



AUGUST 26th, 2024

1Q25 EARNINGS RELEASE



Earnings Release 1Q25

August 26th, 2024

Periods Definition
 1Q24: April to June 2023
 1Q25: April to June 2024

Lucas do Rio Verde – MT, August 26th, 2024 – FS Indústria de Biocombustíveis Ltda (“FS Ltda”) and FS 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, also active in corn and ethanol marketing, announce their results for the first quarter (“1Q25”) of the fiscal year 2025 (“FY25”), ended June 30th, 2024. 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, presented in a managerial format.

1Q25 HIGHLIGHTS

- **Net revenue: BRL 2,037.8 million (+11.9%).**
- **EBITDA: BRL 398.9 million (+5.8%)** or BRL 0.756/liter of ethanol sold, with margin of 19.6% (-1.1 p.p.).
- **Net loss: BRL 40.3 million, with -2.0% margin.**
- **Capex: BRL 71.0 million, of which BRL 67.8 million in growth capex.**
- **Net debt: BRL 6,414.8 million, or 7.39x LTM EBITDA, (+4.99x versus 1Q24).**
 - As of August 26th, 2024, we had USD 101.3 million of principal outstanding in our Green Bond 2025 and USD 500.0 million in our Green Bond 2031.

Financial highlights (in BRL thousands)	1Q24	1Q25	1Q25 vs 1Q24
Net revenue	1,821,550	2,037,842	11.9%
Cost of goods sold	(1,253,625)	(1,386,941)	10.6%
Gross profit	567,925	650,901	14.6%
Gross margin	31.2%	31.9%	0.8 p.p.
Selling, general & administrative expense	(262,212)	(352,041)	34.3%
Other results	23,483	33,066	40.8%
EBIT	329,196	331,926	0.8%
EBIT margin	18.1%	16.3%	(1.8) p.p.
Depreciation and amortization	47,906	66,974	39.8%
EBITDA	377,102	398,900	5.8%
EBITDA margin	20.7%	19.6%	(1.1) p.p.
EBITDA BRL/liter	0.957	0.756	(21.0)%
Net profit (loss)	34,004	(40,286)	n.m.
Net margin	1.9%	(2.0)%	(3.8) p.p.
EBITDA minus maintenance capex	370,538	395,734	6.8%
Net debt	5,034,357	6,414,758	27.4%
EBITDA (LTM)	2,093,203	867,990	(58.5)%
Net debt/EBITDA (LTM)	2.41 x	7.39 x	4.99 x

OPERATIONAL HIGHLIGHTS

Operational Highlights	1Q24	1Q25	1Q25 vs 1Q24
Corn crushed (tons)	1,054,966	1,308,510	24.0%
Biomass Consumption (m ³)	899,607	1,069,045	18.8%
Ethanol produced ¹ (m ³)	452,613	573,007	26.6%
Ethanol production yield ² (liter/ton)	424.0	434.0	2.3%
DDG Products produced ³ (tons)	387,853	471,470	21.6%
Corn Oil produced (tons)	16,384	22,157	35.2%
CBIOS issued (units)	365,695	430,832	17.8%
Ethanol sold (m ³)	394,045	527,653	33.9%
% volume anhydrous sold	59.6%	47.6%	(12.0) p.p.
DDG Products sold (tons)	370,342	479,093	29.4%
Corn Oil sold (tons)	15,454	21,549	39.4%
CBIOS sold (units)	754,559	430,832	(42.9)%
Total Volume Corn Marketing (tons)	497,650	341,721	(31.3)%
Energy sold (MWh)	48,048	91,363	90.1%

¹ Production of anhydrous ethanol and hydrous ethanol combined.

² Total anhydrous ethanol produced converted into liters and divided by the total volume of corn crushed in tons.

³ Considers the sum of the products: DDG High protein, DDG High fiber and Wetcake.

The Company processed 1,308.5 thousand tons of corn in 1Q25, an increase of 24.0% compared to the 1Q24, mainly driven by the start-up of our third plant in Primavera do Leste ("PDL Plant") in early May'23.

The consumption of biomass in 1Q25 reached 1,069.0 thousand m³, an increase of 18.8% versus 1Q24.

In 1Q25, FS produced 573.0 thousand m³ of ethanol, an increase of 26.6% versus 1Q24. In the quarter, we sold 527.7 thousand m³ of ethanol, an increase of 33.9% versus 1Q24. The share of anhydrous ethanol sold decrease by 12.0 p.p. compared to 1Q24.

Additionally, we issued 430.8 thousand units of CBIOS in 1Q25, an increase of 17.8% versus 1Q24; and sold 430.8 thousand units of CBIOS in 1Q25, a decrease of 42.9% versus 1Q24.

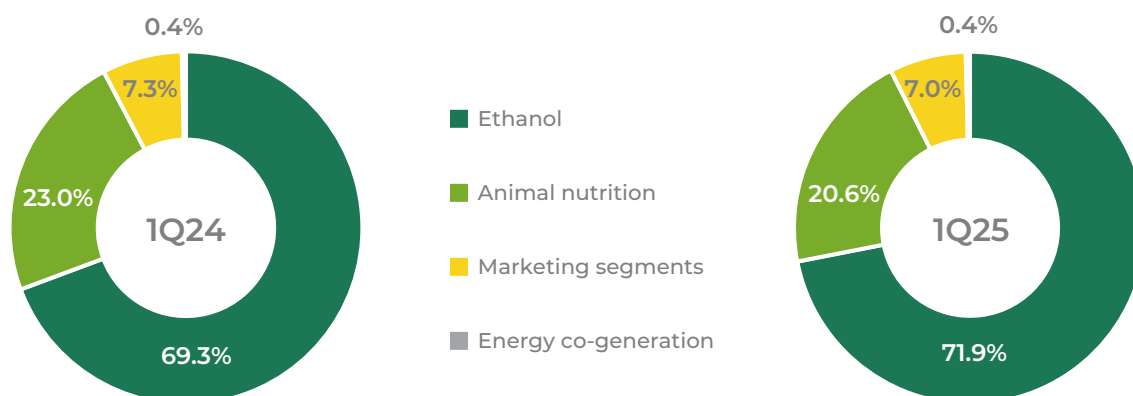
Finally, in 1Q25, FS sold 479.1 thousand tons of DDG products, an increase of 29.4% versus 1Q24 and 21.5 thousand tons of corn oil, an increase of 39.4% versus 1Q24.

