



CONDENSED COMBINED INTERIM FINANCIAL STATEMENTS

FS

As of September 30, 2023





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Independent auditor's report on review of condensed combined interim financial statements

To the Directors, Quotaholders and Shareholders of

FS I Indústria de Etanol S.A. and FS Indústria de Biocombustíveis Ltda.

Lucas do Rio Verde – MT

Introduction

We have reviewed the condensed combined interim financial statements of the entities FS I Indústria de Etanol S.A. and FS Indústria de Biocombustíveis Ltda. ("FS"), which comprises the condensed combined statement of financial position as of September 30, 2023, the condensed combined statements of income and comprehensive income for the three and six-month period ended September 30, 2023, changes in net parent investment and cash flows for the six-month period ended September 30, 2023, and notes to the combined interim financial statements.

The FS's Management is responsible for the preparation of the condensed combined interim financial statements in accordance with and with IAS 34 - Interim Financial Reporting issued by the International Accounting Standards Board (IASB) and in accordance with Technical Pronouncement CPC 21 (R1) - Interim Statement. Our responsibility is to express a conclusion on the condensed combined interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the Brazilian and international standards for review of interim financial information (NBC TR 2410 and ISRE 2410, 'Review of Interim Financial statements Performed by the Independent Auditor of the Entity'. A review of combined interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed combined interim financial statements of FS as of September 30, 2023 do not present fairly, in all material respects, the financial position, financial performance and cash flows of the Company in accordance with IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board - IASB and CPC 21 (R1) - Interim Statement.

Emphasis of matter - Basis and reasons for preparation of the condensed combined financial statements

We draw attention to explanatory note No. 2 (a), which describes the basis for preparing the condensed combined financial statements. The condensed combined interim financial statements were prepared in accordance with IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board - IASB and in accordance with CPC 21 (R1) - Interim Statement, to provide information about all the FS Group industrial activities in a single statement, to measure financial covenants commitments and to provide financial information to the stakeholders. The condensed combined interim financial statements should be read in that context. Our conclusion is not qualified with respect to this matter.

Other Matters - Statements of added value

We also reviewed the condensed combined statements of added value ('DVA') for the six-month period ended September 30, 2023, prepared under the responsibility of FS's Management, and presented as supplementary information for IAS 34 issued by the International Accounting Standards Board – IASB, whose presentation is not required for non - public companies. These statements were submitted to the same review procedures in accordance with the review of the condensed combined interim financial statements with the objective to conclude if they reconcile with the interim financial information and the criteria's defined in CPC 09 – Statement of value added. Based on our review, we are not aware of any fact that might lead us to believe that they were not prepared, in all material respects, in accordance with the condensed combined interim financial statements, taken as a whole.

Cuiabá, November 24, 2023

KPMG Auditores Independentes Ltda.

CRC SP-014428/F-7

Rafael Henrique Klug

Accountant CRC 1SP246035/O-7

Combined statements of financial position on September 30, 2023 and March 31, 2023

(In thousand of Reais)

Assets	Notes	09/30/2023	03/31/2023
Current			
Cash and cash equivalents	4	1,814,044	1,374,855
Financial investments	5	1,243,808	3,109,084
Restricted cash	6	2,438,709	2,256,928
Trade and other receivables	7	25,237	271,314
Trade receivables with related parties	28	7,889	166,435
Inventories	8	2,870,325	1,067,026
Advances to suppliers	9	30,065	53,143
Recoverable taxes	15.a	430,318	383,452
Prepaid expenses		95,035	40,915
Biological Assets		—	984
Derivative financial instruments	18	87,954	40,478
Other credits		2,616	36,466
Total current assets		9,046,000	8,801,080
Non-current			
Long-term assets			
Restricted cash	6	49,892	39,246
Advances to suppliers	9	51,978	49,603
Recoverable taxes	15.a	448,747	245,805
Deferred tax assets	19.b	261,574	—
Related parties loans	28	266,505	288,452
Judicial deposits	16	4,905	4,177
Total long-term assets		1,083,601	627,283
Non-current assets			
Property, plant and equipment	10	5,524,210	4,994,520
Intangible assets		20,210	19,752
Total non-current assets		6,628,021	5,641,555
Total assets		15,674,021	14,442,635

The notes are an integral part of these condensed combined interim financial statements.

Liabilities	Note	09/30/2023	03/31/2023
Current			
Trade payables	11	3,613,888	1,198,945
Loans and borrowings	12	4,264,453	4,271,074
Advances from customers	13	542,082	40,308
Lease payables	14	41,294	26,965
Income tax and social contribution payable	19.a	—	59,816
Taxes and contributions payable	15.b	17,600	14,964
Payroll and related charges		46,107	67,041
Derivative financial instruments	18	304,721	407,908
Total current liabilities		8,830,145	6,087,021
Non-current			
Trade payables	11	17,342	18,795
Loans and borrowings	12	6,227,789	7,351,156
Lease payables	14	351,775	189,462
Deferred tax liabilities	19.b	203,352	59,445
Provision for contingencies	16	189	—
Total non-current liabilities		6,800,447	7,618,858
Total liabilities		15,630,592	13,705,879
Net parent investment			
Net parent investment	17	43,429	736,756
Total net parent investment		43,429	736,756
Total liabilities and net parent investment		15,674,021	14,442,635

Combined statements of income

Three and six-month periods ended September 30, 2023 and 2022

(In thousand of Reais)

	Note	07/01/2023 to 09/30/2023	04/01/2023 to 09/30/2023	07/01/2022 to 09/30/2022	04/01/2022 to 09/30/2022
Net revenue	21	2,003,159	3,824,709	1,906,740	3,793,339
Cost of goods sold	22	(1,531,878)	(2,785,503)	(1,235,533)	(2,319,607)
Gross profit		471,281	1,039,206	671,207	1,473,732
Operational expenses					
Selling expenses	23	(307,877)	(528,332)	(212,383)	(383,441)
Administrative expenses	24	(51,292)	(93,049)	(36,490)	(67,889)
Other results	25	43,289	66,772	250,973	294,042
Profit before net finance costs and taxes		155,401	484,597	673,307	1,316,444
Finance income		208,003	420,786	259,988	813,640
Finance costs		(576,485)	(1,279,602)	(456,451)	(992,493)
Foreign exchange rate variations, net		(103,862)	56,343	(115,413)	(413,738)
Net finance income (costs)	26	(472,344)	(802,473)	(311,876)	(592,591)
(Loss) Profit before income and social contribution taxes		(316,943)	(317,876)	361,431	723,853
Current income and social contribution taxes	19	10,361	10,361	(114,677)	(199,933)
Deferred income and social contribution taxes	19	132,464	167,401	4,694	(5,419)
Tax incentives on income tax		(5,715)	(5,715)	23,064	23,064
(Loss) Net profit for the period		(179,833)	(145,829)	274,512	541,565

The notes are an integral part of these condensed combined interim financial statements.

Combined statements of comprehensive income

Three and six-month periods ended September 30, 2023 and 2022

(In thousand of Reais)

	07/01/2023 to 09/30/2023	04/01/2023 to 09/30/2023	07/01/2022 to 09/30/2022	04/01/2022 to 09/30/2022
(Loss) Net profit for the period	(179,833)	(145,829)	274,512	541,565
Items that may be reclassified to profit or loss				
Cash flow hedge - effective portion of changes in fair value	36,079	151,949	24,548	(161,242)
Deferred income and social contribution taxes	(12,267)	(51,663)	(8,346)	54,822
Cumulative translation adjustment	2,943	(2,447)	10,600	9,423
Total comprehensive income	(153,078)	(47,990)	301,314	444,568

The notes are an integral part of these condensed combined interim financial statements.

Combined statements of changes net parent investment

Six-month periods ended September 30, 2023 and 2022

(In thousand of Reais)

	Note	Net parent investment
Balances as of April 1, 2022		547.848
Net profit for the period		541.565
Items that may be reclassified to profit or loss		
Cash flow hedge - effective portion of changes in fair value		(161.242)
Deferred income and social contribution taxes		54.822
Cumulative translation adjustment		9.423
Total comprehensive income		444.568
Shareholders transactions		
Capital increase		195
Distribution of dividends	17	(702.500)
Balances as of September 30, 2022		290.111
Balances as of April 1, 2023		736.756
Loss for the period		(145.829)
Items that may be reclassified to profit or loss		
Cash flow hedge - effective portion of changes in fair value		151.949
Deferred income and social contribution taxes		(51.663)
Cumulative translation adjustment		(2.447)
Total comprehensive income		(47.990)
Shareholders transactions		
Capital increase		47
Distribution of dividends	17	(645.384)
Balances as of September 30, 2023		43.429

The notes are an integral part of these condensed combined interim financial statements.

Combined statements of cash flows-Indirect method

Six-month periods ended September 30, 2023 and 2022

(In thousand of Reais)

	Note	09/30/2023	09/30/2022
Cash flow from operating activities			
(Loss) Net profit for the period		(145,829)	541,565
Adjustment for:			
Depreciation and amortization		111,266	66,991
Income from financial investments		(342,183)	(212,915)
Current and deferred income tax and contributions, net of tax incentives	19	(172,047)	182,289
Foreign exchange rate (gains) or losses		(83,635)	413,179
Adjustment to fair value	18	257,214	(117,118)
Adjustment to present value		65,926	(26,297)
Provision for interest and amortization of transaction cost		811,653	513,271
Fair value adjustment - biological assets		—	(4,419)
Expected losses on credit	7	123	(2)
Provision for contingencies		189	—
Gain on sale of assets		(11,135)	(171,302)
Changes in:			
Trade and other receivables		297,034	(34,980)
Trade receivables with related parties		16,516	—
Inventories		(1,790,208)	(1,590,485)
Recoverable taxes		(305,105)	(274,473)
Prepaid expenses		(54,115)	(28,963)
Judicial deposits		(728)	(189)
Other credits		30,071	(7,684)
Advances to suppliers	9	20,703	(64,298)
Trade payables		2,411,496	1,707,957
Advances from customers		501,774	34,744
Payroll and related charges		(20,934)	(5,803)
Taxes and contributions payable		2,758	(160,179)
Other payables		—	(66,422)
Net cash from operating activities		1,600,804	694,467
Cash flow from financing activities			
Interest payment		(492,577)	(349,212)
Interest redeemed from short-term investments		512,104	151,040
Net cash from operating activities		1,620,331	496,295
Cash flow from investing activities			
Acquisition of property, plant and equipment	29	(533,613)	(764,164)
Proceeds from sale of biological assets, right of contracts and bear plants	28.d	142,030	295,185
Biological assets		—	(10,666)
Interest charges paid over capitalized loans	29	(15,995)	29,030
Proceeds from related parties loans		26,458	—
Proceeds from (Investment in) financial investments and restricted cash		1,473,133	(1,529,754)
Net cash from (used in) investing activities		1,092,013	(1,980,369)



	Note	09/30/2023	09/30/2022
Cash flow from financing activities			
Loans received, net of transaction costs	12	2,408,825	3,184,638
Repayment of loans and borrowings	12	(3,720,180)	(842,939)
Earnings distributed and paid	17.c	(645,384)	(702,500)
Lease paid	14	(43,404)	(12,389)
Capital increase		47	195
Derivative financial instruments paid		(251,701)	(286,488)
Net cash (used in) from investing activities		(2,251,797)	1,340,517
Foreign currency translation adjustment		(21,358)	14,216
Increase (decrease) in cash and cash equivalents		439,189	(129,341)
Cash and cash equivalents at the beginning of the period		1,374,855	1,719,194
Cash and cash equivalents at the end of the period		1,814,044	1,589,854

The notes are an integral part of these condensed combined interim financial statements.

