ECE S.A.

Individual company and consolidated financial statements as of March 31, 2024

(A free translation of the original report in Portuguese, containing financial statements prepared in accordance with BR GAAP)

KPDS 1381389

Contents

Management Report

The Management of ECE S.A. ("Evolua Etanol"), in accordance with legal provisions, is pleased to present the Management Report and the financial statements for the year ended March 31, 2024, prepared in accordance with Brazilian accounting policies (BRGAAP).

Evolua Etanol is an open platform that connects producers, distributors and other members of the ethanol chain through the integration, efficiency and sustainability of their solutions, which are available to the whole market.

Created from the merger between Vibra Energia and Copersucar, two market leaders, Evolua Etanol is Brazil's largest ethanol trader. The Company operates in a collaborative and integrated manner, generating shared value by facing up to the challenge of offering clean and renewable energy in a large scale both nationwide and worldwide, going beyond the volumes of its shareholders.

Its vocation for innovating and building partnerships by offering state-of-the-art marketing and logistics solutions allows the Company to be prepared and strengthened to meet the growing demand for renewable fuels, to strengthen its relationship with production plants and to make the industry's commercial and logistics operations more efficient, with great potential for expanding its activities and winning new markets.

Therefore, the Company's Management is very proud to acknowledge the importance of its employees, customers, suppliers, business partners and shareholders.

OPERATIONAL PERFORMANCE

The operations of Evolua Etanol during the 23/24 harvesting season were affected by the full consolidation of the Company's commercial operations in the ethanol chain. The Company generated value for producers and distributors by making the product available at all times of the season, and by providing liquidity and access to logistics facilities nationwide.

This harvesting season has also been marked by a hardly predictable environment of tax uncertainties about fuel taxes at the beginning of the harvesting season and of unusual variables that affected the balance of supply and demand detailed below.

Ethanol supply continued to be boosted by an increase in the agricultural productivity of the Central-Southern region during the harvesting season due to unusually favorable weather conditions, leading to 654 million tonnes of sugarcane being ground, which meant a positive variation of 8% when compared with the previous cycle (607 million tonnes during the 22/23 harvesting season). Even with the rise in sugar production, this increase in grinding also led to an additional supply of 2.8 billion liters of ethanol, which were added to the balance of supply and demand during the harvesting season, according to weather conditions.

Ethanol demand showed a strong recovery of fuels used in Otto cycle engines, up 4.7% when comparing the 22/23 harvesting season with the 23/24 harvesting season. However, the slowest response of consumers, even under favorable ethanol prices, led to a significantly lower consumption rate than what had been expected, grounded in historical data during virtually all this period. This also impacted the balance of supply and demand over the harvesting season, as sales data were disclosed.

These two effects together had a significant effect on the balance of supply and demand, and therefore on ethanol prices, which dropped 66% between April 2023 and January 2024.

Evolua Etanol achieved positive results in virtually all lines of business, except for exposure to fixed prices, which generated negative impacts arising from the mark to market of inventory, because of the drop in prices during a harvesting season that reported a continuous mismatch between supply and demand due to the factors mentioned before.

In the international ethanol market, even with fewer opportunities than in the previous cycle, the Company sold more to some markets, acquiring a 20% share of all ethanol exports in Brazil, with a significant presence in the main product flows.

Our logistics facilities handled 2.2 billion liters of ethanol, up 30% from the previous cycle. The Company started to manage ethanol collection for distribution facilities, which will allow even more synergy and create an opportunity to make our portfolio more efficient over the next year.

Evolua Etanol's consolidated total sales of biofuel for the 23/24 harvesting season were 9.5 billion liters in the global market, considering not only the volumes that have been recognized directly to the company's books of account, but also those trade directly through shareholders.

FINANCIAL PERFORMANCE

During the 23/24 harvesting season, Evolua Etanol's businesses continued to expand nationwide, and the ethanol trading company became more known in a range of states.

4 billion liters of ethanol were sold, generating total revenues of R$11.1 billion.

The Company sold and distributed ethanol to regions in Brazil where there are no operating units yet by relying on its shareholders' structure. 5.5 billion liters of ethanol were sold, generating total revenues of R$15.1 billion.

In the consolidated financial statements, this resulted in revenues of R$26.2 billion from the sale of 9.5 billion liters of ethanol, and net loss of about R$92 million.

This negative result was basically caused by changes in inventory costs in a year when prices fell during the first quarters of the harvesting season. Profit for the fourth quarter of the year was R$36 million, reflecting the price recovery reported as from January 2024 – which has already been added to the results reported during the harvesting season.

CORPORATE GOVERNANCE

Corporate governance remains one of the most important and consistent pillars of Evolua Etanol and its shareholders.

From the start of its operating activities, the Company has consistently followed the best governance practices designed and implemented by the Board of Directors, including Independent Board Members, Advisory and Executive Management Committees, seeking to achieve the highest levels of ethical behavior, efficiency, competitiveness, transparency and sustainable business growth.

Currently, the Board of Directors of Evolua Etanol consists of six members, four of whom are appointed by shareholders (two vacancies for each company) and the other two are independent members.

Following the best practices, the Company has a Top Management team and three Advisory Committees: Audit, Compliance and Tax; Finance, Risk and Strategy; and People, coordinated by independent board members or shareholders' employees with expertise on the issues.

Among the relevant range of corporate governance instruments, the Code of Ethics and Conduct for Evolua Etanol's Employees and the Code of Conduct for Business Partners stand out, both available at their electronic address: https://www.evoluaetanol.com.br/somos-evolua-etanol/governanca-corporativa/. Codes are considered by the Company as the main documents of its Compliance and Integrity Program, and are prepared using accessible, clear, direct and simple language. The Codes are easily accessible to employees – are also available on the intranet – and are focused on the Company's values and principles.

In addition to the codes of conduct, the Company has the Whistleblowing Hotline, which allows the communication of conduct considered unethical or that violates ethical principles and rules of conduct and/or prevailing law. The Whistleblowing Hotline is managed by an independent company, ensuring anonymity, secrecy and proper treatment of each situation by the Company's top management, avoiding conflicts of interest.

A group of Internal Policies remain in effect, too: Approval Levels; Commercial; Procurement; Indebtedness; Financial; Privacy; Remuneration; Risks; Related parties; and Internal Audit.

In line with its commitment to good practices, Evolua Etanol has areas that strengthen its corporate governance, such as the Internal Audit — which relies on the work of EY's independent auditors as co-sourcing contractors, including Compliance, Internal Controls and the Financial Risk department.

Finally, even considering the robust governance framework implemented since the start of operations, which by itself meets B3's requirements for the Novo Mercado segment, the Company seeks to strengthen and continuously improve corporate governance issues.

PERSONNEL MANAGEMENT

The 23/24 harvesting season has been marked by significant advances in the Personnel Management pillar, reflecting our team's continued commitment to the development and recognition of our employees.