NET REVENUE

Net revenue (in BRL thousands)	1Q24	1Q25	1Q25 vs 1Q24
Ethanol segment	1,117,041	1,276,532	14.3%
Anhydrous	694,899	643,710	(7.4)%
Hydrous	422,142	632,822	49.9%
Animal nutrition segment	370,132	366,287	(1.0)%
High-protein	156,563	157,633	0.7%
High-fiber	93,017	77,371	(16.8)%
Wetcake	59,553	53,161	(10.7)%
Corn Oil	60,999	78,122	28.1%
Energy segment	5,956	6,843	14.9%
Energy	4,580	5,495	20.0%
Steam	1,376	1,348	(2.0)%
Total net revenue from industrial segments (a)	1,493,129	1,649,662	10.5%
Corn marketing	114,958	72,849	(36.6)%
Ethanol marketing	—	47,313	n.m.
Energy marketing	3,380	4,855	43.6%
Total net revenue from marketing segments (b)	118,338	125,017	5.6%
Total net revenue from segments¹ (c) = (a) + (b)	1,611,467	1,774,679	10.1%
Reclassification - Freight on sales (d)	210,083	263,163	25.3%
Net revenue (f) = (c) + (d)	1,821,550	2,037,842	11.9%

¹ 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.

Total net revenue from segments (c)

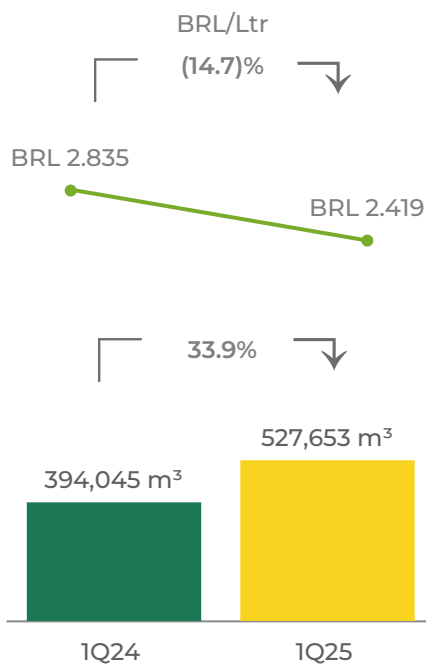


Total net revenue from industrial segments (a)

In 1Q25, net revenue from industrial segments totaled BRL 1,649.7 million, 10.5% higher than 1Q24, mainly driven by an increase in production capacity due to the start-up of PDL Plant, partially offset by lower ethanol and animal nutrition net sales prices. Details for the industrial segments are presented on following pages.



Ethanol Segment



(in BRL thousands)	1Q24	1Q25	1Q25 vs 1Q24
Ethanol segment	1,117,041	1,276,532	14.3%
Anhydrous	694,899	643,710	(7.4)%
Hydrous	422,142	632,822	49.9%
% volume anhydrous sold	59.6%	47.6%	(12.0) p.p.

Net revenue from the ethanol segment totaled BRL 1,276.5 million in 1Q25, 14.3% higher than 1Q24.

The average net sales price of ethanol in 1Q25 was BRL 2.419/liter, 14.7% lower than 1Q24, while the average ESALQ hydrous net price in 1Q25 was BRL 2.337/liter, 13.3% lower than 1Q24, mainly driven by the reduction of ethanol pump parity versus gasoline. FS' ethanol net sales price was BRL 0.084/liter higher than ESALQ hydrous in the 1Q25.

Compared to 4Q24, the average net sales price of ethanol increased 16.7%, or BRL 0.347/liter, mainly driven by a recovery in pump parity over the period, from 61.0% in 4Q24 to 67.1% in 1Q25.

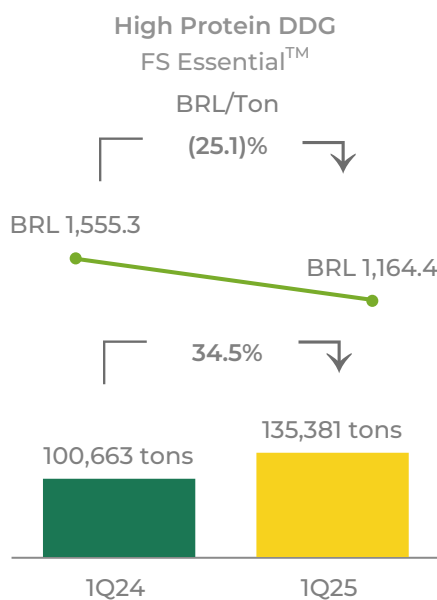


Animal Nutrition Segment

(in BRL thousands)	1Q24	1Q25	1Q25 vs 1Q24
Animal nutrition segment (a)	370,132	366,287	(1.0)%
High-protein	156,563	157,633	0.7%
High-fiber	93,017	77,371	(16.8)%
Wetcake	59,553	53,161	(10.7)%
Total DDGs	309,133	288,165	(6.8)%
Corn Oil	60,999	78,122	28.1%
P&L corn marketing (b)	48,243	25,806	(46.5)%
Net revenue - corn marketing	114,958	72,849	(36.6)%
Production cost - corn marketing	(66,715)	(47,043)	(29.5)%
Production cost - corn (c)	972,008	975,448	0.4%
Coverage ratio (d) = (a + b) / (c)	43.0%	40.2%	(2.8) p.p.

Net revenue from the animal nutrition segment totaled BRL 366.3 million in 1Q25, 1.0% lower than 1Q24, mainly driven by increased volumes after the start-up of PDL Plant, offset by price decreases driven by lower prices of substitute products (corn, soybean meal or soybean oil).

Coverage ratio reached 40.2% in 1Q25, 2.8 p.p. lower than 1Q24, but 9.3 p.p. higher than 4Q24.





High Fiber DDG

FS Ouro™

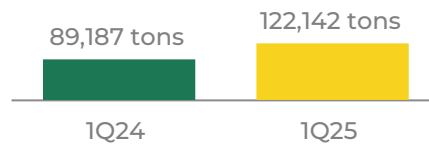
BRL/Ton

(39.3)%

BRL 1,042.9

BRL 633.5

37.0%



Wetcake

FS Úmido™

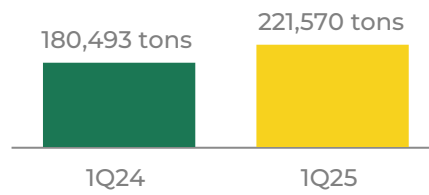
BRL/Ton

(27.3)%

BRL 329.9

BRL 239.9

22.8%



Corn Oil

FS Vital™

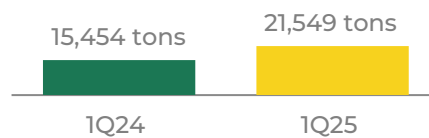
BRL/Ton

(8.2)%

BRL 3,947.0

BRL 3,625.3

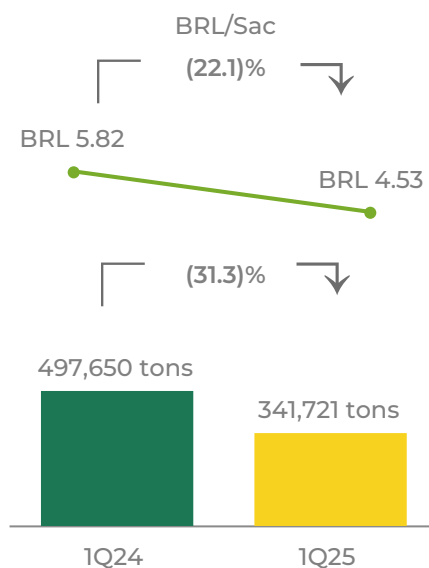
39.4%



Total net revenue from marketing segments (b)

In 1Q25, net revenue from marketing segments totaled BRL 125.0 million, 5.6% higher than 1Q24, mainly driven by net revenue from ethanol marketing, partially offset by lower net revenue from corn marketing.