Combined statements of added value

Six-month periods ended September 30, 2023 and 2022

(In thousand of Reais)

	04/01/2023 to 09/30/2023	04/01/2022 to 09/30/2022
Sales of goods, products and services	4,037,458	3,997,584
Other income	90,628	337,975
Loss on impairment of accounts receivable	(123)	—
Revenue	4,127,963	4,335,559
Inputs purchased from third parties	(3,183,204)	(2,656,555)
Costs of products, goods and services sold	(2,633,051)	(2,213,231)
Materials, energy, third party services and others	(561,288)	(443,324)
Gain on sale of assets and right	11,135	—
Gross added value	944,759	1,679,004
Depreciation and amortization	(111,266)	(66,665)
Net added value produced	833,493	1,612,339
Added value received in transfer	522,089	968,245
Finance income	522,089	968,245
Total added value to distribute	1,355,582	2,580,584
Distribution of added value	1,355,582	2,580,584
Employee	108,881	90,718
Direct remuneration	80,025	70,340
Benefits	23,208	16,487
Service Guarantee Fund	5,648	3,891
Taxes, fees and contributions	67,968	387,464
Federal taxes	(69,808)	182,288
State taxes	137,776	205,176
Remuneration of third party capital	1,324,562	1,560,837
Interest	1,324,562	534,292
Other	—	1,026,545
Remuneration of equity	(145,829)	541,565
Dividends	—	525,849
(Accumulated losses) Retained earnings	(145,829)	15,716

The notes are an integral part of these condensed combined interim financial statements.

1. Operations

The combined interim financial statements of FS ("FS" or "Companies") include the following companies under common control:

- FS Indústria de Biocombustíveis Ltda., ("FS Ltda."), is a limited liability company incorporated on April 01, 2014. It is located at Estrada A-01, 900m from KM 7 at Avenida das Indústrias, S/N - Km 05, Distrito Industrial Senador Atilio Fontana, City of Lucas do Rio Verde, State of Mato Grosso, Brazil.
- FS Ltda. holds 100% of the share capital of FS Luxembourg S.a.r.l. ("FS Lux"). FS Lux is a limited liability company incorporated on September 8, 2020, under the laws of Luxembourg and located at 9 Bitbourg street, L-1273, in Luxembourg; and
- FS I Indústria de Etanol S.A. ("FS S.A."), a stock corporation established on June 13, 2022. It is located at Estrada A-01, 900 m from Km 7 of Avenida das Indústrias, s/nº - Distrito Industrial Senador Atilio Fontana, City of Lucas do Rio Verde, State of Mato Grosso, Brazil.

FS S.A. was established on June 13, 2022 and commenced its operations in May, 2023.

FS's core business is the production and commercialization of corn ethanol (anhydrous and hydrous), animal nutrition products used for livestock, poultry feed, called Dried Distillers Grains (DDG), as well as corn oil, energy and steam cogeneration and resale of corn, energy and ethanol purchased from third parties. Companies use corn as raw material and biomass as its sole source of powering its plants.

2. Basis for preparation

The condensed combined interim financial statements were prepared in accordance with IAS 34 – Interim Financial Reporting issued by International Accounting Standards Board (IASB) and also with the technical pronouncement CPC 21 (R1) Interim Financial Statements.

These condensed combined interim financial statements as of and for the six months ended September 30, 2023 should be read in conjunction with the last annual combined interim financial statements as at and for the year ended March 31, 2023 ('last annual financial statements').

They do not include all the information required for a complete set of combined financial statements prepared in accordance with IFRS Standards. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in FS's financial position and performance since the last combined financial statements.

In preparing these condensed combined interim financial statements, management has used judgments, estimates and assumptions that affect the application of FS accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates. Estimates and assumptions are continually reviewed and have not changed materially from the March 31, 2023, combined financial statements.

The issue of condensed combined interim financial statements was authorized by Management on November 23, 2023.

a. Basis for the combination and reasons for combining Companies

FS condensed combined interim financial statements are being presented exclusively to provide information about all the FS industrial activities in a single financial statements, to measure financial covenants commitments and to provide financial information to the shareholders and stakeholders. Therefore, these financials are not the parent company nor consolidated interim financial statements of an entity and its subsidiaries and should not be used as a basis for the calculation of dividends or taxes and does not necessarily provide indicators of the current or future profit or loss if the Companies considered in the combination had operated as a single entity or as an indication of income (loss) from transactions with these Companies for any period in the future.

The FS condensed combined interim financial statements are a single set of combined interim financial statements for two or more entities that are ultimately under common control. The Management of the Companies used the definition of control in accordance with CPC 44 - Combined Interim Financial Statements and CPC 36 Combined Financial Statements both in relation to the assessment of the existence of common control and the combination procedure for both companies as of September 30, 2023.

In defining the entities comprising the combined interim financial statements, Management included only companies directly linked to industrial and commercial activities, namely FS Ltda., FS S.A. and FS Lux, excluding companies under common control that are not directly engaged in such activities, as FS Infraestrutura S.A. and FS Florestal S.A.

FS S.A. was established on June 13, 2022, with no significant assets, liabilities, equity or operations. Between June 13, 2022, and March 31, 2023, FS S.A. acquired assets from FS Ltda., and did not present expenses or income.

(i) *Criteria adopted for the preparation of the combined financial statements*

The combination of the principles of Technical Pronouncement CPC 44 – combined interim financial statements were used in the preparation of the combined interim financial statements of FS and considered, among other procedures:

- Intragroup balances and transactions, and any unrealized income or expenses derived from intragroup transactions, are eliminated in the preparation of the combined interim financial statements; and
- The accounting practices were uniform to all the combined Companies.

The composition of net assets and net investment for the period September 30, 2023, and the companies' income for the period ended September 30, 2023, which are part of the condensed combined interim financial statements, without and the elimination of transactions between the parties, are presented below:

Companies	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Equity	Net profit for the period	Other comprehensive income
FS Ltda.	8,010,622	4,093,918	5,539,425	6,025,515	539,600	(57,660)	97,839
Consolidated							
FS S.A.	1,218,968	2,929,279	3,480,030	774,932	(106,715)	(89,709)	—
Eliminations	(183,590)	(395,176)	(189,310)	—	(389,456)	1,540	—
Combined	9,046,000	6,628,021	8,830,145	6,800,447	43,429	(145,829)	97,839

3. New standards and interpretations

The standards and interpretations that came into force on April 1, 2023, but did not significantly impact the FS' financial statements of the are presented below:

- Definition of Accounting Estimate (Amendments to CPC 23/IAS 8);
- Disclosure of Accounting Policies (Amendments to CPC 26/IAS 1 and IFRS Practice Statement 2);
- Deferred Tax relating to Assets and Liabilities arising from a Single Operation (Amendments to CPC 32/IAS 12);
- Insurance Contracts, and amendments to IFRS 17 Insurance Contracts.

The new standards and interpretations listed below will come into force after January 1, 2024 and will be applicable to FS after April 1, 2023.

- Classification of Liabilities as Current and Non-Current and Non-Current liabilities with covenants (Amendments to CPC 26/IAS I), and
- Lease Liabilities in a Sale and Leaseback (Amendments to IFRS 16); and
- Supplier Finance Arrangements (Amendments to CPC 03 and CPC 40, IAS 7 and IFRS7).

4. Cash and cash equivalents

	09/30/2023	03/31/2023
Bank deposits and cash	1,403,019	36,597
Financial investments - CDB	411,025	1,338,258
Total	1,814,044	1,374,855

FS considers as cash and cash equivalents highly liquid balances that mature no later than 90 days from the date of investment which are promptly convertible into a known sum of cash and subject to an insignificant risk of change of value.

Short-term financial investments refer to certificate of bank deposits ('CDB') which are instruments offered by banks with rates set by the individual banks which are usually linked to the Interbank Deposit Certificate ('CDI') rate plus or minus a fixed spread. For the period ended September 30, 2023, the average annual return on these investments was 12.62% (13.63% for the period ended March 31, 2023). These instruments are available for immediate redemption by the FS.

As of September 30, 2023, the balance of cash and cash equivalents in US dollars ("USD") amounts to USD 198,147 or R\$ 992,239 (USD 5,846 or R\$ 29,698 as of March 31, 2023).

Information on the FS exposure to market and credit risk and fair value measurement is included in Note 18

5. Financial investments

	09/30/2023	03/31/2023
Total return swap (TRS)	1,243,808	3,109,084
Total	1,243,808	3,109,084

As part of the Green Bond issuance process, FS Lux acquired a total return swap ('TRS') with an annual return of 10.7% p.y. due in December 2023 and with semi-annual payments,

Information on the FS exposure to market risks, credit and fair value measurement related to financial investments is included in Note 18.

6. Restricted cash

	09/30/2023	03/31/2023
Investments linked to loans	2,488,601	2,296,174
Total	2,488,601	2,296,174
Current	2,438,709	2,256,928
Non-current	49,892	39,246

Investments linked to loans are related to loans and derivative financial instruments.

For the period ended September 30, 2023, and year ended on March 31, 2023, the average annual return on these investments was 12.71% and 13.63%, respectively.

Information on the FS exposure to credit, market and fair value risks related to restricted cash is included in Note 18.

7. Trade and other receivables

	09/30/2023	03/31/2023
Trade receivables	25,365	271,319
(-) Allowance for expected credit losses	(128)	(5)
Total	25,237	271,314

Impairment losses

FS assesses the impairment loss on accounts receivable based on: (a) historical experience of losses by customers and segment; (b) assignment of a credit rating to each customer based on qualitative and quantitative measures for the customer, as determined by internal policies (see note 18); and (c) assigns an impairment percentage for provisioning purposes based on items (a) and (b) above and the customer's credit status (current or past due).

Based on the loss history and expectations regarding the future performance of the current receivables, FS' assessment is that the remaining risk for the outstanding balances is not significant for the constitution of a provision.

The maturity of the receivables at the reporting date of the combined interim financial statements is as follows:

	09/30/2023	03/31/2023
Not overdue		
Up to 30 days	12,946	235,235
31-60 days	—	15,044
61-90 days	3,168	4,359
>90 days	3,262	16,129
Subtotal	19,376	270,767
Overdue		
Up to 30 days	3,454	547
31-60 days	2,119	—
61-90 days	49	—
91-180 days	239	—
Subtotal	5,861	547
Total	25,237	271,314

Changes in the provision for expected losses of receivables from customers and contract assets during the period are presented in the following table:

Balance as of March 31, 2023	(5)
Provision for expected credit losses	(123)
Balance as of September 30, 2023	(128)
Balance as of March 31, 2022	(115)
Reversal of expected credit losses	1
Balance as of September 30, 2022	(114)

As of March 31, 2023, the amount of R\$ 40,000 was given as collateral for financing arrangements. See note 12. As of September 30, 2023, there were no receivables as collateral for loan agreements.