Our culture, based on solid values, was the foundation of operations throughout the harvesting season, allowing us to stick to the principles laid out by "Nosso Jeito Evolua". Processes and also management practices and routines have been put in place to support the Company's culture during its daily activities.

The performance management cycle was designed with a focus on the development of behaviors aligned with corporate culture values. This led to the adoption of a complete approach to boost the individual and collective performance of the whole team.

Management implemented specific leadership development processes, including recurring meetings with leaders to share strategic information, discuss opportunities and align management practices with organizational values and purposes.

We upheld our commitment to strengthening diversity by promoting an inclusive, collaborative and result-oriented work environment. Since the creation of Evolua Etanol, we have seen a 75% increase in the number of female employees and a 50% increase in the number of women in leadership positions. Moreover, all policies are equitable.

The company launched the blind recruitment process, aiming at avoiding biases in the choice of candidates and encouraging diversity and inclusion at Evolua Etanol. This initiative has helped to improve our gender indicators, ensuring a positive and transparent experience for all those involved in the procurement of people.

In order to strengthen the employer's brand and attract the best talents, Evolua Etanol has also renovated its corporate site by creating a page for career opportunities.

These achievements highlight the Company's continued commitment to fostering a collaborative, diverse and efficient work environment and promoting the team's personal and professional growth. Therefore, for the next harvesting season, the priority under the Personnel Management pillar will be to invest in and improve leadership and employee development programs to drive the company's strategic purposes.

That is just the beginning. Evolua Etanol is confident that these initiatives will establish a solid basis to achieve the results expected for its future!

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Independent auditors' report on the individual company and consolidated financial statements

To the Board of Directors and Management of

ECE S.A.

São Paulo - SP

Opinion

We have audited the individual company and consolidated financial statements of ECE S.A. (the "Company"), referred to as Company and Consolidated, respectively, which comprise the statement of financial position as of March 31, 2024, and the statements of profit or loss and other comprehensive income (loss), changes in equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion, the accompanying individual company and consolidated financial statements present fairly, in all material respects, the individual company and consolidated financial position of ECE S.A. as of March 31, 2024, and its individual company and consolidated financial performance and its individual company and consolidated cash flows for the year then ended, in accordance with Brazilian accounting policies.

Basis for Opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Individual Company and Consolidated Financial Statements section of our report. We are independent of the Company and its subsidiary in accordance with the ethical requirements that are relevant to our audit of the financial statements and are set forth on the Professional Code of Ethics for Accountants and on the professional standards issued by the Regional Association of Accountants, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information that accompanies the individual company and consolidated financial statements and the independent auditors' report

The management of the Company and of its subsidiary is responsible for the other information. The other information comprises the Management Report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work that we have performed, we conclude that there is material misstatement of this other information, then we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Individual Company and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the individual company and consolidated financial statements in accordance with Brazilian accounting practices, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual company and consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and its subsidiary or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and its subsidiary's financial reporting process.

Auditors' Responsibilities for the Audit of the Individual Company and Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the individual company and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with Brazilian and international standards on auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Brazilian and international standards on auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the individual company and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and its subsidiary's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and its subsidiary's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditors' report to the related disclosures in the individual company and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company and its subsidiary to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual company and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the individual company and consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ribeirão Preto, May 16, 2024

KPMG Auditores Independentes Ltda.
CRC 2SP-027666/O-5 F SP
(Original report in Portuguese signed by)
Fernando Rogério Liani
Accountant CRC 1SP229193/O-2

ECE S.A.

Statements of financial position as of March 31, 2024

(In thousands of real)

ASSETS	Note	CONSOLIDATED March 31, 2024	COMPANY March 31, 2024	COMPANY March 31, 2023
Current assets				
Cash and cash equivalents	3	341,034	335,861	1,093,156
Cash from transactions with brokerage firms and stock exchanges	7	-	-	15,695
Trade receivables	4.a.	635,700	635,700	615,763
Inventories	5	225,018	225,018	937,792
Recoverable taxes	6	58,406	58,406	51,721
Recoverable income and social contribution taxes	6	32,615	32,615	12,012
Advances to suppliers	9.b	323,415	323,415	391
Stock exchange transactions	7	2,205	2,205	2,663
Derivative financial instruments	12	53,056	53,056	39,701
Prepaid expenses		277	277	-
Total current assets		**1,671,726**	**1,666,553**	**2,768,895**
Non-current assets				
Deferred tax assets	13	44,987	44,987	-
Total long-term assets		**44,987**	**44,987**	**-**
Investments in subsidiaries	8	-	5,115	-
Property, plant and equipment		1,809	1,809	697
Right-of-use assets under leases		4,106	4,106	2,636
		5,915	11,030	3,333
Total non-current assets		**50,902**	**56,017**	**3,333**
Total assets		**1,722,628**	**1,722,569**	**2,772,228**

LIABILITIES	Note	CONSOLIDATED March 31, 2024	COMPANY March 31, 2024	COMPANY March 31, 2023
Liabilities				
Trade payables	9.a.	635,568	635,568	626,617
Loans and financing	10	660,135	660,135	1,605,885
Payroll and social charges		4,493	4,493	13,630
Tax payables	11	370	312	7,358
Customer advances	4.b	25,237	25,237	788
Dividends to be paid	16.c	-	-	43,493
Derivative financial instruments	12	30,475	30,475	12,086
Lease liabilities		377	377	886
Other payables		1,534	1,534	-
Total current liabilities		**1,358,190**	**1,358,131**	**2,310,743**
Non-current liabilities				
Deferred tax liabilities	13	-	-	7,447
Lease liability		3,967	3,967	1,749
Total non-current liabilities		**3,967**	**3,967**	**9,196**
Equity				
Share capital	16.a	450,000	450,000	450,000
Legal reserve	16.b	-	-	2,289
Accumulated losses		(89,529)	(89,529)	-
Equity attributable to owners of the Company		**360,471**	**360,471**	**452,289**
Total liabilities		**1,362,156**	**1,362,098**	**2,319,939**
Total liabilities and equity		**1,722,628**	**1,722,569**	**2,772,228**

The notes are an integral part of these individual company and consolidated financial statements.

ECE S.A.

Statements of profit or loss

For the year ended March 31, 2024 and 2023

(In thousands of real)

		CONSOLIDATED	COMPANY	
	Note	**March 31, 2024**	**March 31, 2024**	**March 31, 2023**
Revenue from the sale of goods	17	10,226,214	10,226,214	4,976,279
Derivative financial instruments	17	(40,155)	(40,155)	36,831
Cost of sales of goods	18	(10,125,571)	(10,125,571)	(4,904,070)
Gross profit		**60,488**	**60,488**	**109,040**
Selling expenses	18	(96,565)	(96,565)	(20,205)
Administrative expenses	18	(30,459)	(30,459)	(30,632)
Profit (loss) before net finance income (costs)		**(66,536)**	**(66,536)**	**58,203**
Finance income	19	201,349	201,175	130,851
Finance costs	19	(274,434)	(274,426)	(119,745)
Net finance income (costs)		**(73,085)**	**(73,251)**	**11,106**
Share of profit from equity investments	8	-	115	-
Profit (loss) before tax		**(139,621)**	**(139,671)**	**69,309**
Current	13	(4,630)	(4,580)	(16,080)
Deferred	13	52,433	52,433	(7,447)
(Loss)/Profit for the year		**(91,818)**	**(91,818)**	**45,782**

The notes are an integral part of these individual company and consolidated financial statements.