Corn Marketing



(in BRL thousands)	1Q24	1Q25	1Q25 vs 1Q24
Net revenue corn marketing (a)	114,958	72,849	(36.6)%
Cost of goods resold corn marketing w/out MTM (b)	(99,794)	(63,713)	(36.2)%
P&L corn marketing (w/out MTM) (c) = (a) + (b)	15,164	9,136	(39.8)%
Volume corn marketing invoiced (tons) (d)	160,125	109,630	(31.5)%
Spread per sac invoiced (BRL/sac) (e) = (c) / (d)	5.68	5.00	(12.0)%
P&L MTM contracted volumes (f)	33,079	16,670	(49.6)%
Volume of corn marketing contracted ¹ (tons) (g)	337,525	232,091	(31.2)%
Cost of goods resold total (h) = (b) + (f)	(66,715)	(47,043)	(29.5)%
P&L corn marketing total (i) = (a) + (h)	48,243	25,806	(46.5)%
Total volume (j) = (d) + (g)	497,650	341,721	(31.3)%
Spread per sac (BRL/sac) (k) = (i) / (j)	5.82	4.53	(22.1)%

¹ This volume represents the total contracted at the period, that by accounting rules, must be marked-to-market (MTM) and recognized at the period it is contracted. According to FS' accounting policy, the open positions of contracted corn marketing operations are marked to market. Therefore, the results of these operations are recognized during the marketing period and reversed upon the execution (invoiced). This may result in negative values in the 'Mark to Market' line when the executed contract values are higher than those of new contracts.

Net revenue from Corn Marketing totaled BRL 72.8 million in 1Q25, 36.6% lower than 1Q24, mainly due to lower corn marketing prices (-16.7% versus 1Q24) and lower volumes invoiced (-31.5% versus 1Q24). The lower net revenue from Corn Marketing (a) in 1Q25, combined with lower volume of Corn Marketing contracted (g) (-31.2% versus 1Q24) and lower P&L MTM contracted (f) (-49.6% versus 1Q24), resulted in a reduction in total P&L Corn Marketing (i) of 46.5% versus 1Q24, and consequently a decrease on total spread per sac of Corn Marketing (k) of BRL 4.53 per sac, 22.1% lower than 1Q24.

TOTAL COST

Cost of industrial product sold (in BRL thousands)	1Q24	1Q25	1Q25 vs 1Q24
Net revenue from industrial segments (a)	1,493,129	1,649,662	10.5%
Variable cost (b)	(1,088,609)	(1,137,643)	4.5%
Cost of corn crushed	(972,008)	(975,448)	0.4%
Inventory adjustment	—	(4,290)	n.m.
Biomass costs	(74,292)	(107,347)	44.5%
Chemicals and enzymes	(42,309)	(50,558)	19.5%
Fixed cost (c)	(96,283)	(150,423)	56.2%
Maintenance	(13,308)	(22,871)	71.9%
Labor	(20,777)	(33,244)	60.0%
Depreciation	(45,046)	(63,614)	41.2%
Other production costs	(17,152)	(30,694)	79.0%
Cost of industrial product sold (d) = (b) + (c)	(1,184,892)	(1,288,066)	8.7%
Gross profit of industrial segment (e) = (a) + (d)	308,237	361,596	17.3%
Gross margin of industrial segment (f) = (e) / (a)	20.6%	21.9%	1.3 p.p.
Corn crushed cost - in BRL per sac	62.64	46.01	(26.6)%
Biomass cost - in BRL per m ³	96.28	105.77	9.9%

Cost of industrial product sold (d)

In 1Q25, the total cost of industrial product sold (d) was BRL 1,288.1 million, 8.7% higher than 1Q24. The main reasons for the variation were:

- i. Corn cost: total cost of BRL 975.4 million in 1Q25, 0.4% higher than 1Q24, mainly driven by (a) the increase in the volume of ethanol sold (+33.9% versus 1Q24); (b) partially offset lower corn average cost of BRL 46.01/sac in 1Q25 (-26.6% versus 1Q24 and -13.4% versus 4Q24);
- ii. Biomass costs: total cost of BRL 107.3 million in 1Q25, 44.5% higher than 1Q24, mainly driven by (a) the increase in volume of ethanol sold (+33.9% versus 1Q24); and (b) the increase of 9.9% in biomass average cost to BRL 105.77/m³ in 1Q25;
- iii. Chemicals and enzymes: total cost of BRL 50.6 million in 1Q25, 19.5% higher than 1Q24, mainly driven by (a) the increase in volume of ethanol sold (+33.9% versus 1Q24); (b) partially offset by lower volumes of yeast consumed in the production process and better pricing of chemicals and enzymes;
- iv. Maintenance: total cost of BRL 22.9 million in 1Q25, 71.9% higher than 1Q24, mainly driven by (a) the increase in volume of ethanol sold (+33.9% versus 1Q24), especially due to start-up of PDL Plant operations; and (b) costs related to operational improvements in LRV and SRS plants.
- v. Labor: total cost of BRL 33.2 million in 1Q25, 60.0% higher than 1Q24, mainly due to wage increases and higher headcount related to industrial operations due to the start-up of PDL Plant, partially offset by gains of scale and dilution of corporate industrial costs;
- vi. Depreciation: total cost of BRL 63.6 million in 1Q25, 41.2% higher than 1Q24, mainly driven by the increase in volume of ethanol sold (+33.9% versus 1Q24), due to start-up of PDL Plant.

Our gross margin of industrial segments increased 1.3 p.p. versus 1Q24, from 20.6% to 21.9%, and increased 17.2 p.p. versus 4Q24. The main reason for the increase in margins is related to the recovery of crush spread.