Trade and other receivables with related parties as of September 30, 2023, and March 31, 2023 is R\$ 7,889 and R\$ 166,435, respectively. See note 28.

The FS exposure to credit and currency risks and impairment losses related to trade and other receivables are disclosed in Note 18.

8. Inventories

	09/30/2023	03/31/2023
Inventories held by third party	1,121,270	165,473
Raw material	1,306,602	703,764
Finished goods	251,441	37,212
Production inputs	65,175	60,941
Consumption material	94,666	84,864
Work-in-process	27,576	14,773
Corn inventory for resale	3,595	—
Total	2,870,325	1,067,026

Cost is determined by the weighted average costing method see note 22.

As of September 30, 2023, there were inventory balances of 843,626 tons of corn (679,744 tons of corn as of March 31, 2023) given as collateral for financing arrangements. The collateral represents the amount of R\$ 495,762 (R\$ 533,344 as of March 31, 2023).

As of September 30, 2023, and March 31, 2023, the amounts held by third parties were as follows, respectively:

	09/30/2023	03/31/2023
Raw material	913,750	80,877
Finished goods - Ethanol	207,106	84,595
Finished goods - DDG	414	—
Total	1,121,270	165,473

Raw material inventories held by third parties correspond to 932,892 tons of corn, 81,586 cubic meters of ethanol and 1,194 tons of animal nutrition as of September 30, 2023 (73,088 tons of corn and 29,389 cubic meters of ethanol as of March 31, 2023).

9. Advances to suppliers

	09/30/2023	03/31/2023
Advances to suppliers of inventories	76,690	92,386
Advances to related parties	192	5,468
Advances to other suppliers	5,160	4,892
Total	82,043	102,746

Current	30,065	53,143
Non-current	51,978	49,603

Advances to suppliers of inventories include corn, biomass and forest development (eucalyptus). The current amount refers to corn and biomass supply, and the non-current amount refers to forest development (eucalyptus), used to supply biomass needs and has a cultivation period up to six years.

The advances to suppliers with related parties was as of September 30, 2023 was R\$ 192 (R\$ 5,468 as of March 31, 2023). See note 28.

10. Property, plant and equipment

Cost of acquisition	03/31/2022	Additions	Disposals	Transfers	09/30/2022	03/31/2023	Additions	Disposals	Transfers	09/30/2023
Land	140,345	849	—	—	141,194	151,094	—	—	33,115	184,209
Buildings	630,526	1,357	—	—	631,883	654,994	3,559	—	593,998	1,252,551
Machinery and equipment	1,374,473	9,920	(378)	—	1,384,015	1,426,375	7,010	(3,237)	840,706	2,270,854
Furniture and computers	19,187	2,613	(46)	—	21,754	24,040	1,128	—	8,572	33,740
Vehicles	3,675	—	(1,363)	(93)	2,219	1,891	—	—	500	2,391
Airplane	28,164	1,032	—	93	29,289	29,196	—	—	—	29,196
Installations	527,536	1,503	—	—	529,039	562,132	1,479	(1,450)	400,557	962,718
Construction in progress	576,795	478,390	(3,166)	290,126	1,342,145	2,228,545	412,298	—	(1,858,228)	782,615
Advance to suppliers	127,021	494,142	—	(290,126)	331,037	123,071	34,057	(6)	(19,221)	137,901
Bearer plant (bamboo)	60,131	33,688	(81,290)	—	12,529	—	—	—	—	—
Right of use	151,581	35,598	(89,189)	—	97,990	243,555	199,610	—	1	443,166
Total	3,639,434	1,059,092	(175,432)	—	4,523,094	5,444,893	659,141	(4,693)	—	6,099,341
Depreciation										
Buildings	(35,932)	(7,890)	—	—	(43,822)	(51,787)	(14,134)	—	—	(65,921)
Machinery and equipment	(178,814)	(36,732)	92	—	(215,454)	(253,740)	(55,038)	700	—	(308,078)
Furniture and computers	(5,975)	(1,306)	47	—	(7,234)	(8,699)	(1,943)	—	—	(10,642)
Vehicles	(1,903)	(239)	1,105	—	(1,037)	(819)	(231)	—	—	(1,050)
Airplane	—	(1,701)	—	—	(1,701)	(3,161)	(1,460)	—	—	(4,621)
Installations	(71,059)	(17,581)	—	—	(88,640)	(106,637)	(29,489)	219	—	(135,907)
Right of use	(16,653)	(9,184)	8,215	—	(17,622)	(25,530)	(23,382)	—	—	(48,912)
Total	(310,336)	(74,633)	9,459	—	(375,510)	(450,373)	(125,677)	919	—	(575,131)
Net	3,329,098	984,459	(165,973)	—	4,147,584	4,994,520	533,464	(3,774)	—	5,524,210

Construction in progress and advance to suppliers

The balance in construction in progress and advances to supplier refers to the remainder of the expansion of the plant in Sorriso and Lucas do Rio Verde – MT and the construction of second round of the ethanol plant in Primavera do Leste – MT.

Provision for impairment

The FS, at the end of each reporting, assesses possible indications of impairment of its assets that could create the need to test their recovery value.

Management did not identify indicators of impairment of its assets on September 30, 2023.

Capitalization of borrowing costs

For the period ended September 30, 2023 and 2022, borrowing costs capitalized were R\$ 15,995 and R\$ 43,626, respectively. The average rate of capitalized costs was 13.63% p.y. (13.71% p.y. on September 30, 2022).

Collateral

FS has pledged fixed assets as collateral linked to loans in the amount of R\$ 2,455,292 (R\$ 2,886,562 on March 31, 2023) and comprises lands, buildings, machinery, installations, and construction in progress.

11. Trade payables

	09/30/2023	03/31/2023
Raw material payables	2,940,495	570,963
Fixed assets payables	416,298	505,929
Other payables	274,437	140,848
Total	3,631,230	1,217,740
Current	3,613,888	1,198,945
Non-current	17,342	18,795

The trade payables balances refer to raw material (corn), production inputs and other necessary products in the production area, expenditures for engineering services and acquisition of machinery and equipment.

The balance of lease payables with related parties as of September 30, 2023 was R\$ 132,759 (R\$ 5,468 as of March 31, 2023). See note 28.

Reverse Factoring

FS offers its suppliers the use of reverse factoring agreements with banks. These agreements are signed with suppliers with the aim of serving mutual interests in terms of liquidity and working capital. The related liabilities have been included in resource acquisition programs through credit lines from FS with financial institutions, considering the commercial negotiation characteristics related to payment terms between suppliers and FS. This operation is presented in the Balance Sheets and Cash Flow Statements under the Trade payables category, as Management considers that the operation does not alter the nature of the liability.

Reverse factoring operations are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method.

	09/30/2023	03/31/2023
Trade payables	1,525,244	479,212
Reverse factoring	2,105,986	738,527
Total	3,631,230	1,217,740

On September 30, 2023, the discount rates on reverse factoring averaged CDI+2.60% p.y. (as of March 31, 2023, these rates were CDI +2.93% p.y.). Negotiated rates are pre-fixed and, therefore, do not have CDI variation after negotiation. Interest is recognized in finance costs, see note 26.

FS' exposure to liquidity risks and fair value measurement risks related to trade payables is disclosed in note 18.

12. Loans and borrowings

	Rate	Currency	09/30/2023	03/31/2023
Loans for investments	6.5% to 10.77%	USD	5,648,176	6,374,590
Loans for investments	CDI + 0.78%	BRL	—	1,642,591
Loans for working capital	8.46%	USD	309,136	141,917
Loans for working capital	CDI + 1.33%	BRL	4,765,707	3,629,835
Total loans			10,723,019	11,788,933
(-) Transaction cost			(230,777)	(166,703)
Total			10,492,242	11,622,230
Current			4,264,453	4,271,074
Non-current			6,227,789	7,351,156

Management categorizes the loans by the nature in which the proceeds will be utilized in the operations. Loans for investments are to be used on capital expenditures related to construction of the plants while loans for working capital are to be used to finance short-term operational needs.

For more information on the exposure of the FS to risks of interest rates, liquidity, fair value measurement and a sensitivity analysis arising from these loans and borrowings, see Note 18.

a. Terms and schedule of debt repayment

The following collateral were granted:

- Mortgage of FS's land (note 10);
- Fiduciary assignment of fixed assets (note 10);
- Inventories of corn (note 8); and
- Restricted cash (note 6).

The financing has the following maturities (the classification between investments and working capital has been assigned by management):

September 30, 2023	Book Value	Until 12 months	1 to 2 years	2 to 3 years	3 to 4 years	Above 4 years
Loans for investments (*)	5,648,176	3,069,467	—	2,428,481	—	150,228
Loans for working capital (*)	5,074,843	1,251,794	915,928	612,325	388,408	1,906,388
Total	10,723,019	4,321,261	915,928	3,040,806	388,408	2,056,616
March 31, 2023	Book Value	Until 12 months	1 to 2 years	2 to 3 years	3 to 4 years	Above 4 years
Loans for investments (*)	6,374,590	3,206,780	—	3,015,398	—	152,412
Loans for working capital (*)	5,414,343	1,120,817	2,284,174	697,142	383,449	928,761
Total	11,788,933	4,327,597	2,284,174	3,712,540	383,449	1,081,173

(*) The amount does not include transaction costs.

b. Reconciliation of loans to cash flows arising from financing activities

March 31, 2023	11,622,230
-cash items	
Loans received	2,478,671
Payments of principal	(3,720,180)
Interest payment	(391,517)
Provision for interest (capitalized)	15,995
Transaction cost	(69,846)
-non-cash items	
Provision for interest	660,971
Foreign exchange rate (gains) or losses (*)	(93,051)
Transaction cost (amortization)	33,089
Foreign currency translation effect (**)	(44,120)
Balance as of September 30, 2023	10,492,242

March 31, 2023 - FS Ltda.	8,195,291
-cash items	
Loans received	3,184,638
Payments of principal	(842,939)
Interest payment	(283,711)
Provision for interest (capitalized)	43,626
Transaction cost	(10,587)
-non-cash items	
Provision for interest	513,205
Foreign exchange rate (gains) or losses (*)	417,936
Foreign currency translation effect (**)	365,580
Balance as of September 30, 2022	11,583,039

(*) The exchange variation comprises the amount realized and unrealized (note 26);

(**) Refers to the adjustment for converting the loans denominated in dollars, from the subsidiary FS Lux.

c. Restrictive clauses ("covenants")

The main financial covenants include conditions that restrict the occurrence of certain financial transactions, if the net debt to EBITDA financial ratio is higher than 3.0x. The verification of this ratio occurs on a quarterly basis, based on the Company's financial statements for the last 12 months.

For the period ended September 30, 2023, FS calculated a financial ratio of net debt to EBITDA higher than 3.0x. Therefore, FS has restrictions on conducting certain transactions, but does not result in a default or accelerate the maturity of its loans.