ECE S.A.

Statements of comprehensive income (loss)

For the year ended March 31, 2024 and 2023

(In thousands of real)

	CONSOLIDATED	COMPANY	
	March 31, 2024	March 31, 2024	March 31, 2023
(Loss)/Profit for the year	(91,818)	(91,818)	45,782
Comprehensive income	-	-	-
Total comprehensive income (loss)	**(91,818)**	**(91,818)**	**45,782**

The notes are an integral part of these individual company and consolidated financial statements.

ECE S.A.

Statements of changes in equity

For the year ended March 31, 2024 and 2023

(In thousands of real)

		Reserves		
	Share capital	Legal reserve	Accumulated losses	Total
As of March 31, 2022	**450,000**	**-**	**-**	**450,000**
Profit for the year	-	-	45,782	45,782
Legal reserve	-	2,289	(2,289)	-
Distribution of dividends	-	-	(43,493)	(43,493)
As of March 31, 2023	**450,000**	**2,289**	**-**	**452,289**
Loss for the year	-	-	(91,818)	(91,818)
Absorption of loss	-	(2,289)	2,289	-
As of March 31, 2024	**450,000**	**-**	**(89,529)**	**360,471**

The notes are an integral part of these individual company and consolidated financial statements.

ECE S.A.

Statements of cash flows

For the year ended March 31, 2024 and 2023

(In thousands of real)

	Note	CONSOLIDATED March 31, 2024	COMPANY March 31, 2024	COMPANY March 31, 2023
Cash flows from operating activities				
(Loss)/Profit for the year		**(91,818)**	**(91,818)**	**45,782**
Adjustments for:				
Share of profit from equity investments	8	-	(115)	-
Depreciation and amortization		228	228	83
Deferred taxes	13	(52,433)	(52,433)	7,447
Interest on loans and financing	10	160,217	160,217	110,885
Change in fair value of derivative financial instruments	19	33,200	33,200	(8,429)
Unrealized foreign exchange gain (loss)	19	(26,534)	(26,534)	-
Estimated losses		238	238	-
Changes in assets and liabilities				
Trade receivables		(19,937)	(19,937)	(615,763)
Inventories		712,773	712,773	(937,792)
Recoverable taxes		(6,685)	(6,685)	(79,657)
Advance to supplier		(323,024)	(323,024)	(391)
Stock exchange transactions		16,153	16,153	(18,358)
Trade payables		8,952	8,952	626,617
Customer advances		24,450	24,450	-
Payroll and social charges		(9,137)	(9,137)	13,630
Tax payables		(6,988)	(7,046)	42,436
Income and social contribution taxes paid		(20,602)	(20,602)	(19,155)
Other payables		510	510	788
Interest on loans and financing paid	10	(261,082)	(261,082)	-
Cash flows provided by (used in) operating activities		**138,481**	**138,308**	**(831,878)**
Cash flows from investing activities				
Paid-in capital in investee	8	-	(5,000)	-
Investments in property, plant and equipment		(1,061)	(1,061)	(780)
Net cash used in investing activities		**(1,061)**	**(6,061)**	**(780)**
Cash flows from financing activities				
Capital increase		-	-	450,000
Payment of lease liabilities		(931)	(931)	-
Dividends paid	16.c	(43,493)	(43,493)	-
Transactions with financial instruments		(204)	(204)	(19,186)
Loans and financing taken	10	2,050,085	2,050,085	1,495,000
Repayments of loans and financing	10	(2,894,999)	(2,894,999)	-
Net cash provided by financing activities		**(889,542)**	**(889,542)**	**1,925,814**
Net (decrease) increase in cash and cash equivalents		**(752,122)**	**(757,296)**	**1,093,156**
Cash and cash equivalents as of April 1	3	1,093,156	1,093,156	-
Cash and cash equivalents as of March 31	3	**341,034**	**335,861**	**1,093,156**

The notes are an integral part of these individual company and consolidated financial statements.

Notes to the individual company and consolidated financial statements

(In thousands of Real)

1 Overall Information

ECE.S.A. – Evolua Etanol (the "Company"), set up as a closed corporation domiciled in Brazil, is headquartered and domiciled in the city of São Paulo, state of São Paulo, at Avenida das Nações Unidas, 14.261. The Company's financial statements include the accounts of the Entity and its subsidiary (jointly referred to as Company and subsidiary). The Company is primarily engaged in importing, exporting, trading and storing ethanol; providing services of transportation, transshipment, intermediation, brokerage, loading and unloading of ethanol and by-products; handling land, air, river and sea logistics facilities; transporting cargo and holding equity interest in other companies.

The Company's and its subsidiary's fiscal year ends on March 31. A significant portion of purchases and sales are carried out under specific conditions with related parties, as shown in note 15.

(i) List of subsidiary

	EQUITY OWNERSHIP
	March 31, 2024
Evolua Etanol Comércio Exterior S.A. (a)	100%

(a) Subsidiary Evolua Etanol Comércio Exterior S.A. was set up on July 20, 2023 as a closed capital corporation in Brazil and headquartered in the city of São Paulo (state of São Paulo), at Avenida das Nações Unidas, 14.261. It is primarily engaged in: importing, exporting, selling and storing ethanol and has not yet started operations, which makes it a pre-operating entity.

2 Basis of presentation and accounting policies

2.1 Statement of compliance (with Brazilian accounting policies)

The individual company and consolidated financial statements have been prepared in accordance with Brazilian accounting policies (BR GAAP).

The Audit, Compliance and Tax Committee issued a favorable opinion on the Company's individual company and consolidated financial statements, pursuant to the meeting held on May 15, 2024.

The Board of Directors authorized the disclosure of these individual company and consolidated financial statements at a meeting held on May 16, 2024.

Details about the Company's and its subsidiaries' accounting policies, including the changes, are presented in note 2.6.

All significant information characteristic of individual company and consolidated financial statements, and only that information, is shown and is that used by management to run the Company.

2.2 Functional and presentation currency

The individual company and consolidated financial statements are presented in Brazilian real, which is the Company's and its subsidiary's functional currency. All financial information presented has been rounded to the nearest thousand, unless otherwise indicated.