Cost of marketing segments (in BRL thousands)	1Q24	1Q25	1Q25 vs 1Q24
Net revenue from marketing segments (g)	118,338	125,017	5.6%
Cost of marketing segments (h)	(101,812)	(115,545)	13.5%
Corn marketing	(99,794)	(63,713)	(36.2)%
Ethanol marketing	—	(46,547)	n.m.
Energy marketing	(2,018)	(5,285)	161.9%
Gross profit of marketing segments (i) = (g) + (h)	16,526	9,472	(42.7)%
Gross margin of marketing segments (j) = (i) / (g)	14.0 %	7.6 %	(6.4) p.p.
P&L MTM corn marketing contracted volumes (k)	33,079	16,670	(49.6)%
Gross profit of marketing segments w/MTM (l) = (i) + (k)	49,605	26,142	(47.3)%

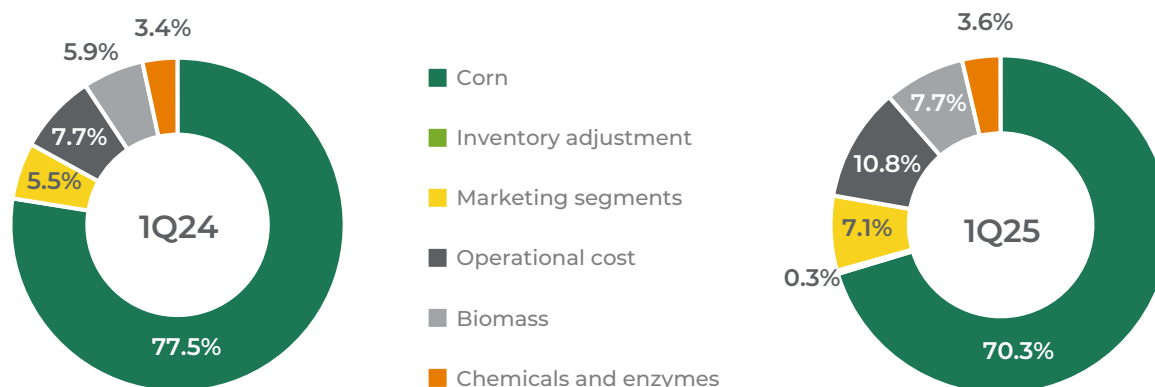
Cost of marketing segments (h)

In 1Q25, the cost of marketing segments (h) was BRL 115.5 million, 13.5% higher than 1Q24, driven by the decrease of corn marketing purchasing price, partially offset by costs of ethanol marketing operations.

Our gross margin of marketing segments decrease 6.4 p.p. in the quarter, from 14.0% to 7.6%.

Total Cost (in BRL thousands)	1Q24	1Q25	1Q25 vs 1Q24
Net revenue from industrial segments (a)	1,493,129	1,649,662	10.5%
Net revenue from marketing segments (g)	118,338	125,017	5.6%
Reclassification - Freight on sales (total) (m)	210,083	263,163	25.3%
Net revenue (n) = (a) + (g) + (m)	1,821,550	2,037,842	11.9%
Cost of industrial product sold (d)	(1,184,892)	(1,288,066)	8.7%
Cost of marketing segments (h)	(101,812)	(115,545)	13.5%
P&L MTM corn marketing contracted volumes (k)	33,079	16,670	(49.6)%
Total cost (o) = (d) + (h) + (k)	(1,253,625)	(1,386,941)	10.6%
Gross profit (p) = (n) + (o)	567,925	650,901	14.6%
Gross margin (q) = (p) / (n)	31.2%	31.9%	0.8 p.p.

Total cost (o)



Our total gross margin increase 0.8 p.p. versus 1Q24, from 31.2% to 31.9% and increased 15.1 p.p. versus 4Q24.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

SG&A expenses (in BRL thousands)	1Q24	1Q25	1Q25 vs 1Q24
Expenses with freight	(210,083)	(263,163)	25.3%
Other SG&A (d) = (a) + (b) + (c)	(28,646)	(55,807)	94.8 %
Other selling expenses (a)	(10,372)	(17,777)	71.4%
General and administrative expenses (b)	(41,757)	(71,096)	70.3%
Other results (c)	23,483	33,066	40.8%
Total income / (expenses)	(238,729)	(318,970)	33.6 %
% net revenue	(13.1)%	(15.7)%	(2.5) p.p.

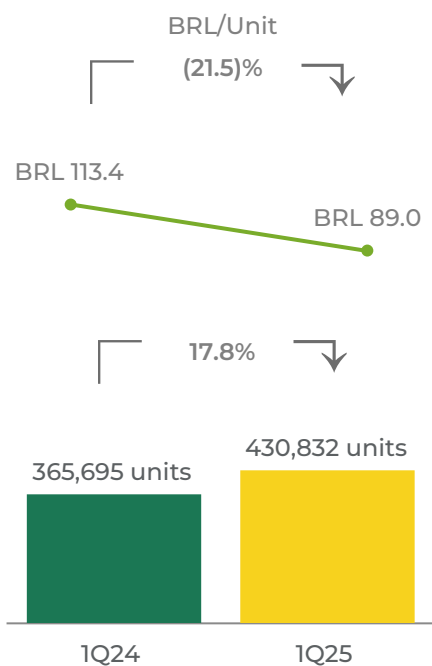
Selling, general and administrative expenses and other results

In 1Q25, selling, administrative and general expenses, and other results totaled an expense of BRL 319.0 million, representing 15.7% of net revenue for the period. The main highlights were:

- i. Expenses with freight: BRL 263.2 million in 1Q25, an increase of 25.3% above 1Q24, mainly driven by (i) the increase in volume of ethanol sold (+33.9% versus 1Q24) mainly due to start-up of PDL Plant operations; (ii) increase in volumes of ethanol sold to North and Northeast regions (+23.4% versus 1Q24); (iii) the increase of ethanol and DDGs exports; and, in lower proportion (iv) the begin of ethanol marketing operations.
- ii. Other SG&A (Other selling, administrative and general expenses, and other results): these three items total an expense of BRL 55.8 million in 1Q25 versus an expense of BRL 28.6 million in 1Q24. The main reasons for the variation were:
 - a. Other selling expenses: total cost of BRL 17.8 million in 1Q25, 71.4% higher than 1Q24, driven by higher costs of labor due wage increases and higher headcount related to our commercial team structure and ethanol marketing operations.
 - b. General and administrative expenses: total expense of BRL 71.1 million in 1Q25, 70.3% higher than 1Q24, driven by the higher expenses with contracted services and labor expenses.
 - c. Other results: total income of BRL 33.1 million in 1Q25, 40.8% higher than 1Q24, mostly driven by PIS/COFINS tax reversals, other one-time events and variations related to the commercialization of CBIOs as detailed below.