13. Advances from customers

Advances from customers represent cash received from customers for the sales of products which have not yet met the criteria to be recognized as net revenue as of the end of the period. These advances are shown as a liability on the statement of financial position with a balance of R\$ 542,082 and R\$ 40,308 as of September 30, 2023, and March 31, 2023, respectively.

14. Lease payables

	Warehouse (i)	Wagons (v)	Others (iii)	Total
Balance as of March 31, 2023	95,482	98,579	22,366	216,427
Addition	289,875	48,738	17,009	355,622
Contractual adjustment (iv)	1,862	—	(178)	1,684
(-) Adjustment to present value	(136,033)	(18,711)	(2,952)	(157,696)
Amortization adjustment to present value	10,724	7,905	1,807	20,436
Payment	(20,099)	(15,464)	(7,841)	(43,404)
Balance as of September 30, 2023	241,811	121,047	30,211	393,069

Current	41,294
Non-current	351,775

FS Ltda	Rural (i)	Warehouse (ii)	Others (iii)	Total
Balance as of March 31, 2022	86,179	38,912	8,238	133,329
Addition	—	—	3,377	3,377
(-) Adjustment to present value	1,110	—	(546)	564
Amortization	143	112	258	513
Payment	(7,752)	(1,613)	(2,154)	(11,519)
Balance as of September 30, 2022	79,680	37,411	9,173	126,264

Current	15,324
Non-current	110,940

The balance of lease payables with related parties as of September 30, 2023 was R\$ 193,480 and R\$ 98,579 as of March 31, 2023. See note 28.

Right of use

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as property, plant and equipment (see note 5).

	Warehouse (iii)	Wagons (v)	Others (iii)	Total
Balance as of March 31, 2023	98,083	96,962	22,980	218,025
Addition	154,363	30,028	13,971	198,362
Contractual adjustment (iv)	1,340	—	(92)	1,248
Amortization	(10,317)	(6,058)	(7,007)	(23,382)
Balance as of September 30, 2023	243,469	120,932	29,852	394,253

FS Ltda	Rural (i)	Warehouse (iii)	Others (iii)	Total
Balance as of March 31, 2022	86,470	39,845	8,613	134,928
Addition	22,079	4,783	8,775	35,637
Write-off of right of use	(81,010)	—	—	(81,010)
Amortization	(3,685)	(2,243)	(3,259)	(9,187)
Balance as of September 30, 2022	23,854	42,385	14,129	80,368

- i) A rural area for Bamboo cultivation that has a 3-year period for harvest (5 seasons in total) and will be used as a Biomass in the Company's energy matrix.
- ii) Refers to the leasing of warehouses for the storage of corn.
- iii) Composed by machinery that serves industrial activities and a leased office located in São Paulo.
- iv) Contract update according to the annual adjustment of open balances.
- v) Refers to lease operations with wagons.

15. Taxes and contributions

a. Recoverable taxes

	09/30/2023	03/31/2023
PIS and COFINS	779,208	560,236
Recoverable ICMS	5,921	5,289
Withholding income tax	92,774	63,596
Other taxes and contributions	1,162	136
Total	879,065	629,257
Current	430,318	383,452
Non-current	448,747	245,805

b. Taxes and contributions payable

	09/30/2023	03/31/2023
ICMS	12,265	—
Retained tax of third parties (*)	2,156	3,153
ISS	941	11,641
Pis/Cofins Payable	672	—
Other taxes	1,566	170
Total	17,600	14,964

(*) The retained taxes of third parties refers to PIS, COFINS, CSLL, IRPJ, INSS and Funrural.

16. Contingent liabilities and judicial deposits

Contingent liabilities for which FS is unable to make a reliable estimate of the expected financial effect that may result from the resolution of the case, or an outflow of cash are not probable, are not recognized as a liability in the combined interim financial statements but are disclosed in the notes to these combined interim financial statements, unless the probability of any outflow of resources incorporating economic benefits is considered remote.

As of September 30, 2023, FS had contingent liabilities related to ongoing lawsuits whose cash outflow was considered probable in the amount of R\$ 189 (R\$ 1,453 as of March 31, 2023).

Contingent liabilities

Estimates of contingent liabilities for lawsuits are the best estimate of possible expenses to be incurred. As of September 30, 2023, and March 31, 2023, FS had contingencies assessed as possible risk by legal advisors and Management in the amount of R\$ 118,154 and R\$ 91,677, respectively, for which no provision was recorded, are as follows:

	09/30/2023	03/31/2023
Civil	84,371	78,684
Labor	1,431	5,575
Tax	32,352	7,419
Total	118,154	91,677

Among the aforementioned contingencies, there is an ongoing judicial discussion related to tax on imports (ICMS) of machinery for the expansion of the plant located in Lucas do Rio Verde - MT, for which the FS has a judicial deposit in the amount of R\$ 4,905 (R\$ 4,177 as of March 31, 2023).

17. Total net parent investment

a. Capital

i. FS Ltda.

The Company's subscribed and paid-in capital stock as of September 30, 2023, and March 31, 2023, was R\$ 88,083 and R\$ 88,037. As of September 30, 2023, of the total of 88,083,439 quotas, 83,380,928 are ordinary and 4,702,511 are preferred (of the 87,806,369 quotas, 83,380,928 are common quotas and 4,656,010 are preferred shares as of March 31, 2023). The preferred quotas were approved by the Board, fully subscribed by members of management with no voting rights, no priority to receive dividends and no minimum dividends guaranteed, with priority to redeem it without a premium.

Quota holder	Type	09/30/2023			03/31/2023		
		Subscribed capital	Paid in capital	% of ownership	Subscribed capital	Paid in capital	% of ownership
Summit Brazil Renewables I, LLC	Common	62,265	62,265	70.69 %	62,536	62,536	71.03 %
Non-majority quotaholders	Ordinary	21,116	21,116	23.97 %	20,845	20,845	23.68 %
Others	Preferential	4,702	4,702	5.34 %	4,656	4,656	5.29 %
Total		88,083	88,083	100.00 %	88,037	88,037	100.00 %

ii. FS S.A.

The Company's capital as of September 30, 2023 and March 31, 2023, was R\$ 4,500, divided into 4,500 (four million and five hundred thousand) shares, with a par value of R\$ 1,00 each.

Shareholder	% of Ownership	Subscribed capital
SBR FS Fundo de Investimentos	70.5 %	3,173
LRV Fundo de Investimentos em Participações	8.7 %	392
Others	20.8 %	935
Total	100.0 %	4,500

b. Tax incentive reserves**i. FS Ltda.**

Corresponds to the reserve that is recorded as the result of the federal tax incentive program with the Amazon Development Superintendent – SUDAM and Programa de Desenvolvimento Industrial e Comercial de Mato Grosso – PRODEIC. Related to SUDAM, the value of the benefit for any given year is recorded in the statement of income as a reduction of income tax with a corresponding reserve established in equity. According to the program rules, the amount of the incentive accumulated in the mentioned reserve can only be used to offset accumulated losses or increase capital.

Related to PRODEIC, FS Ltda. is guaranteed – for a term of 13 (thirteen) years starting from Decree No. 182, of July 2015 – the granting of tax benefit in the amount of ICMS tax due on the respective operations or services. The amount of the benefits from the years 2017 to 2019 were excluded from the income tax calculation with a corresponding reserve established in equity, in accordance with the provisions of art. 30 of Law 12.973/14.

The tax incentive reserve on September 30, 2023 amounts to R\$ 366,526 and is composed of R\$ 15,952 related to PRODEIC and R\$ 350,574 related to SUDAM (R\$ 372,241 as of March 31, 2023). During the quarter ended September 30, 2023, the Company did not set up a "tax incentive reserve" as it did not record any tax profit in the period.

c. Dividends

i. FS Ltda.

In the period ended on September 30, 2023, accumulated profits were distributed, representing R\$ 7.33 and R\$ 7.99 per quota, respectively, as shown below:

Quota holder	% of ownership	Subscribed capital	Distribution of dividends
Summit Brazil Renewables I Participações Ltda	71.00 %	62,265	445,819
Non-majority quotaholders	24.00 %	21,116	152,214
Others	5.00 %	4,702	47,351
Total as of September 30, 2023	100.00 %	88,083	645,384

Quota holder	% of ownership	Subscribed capital	Dividends		
			Retained earnings	Distribution of interim results	Total
Summit Brazil Renewables I Participações Ltda	71.19 %	62,536	125,422	360,943	486,365
Non-majority quotaholders	23.73 %	20,845	42,396	119,728	162,124
Others	5.08 %	4,462	8,833	45,178	54,011
Total as of September 30, 2022	100.00 %	87,843	176,651	525,849	702,500

18. Financial instruments

a. Accounting classification and fair values

The following table shows the carrying and fair values of financial assets and liabilities, including their fair value classifications. It does not include information on the fair value of financial assets and liabilities not measured at fair value if the book value is a reasonable approximation of fair value.

	Note	Fair value through profit or loss		Amortized Cost		Fair value – hedging instruments		Other financial liabilities		Total		Fair value Level 2	
		09/30/2023	03/31/2023	09/30/2023	03/31/2023	09/30/2023	03/31/2023	09/30/2023	03/31/2023	09/30/2023	03/31/2023	09/30/2023	03/31/2023
Financial assets measured at fair value													
Cash and cash equivalents	4	1,814,044	1,374,855	—	—	—	—	—	—	1,814,044	1,374,855	1,814,044	1,374,855
Total return swap (TRS)	5	1,243,808	3,109,084	—	—	—	—	—	—	1,243,808	3,109,084	1,243,808	3,109,084
Derivative financial instruments	18	87,954	40,478	—	—	—	—	—	—	87,954	40,478	87,954	40,478
Total		3,145,806	4,524,417	—	—	—	—	—	—	3,145,806	4,524,417	3,145,806	4,524,417
Financial assets not measured at fair value													
Restricted cash	6	—	—	2,488,601	2,296,174	—	—	—	—	2,488,601	2,296,174		
Related parties loans	28	—	—	266,505	288,452	—	—	—	—	266,505	288,452		
Trade and other receivables	7	—	—	25,237	271,314	—	—	—	—	25,237	271,314		
Trade receivables with related parties	28	—	—	7,889	166,435	—	—	—	—	7,889	166,435		
Judicial deposits	16	—	—	4,905	4,177	—	—	—	—	4,905	4,177		
Total		—	—	2,793,137	3,026,552	—	—	—	—	2,793,137	3,026,552		
Financial liabilities measured at fair value													
Derivative financial instruments	18	62,209	15,059	—	—	242,512	392,849	—	—	304,721	407,908	304,721	407,908
Total		62,209	15,059	—	—	242,512	392,849	—	—	304,721	407,908	304,721	407,908
Financial liabilities not measured at fair value													
Trade payables	11	—	—	—	—	—	—	3,631,230	1,217,740	3,631,230	1,217,740	—	—
Loans and borrowings (*)	12	—	—	—	—	—	—	10,723,019	11,788,933	10,723,019	11,788,933	10,714,067	11,788,933
Lease payables	14	—	—	393,069	216,427	—	—	—	—	393,069	216,427	—	—
Total		—	—	393,069	216,427	—	—	14,354,249	13,006,673	14,747,318	13,223,100	10,714,067	11,788,933

(*) The amount does not include transaction costs.

b. Measurement of fair value

Fair value of financial assets and liabilities is the value by which the instrument may be exchanged in a current transaction between parties that are willing to negotiate, and not in a forced sale or settlement. The methods and assumptions used to estimate the fair value are described below.