2.3 Use of estimates and judgments

The preparation of the Company's and its subsidiary's individual company and consolidated financial statements requires Management to make judgments, use estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities, including contingent liabilities. However, uncertainty about those judgments, assumptions and estimates could lead to results that require a significant adjustment in the book values of certain assets and liabilities in future years.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

Uncertainties about assumptions and estimates
Significant accounting estimates, assumptions and judgments are as follows:

- **Note 5** - Inventories;
- **Note 12 -** Derivative financial instruments; and
- **Note 13 -** Deferred tax assets and liabilities.

2.4 Measurement of fair values

A number of the Company's and its subsidiary's accounting policies and disclosures require the measurement of fair value, for both financial and non-financial assets and liabilities. The Company and its subsidiary use observable market data as much as possible and fair values are categorized into different levels in a fair value hierarchy according to valuation techniques as follows:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

No fair value measurements were made by the Company and its subsidiary for the year ended March 31, 2024 that fall into Level 3 of the fair value hierarchy established by CPC 40 (R1) – Financial Instruments: Disclosures (item 27A.c.).

The Company and its subsidiary recognize transfers between levels of the fair value hierarchy at the end of the reporting period of the individual company and consolidated financial statements in which the changes occurred.

Where applicable, further information about the assumptions made in determining fair values is disclosed in notes specific to that asset or liability.

Further information about the assumptions made in measuring fair values is included in the following note:

- **Note 5** - Inventories; and
- **Note 12** - Financial instruments.

2.5 Basis of measurement

The individual company and consolidated financial statements have been prepared on the historical cost basis except for the following material items in the statements of financial position:

- Derivative financial instruments are measured at fair value;
- Non-derivative financial instruments at fair value through profit or loss are measured at fair value; and
- Inventories are measured at fair value less selling expenses, through mark to market.

2.6 Material accounting policies

The material accounting policies described in detail below are applied consistently to the year presented in these individual company and consolidated financial statements in accordance with the accounting pronouncements issued by the Committee of Accounting Pronouncements (CPC), except when otherwise stated.

In addition, the Company and its subsidiary adopted the Disclosure of Accounting Policies (Amendments to CPC 26 - Presentation of Financial Statements) as from April 1, 2023. The amendments require the disclosure of "material" rather than "significant" accounting policies. Although the changes have not resulted in any changes in accounting policies itself, they have affected the information about disclosed accounting policies.

2.6.1 Changes in significant accounting policies

Deferred Tax Related to Assets and Liabilities arising from a Single Transaction
The Company and its subsidiary adopted deferred taxes related to assets and liabilities arising from a single transaction (Amendments to CPC 32 - Income Taxes) as from April 1, 2023. The amendments narrow the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences – e.g. leases and decommissioning and restoration obligations. For leases and decommissioning and restoration obligations, an entity needs to recognize the associated deferred tax assets and liabilities from the beginning of the earliest comparative year presented, with any cumulative effect recognized as profit reserve, accumulated losses or in other components of equity at that date. For all other transactions, the Company applies the amendments to transactions occurring in or after the beginning of the earliest year reported. On March 31, 2024, the Company did not find any possible impacts related to the adoption of this standard.

Global minimum top-up tax
The Company and its subsidiary have analyzed the International Tax Reform - Pillar Two Model Rules (Amendments to CPC 32/ IAS 12 - Income Taxes) when it published its financial statements. The amendments provide a temporary mandatory exception from deferred tax accounting for the top-up tax, which is effective immediately, and require new disclosures about the Pillar Two exposure. However, because no new legislation to implement the top-up tax was enacted or substantively enacted as of December 31, 2022 in any jurisdiction in which the Company and its subsidiary operate and no related deferred tax regarding Pillar Two positions was recognized at that date, the retrospective application has no impact on the Company's and its subsidiaries' individual company and consolidated financial statements.

Information about material accounting policies
The Company and its subsidiary have also adopted the Disclosure of Accounting Policies (Amendments to CPC 26 / IAS 1 – Presentation of Financial Statements) as from April 1, 2023. Although the amendments have not result in any changes in accounting policies themselves, they affected the information in the accounting policies disclosed in the individual company and consolidated financial statements, requiring companies to disclose their “material” accounting policies rather than their “significant” accounting policies. The amendments also include guidance on the application of materiality to accounting policy disclosures, helping Companies to provide useful information about the Company's and its subsidiaries' specific accounting policies that users need to understand other information in the individual company and consolidated financial statements. Management has reviewed accounting policies and updated the information disclosed in note 2.6 Material accounting policies (2023: Significant accounting policies) in certain cases, according to the changes.

2.6.2 Basis of consolidation

(i) Subsidiaries
The Company controls an entity when it is exposed to, or has a right over to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Financial information of subsidiaries is recognized in the individual financial statements of the parent company using the equity method of accounting.

(ii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses (except for foreign currency transaction gains and losses) arising from intra-group transactions, are eliminated. Unrealized gains arising from transactions with equity- accounted investees are eliminated against the investment to the extent of the Company's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

2.6.3 Revenue

Revenue from the sale of ethanol in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Operating revenue is recognized when: (a) the parties to the agreement approve the contract (in writing, verbally or in accordance with other usual business practices) and are committed to fulfilling their obligations; (b) an entity can identify each party's rights in relation to the goods (or services) to be transferred; (c) an entity can identify the terms of payment for the goods (or services) to be transferred; (d) the contract has a commercial substance (i.e. the risk, timing or amount of the entity’s future cash flows are expected to change as a result of the agreement); and (e) it is probable that the entity will receive the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. In assessing whether the possibility of collecting the consideration is probable, the entity should consider only the customer's ability and intention to pay this consideration when due. The consideration to which the entity is entitled may be lower than the price stated in the contract if the consideration is variable, as the entity may offer the customer a reduction in price.

2.6.4 Cost of sales

The cost of sales consists of the purchase price for goods, expenses on storage and transportation of goods and any costs related to the acquisition. It also includes changes in mark-to-market valuations.

2.6.5 Finance income and finance costs

Finance income basically comprises income from foreign currency gains on financial items and gains on the fair value of financial instruments used for hedging against currency and interest rate risks, as well as gains realized on the settlement of these instruments.

Finance costs basically comprise interest expense on loans, foreign currency losses on financial items and losses on the fair value of financial instruments used for hedging against currency and interest rate risks, as well as loss on the settlement of these financial instruments.

Interest income and expenses are recognized in profit or loss using the effective interest method.

2.6.6 Foreign currency

Transactions in foreign currencies are translated into reais (functional currency of the Company and its subsidiary) at the exchange rates at the dates of the transactions. The balances of foreign currency statement of financial position accounts are translated using the exchange rates in effect at the reporting date of the individual company and consolidated financial statements, and foreign exchange gains or losses are recognized in finance income (costs).

2.6.7 Employee benefits

The Company and its subsidiary offer several employee benefit plans, including defined contribution retirement plans, medical and dental care, and profit sharing.

The post-employment retirement plan consists of a defined contribution plan for which the Company and its subsidiary have no legal obligation if the plan does not have sufficient assets to pay for the benefits obtained by employees as a result of past services rendered over the length of the employee's job contract.