CBIOs Commercialization



<i>(in units BRL thousands)</i>	1Q24	1Q25	1Q25 vs 1Q24
Issuance	365,695	430,832	17.8%
Sold	755,363	430,832	(43.0)%
End stock	78,528	—	(100.0)%
Net other results	34,027	27,697	(18.6)%
Avg. FS gross prices (BRL/unit)	113.4	89.0	(21.5)%
Avg. market gross price (BRL/unit)	116.4	89.3	(23.3)%

Net other results from the CBIOs commercialization totaled BRL 27.7 million in 1Q25, 18.6% lower than 1Q24. FS' CBIOs average gross price in 1Q25 was BRL 89.0/unit, 21.5% lower than 1Q24, while the market CBIOs average gross price in 1Q25 was BRL 89.3/unit, 23.3% lower than 1Q24.

NET FINANCE RESULTS

Net finance results (in BRL thousands)	1Q24	1Q25	1Q25 vs 1Q24
Finance income	183,867	127,756	(30.5)%
Finance expenses	(433,465)	(455,933)	5.2%
Foreign exchange rate variation	160,205	(232,307)	n.m.
Realized	(3,495)	(2,761)	(21.0)%
Unrealized	163,700	(229,546)	n.m.
Derivative	(249,947)	137,421	n.m.
Realized	(250,636)	(47,269)	(81.1)%
Unrealized	689	184,690	n.m.
Adjustment to present value	9,211	(4,173)	n.m.
Net finance results	(330,129)	(427,236)	29.4%

Net finance results

In 1Q25, we recognized an expense of BRL 427.2 million in net finance results versus an expense of BRL 330.1 million in 1Q24. The main highlights in the quarter were:

- i. Finance income: BRL 127.8 million 30.5%, lower than 1Q24, mainly driven by (a) lower cash invested; and (b) decrease of interest rates (CDI).
- ii. Finance expenses: BRL 455.9 million, 5.2% higher than 1Q24, mainly driven by an increase in reverse factoring interest expenses.
- iii. Foreign exchange variation on the Company's USD denominated debt: in the quarter, it was recognized a loss of BRL 232.3 million, reflecting the impact of the depreciation of 11.3% of BRL against the USD in the 1Q25 (BRL/USD 4.9962 as of March 31st, 2024 to BRL/USD 5.5589 as of June 30th, 2024) of which BRL 2.8 million is recognized as realized loss and BRL 229.5 million is reflected in unrealized loss, compared to the appreciation of 5.1% of BRL against the USD in the 1Q24 (BRL/USD 5.0804 as of March 31st, 2023 to BRL/USD 4.8192 as of June 30th, 2023).
- iv. Derivatives: gain of BRL 137.4 million in 1Q25 versus a loss of BRL 249.9 million in 1Q24. The main reasons for the variation were the closure of the FS Green Bond 2025 interest swap and FX variations:
 - a. Derivative realized: loss of BRL 47.3 million, mainly related to the payment of interest swap of the FS Green Bond 2025, partially offset by positive adjustments in options. We had USD 350.0 million in interest swap (USD x CDI) that ended in December, 2023.
 - b. Derivative unrealized: gain of BRL 184.7 million, mainly related with the FX variation (BRL/USD 4.8192 as of June 30th, 2023 to BRL/USD 5.5589 as of June 30th, 2024) on the swap of the notes.
- v. Adjustment to present value: loss of BRL 4.2 million, BRL 13.4 million lower than 1Q24, mainly related to increase in finance expenses with payment terms of lease obligations most related to wagons and warehouse leases, partially offset by adjustment to present value calculations for ethanol and animal nutrition sales.

NET PROFIT (LOSS)

Net profit (loss) (in BRL thousands)	1Q24	1Q25	1Q25 vs 1Q24
Profit (loss) before income and social contribution taxes (a)	(933)	(95,310)	n.m.
Nominal rate	34.0%	34.0%	0.0 p.p.
Tax expense at nominal rate (b)	317	32,405	n.m.
Adjustment of income and social contribution taxes (c)	34,620	18,920	(45.3)%
Tax and social contribution before tax incentive (d) = (b) + (c)	34,937	51,325	46.9%
Current tax	—	(4,633)	n.m.
Deferred tax	34,937	55,958	60.2%
Tax incentives (e)	—	3,699	n.m.
Income tax and social contribution (f) = (d) + (e)	34,937	55,024	57.5%
Effective tax rate	n.m.	57.7%	n.m.
Net profit (loss) (g) = (a) + (f)	34,004	(40,286)	n.m.

Tax and social contribution (f)¹

In 1Q25 we recognized an income of BRL 55.0 million in income tax and social contributions (f), versus an income of BRL 34.9 million in 1Q24 due a loss before taxes (a), that partially offsets positive tax and social contribution (d) with increase in deferred tax.

Net profit (loss) of the period (g)

In 1Q25, FS recorded a net loss of BRL 40.3 million compared to a net profit of BRL 34.0 million in 1Q24. The main reasons for the variation were:

- i. The compression of the crush spread, mainly driven by lower ethanol and animal nutrition prices, offset by higher volumes sold; and
- ii. Higher SG&A, depreciation and finance expenses.

¹ FS has a tax incentive for operating in the SUDAM area, which results in a 75% reduction in income tax on the operations for a period of 10 years and renewed in each expansion project. The maturities of SUDAM tax incentive of LRV Plant, SRS Plant and PDL Plant are 2029, 2031 and 2032 respectively. This benefit will occur when there are taxable profits in the calculation period



Ownership structure

FS Ltda. quotaholders are Summit Brazil Renewables I LLC ("Summit") with 70.69%, minority shareholders with 25.20%, and management with 4.11%.

FS S.A. shareholders are SBR Group represented by FS Fundo de Investimento em Participações Multiestratégia Investimento no Exterior ("FIP Summit") controlled by Summit with 70.80%, minority shareholders with 24.99% and management with 4.21%.

Both companies (FS Ltda. and 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 "minority shareholders".

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 1Q25 the Company did not distribute any dividends .

RECONCILIATION OF EBITDA, EBIT AND EBITDA minus MAINTENANCE CAPEX

Reconciliation of EBITDA <i>(in BRL thousands)</i>	1Q24	1Q25	1Q25 vs 1Q24
Net revenue	1,821,550	2,037,842	11.9%
Net profit/(loss)	34,004	(40,286)	n.m.
(+) Finance costs	703,117	533,492	(24.1)%
(-) Finance income	(212,783)	(338,563)	59.1%
(+) Foreign exchange rate variations, net	(160,205)	232,307	n.m.
(+) Income tax and social contribution	(34,937)	(55,024)	57.5%
EBIT	329,196	331,926	0.8%
<i>EBIT Margin</i>	18.1%	16.3%	(1.8) p.p.
(+) Depreciation and amortization	47,906	66,974	39.8%
EBITDA	377,102	398,900	5.8%
<i>EBITDA Margin</i>	20.7%	19.6%	(1.1) p.p.
(-) Maintenance Capex	6,564	3,166	(51.8)%
EBITDA Minus Maintenance Capex	370,538	395,734	6.8%

CAPEX

CAPEX ¹ (in BRL thousands)	1Q24	1Q25	1Q25 vs 1Q24
PPE - beginning of period (a)	4,994,520	5,489,832	9.9%
Capex: (e) = (b) + (c) + (d)	402,078	71,011	(82.3)%
Growth capex ² (b)	395,514	67,845	(82.8)%
Maintenance capex ³ (c)	6,564	3,166	(51.8)%
Biological assets capex (d)	—	—	n.m.
Depreciation (f)	(60,655)	(69,703)	14.9%
Assets sale and disposals (g)	—	—	n.m.
PPE - end of period (h) = (a) + (e) + (f) + (g)	5,335,943	5,491,140	2.9%

¹ Includes acquisitions and transfers.