The fair value of cash and cash equivalents, trade and other receivables, other financial assets, trade payables, and other short-term obligations are approximate to their book value due to the short-term maturity of these instruments. Fair value of other long-term assets and liabilities does not significantly differ from their book values.

The fair value of FS' liability financial instruments approximates their book value as they are subject to variable interest rates and there has been no significant change in FS' credit risk.

The fair value of loans and borrowings mostly approximate the amounts recorded in the combined interim financial statements due to the fact that these financial instruments are subject to observable interest rates (see note 12).

The TRS (Total Return Swap) is a financial investment measured at fair value through profit or loss. The technique used for measurement consists of discounting the cash flow to present value based on yield curves that reflect the appropriate risk factors.

Derivatives are valued using valuation techniques with observable market data and refer, mainly, to swaps of interest rates, foreign exchange forward contracts. The valuation techniques applied often include pricing models and swaps contracts, with present value calculations. The models incorporate various data, including the credit quality of counterparties, foreign exchange spot, and forward rates and interest rate curves.

Fair value hierarchy

FS uses the following hierarchy to determine and disclose the fair values of financial instruments according to the valuation technique used:

- Level 1: prices quoted (without adjustments) in active markets for identical assets and liabilities;
- Level 2: other techniques for which all data that has significant effect on the recorded fair value is observable, either directly or indirectly; and
- Level 3: techniques that use data that have a significant effect on fair value that are not based on observable market data.

There were no transfers between levels during the period ended September 30, 2023.

c. Financial risk management

FS is exposed to the following risks from the use of financial instruments:

- Credit risk;
- Liquidity risk;
- Price risk; and
- Market risk.

(i) Risk management structure

Management has overall responsibility for establishing and overseeing FS' risk management framework.

FS risk management policies are established to identify and analyze the risks to which it is exposed, to set appropriate risk limits and controls, and to monitor risks and adherence to defined limits. Risk management policies and systems are regularly revised to reflect changes in market conditions and activities. FS, through its training and management rules and procedures, seeks to maintain an environment of discipline and control in which all employees are aware of their attributions and obligations.

Credit risk

Credit risk is the risk that FS will incur financial losses if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is:

	Note	09/30/2023	03/31/2023
Cash and cash equivalents	4	1,814,044	1,374,855
Financial investments	5	1,243,808	3,109,084
Restricted cash	6	2,488,601	2,296,174
Trade and other receivables	7	25,237	271,314
Trade receivables with related parties	28	7,889	166,435
Related parties loans	28	266,505	288,452
Derivative financial instruments	18	87,954	40,478
Other credits		2,616	36,466
Judicial deposits	16	4,905	4,177
Total		5,941,559	7,587,435

Cash and cash equivalents

The amounts are kept in highly rated financial institutions in order to minimize the credit risk brought by these operations. Cash and equivalents are maintained with banks and financial institutions that have a rating between AA- to AAA, and equivalents, based on the reference rating agencies.

FS used an approach similar to the expected credit loss (ECL) measurement methodology in assessing expected credit loss on cash and cash equivalents.

Derivatives

Derivatives are contracted with banks and financial institutions to manage market exchange risk in future receivables from loan operations, and to manage the fluctuation of corn price and ethanol according to the volume necessary to operate. The derivatives are maintained with banks and financial institutions that have a rating between AA- to AAA, and equivalents, based on the reference rating agencies.

Trade and other receivables

The credit risk of trade receivables arises from the possibility of FS not receiving amounts from sales operations. To mitigate this risk, FS adopts the practice of detailed analysis of the financial and equity situation of its customers, establishing a credit limit, according to note 7.

The Credit area is responsible for setting limits for all customers that make term transactions. The parameters of the definition of credit limits are:

- Market information (Serasa and network with other companies of the sector);
- Financial analysis on financial statements position; and
- Constitution of guarantees through a rural producer note (CPRs), Surety, etc.

Liquidity risk

The finance department continuously monitors FS' liquidity needs to ensure that there is sufficient cash to meet its short-term obligations.

Excess cash is invested in private securities, bank deposit certificates ("CDBs") and purchase and sale commitments, indexed to the CDI variation, with high liquidity.

Exposure to liquidity risk

The book value of financial liabilities with liquidity risk are as follows:

	Note	09/30/2023	03/31/2023
Trade payables	11	3,631,230	1,217,740
Loans and borrowings (*)	12	10,723,019	11,788,933
Lease payables	14	393,069	216,427
Derivative financial instruments	18	304,721	407,908
Total		15,052,039	13,631,008
Current		8,224,356	5,904,892
Non-current		6,596,906	7,559,413

The following are the contractual maturities of financial liabilities, including interest payments.

	Value accounting	Cash flow contractual	Until 12 months	1 to 2 years	Above 3 years
September 30, 2023					
Loans and borrowings (*)	10,723,019	11,948,873	4,883,968	3,703,844	3,361,061
Trade payables	3,631,230	4,008,528	4,008,528	—	—
Lease payables	393,069	675,124	85,110	85,110	504,904
Derivative financial instruments	304,721	260,204	296,010	68,330	(104,136)
Total	15,052,039	16,892,729	9,273,616	3,857,284	3,761,829

	Value accounting	Cash flow contractual	Until 12 months	1 to 2 years	Above 3 years
March 31, 2023					
Loans and borrowings (*)	11,788,933	14,373,740	4,818,096	3,042,718	6,512,926
Trade payables	1,217,740	1,263,042	1,244,247	18,795	—
Lease payables	216,427	345,570	48,771	48,771	248,028
Derivative financial instruments	407,908	598,643	383,867	76,728	138,048
Total	13,631,008	16,580,995	6,494,981	3,187,012	6,899,002

(*) The amount does not include transaction costs.

Price risk

Due to the possibility of fluctuation in the market prices of corn sold by FS. These price fluctuations may cause changes in FS' sales revenue. To mitigate this risk, FS monitors the market, seeking to anticipate price movements. The table below shows the positions of derivative financial instruments to hedge commodity price risk outstanding as of September 30, 2023:

Derivatives	Purchased/Sold	Market	Contract	Maturity	Currency	Notional	Fair value as of 09/30/2023
Forward contract	Purchase	B3	Corn	12/29/2023	BRL	(109,676)	(39,813)
Forward contract	Sale	B3	Corn	12/29/2023	BRL	115,986	59,214
Total Derivative financial instruments							19,401

Sensitivity analysis – commodities price risk

Based on US dollar exchange rate on September 30, 2023 traded at B3 (Brazilian exchange), a probable scenario (level 1) was defined to calculate the exchange rate variation impact in assuming every other variable is held constant, and based on this, changes of 25% (level 2) and 50% (level 3) are, as detailed below:

				Probable	Appreciation (R\$)		Depreciation (R\$)	
				(Level 1)	(Level 2)	(Level 3)	(Level 2)	(Level 3)
Instruments as of September 30, 2023	Contract	Value	Corn bag	In Reais	25%	50%	25%	50%
Financial assets								
Forward contract	Corn	115,986	26.35	115,986	144,983	173,979	86,990	57,993
Financial liabilities								
Forward contract	Corn	(109,676)	26.12	(109,676)	(137,095)	(164,514)	(82,257)	(54,838)
Total				6,310	7,888	9,465	4,733	3,155
Impact on income statement and on net parent investment					1,578	3,155	(1,577)	(3,155)

Market risk

Management monitors exchange and interest rates in order to mitigate risks that negatively impact FS' results.

When appropriate, the Management uses derivatives financial instruments to help manage market risks.

Foreign exchange risk

FS' operations give rise to certain exposures to foreign currency risk mainly due to the inflow and outflow of capital to and from abroad, as well as contracts for production inputs and for the construction and expansion of industrial units denominated in US dollars. FS manages a portion of this risk with derivative financial instruments, primarily options, swaps and forward contracts ("NDFs"), to reduce exposure to foreign currency fluctuation between the Brazilian real and the US dollar.

	Note	09/30/2023		03/31/2023	
Financial assets		R\$	USD	R\$	USD
Cash and cash equivalents	4	992,239	198,147	29,698	5,846
Total return swap (TRS)	5	1,243,808	248,384	3,109,084	611,976
Derivative financial instruments	18	2,652	530	602,710	118,634
Total Financial Assets		2,238,699		3,741,492	
Financial liabilities		R\$	USD	R\$	USD
			(1,127,921)		
Loans for investments (*)	12	(5,648,176)		(6,374,590)	(1,254,742)
Loans for working capital (*)	12	(309,136)	(61,733)	(141,917)	(27,934)
Derivative financial instruments	18	(260,427)	476,382	(569,388)	(112,075)
Total Financial Liabilities		(6,217,739)		(7,085,895)	
Total, net exposure			(266,211)		(658,295)

(*) The amount does not include transaction costs.

Hedge accounting effects

FS formally designates operation subject to hedge accounting for the purpose of cash flow protection. The designated hedge is for debt protection in foreign currency. To manage the risk of foreign currency variation, FS contracted derivative instruments "Swap", in which these instruments exchange variation of the U.S. Dollar for CDI, reducing the FS's exposure to this currency. The operations designated as hedge accounting are presented in the following table:

Type	Purchased/Sold	Date of Operation	Expiration date ended	Days remaining until maturity	Contract	Notional	Fair value in 2023
Swap	Purchased	12/08/2020	12/09/2025	1827	USD	350,000	(242,512)

FS formally designates its hedge accounting operations, documenting: (i) the hedge relationship; (ii) FS objective and risk management strategy in adopting the hedge; (iii) the identification of the financial instrument; (iv) the covered purpose or transaction; (v) the nature of the risk to be covered; (vi) the description of the hedging ratio and (vii) the demonstration of the correlation between the hedge and the hedging object, as determined in the Technical Pronouncement CPC 48 (IFRS 9) – Financial instruments.

The relationship between the instrument and the hedging object, as well as the policies and objectives of risk management, were documented at the beginning of the operation. The effectiveness tests are duly documented thus confirming the prospective effectiveness of the hedge relationship from the variation in the market value of the items subject to "hedge".

Cash flow hedge consists of providing protection against the change in cash flows attributable to a particular risk associated with a recognized asset or liability or a highly probable anticipated transaction that may affect the result.

Prospective and retrospective effectiveness tests are also documented, and it is confirmed that the designated derivatives are effective in compensating for the variation in the market value of the items subject to hedging.

The effective portion of the changes in the fair value of derivatives in the fair value of derivatives designated and classified as cash flow hedge are recorded as a component of "other comprehensive income". As of September 30, 2023, the balance recorded in other comprehensive income was R\$ 88,815, net of income tax and social contribution. The loss related to the non-effective portion, when calculated, is recognized immediately in the results, in the period ended September 30, 2023, the total amount of the loss was R\$ 5,168.