Contributions to the defined contribution retirement plan are recognized as expenses when actually incurred, i.e. upon the employees' provision of services to the Company and its subsidiary.

Profit sharing and bonuses

Employees' share of the profit sharing and executives' variable compensation are linked to the achievement of operating and financial goals. The Company and its subsidiary recognize a liability and administrative expense when these goals are reached.

2.6.8 Current and deferred income and social contribution taxes

Current income and social contribution tax expenses

The current income and social contribution tax expense is calculated in accordance with the statutory tax rates in effect on the reporting date of the individual company and consolidated financial statements. Management periodically evaluates positions taken on tax issues subject to interpretation and recognizes provisions when income and social contribution taxes are expected to be paid according to statutory tax rates. Current tax is the expected tax payable or receivable on the taxable income or loss for the year using tax rates in effect on the reporting date of the individual company and consolidated financial statements.

Current income and social contribution tax expenses

Deferred tax is recognized on income and social contribution tax losses and temporary differences between the carrying amounts of assets and liabilities in the individual company and consolidated financial statements for financial reporting purposes and the amounts used for taxation purposes.

A deferred income and social contribution tax asset is recognized to the extent that it is probable that future taxable profits will be available against which they can be utilized.

Deferred income and social contribution tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

2.6.9 Cash and cash equivalents

Cash and cash equivalents include cash, bank deposits and other highly-liquid short-term investments with original maturities of up to three months that have an insignificant risk of undergoing changes in their values. The balance is reported net of overdraft protection balances in the statement of cash flows.

2.6.10 *Trade receivables*

Trade receivables consist of amounts receivable for the sale of merchandise or the rendering of services over the Company's and its subsidiaries' normal course of activities. The Company and its subsidiary hold trade receivables for the purpose of collecting contractual cash flows. Therefore, trade receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less allowances for impairment losses. If the collection period is within one year or less from the reporting date, trade receivables are classified into current assets.

2.6.11 *Inventories*

The Company's and its subsidiary's inventories are adjusted to market value (mark to market valuation) less costs to sell. Net realizable value is the sales price over the normal course of business, less the estimated costs necessary to make the sale. In order to calculate fair values, the Company and its subsidiary use as benchmark fair price the indexes disclosed by public sources and related to the products and active markets in which it does business. Changes in the fair values of these inventories are recognized in profit or loss.

2.6.12 *Property, Plant and Equipment*

Recognition and measurement

Items of property, plant and equipment are measured at historic acquisition or construction cost less depreciation and any accumulated impairment losses, when applicable. Software acquired as an integral part of the features of an equipment is capitalized as part of the equipment.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of built assets includes materials and direct labor; any other costs directly related to bringing the assets to a working condition, dismantling and removing the items and restoring the site on which they are located and borrowing costs on qualifying assets.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized as other operating revenues/expenses in profit or loss.

(i) *Subsequent expenditure*

The replacement cost of a property, plant and equipment item is recognized at the carrying value of the item if it is probable that the economic benefits included in the item will flow into the Company and into its subsidiary, and that its cost may be reliably measured. The carrying amount of a component that has been replaced by another and its maintenance cost are recognized in profit or loss as incurred.

(ii) *Depreciation*

Items of property, plant and equipment are depreciated from the date they are available for use or, in respect of self-constructed assets, from the date that the asset is completed and ready for use. Depreciation is recognized in profit or loss using the straight-line method over their estimated useful lives.

Depreciation is calculated on the depreciable portion of an asset (its replacement cost less the estimated residual value).

2.6.13 *Financial instruments*

Trade receivables and loans and financing are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company and its subsidiary become a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not measured at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost using the effective interest method. The gross carrying amount is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company and its subsidiary currently have a legally enforceable right to offset the amounts and they intend either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Derivative financial instruments

The Company and its subsidiary hold derivative financial instruments: swap, futures and NDFs (Non-Deliverable Forward) instruments to hedge their transactions against fluctuation in interest rates, exchange rates and commodity prices.

The purpose of derivative transactions is always related to the operations of the Company and its subsidiary and consists of reducing their exposure to currency and market risks, duly identified by established policies and guidelines. The gains and losses reported on these transactions are in line with the policies and strategies defined by the Management of the Company and of its subsidiary and all gains or losses from these transactions with derivative financial instruments are recognized at fair value.

Unrealized gains/losses on derivative financial instruments designated as hedging instruments used to manage exposures to the price and exchange rate fluctuations of commodities are recognized in gross profit. The effects of derivatives used as hedging instruments against exchange rate risks posed by realized financial items and interest rate risks are recognized as finance income (costs).

Derivatives are initially recognized at fair value and their attributable transaction costs are recognized in profit or loss, when incurred. Subsequent to initial recognition, they are measured at fair value and changes therein are recognized in profit or loss.

2.6.14 Share capital

Ordinary and registered shares are classified as equity.

2.6.15 Impairment of financial instruments receivable

Credit is assessed by a committee made up of the Commercial and Finance Departments, which analyzed, among other points: favorable credit rating score data (Boa Vista), clearance certificates issued by federal, state and municipal agencies, in addition to an analysis of the Company's and its subsidiary's statement of financial position. The purpose of granting the credit is always to protect the Company's and its subsidiary's assets and establishing useful new business partnerships.

Financial assets

Financial instruments and contract assets
The Company and its subsidiary recognize loss allowances for ECLs on:

Financial assets measured at amortized cost.
The Company and its subsidiary measure loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

Debt securities that are determined to have a low credit risk at the reporting date.
Loss allowances for trade receivables and contract assets are measured at an amount equal to lifetime ECLs. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company and its subsidiary consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company’s and its subsidiary’s historical experience and informed credit assessment, that includes forward-looking information.

The Company and its subsidiary consider a financial asset to be in default when:

All securities that are overdue for more than 365 days.

Securities overdue for less than 365 days, whose administrative proceedings filed for collecting the amounts have been completed. Therefore, when this occurs, the Finance Department sends the invoices to the Legal Department to start collection proceedings in court.

Credit-impaired financial assets
At each reporting date, the Company and its subsidiary assess whether financial assets measured at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Objective evidence that financial assets are credit-impaired includes the following observable data:

- Significant financial difficulty of the issuer or borrower;
- A breach of contract such as a default or being more than 365 days past due;
- The restructuring of an amount due to the Company and its subsidiary on terms that the Company and its subsidiary would not consider otherwise;
- It is probable that the debtor will enter bankruptcy or other financial reorganization; or
- The disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position
Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Impairment losses on financial assets are recognized in profit or loss.

Write-off
The gross carrying amount of a financial asset is written off when the Company and its subsidiary have no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Company and its subsidiary make an individual assessment of the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company and its subsidiary expect no significant recovery from the amount written off. However, financial assets that are written off may still be subject to enforcement procedures for recovering amounts due.