² Growth Capex is calculated as the sum of additions 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 and Right of use.

³ Maintenance Capex is calculated as the sum of additions 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, Airplane and Installations.

Capex (e) totaled BRL 71.0 million in 1Q25, a decrease of 82.3% versus 1Q24, mainly explained by the reduction of amount spent with the construction of the PDL Plant and rights of use (warehouses and wagons).

Depreciation (f) totaled BRL 69.7 million in 1Q25, an increase of 14.9% versus 1Q24, mainly explained by the start-up of PDL Plant and amortization of rights of use lease assets for our warehouses and wagons leases.

The Company expects to have a BRL 436.9 million in capex in next three quarters, comprised of: (i) BRL 390.5 million in growth capex, mostly related to additional investments in PDL Plant and improvements in SRS Plant; and (ii) BRL 46.4 million in maintenance capex.

NET DEBT EVOLUTION

Net Debt (in BRL thousands)	2Q24	3Q24	4Q24	1Q25	1Q25 LTM
Net Debt BoP	5,034,357	4,945,789	5,185,439	5,364,567	5,034,357
EBITDA	218,761	174,637	75,692	398,900	867,990
Working Capital	(8,411)	294,570	357,373	(688,111)	(44,579)
Income Taxes paid	—	—	—	—	—
Cash Flow From Operations	210,350	469,207	433,065	(289,211)	823,411
Cash Capex	(4,905)	(197,864)	(148,882)	(101,207)	(452,858)
Cash Flow From Operations Minus Capex	205,445	271,343	284,183	(390,418)	370,553
Cash Flow From Financing Activities	(116,877)	(510,993)	(463,311)	(659,773)	(1,750,954)
Net Interest	(187,133)	(322,785)	(384,723)	(328,450)	(1,223,091)
Provision for Interest	(501,706)	(440,274)	(536,229)	(448,700)	(1,926,909)
Interest related to financial investments	314,573	117,489	151,506	120,250	703,818
Impact from FX, Derivatives and Others	70,256	(167,683)	(78,588)	(331,323)	(507,338)
Dividends Paid / Tax Distribution	—	(20,525)	—	—	(20,525)
Net Debt EoP (a)	4,945,789	5,185,439	5,364,567	6,414,758	6,414,758
Change in Net Debt	(88,568)	239,650	179,128	1,050,191	1,380,401
Raw material inventories ¹ (b)	1,585,470	1,513,967	530,369	1,193,872	1,193,872
Finished goods inventories ² (c)	317,339	171,332	184,133	232,147	232,147
Readily Marketable Inventories - RMI (d) = (b) + (c)	1,902,810	1,685,298	714,502	1,426,019	1,426,019
Net Debt EoP adjusted by RMI (e) = (a) - (d)	3,042,979	3,500,141	4,650,065	4,988,739	4,988,739

¹ Corn inventories position at market value.

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

In 1Q25, net debt at the end of period totaled BRL 6,414.8 million, an increase of BRL 1,050.2 million compared to the net debt in the beginning of the quarter, mainly related to (i) negative cash flow from financing activities; (ii) cash capex disbursement (cash basis); and (iii) negative cash flow generated from operational activities.

Cash flow from operations was negative in BRL 289.2 million in 1Q25, mainly driven by the increase of working capital, resulted mainly from corn payments that had been postponed from previous quarters.

In 1Q25, cash capex (cash basis) totaled BRL 101.2 million. The capex previously presented in "property, plant and equipment" (accrual basis) was BRL 71.0 million, lower than the cash basis due the payments of capex accrued.

Our RMI (Readily Marketable Inventories), which accounts for the seasonality of our inventory levels, increased by BRL 711.5 million in comparison to the previous quarter. Net debt adjusted by RMI was BRL 4,988.7 million.

In the last twelve months, cash flow from operations was a positive BRL 823.4 million a conversion of 94.9% of the EBITDA accumulated in the period.



INDEBTEDNESS

Indebtedness (in BRL thousands)	1Q24	1Q25	1Q25 vs 1Q24
Senior Green Notes (Bond) and CPRF ^{1,2}	2,464,967	3,269,350	32.6%
Certificate of Agribusiness or Real Estate Receivables (CRA/CRI)	3,173,588	4,905,356	54.6%
Other working capital lines	2,210,238	2,102,400	(4.9)%
Gross debt	7,848,794	10,277,106	30.9%
Total cash ³	2,814,437	3,862,347	37.2%
Net debt	5,034,357	6,414,758	27.4%
EBITDA (LTM)	2,093,203	867,990	(58.5)%
Net debt / EBITDA (LTM)	2.41 x	7.39 x	4.99 x
Readily Marketable Inventories - RMI	932,027	1,426,019	53.0%
Net debt adjusted by RMI	4,102,330	4,988,739	21.6%
Net debt adjusted by RMI / EBITDA (LTM)	1.96 x	5.75 x	3.79 x

¹ Initial issue of USD 680.0 million Senior Green Notes due in 2025 ("FS Green Bond 2025") by the subsidiary FS Luxembourg s.à.r.l., ("FS Lux"). Balance on August 26th, 2024 of BRL 101.3 million. Initial issue of USD 500.0 million Senior Green Notes due in 2031 ("FS Green Bond 2031") also by the subsidiary FS Luxembourg s.à.r.l., ("FS Lux"). Balance on August 26th, 2024 of BRL 500.0 million.

² Issuance of USD 594.2 million of CPRF (Cédula de Produtor Rural Financeira) by FS, in connection with the Bond issued. No current balance position.

³ Includes cash and cash equivalents, financial investments, and restricted cash (short-term and long-term).

