.m.
Financial investments	(112,408)	(2,697,772)	n.m.
Restricted deposits	(38,202)	(28,066)	(26.5%)
<b>Net cash used in investing activities (b)</b>	<b>(1,057,319)</b>	<b>(3,289,692)</b>	<b>211.1%</b>
<b>Cash flow from financing activities</b>			
Loans	1,341,886	6,368,059	374.6%
Loans paid to related parties	(48,133)	(47,586)	(1.1%)
Repayment of loans	(46,391)	(2,279,823)	n.m.
Lease paid	(170)	(4,193)	n.m.
Receipt (payment) of derivative financial instruments	-	(1,315)	n.m.
Capital increase	-	4,504	n.m.
<b>Net cash from financing activities (c)</b>	<b>1,247,192</b>	<b>4,039,647</b>	<b>223.9%</b>
<b>Increase in cash and cash equivalents (d) = (a+b+c)</b>	<b>7,489</b>	<b>283,831</b>	<b>3690.0%</b>
Cash and cash equivalents at the beginning of the period	11,283	310,001	2647.5%
<b>Cash and cash equivalents at the end of the period</b>	<b>18,772</b>	<b>593,832</b>	<b>3063.4%</b>