2.6.16 Trade payables
Trade payables are obligations payable for goods or services acquired over the normal course of business. They are initially recognized at fair value and subsequently measured at the amortized cost by using the effective interest method. In practice, trade payables are usually measured at the original invoice amount and adjusted to present value, when applicable.

2.6.17 Provisions
A provision is recognized if, as a result of a past event, the Company and its subsidiary have a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow will be required to settle the obligation.

2.6.18 *Leases*

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company and its subsidiary use the definition of a lease in CPC 06(R2) – Leases.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Company and its subsidiary allocate the consideration in the contract to each lease component on the basis of their stand-alone prices.

The Company and its subsidiary recognize a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability, adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred by the lessee.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's and its subsidiary's incremental borrowing rate.

The Company and its subsidiary recognized a right-of-use asset in accordance with CPC 06(R2) for the property intended for administrative purposes with an amortization period of eight years. The discount rate used is 0.17% per month both for 2024 and for 2023.

2.6.19 *Standards and interpretations issued but not yet effective*

A number of new standards are effective for annual periods beginning after April 1, 2024. The Company and its subsidiary have not adopted these standards in preparing these individual company and consolidated financial statements and are closely monitoring future developments.

Other standards

The following new and amended standards are not expected to have a material impact on the Company's and its subsidiary's individual company and consolidated financial statements:

- Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants (amendments to CPC 26).

- Supplier Finance Arrangements ("Drawee Risk") (amendments to CPC 26 and CPC 40).

- Lease Liability in a Sale Leaseback (Amendments to CPC 06).

- Lack of Exchangeability (Amendments to CPC 02).

3 Cash and cash equivalents

Cash and cash equivalents	CONSOLIDATED	COMPANY	
	March 31, 2024	March 31, 2024	March 31, 2023
Bank - checking account	211	211	2
Financial investments	340,823	335,650	1,093,154
Total	**341,034**	**335,861**	**1,093,156**

The balances of financial investments consist of fixed-rate securities which bear interest at CDB (bank deposit certificate) rate consisting of 102.6% of the CDI-CETIP (Interbank Deposit Certificate) rate (102.5% as of March 31, 2023).

4 Trade receivables

Trade receivables are recorded at amortized costs, which are similar to their fair values.

The balance of trade receivables in current assets as of March 31, 2024 and 2023 is distributed as follows:

a. Trade receivables

	CONSOLIDATED / COMPANY	COMPANY
	March 31, 2024	March 31, 2023
Domestic market	169,531	237,020
Foreign market	50,503	533
Related parties (Note 15)	415,904	378,210
Allowance for ECL	(238)	-
Total	**635,700**	**615,763**

The Company and its subsidiary have trade receivables maturing on the day of the transaction or within 30 days.

Credit and market risks and impairment losses

The Company's and its subsidiary's exposure to credit and market risks and impairment losses on "Trade receivables" is disclosed in note 12.e.

b. Customer advances

	CONSOLIDATED / COMPANY	COMPANY
	March 31, 2024	**March 31, 2023**
Domestic market	1,642	788
Foreign market	23,420	-
Related parties (Note 15)	175	-
Total	**25,237**	**788**

5 Inventories

Inventories of ethanol (anhydrous and hydrous ethanol) are stated at fair value according to market prices (mark to market valuation) less costs to sell. Acquisition costs are compared on a monthly basis, without including freight and storage costs and recoverable taxes, with the market price on the reporting date. Benchmark prices are public and are obtained from active markets, as follows:

The prices of anhydrous and hydrous ethanol disclosed by CEPEA/ESALQ – Center of Advanced Studies on Applied Economics, a department of Escola Superior de Agricultura Luiz de Queiroz (Universidade de São Paulo - USP).

The volumes of anhydrous ethanol inventories of the Company and its subsidiary as of March 31, 2024 are in accordance with the requirements of ANP Resolution No. 67 of December 2011 (article 10), not exceeding the net realizable value.

As of March 31, 2024, finished goods included in 'Cost of sales' totaled R$10,125,571 (R$4,904,070 as of March 31, 2023).

Inventory	CONSOLIDATED / COMPANY	COMPANY
	March 31, 2024	**March 31, 2023**
Anhydrous ethanol	138,120	573,806
Hydrous ethanol	86,898	363,986
Total	**225,018**	**937,792**

6 Recoverable taxes

Recoverable taxes	CONSOLIDATED / COMPANY	COMPANY
	March 31, 2024	March 31, 2023
ICMS (State VAT)	36,000	41,644
PIS (Contribution to the Social Integration Program)	776	1,329
COFINS (Contribution for Social Security Funding)	3,448	6,054
Other	18,182	2,694
Total recoverable taxes	**58,406**	**51,721**
IRPJ (Corporate Income Tax)	23,369	10,802
CSLL (Social Contribution Tax)	9,246	1,210
Total recoverable income and social contribution taxes	**32,615**	**12,012**
Total	**91,021**	**63,733**
Current	**91,021**	**63,733**

The amounts of recoverable taxes will be offset when inventories are traded over the next harvesting season.

7 Stock exchange transactions

Stock exchange transactions	CONSOLIDATED / COMPANY	COMPANY
	March 31, 2024	March 31, 2023
Itaú	2,205	-
Nova Futura	-	777
Terra Commodities	-	17,581
Total	**2,205**	**18,358**
Cash from transactions with brokerage firms and stock exchanges	**-**	**15,695**
Stock exchange transactions	**2,205**	**2,663**

They consist of deposit balances receivable from margin and premiums and adjustment amounts arising from transactions with derivative instruments not cleared at the stock exchange.

As of March 31, 2024 two guarantee agreements with Banco Daycoval were in effect to secure the margin for stock exchange transactions, as follows:

	Guarantee amount	Commission
Letters of guarantee – to make a security deposit for transactions at B3	30,000	39

8 Equity-accounted investees

a. Reconciliation of investments

The Company has a one hundred percent interest in the subsidiary, below is a summary table of the investment made by the parent company:

Investments	**March 31, 2024**
Investments in subsidiary	5,115
Total	**5,115**

To date operations have not yet started, making it a "preoperating" entity.

b. Changes in investment balances

	Evolua Etanol
Recognition on July 20, 2023	5,000
Share of profit from equity investments	115
Balance as of March 31, 2024	5,115

c. Information about investees

Company	**Ownership interest**	**Current assets**	**Non-current assets**	**Current liabilities**	**Non-current liabilities**	**Equity**	**Result (5 months and 10 days)**
Evolua Etanol	100%	5,173	-	58	-	5,115	115

9 Trade payables

a. Trade payables

	CONSOLIDATED / COMPANY	**COMPANY**
	March 31, 2024	**March 31, 2023**
Trade payables	70,182	35,186
Related Parties (Note 15)	565,386	591,431
Total	**635,568**	**626,617**

The balances of trade payables consist of accounts payable for the acquisition of ethanol and the balances of related party transactions are presented in note 15.