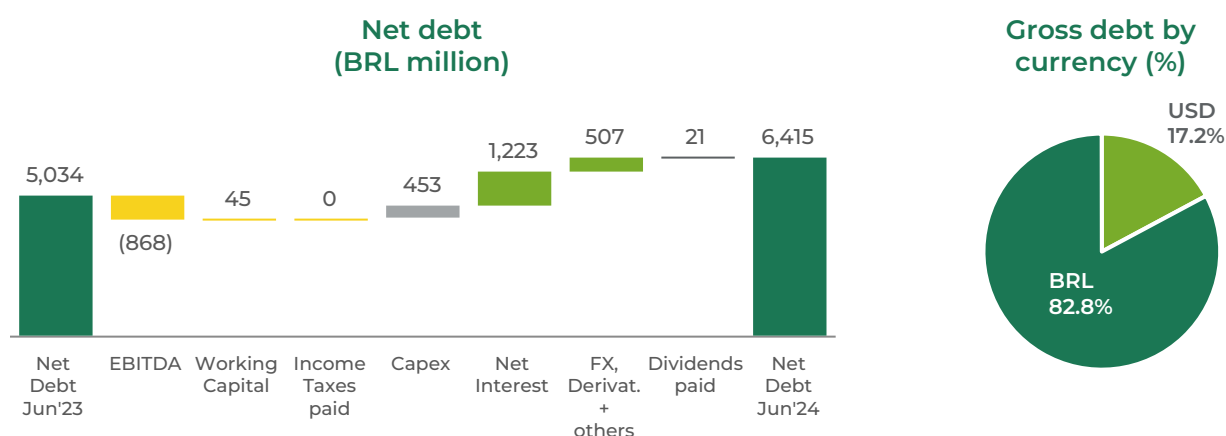
At the end of 1Q25, total gross debt reached BRL 10,277.1 million and total cash closed at BRL 3,862.3 million, resulting in a net debt of BRL 6,414.8 million, 27.4% higher than 1Q24 and 19.6% higher than 4Q24.

The increase in gross debt compared to the 1Q24 was mainly driven by FS Green Bond 2031 issuance, CRA issuances, and other working capital lines made between periods, partially offset by the exercise of liability management of the Company. Compared to the 4Q24, the increase in gross debt was mainly driven by the interest accrued in the period and the FX variation.

Our cash position reduced by BRL 764.0 million between 4Q24 and 1Q25, mainly driven by the consumption of working capital and cash capex, as previously explained.

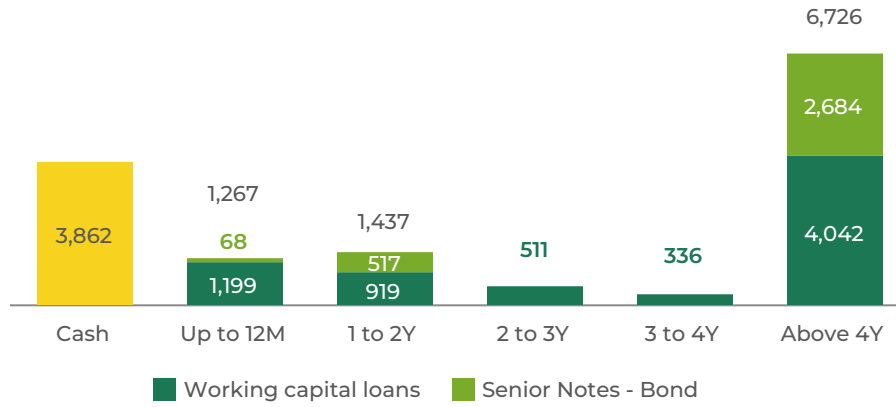
Net leverage (net debt/EBITDA) increased by 4.99x versus 1Q24 and 1.05x versus 4Q24, reaching 7.39x at the end of 1Q25, a result of the increase in the net debt of the Company and lower EBITDA (LTM). The adjusted net leverage considers the RMI ("Readily Marketable Inventories" from ethanol and corn) value reducing the net debt. With this adjustment, our adjusted net leverage reached 5.75x at the end of 1Q25.

As of August 26th, 2024, the outstanding principal amount of our Green Bond 2025 was USD 101.3 million, and USD 500.00 million of our Green Bond 2031.

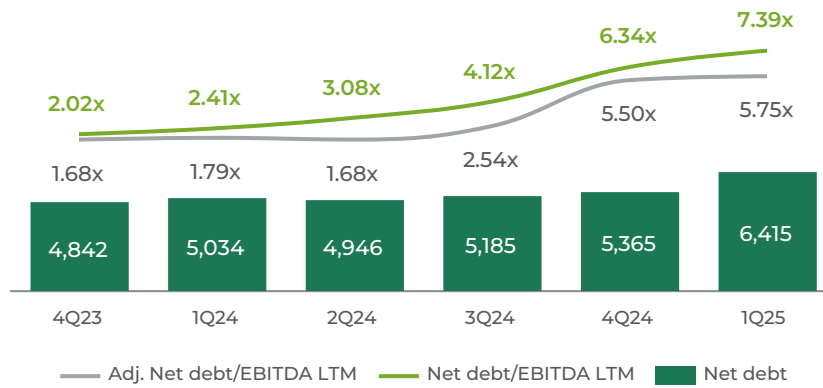




Debt amortization schedule (BRL million)



Net debt/EBITDA LTM (BRL millions)





CONTROLLED COMPANIES

FS Ltda has one controlled company, which is the wholly owned subsidiary FS Lux, established with the main purpose of issuing international debt securities. Additionally, FS Ltda holds 1% in the capital of FS Comercialização de Etanol ("FS ECE"), a joint venture with FS S.A. established on May 30th, 2023, focused on ethanol marketing. As per FS ECE's Articles of Incorporation, decision concerning its significant activities require consensus among shareholders.

FS S.A. has no controlled companies and holds 99% of the capital of FS ECE.

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 three 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)	1Q24	1Q25	1Q25 vs 1Q24
Segment - Ethanol	1,117,041	1,276,532	14.3%
Segment - Animal nutrition	370,132	366,287	(1.0)%
Segment - Energy co-generation	5,956	6,843	14.9%
Total revenue from industrial segments	1,493,129	1,649,662	10.5%
Segment - Corn marketing	114,958	72,849	(36.6)%
Segment - Ethanol marketing	—	47,313	n.m.
Segment - Energy marketing	3,380	4,855	43.6%
Total revenue from marketing segments	118,338	125,017	5.6%
Reclassification - Freight on sales	210,083	263,163	25.3%
Net revenue	1,821,550	2,037,842	11.9%
Total cost	(1,253,625)	(1,386,941)	10.6%
Gross profit	567,925	650,901	14.6%
<i>Gross margin</i>	31.2%	31.9%	0.8 p.p.
Selling, general & administrative expense	(238,729)	(318,975)	33.6%
EBIT	329,196	331,926	0.8%
<i>EBIT margin</i>	18.1%	16.3%	(1.8) p.p.
Depreciation and amortization	47,906	66,974	39.8%
EBITDA	377,102	398,900	5.8%
<i>EBITDA margin</i>	20.7%	19.6%	(1.1) p.p.
Net finance costs	(330,129)	(427,236)	29.4%
Profit / (loss) before tax	(933)	(95,310)	n.m.
Tax	34,937	55,024	57.5%
Net profit / (loss) for the period	34,004	(40,286)	n.m.
<i>Net margin</i>	1.9%	(2.0)%	(3.8) p.p.