Effect of fair value recognized on the parent company's net investment	
Balance as of March 31, 2023	(11,471)
Unearned results from cash flow hedges and recognized on parent company's net investment	151,949
Deferred income and social contribution taxes	(51,663)
Balance as of September 30, 2023	88,815

Cash flow sensitivity analysis – foreign exchange risk

Based on US dollar exchange rate on September 30, 2023, a probable scenario (level 1) was defined to calculate the exchange rate impact in assuming every other variable is held constant, and based on this, changes of 25% (level 2) and 50% (level 3) are, as detailed below:

Instruments as of September 30, 2023	Currency	Value	Exchange	Probable	Appreciation (R\$)		Depreciation (R\$)	
				(Level 1)	(Level 2)	(Level 3)	(Level 2)	(Level 3)
				In Reais	25%	50%	25%	50%
Financial assets								
Cash and cash equivalents	USD	198,147	5.0076	992,241	1,240,301	1,488,362	744,181	496,121
Total return swap (TRS)	USD	248,384	5.0076	1,243,808	1,554,760	1,865,712	932,856	621,904
Derivative financial instruments	USD	530	5.0076	2,654	3,318	3,981	1,991	1,327
Financial liabilities								
Loans for working capital	USD	(61,733)	5.0076	(309,134)	(386,418)	(463,701)	(231,851)	(154,567)
Loans for investments*	USD	(1,127,921)	5.0076	(5,648,177)	(7,060,221)	(8,472,266)	(4,236,133)	(2,824,089)
Derivative financial instruments	USD	476,382	5.0076	2,385,532	2,981,915	3,578,298	1,789,149	1,192,766
Total		(266,211)		(1,333,076)	(1,666,345)	(1,999,614)	(999,807)	(666,538)
Impact on income statement and on net parent investment					(333,269)	(666,538)	333,269	666,538

(*) The amount does not include transaction costs.

Reference: Ptax (exchange rate) information was obtained from the BACEN (Central Bank of Brazil), considering the last business day of September 2023.

Interest rate risk

FS is exposed to the interest rate risk in transactions related to financial investments and loans indexed to CDI.

On the base date of these combined interim financial statements, the profile of FS' variable interest-bearing financial instruments is:

Financial instruments	Note	09/30/2023	03/31/2023
Financial investments - CDB	4	411,025	1,338,258
Restricted cash	6	2,488,601	2,296,174
Loans for investments*	12	—	(1,642,591)
Loans for working capital**	12	(4,765,707)	(3,629,835)
Total		(1,866,081)	(1,637,994)

(*) The amount does not include transaction costs.

(**) All working capital loans are exposed to CDI.

Interest rate risk on financial assets and liabilities - sensitivity analysis

Based on the CDI rate in effect on September 30, 2023, a probable scenario (level 1) was defined to calculate the interest income for the period, assuming that all other variables are kept constant and, based on that, variations of 25 % (level 2) and 50% (level 3) are calculated, as detailed below:

Instruments	Combined	Risk	Probable		Appreciation (R\$)		Depreciation (R\$)	
	Exposure on 09/30/2023		(Level 1)		(Level 2)	(Level 3)	(Level 2)	(Level 3)
Financial instruments			%	Value	25%	50%	25%	50%
Cash and cash equivalents	411,025	CDI	12.65	51,995	64,994	77,993	38,996	25,998
Restricted cash	2,488,601	CDI	12.65	314,808	393,510	472,212	236,106	157,404
Loans for working capital*	(4,765,707)	CDI	12.65	(602,862)	(753,578)	(904,293)	(452,147)	(301,431)
Total	(1,866,081)			(236,059)	(295,074)	(354,088)	(177,045)	(118,029)
Impact on income statement and on net parent investment					(59,015)	(118,029)	59,014	118,030

(*) The amount does not include transaction costs.

Reference: CDI information was obtained from the CETIP (clearinghouse for the custody and financial settlement of securities), considering the last business day of September 2023

Derivative financial instruments

FS has operations that may be impacted by the variation of foreign currencies. Among these exposures is a USD denominated loan for investments net of USD 524,552 (R\$ 2,626,744) as of September 30, 2023, and USD 624,552 (R\$ 3,172,971) as of March 31, 2023.

FS manages a portion of this risk through the use of derivative financial instruments, primarily swaps, options and non-deliverable forward contracts ('NDF's'), to reduce the exposure to foreign currency fluctuations between the Brazilian Real and the US dollar.

The open positions as of September 30, 2023, and March 31, 2023, including maturity dates, weighted average strike rates and fair value are detailed below.

Type	Purchase/Sale	Acquisition date	Expiration date ended	Days remaining until maturity	Contract	Notional	Fair value as of 09/30/2023
Margin Call	Ethanol	03/07/2023	01/31/2024	330	BRL	7,200m ³	2,152
NDF	Soybean	06/16/2023	11/30/2023	167	USD	23,500 (USD/st)	1,415
Forward contract	Corn	09/30/2023	12/29/2023	90	BRL	69,409	39,486
NDF	FX	04/13/2023	11/06/2023	207	USD	7,239	1,237
Swap	IPCA x CDI	09/15/2021	09/15/2025	1	BRL	300,000	21,620
Swap	IPCA x CDI	03/02/2023	02/15/2029	2	BRL	300,000	2,316
Forward contract	Corn	09/30/2023	12/29/2023	90	BRL	46,577	19,728
Total Derivative financial instruments (assets)							87,954

Type	Purchase/Sale	Acquisition date	Expiration date ended	Days remaining until maturity	Contract	Notional	Fair value as of 09/30/2023
Future	Ethanol	07/03/2023	01/31/2024	330	BRL	7,200m ³	(2,316)
Forward contract	Corn	09/30/2023	12/29/2023	90	BRL	68,151	(26,723)
NDF	SM	05/25/2023	11/28/2023	187	USD	18,800 (USD/st)	(630)
NDF	FX	05/11/2023	12/28/2023	231	USD	47,582	(5,998)
Swap	Pre x CDI	03/29/2023	03/22/2024	359	BRL	100,000	(586)
Swap	USD x BRL	12/08/2020	12/09/2023	1	USD	350,000	(242,512)
Swap	USD x BRL	05/30/2023	05/24/2024	360	USD	60,000	(11,287)
Swap	USD x BRL	08/16/2023	08/15/2025	730	BRL	100,000	(1,579)
Forward contract	Corn	09/30/2023	12/29/2023	90	BRL	41,524	(13,090)
Derivative financial instruments (liabilities)							(304,721)

Type	Index	Acquisition date	Expiration date ended	Days remaining until maturity	Contract	Notional	Fair value as of 03/31/2023
Forward contract	Corn	03/31/2023	05/30/2023	60	Corn	28	4,621
Future	Ethanol	07/03/2023	12/29/2023	297	USD	6000 m ³	46
NDF	USD	04/11/2022	08/30/2023	299	USD	3	24
Swap	IPCA x CDI	09/15/2021	09/15/2025	1,461	BRL	300	26,499
Swap	IPCA x CDI	03/02/2023	02/15/2029	2,204	BRL	300	9,288
Total Derivative financial instruments (assets)						630,994	40,478

Type	Index	Acquisition date	Expiration date ended	Days remaining	Contract	Notional	Fair value as of 03/31/2023
Forward contract	Purchased	03/31/2023	05/30/2023	60	Corn	24,342	(1,977)
NDF	FX	11/05/2023	10/30/2023	172	USD	92,388	(3,942)
Swap	USD x CDI	12/08/2020	12/09/2025	1,827	USD	350,000	(392,849)
Swap	Pre x CDI	03/29/2023	03/22/2024	359	BRL	100,000	(760)
Swap	USD x CDI	09/14/2022	12/06/2023	271	USD	27,000	(8,380)
Derivative financial instruments (liabilities)						595,830	(407,908)

Income from derivative financial instruments

FS recorded the gains and losses on these transactions in the statement of income for period, as detailed below:

	Notes	07/01/2023 to 09/30/2023	04/01/2023 to 09/30/2023	07/01/2022 to 09/30/2022	04/01/2022 to 09/30/2022
Gain with derivative operations	26	757	7,951	44,962	433,541
Losses with derivative operations	26	(23,389)	(280,530)	(85,554)	(304,412)
Losses with derivative operations (corn marketing)	22	(17,714)	15,365	(4,196)	(12,011)
Total		(40,346)	(257,214)	(44,788)	117,118

19. Income taxes and social contribution

a. Income tax and social contribution payable

	09/30/2023	03/31/2023
Income tax recoverable (IRPJ)	—	38,772
Income tax recoverable (CSLL)	—	21,044
Total	—	59,816

b. Deferred income tax and social contribution

Deferred taxes on assets, liabilities and income are as follows:

	Assets		Liabilities		Total net parent investment		Income statements	
	09/30/2023	03/31/2023	09/30/2023	03/31/2023	09/30/2023	03/31/2023	07/01/2023 to 09/30/2023	07/01/2022 to 09/30/2022
Allowance for expected losses on credit	43	2	—	—	—	—	41	—
Bonus provisions	5,425	12,985	—	—	—	—	(7,560)	(4,548)
Trade payables provision	2,514	1,524	—	—	—	—	990	(1,072)
Capitalized loan interest	—	—	(77,339)	(40,054)	—	—	(37,285)	(4,470)
Transaction cost	—	—	(69,196)	(57,571)	—	—	(11,625)	(15,986)
Derivative financial instruments	85,478	138,807	(11,046)	(25,680)	(45,753)	5,909	12,967	(141,582)
Right of use and lease liabilities	410	91,744	(814)	(92,287)	—	—	139	(306)
Adjustment to present value	14,378	6,154	—	(1,893)	—	—	10,117	6,219
Adjustment to fair value – Biological assets	—	—	—	—	—	—	—	11,053
Tax losses carryforward	249,274	5,682	—	—	—	—	243,592	—
Depreciation	—	—	(326,457)	(282,772)	—	—	(43,685)	(41,792)
Unearned gains losses (**)	194,437	196,843	—	—	—	—	(2,406)	197,201
Others	12,777	13,287	(21,662)	(26,216)	—	—	2,116	(10,136)
Subtotal	564,736	467,028	(506,514)	(526,473)	(45,753)	5,909	167,401	(5,419)
Offsetting (*)	(303,162)	(467,028)	303,162	467,028	—	—	—	—
Total	261,574	—	(203,352)	(59,445)	(45,753)	5,909	167,401	(5,419)

(*) Balances of deferred tax assets and liabilities offset by Company, as they relate to income taxes levied by the same tax authority.

(**) Refers to deferred tax calculated on the unrecognized gain upon the sale of assets by FS Ltda. to FS S.A., which took place in June 2022.

c. Effective rate reconciliation

Deferred taxes are calculated based on income and social contribution tax rates in the total of 34%.

Deferred tax resulting from the adjustment to present value has been amortized, in line with the maturity of the financial transactions that generated it.