Information about the Company's and its subsidiary's exposure to currency and liquidity risks related to trade payables is disclosed in note 12.

b. Advance to suppliers

	CONSOLIDATED / COMPANY	COMPANY
	March 31, 2024	**March 31, 2023**
Trade payables	81,355	391
Related Parties (Note 15)	242,060	-
Total	**323,415**	**391**

75% of the Company's and its subsidiary's advances to suppliers were made to shareholder Copersucar S.A. by the end of 2024. Those advances made to third parties are assessed for credit risk according to the policies described in note 12 - Financial instruments.

10 Loans and financing

The breakdown, terms and conditions of outstanding loans are as follows:

	CONSOLIDATED / COMPANY					SUBSIDIARY
Type	**Currency**	**Index**	**Average annual interest rate**	**Year of maturity**	**March 31, 2024**	**March 31, 2023**
CDCA	R$	CDI	15.35%	2023	-	637,064
CDCA	R$	CDI	15.35%	2023	-	127,484
CDCA	R$	CDI	15.10%	2023	-	543,059
CDCA	R$	CDI	14.81%	2023	-	298,278
NCE	R$	CDI	13.74%	2024	103,153	-
CDCA	R$	CDI	13.86%	2024	101,409	-
CDCA	R$	CDI	13.81%	2024	202,613	-
4131	JPY		13.81%	2024	151,751	-
4131	USD		13.81%	2024	101,209	-
Total loans and financing					**660,135**	**1,605,885**
Current liabilities					**660,135**	**1,605,885**

The Company and its subsidiary raised foreign currency loans and entered into swap agreements at the same time, causing the volatility of swaps to have an impact on the CDI index. Information about the Company's and its subsidiary's exposure to interest rate, foreign currency and liquidity risks is included in note 12.

Reconciliation of changes in the statements of financial position to cash flows from financing activities.

	CONSOLIDATED / COMPANY
	March 31, 2024
Balance as of July 1, 2022	-
(+) Loans and financing taken	1,495,000
(+) Interest and foreign exchange gain (loss) on loans and financing	110,885
Balance as of March 31, 2023	**1,605,885**
(+) Loans and financing taken	2,050,085
(+) Interest and foreign exchange gain (loss) on loans and financing	160,247
(-) Payments - Principal	(2,895,000)
(-) Payments - Interest	(261,082)
Balance as of March 31, 2024	**660,135**

Covenants

Loans and financing are not subject to financial covenants.

11 Taxes payable

Taxes payable	CONSOLIDATED	COMPANY	
	March 31, 2024	March 31, 2024	March 31, 2023
ICMS	170	170	2,657
ISS	-	-	61
PIS/COFINS	8	-	4,390
Other	192	142	250
Total taxes payable	**370**	**312**	**7,358**
Current	**370**	**312**	**7,358**

12 Financial instruments

12.1 Classification of financial instruments and fair value

Fair value versus book value

The fair values of financial assets and liabilities, together with the book values presented in the statement of financial position, are as follows:

		CONSOLIDATED	COMPANY		Fair value hierarc
	Note	March 31, 2024	March 31, 2024	March 31, 2023	
Financial assets at fair value					
Financial investments	3	340,823	335,649	1,093,154	Level 2
Inventories	5	225,018	225,018	937,792	Level 2
Cash from transactions with brokerage firms and stock exchanges		-	-	15,695	Level 2
Stock exchange transactions		2,205	2,205	2,663	Level 1
Derivative financial instruments		53,056	53,056	39,701	Level 2
Financial assets at amortized cost					
Bank - checking account	3	211	211	2	
Trade receivables	4	635,700	635,700	615,763	
Advances to suppliers	9	323,415	323,415	391	
Financial liabilities at amortized cost					
Trade payables	9	635,568	635,568	626,617	
Loans and financing	10	660,135	660,135	1,605,885	Level 2
Leases payable		4,344	4,344	2,636	
Other payables		1,534	1,534	-	
Tax liabilities and social security liabilities		4,863	4,805	20,988	
Dividends payable		-	-	43,493	
Financial liabilities at fair value					
Unrealized financial instruments - liabilities		30,475	30,475	12,086	

Financial investment transactions are carried out according to the rules set forth by the financial policy, namely, maximum concentration and minimum rating of the financial institution (first tier), and are spread among several financial institutions classified as investment grade by rating agencies, such as Fitch, Moody's and S&P.

Fair values approximate the book values presented in the statement of financial position, except for loans whose fair value totals R$707,614 as of March 31, 2024.

12.2 Financial risk management

The Company and its subsidiary have exposure to the following risks arising from financial instruments:

- Credit risk, liquidity risk and market risk
- Risk management framework

The Company and its subsidiary, following best market practices, have a risk management system that identifies, assesses and protects them from financial risks, market risks – such as commodity prices, interest rate and exchange rate – liquidity risk and operational risk, which the Company understands it is exposed to due to the nature of its businesses and operating structure. The Management of the Company and its subsidiary define their operating strategies, risk limits and capital use, as well as the monitoring and reporting rules, in their risk policy and financial policy. Risk management policies are reviewed and approved by the Board of Directors.

As part of the governance framework of the Company and its subsidiary, the Risk Management Department reports to the Finance Department and is in charge of calculating, monitoring and reporting the main risks to which Evolua Etanol is exposed to the business areas, Top Management and the Finance, Risk and Strategy Committee.

Finance, Risk and Strategy Committee

The Company and its subsidiary have a Finance, Risk and Strategy Committee that assists the Board of Directors in financial, risk and strategy management issues and has operational autonomy with respect to Top Management. The Committee consists of at least two (2) members, of which one (1) member is appointed by each shareholder of the Company and its subsidiary, elected by the Board of Directors for a term of two (2) years, with the possibility of re-election. Any change in the Global Risk Policy or Financial Policies should be recommended by the Committee and approved by the Board of Directors.

Audit, Compliance and Tax Committee

The Audit, Compliance and Tax Committee assists the Board of Directors in addressing the activities of independent auditors, monitoring the activities of the internal control department, evaluating the work carried out by the internal audit department and handling accounting issues. It has operational autonomy with respect to the Top Management. The Committee consists of at least two (2) members, of which one (1) member is appointed by each of the Company's shareholders and its subsidiary, elected by the Board of Directors for a term of two (2) years, with the possibility of re-election.

Credit risk

Credit risk is the risk of financial loss to the Company and its subsidiary if a counterparty to a financial asset fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

In order to reduce this risk, Evolua Etanol sets a credit limit for credit sales and for sales with payment. To that end, it follows the practice of analyzing the financial and market situation of its clients and suppliers and permanently monitoring the debt balances of each of them. The Company and its subsidiary have a Credit Committee made up of officers from the commercial and finance departments that evaluate credit requests. Analyses are valid for up to one year and basically adopt a three-pronged approach consisting of: (i) a quantitative analysis based on a careful evaluation of the economic and financial indicators disclosed in the statements of financial position of the last three fiscal years; (ii) a qualitative analysis that should include consultations with tax agencies, collection of restricted information and tracking of payment history, the client’s market share in its business segment, time in the market, business references; (iii) the track record of the business and financial relationship between the Company and the client or supplier; and (iv) the analysis of guarantees by the Financial and Legal Departments and requested at the discretion of management.