STATEMENTS OF FINANCIAL POSITION

Statements of financial position (in BRL thousands)	1Q24	1Q25	1Q25 vs 1Q24
Cash and cash equivalents	2,159,077	2,955,191	36.9%
Financial investments	1,652,881	—	n.m.
Restricted cash	2,274,857	854,184	(62.5)%
Trade and other receivables	50,477	498,152	n.m.
Trade receivables with related parties	25,409	—	n.m.
Inventories	1,505,010	1,671,651	11.1%
Advances to suppliers	—	39,309	n.m.
Recoverable taxes	324,036	667,265	105.9%
Prepaid expenses	66,894	65,802	(1.6)%
Biological assets	617	—	n.m.
Derivative financial instruments	117,314	57,170	(51.3)%
Other assets	10,794	39,102	262.3%
Total current assets	8,187,366	6,847,826	(16.4)%
Trade and other receivables	—	3,468	n.m.
Restricted cash	35,529	52,972	49.1%
Advances to suppliers	179,932	49,145	(72.7)%
Recoverable taxes	378,074	365,170	(3.4)%
Derivative financial instruments	42,197	98,160	132.6%
Deferred taxes assets	—	413,439	n.m.
Related parties loans	277,356	310,694	12.0%
Judicial deposits	4,817	5,539	15.0%
Total long-term assets	917,905	1,298,587	41.5%
Property, plant and equipment	5,335,943	5,491,140	2.9%
Intangible assets	19,973	32,935	64.9%
Total non-current assets	6,273,821	6,822,662	8.7%
Total Assets	14,461,187	13,670,488	(5.5)%
Trade payables	2,192,510	3,211,581	46.5%
Loans and borrowings	2,978,091	1,315,542	(55.8)%
Advances from customers	42,325	46,692	10.3%
Lease payables	34,671	46,727	34.8%
Income tax and social contribution payable	—	938	n.m.
Taxes and contributions payable	25,564	10,771	(57.9)%
Payroll and related changes	58,327	67,812	16.3%
Dividends payable	—	—	n.m.
Derivative financial instruments	371,066	30,621	(91.7)%
Total current liabilities	5,702,554	4,730,684	(17.0)%
Trade payables	17,342	18,200	4.9%
Loans and borrowings	8,178,610	8,961,563	9.6%
Lease payables	301,873	338,100	12.0%
Derivative financial instruments	—	19,671	n.m.
Deferred tax liabilities	63,903	—	n.m.
Taxes and contributions payable	—	5,427	n.m.
Provision for contingencies	398	2,634	n.m.
Total non-current liabilities	8,562,126	9,345,595	9.2%
Net parent investment	196,507	(405,791)	n.m.
Total equity	196,507	(405,791)	n.m.
Total liabilities and equity	14,461,187	13,670,488	(5.5)%

STATEMENTS OF CASH FLOW

Statement of cash flow (in BRL thousands)	1Q24	1Q25	1Q25 vs 1Q24
Net profit/ (loss) for the period	34,004	(40,286)	n.m.
Adjustment for:			
Depreciation and amortization	47,906	66,974	39.8%
Income from financial investments and restricted cash	27,347	(56,101)	n.m.
Current and deferred income tax and social contribution	(34,937)	(55,024)	57.5%
Foreign exchange rate (gains) or losses	(163,119)	232,307	n.m.
Adjustment to fair value of derivatives	229,379	(155,146)	n.m.
Adjustments to present value	(13,424)	4,173	n.m.
Interest and amortization of transaction cost	309,947	448,700	44.8%
Allowance of expected credit losses	51	5	(90.2)%
Provision for contingencies	—	2,096	n.m.
Results on the sale of assets	—	255	n.m.
Changes in:			
Trade and other receivables	242,508	(98,994)	n.m.
Trade receivables	86,996	—	n.m.
Inventories	(429,421)	(570,399)	32.8%
Recoverables taxes	(72,853)	(131,784)	80.9%
Prepaid expenses	(25,979)	(13,236)	(49.1)%
Judicial deposits	(640)	(169)	(73.6)%
Other assets	25,115	(39,305)	n.m.
Advances to suppliers	(77,186)	51,202	n.m.
Trade payables	1,425,046	291,098	(79.6)%
Advance from customers	2,017	(190,409)	n.m.
Payroll and related charges	(8,714)	6,286	n.m.
Taxes and contributions payable	(49,216)	7,599	n.m.
Cash (used in) generated from operating activities	(240,159)	1,554,827	n.m.
Interest payment on loans and borrowings	—	(253,010)	n.m.
Interest payment on suppliers and other financial obligations	(214,151)	(79,351)	(62.9)%
Interest redeemed from short term investments	145,407	—	n.m.
Interest redeemed from restricted cash	52,124	23,619	(54.7)%
Net cash (used in) generated from operation activities (a)	1,538,207	(548,900)	n.m.
Cash flow from investing activities			
Acquisition of property, plant and equipment	(716,737)	(101,207)	(85.9)%
Proceeds from sale of property, plant and equipment	54,030	—	n.m.
Proceeds from sale of biological assets	367	—	n.m.
Interest and charges paid over capitalized interest	(15,995)	—	n.m.
Loans from related parties	11,096	—	n.m.
Purchase of financial investments and increase in restricted cash	(19,662)	(296,952)	n.m.
Redeemed financial investments and restricted cash	1,236,775	720,394	(41.8)%
Net cash generated from investing activities (b)	549,874	322,235	(41.4)%
Cash flow from financing activities			
Loans received, net of transaction costs	2,330,852	71,669	(96.9)%
Repayment of loans and borrowings	(2,191,672)	(259,144)	(88.2)%
Foreign currency translation effect	(521,391)	—	n.m.
Dividends paid	(645,384)	—	n.m.
Lease paid	(19,262)	(11,587)	(39.8)%
Capital increase	47	—	n.m.
Derivative financial instruments paid	(251,659)	(51,220)	(79.6)%
Net cash used in financing activities (c)	(1,298,469)	(250,282)	(80.7)%
Foreign currency translation adjustment	(5,390)	103,906	n.m.
(Decrease) increase in cash and cash equivalents (d) = (a) + (b) + (c)	784,222	(373,041)	n.m.
Cash and cash equivalents at the beginning of the period	1,374,855	3,328,233	142.1%
Cash and cash equivalents at the end of the period	2,159,077	2,955,192	36.9%



fsfuelingsustainability

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