	07/01/2023 to 09/30/2023	04/01/2023 to 09/30/2023	07/01/2022 to 09/30/2022	04/01/2022 to 09/30/2022
Effective rate reconciliation				
(Loss) Profit before income and social contribution taxes	(316,943)	(317,876)	361,431	723,853
Nominal rate	34 %	34 %	34 %	34 %
Tax expense at nominal rate	107,761	108,078	(122,887)	(246,110)
Adjustment of income and social contribution taxes				
PRODEIC	6,908	19,156	10,307	24,711
CBIOs	17,919	40,883	4,618	21,538
Tax incentive – (PAT)	—	—	2,082	2,870
Others	10,237	9,645	(4,103)	(8,361)
Income taxes and social contribution	142,825	177,762	(109,983)	(205,352)
Reconciliation with values presented in the income statement				
Current income and social contribution taxes	10,361	10,361	(114,677)	(199,933)
Deferred income and social contribution taxes	132,464	167,401	4,694	(5,419)
Income taxes and social contribution	142,825	177,762	(109,983)	(205,352)
Tax incentives on income tax	(5,715)	(5,715)	23,064	23,064
Income tax and social contribution in the period	137,110	172,047	(86,919)	(182,288)
Effective rate	43 %	54 %	24 %	25 %

Realization

Supported by internal assessments and estimates of future results, Management believes it is probable that taxable profits will be determined and has recognized deferred tax assets that will be used against such expenses. The estimates include variables from the micro and macro economic scenario, in addition to those related to the markets in which FS performs operational activities.

20. Information by segment

Base for segmentation

FS has four strategic divisions which are its reportable segments, grouped into industrial activities and marketing. These divisions offer different products and are managed separately as they require different sales strategies. Management makes its decisions based on internal and segmented reports, financial statements and other market information, considering the micro and macroeconomic scenario.

The following summary describes operations in each of FS' reportable segments:

Report segments	Type of activity	Operations
Ethanol	Industrial	Sales of anhydrous and hydrous ethanol.
Animal nutrition	Industrial	Sales of DDG (Distiller's dried grains) and corn oil
Energy	Industrial	Sales of generated energy and steam
Marketing	Marketing	Resale of grains, ethanol and energy purchased from third parties

The operating assets related to these segments are all located in Brazil.

Information about reportable segments

For analysis of the reportable segment results and for decisions about pricing, FS Management evaluates the net revenue, less the logistics costs (freight expenses) of sales.

Management's decision on allocating resources and monitoring the performance of each segment, is based on net revenue less freight expenses. Products sold by FS relating to industrial activities derive from the same production process – corn crushing – and therefore management does not allocate operating costs and expenses between the segments in its internal reporting, but segregates the costs directly attributable to industrial and marketing activities, to assess the gross margin per activity. In addition, FS' assets and liabilities are not allocated by segment.

The result by segment in the period was as follows:

	07/01/2023 to 09/30/2023	04/01/2023 to 09/30/2023	07/01/2022 to 09/30/2022	04/01/2022 to 09/30/2022
Anhydrous	679,123	1,374,022	644,486	1,209,182
Hydrous	419,654	841,796	359,735	916,621
Total ethanol segment	1,098,777	2,215,818	1,004,221	2,125,803
High protein	171,224	327,787	163,713	306,545
High fiber	89,838	182,855	95,657	181,325
Wet cake	58,094	117,647	58,963	104,879
Corn oil	66,649	127,648	86,296	150,753
Total animal nutrition segment	385,805	755,937	404,629	743,502
Energy	3,861	8,441	2,400	5,369
Steam	1,464	2,840	1,152	2,108
Total energy segment	5,325	11,281	3,552	7,477
Total net revenue from industrial segments (A)	1,489,907	2,983,036	1,412,402	2,876,782
Corn	211,507	326,465	283,857	538,517
Ethanol	1,782	1,782	—	—
Energy	7,901	11,281	9,135	13,098
Total net revenue from marketing segments (B)	221,190	339,528	292,992	551,615
Total net revenue from segments (A+B)	1,711,097	3,322,564	1,705,394	3,428,397
Freight on sales ⁽¹⁾	292,062	502,145	201,346	364,942
Total net revenue	2,003,159	3,824,709	1,906,740	3,793,339
Cost of goods sold (Industrial) (D)	(1,331,344)	(2,516,236)	(964,295)	(1,799,835)
Cost of goods sold (Marketing) (E)	(253,943)	(322,676)	(271,238)	(519,772)
Cost of goods sold	(1,585,287)	(2,838,912)	(1,235,533)	(2,319,607)
Gross profit (Industrial) (A+D)	157,954	466,191	448,107	1,076,947
Gross profit (Marketing) (B+E)	21,265	70,870	21,754	31,843
Freight on sales (reclassification) (C) ⁽¹⁾	292,062	502,145	201,346	364,942
Gross profit	471,281	1,039,206	671,207	1,473,732
Operational expenses ⁽²⁾	(62,494)	(125,167)	180,406	142,684
Other results	38,676	72,703	23,040	64,970
Freight on sales ⁽¹⁾	(292,062)	(502,145)	(201,346)	(364,942)
Total operational expenses	(315,880)	(554,609)	2,100	(157,288)
Net financial income (expenses)	(472,344)	(802,473)	(311,876)	(592,591)
(Loss) Profit before income and social contribution taxes	(316,943)	(317,876)	361,431	723,853

(1) Reclassification of logistic expenses on sales of products, that is reported by Management in net revenue.

(2) Operational expenses include: selling expenses administrative expenses and other results.

For the period ended September 30, 2023, the FS had customers that represented over 10% of its net revenue. The main 5 customers account for approximately 53.6% of gross revenue, the two largest with percentages of 33.8% and 8.9%.

21. Net revenue

	07/01/2023 to 09/30/2023	04/01/2023 to 09/30/2023	07/01/2022 to 09/30/2022	04/01/2022 to 09/30/2022
Domestic market				
Ethanol	1,215,920	2,433,188	1,100,916	2,291,931
DDG	382,328	743,857	361,462	666,978
Corn oil	74,267	140,971	91,994	159,811
Energy	3,862	8,441	(1,563)	5,369
Corn marketing	315,205	481,920	339,682	654,042
Energy resale	7,901	11,281	12,141	13,098
Ethanol Resale	2,211	2,211	—	—
Others	1,465	2,840	2,108	2,110
Total	2,003,159	3,824,709	1,906,740	3,793,339
Gross operating revenue				
	2,187,636	4,094,136	2,003,551	4,016,195
Deductions				
Sales tax and other deductions	(139,779)	(212,749)	(80,973)	(204,245)
Return of sales	(44,698)	(56,678)	(15,838)	(18,611)
Net revenue	2,003,159	3,824,709	1,906,740	3,793,339

22. Cost of goods sold

Production costs for the period are allocated across the FS's product line utilizing the relative sales value methodology. The cost of resold products is measured by the average acquisition cost and allocated to the product's result. Below is a table showing the cost of goods sold allocated by production inputs for the periods ended September 30, 2023 and 2022:

	07/01/2023 to 09/30/2023	04/01/2023 to 09/30/2023	07/01/2022 to 09/30/2022	04/01/2022 to 09/30/2022
Corn	(1,066,051)	(2,038,059)	(782,877)	(1,449,397)
Biomass	(90,744)	(165,036)	(60,627)	(116,840)
Labor	(27,505)	(48,282)	(23,476)	(43,844)
Enzymes	(21,360)	(40,159)	(17,885)	(32,332)
Depreciation	(59,124)	(104,170)	(32,086)	(62,532)
Production	(22,538)	(38,561)	(18,174)	(35,562)
Chemicals	(26,307)	(49,817)	(14,592)	(29,931)
Maintenance	(16,867)	(30,175)	(13,612)	(27,595)
Lab	(1,457)	(2,586)	(966)	(1,802)
Cost of goods sold	(1,331,953)	(2,516,845)	(964,295)	(1,799,835)
Corn marketing	(174,445)	(274,239)	(265,106)	(507,018)
Energy resale cost	(6,054)	(8,072)	(4,913)	(7,234)
Ethanol resale	(1,712)	(1,712)	—	—
Gains (losses) on derivatives	(17,714)	15,365	(1,219)	(5,520)
Cost of goods sold	(199,925)	(268,658)	(271,238)	(519,772)
Total	(1,531,878)	(2,785,503)	(1,235,533)	(2,319,607)

23. Selling expenses

Expenses incurred in the process of selling are as follows:

	07/01/2023 to 09/30/2023	04/01/2023 to 09/30/2023	07/01/2022 to 09/30/2022	04/01/2022 to 09/30/2022
Expenses with freight on sales	(292,062)	(502,145)	(201,346)	(364,942)
Personnel expenses	(12,353)	(20,044)	(9,265)	(14,404)
Expenses with contracted services	(1,737)	(2,517)	(830)	(2,104)
Allowance for expected credit losses	(72)	(123)	—	2
Travel expenses	(461)	(877)	(403)	(709)
Depreciation and amortization expenses	(512)	(981)	(131)	(326)
Other selling expenses	(680)	(1,645)	(408)	(958)
Total	(307,877)	(528,332)	(212,383)	(383,441)

24. Administrative expenses

The administrative expenses incurred in the period are divided as follows:

	07/01/2023 to 09/30/2023	04/01/2023 to 09/30/2023	07/01/2022 to 09/30/2022	04/01/2022 to 09/30/2022
Personnel expenses	(21,725)	(40,555)	(17,563)	(32,471)
Expenses with contracted services	(15,804)	(27,204)	(8,724)	(16,692)
Depreciation and amortization expenses	(3,724)	(6,115)	(1,846)	(4,133)
Travel expenses	(2,957)	(5,835)	(2,298)	(3,986)
Expenses with taxes and fees	(430)	(757)	(381)	(931)
Office expenses	(2,068)	(3,189)	(1,095)	(2,150)
Other operating income (expenses)	(4,584)	(9,394)	(4,583)	(7,526)
Total	(51,292)	(93,049)	(36,490)	(67,889)

25. Other results

Other results incurred in the period are presented as follows:

	07/01/2023 to 09/30/2023	04/01/2023 to 09/30/2023	07/01/2022 to 09/30/2022	04/01/2022 to 09/30/2022
Other operating income				
Carbon credit (CBIOS)	38,676	72,703	23,040	64,970
Gain (loss) on the sale of assets and rights (*)	11,031	11,135	170,628	171,302
Other income	6,273	10,481	5,556	7,253
Fair value of biological assets	—	—	—	4,419
Revenue from extemporaneous credit (**)	7,444	7,444	57,522	57,522
Total	63,424	101,763	256,746	305,466

Other expenses

Tax reversals	(16,928)	(27,265)	—	—
Donations	(135)	(743)	(428)	(1,116)
Other expenses	(3,072)	(6,983)	(5,345)	(10,308)
Total	(20,135)	(34,991)	(5,773)	(11,424)

Other results	43,289	66,772	250,973	294,042
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(*) As of September 30, 2023, gains on the sale of assets and rights mainly comprises the gain on the sale of forest assets totaling R\$ 170,222, as a result of a purchase and sale agreement between FS Ltda and FS Florestal S.A.

(**) FS has been claiming in court the right to exclude ICMS from PIS and COFINS calculation basis for Ethanol sales operations. Supported by its legal advisors, FS understands, that due to the final and unappealable decision by STF on the matter, the chances of success are probable, ensuring the right to recognition of this credit. Therefore, during the period ended September 30, 2023, FS recognized under the heading Taxes Recoverable, Noncurrent Assets, consolidated credits in the amount of R\$ 7,444 (R\$ 57,522 as of September 30, 2022). FS calculated the amount relating to this period based on the best estimate and available tax documents, and such amount involved is subject to adjustments to be made by Management in future periods.

26. Net finance income (costs)

	07/01/2023 to 09/30/2023	04/01/2023 to 09/30/2023	07/01/2022 to 09/30/2022	04/01/2022 to 09/30/2022
Finance income				
Interests over short term investments	167,148	342,183	208,653	368,915
Discounts obtained	1,822	6,400	367	999
Adjustment to present value - receivables	15,036	36,758	5,863	9,733
Gain with derivative operations	13,623	20,817	44,962	433,630
Interest income	10,374	14,628	143	363
Total	208,003	420,786	259,988	813,640
Finance costs				
Interest expense on loans	(346,698)	(682,115)	(259,622)	(534,292)
Interest on reverse factoring	(41,296)	(57,723)	(18,274)	(27,020)
Adjustment to present value - trade payables	(85,723)	(82,249)	(46,025)	(55,486)
				(1,163)
Adjustment to present value - lease obligations	(4,450)	(20,435)	(650)	
Interest on advance receivables	(22,203)	(59,870)	(16,393)	(38,788)
Bank fees	(388)	(826)	(24,533)	(23,245)
Taxes (IOF)	(230)	(1,505)	208	(797)
Losses with derivative operations	(36,255)	(293,396)	(85,630)	(304,412)
Others	(39,242)	(81,483)	(5,532)	(7,290)
Total	(576,485)	(1,279,602)	(456,451)	(992,493)
Foreign exchange rate (gains) or losses				
Income foreign exchange rate variation	(62,859)	101,303	52,050	154,606
Expense foreign exchange rate variation	(41,003)	(44,960)	(167,464)	(568,344)
Total	(103,862)	56,343	(115,414)	(413,738)
Net finance costs	(472,344)	(802,473)	(311,876)	(592,591)

Gain (loss) on the derivative transaction is a consequence of fair value adjustments, as disclosed in note 18.

The result of the foreign exchange variation as of September 30, 2023 and 2022, is presented according to the following breakdown:

	07/01/2023 to 09/30/2023	04/01/2023 to 09/30/2023	07/01/2022 to 09/30/2022	04/01/2022 to 09/30/2022
Net exchange variations of payables				
Foreign exchange rate variation of trade payables - unrealized	—	—	—	4,757
Foreign exchange rate variation of trade payables - realized	(6,489)	(9,416)	(118)	(562)
Total	(6,489)	(9,416)	(118)	4,195
Net exchange variations of loans				
Foreign exchange rate variation on loan - unrealized	(166,167)	(2,467)	(115,295)	(417,933)
Foreign exchange rate variation on loan - realized	96,086	95,518	—	—
Foreign exchange rate variation on related parties loans - unrealized	(9,998)	(9,998)	—	—
Foreign exchange rate variation on related parties loans - realized	(17,294)	(17,294)	—	—
Total	(97,373)	65,759	(115,295)	(417,933)
Foreign exchange rate variations, net	(103,862)	56,343	(115,413)	(413,738)

27. Commitments

FS had the following commitments effective on September 30, 2023:

Sale				
Product	Unit	Quantity	Price per unit or agreement	Term
Ethanol	m ³	846,622	current market prices	May 2024
Steam	ton.	11,056	R\$ 123.74	April 2024
DDG	ton.	1,142,271	R\$ 401.21	March 2026
Oil	ton.	9,971	R\$ 3,754.98	January 2024
Energy	MWh	443,160	R\$ 150.36 to R\$ 273.00	December 2025 to 2045

Purchase				
Product	Unit	Quantity	Price per unit or agreement	Deadline)
Energy	MWh	155,952	R\$ 149.44	December 2025
Corn	ton.	1,204,086	R\$ 36.83	November 2024
Corn marketing	ton.	108,108	R\$ 38.84	November 2024
Eucalyptus	Stere meter	6,367	R\$ 46.45	September 2028
Purchase of equipment and services	—	—	80,193	—

28. Related parties

a. Ultimate parent

In the periods ended September 30, 2023 and 2022, the ultimate parent company of FS Ltda. and FS I S.A. is SRMM, LLC (Summit).

b. Remuneration of key management personnel

Officers are the key personnel who have authority and responsibility for planning, directing, and controlling the activities of the Companies. For the periods ended September 30, 2023, and 2022, short-term benefits (salaries, profit sharing, medical care, housing, among others) were accrued to managers and recorded under 'Personnel Expenses'.

The remuneration of key management personnel comprises:

	07/01/2023 to 09/30/2023	04/01/2023 to 09/30/2023	07/01/2022 to 09/30/2022	04/01/2022 to 09/30/2022
Short term benefit	5,137	9,120	3,960	7,663

c. Transaction with related parties

Nature of relationship	Assets					
	Trade receivables		Related parties loans ⁽ⁱ⁾		Advance to suppliers	
	09/30/2023	03/31/2023	09/30/2023	03/31/2023	09/30/2023	03/31/2023
Other related parties	5,661	164,251	—	—	—	5,277
Non-controlling	2,228	2,184	66,626	70,804	192	191
Related parties	—	—	199,879	217,648	—	—
Total	7,890	166,435	266,505	288,452	192	5,468

Nature of relationship	Liabilities					
	Trade payables ⁽ⁱⁱ⁾		Lease payables ⁽ⁱⁱⁱ⁾		Advances to customers	
	09/30/2023	03/31/2023	09/30/2023	03/31/2023	09/30/2023	03/31/2023
Other related parties	132,743	5,276	98,874	98,579	18,720	111,631
Non-controlling	16	192	94,605	—	—	—
Total	132,759	5,468	193,479	98,579	18,720	111,631

(i) On October 5, 2021, FS Lux, a subsidiary of FS Ltda., granted to its ultimate controlling shareholders loans in the amount of USD 50,000 (R\$ 274,055) with a rate of 7.28% p.y. to maturity payment of semiannual interest and principal in October 2028.

(ii) Refers mainly to the acquisition of grains (corn)

(iii) Refers to the lease of warehouses for storing corn and wagons.

d. Purchases and sales transactions with related parties

FS maintains adherence to the internal policies that all related parties' transactions are conducted at an arm's length basis.



The cost to purchase products and services from related parties are listed below:

Nature of relationship	Acquisition cost	
	04/01/2023 to 09/30/2023	04/01/2022 to 09/30/2022
Other related parties	370,824	46,263
Corn	310,245	43,607
Corn marketing	23,055	—
Biomass	19,675	—
Warehouse monthly rent	15,204	—
Others	1,361	2,656
Corn oil	1,284	—
Non-controlling	377	12,866
Corn	377	12,866
Total	371,201	59,129

Sales of products and assets to related parties are listed below:

Nature of relationship	Sales revenue	
	04/01/2023 to 09/30/2023	04/01/2022 to 09/30/2022
Other related parties	60,639	338,893
Revenue from the sale of farms	—	295,185
Corn oil	27,830	—
Corn	15,598	—
Steam	3,130	—
DDG FS Gold	1,795	101
Anhydrous ethanol	1,566	—
Others	1,126	—
DDG FS Essential	1,069	43,607
Hydrated ethanol	500	—
Corn marketing	297	—
Biomass	210	—
DDG FS Wetcake	7,319	—
DDG FS Essential	199	—
Non-controlling	—	12,866
Corn	—	12,866
Total	60,639	351,759

During the quarter ended September 30, 2023, FS received cash of R\$ 142,030 related to purchase and sale agreements entered into between September 30, 2022 and March 31, 2023 from carrier biological and plant assets with FS Florestal S.A.

e. Other related parties

FS is the guarantor of certain related parties' loans, being jointly liable in those transactions. As of September 30, 2023, the total amount of guarantees was:

	09/30/2023	03/31/2023
FS Florestal S.A.	958,600	350,000
FS Infraestrutura S.A.	115,519	—
Total	1,074,119	350,000

Of the total of guarantees, R\$ 422,349 refers to financial investments collateral that is disclosed as Restricted Cash, see note 6.

29. Statements of cash flows

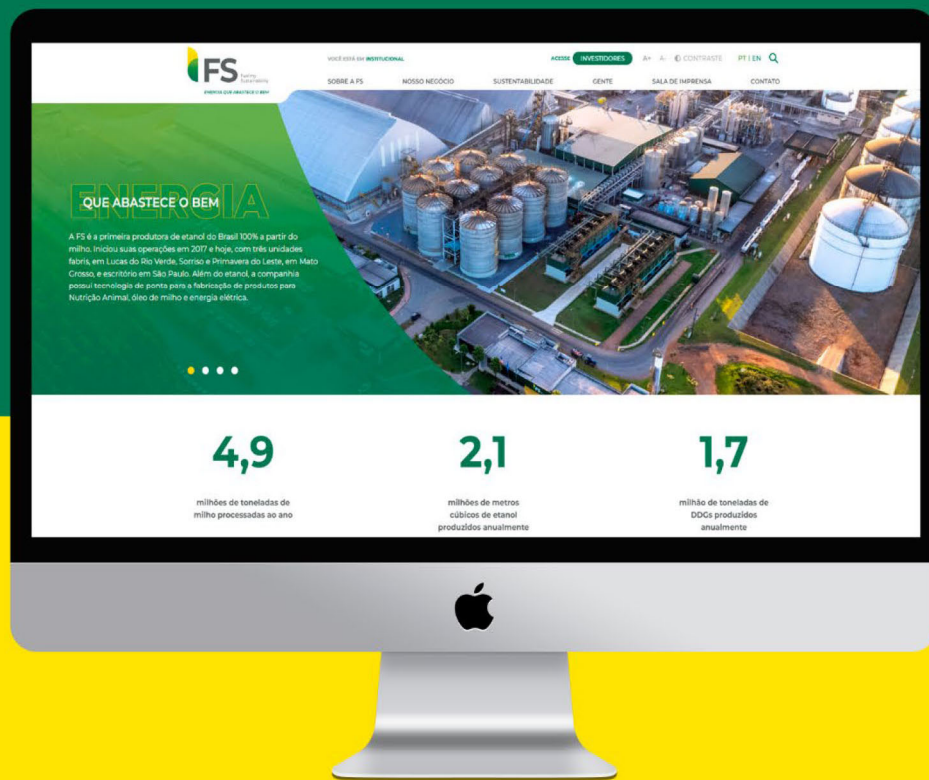
For the periods ended September 30, 2023 and 2022, property, plant and equipment were acquired at a total net cash outflow of R\$ 542,446, and R\$ 764,164, respectively, as follows (see note 10):

	Note	04/01/2023 to 09/30/2023	04/01/2022 to 09/30/2022
Cost of acquisition of fixed assets	10	659,141	1,065,103
Movement of payables related to fixed assets	11	89,631	(263,198)
Capitalization of borrowing costs	12	(15,995)	(29,030)
Right of use	14	(199,610)	(12,389)
Others		446	3,678
Net acquisition of property, plant and equipment		533,613	764,164

30. Subsequent events

Distribution of dividends

In the minutes of the shareholders' meeting held on October 3, 2023, FS Ltda. approved the distribution of profits in the amount of R\$ 20,527 based on retained earnings as of March 31, 2023, paid on the same date.



fsfuelingsustainability

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