Trade receivables and advances to suppliers

A summary of the Company's and its subsidiary's exposure to the credit risk of trade receivables and advances to suppliers is as follows:

The Company understands that the collection period for the balance of trade receivables is a short-term period, there is no history of default, and therefore it recognizes allowances for ECL according to the assumptions described in its policy. The calculation is made by excluding related party receivables from the calculation base and then applying the percentages below:

- Falling due: 0.10%
- Overdue for 1–30 days: 0.20%
- Overdue for 31–60 days: 0.30%
- Overdue for 61–90 days: 10%
- Overdue for 91–120 days: 20%
- Overdue for more than 120 days: 60%

Moreover, if there is any indication that the debt may not be settled, the Commercial, Credit, Collection and Accounting Departments get together with Top Management to assess the need to recognize additional ECL allowances.

	CONSOLIDATED / COMPANY	COMPANY
Trade receivables	**March 31, 2024**	**March 31, 2023**
Not due	532,155	615,763
Overdue for 1–30 days	103,758	-
Overdue for 31–60 days	1	-
Overdue for 61–90 days	-	-
Overdue for more than 120 days	25	-

As of March 31, 2024 estimated credit losses on trade receivables in accordance with our policies totals R$238 and reflects Management's best estimate after making the evaluations described in the previous paragraphs. As of March 31, 2023 there was no balance of that nature.

	CONSOLIDATED / COMPANY	COMPANY
Advances to suppliers	**March 31, 2024**	**March 31, 2023**
Not due	323,415	391
Overdue for 1–30 days	-	-
Overdue for 31–60 days	-	-
Overdue for 61–90 days	-	-
Overdue for more than 120 days	-	-

Cash and cash equivalents
The Company and its subsidiary had 'cash and cash equivalents' of R$341,034 as of March 31, 2024 (R$1,093,156 as of March 31, 2023).

Liquidity risk
Liquidity risk is the risk that the Company and its subsidiary will encounter difficulty in meeting the obligations associated with their financial liabilities. The Company's and its subsidiary's objective when managing liquidity is to ensure, as far as possible, that they will have sufficient liquidity to meet their liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's and its subsidiary's reputation. To that end, the financial policy establishes minimum cash levels and the instruments allowed for their application and liquidity.

Exposure to liquidity risk
The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

	CONSOLIDATED	COMPANY	CONSOLIDATED/ COMPANY		
March 31, 2024	**Book balance**	**Book balance**	**Cash flows**	**12 months or less**	**Over 12 months**
Trade payables	635,568	635,568	635,568	635,568	-
Loans and financing	660,135	660,135	709,424	709,424	-
Leases payable	4,344	4,344	7,811	946	6,865
Other payables	1,534	1,534	1,534	1,534	-
Tax liabilities and social security liabilities	4,863	4,805	4,863	4,863	-

	COMPANY	CONSOLIDATED/ COMPANY		
March 31, 2023	**Book balance**	**Cash flows**	**12 months or less**	**Over 12 months**
Trade payables	626,617	626,617	626,617	-
Loans and financing	1,605,885	1,678,952	1,678,952	-
Derivative financial instruments	12,086	12,086	12,086	-
Leases payable	2,636	2,636	886	1,749
Dividends payable	43,493	43,493	43,493	-
Tax liabilities and social security liabilities	20,988	20,988	20,988	-

The cash flows included in the analysis above are not expected to occur significantly earlier, or at significantly different amounts.

Market risk
Market risk is the possibility of financial losses that the Company and its subsidiary are exposed to, arising from fluctuations in market prices and/or rates, whether they are volatility in the prices of commodities, exchange rates or interest rates (internal or external). The objective of market risk management is to control, monitor and/or mitigate market risk exposures within acceptable parameters set by the Board of Directors.

The Company and its subsidiary purchase and sell derivatives for hedging purposes, and fulfill their financial obligations to properly manage their market risks. All these actions are carried out within the guidelines set forth by the Global Risk Policy of the Company and its subsidiary, which in turn are established by the Audit and Risk Committee and approved by the Board of Directors.

Commodity risks

Exposures to this type of risk are regularly adjusted for inflation, due to the normal course of business of the Company and its subsidiary. Therefore, the Company and its subsidiary managed those exposures dynamically by entering into derivative contracts with the purpose of making hedging adjustments as new needs arise.

Ethanol is sold in both local and foreign markets and its sales price is based on CEPEA/ESALQ indicator, which is the portfolio's main risk factor. The net exposure to ethanol purchases and sales, due to the lack of net derivative financial instruments for hedging purposes, is managed/monitored in order to limit it to the risk of fluctuations in prices. The Company and its subsidiary monitor exposure and risks according to risk limits approved and pre-established by the Board of Directors.

Exposure to commodity price risk

The Company's and its subsidiary's exposure to commodity price risks is based on their risk management policy, as follows:

Inventories and forward contracts 2024	**CONSOLIDATED / COMPANY**		
Long position	**Volume (m³)**	**Notional amount R$ thousand**	**Fair value gain (loss) R$ thousand**
Goods			
Ethanol Inventory	82,459	193,609	15,549
Ethanol Contracts	319,343	746,996	33,279
Short position			
Goods	**Volume (m³)**	**Notional amount R$ thousand**	**Fair value gain (loss) R$ thousand**
Ethanol Contracts	(193,297)	(406,516)	(5,830)
Futures Contracts	(45,750)	(109,153)	(2,205)
Inventories and forward contracts 2023			
Long position	**Volume (m³)**	**Notional amount R$ thousand**	**Fair value gain (loss) R$ thousand**
Goods			
Ethanol Inventory	294,292	820,770	7,240
Ethanol Contracts	3,053	8,489	251
Futures Contracts	40,980	110,670	2,663
Short position			
Goods	**Volume (m³)**	**Notional amount R$ thousand**	**Fair value gain (loss) R$ thousand**
Ethanol Contracts	(195,224)	(584,091)	18,935

The Company and its subsidiary use derivative contracts directly traded by the Company and its subsidiary on the stock exchange (B3) to control the exposure of commodities.

The fair value of futures contracts and option agreements at the stock exchange is equivalent to the market value for the reversal of these positions. Stock exchange transactions require initial margins to be offered and adjustments to be made daily, according to fluctuations in benchmark prices. If the Company and its subsidiary have a credit limit available with the institution that is brokering the transactions, margin coverage is performed by the brokerage firm itself, and the gain or loss of the position is only realized by the Company and its subsidiary when the business terms of the transaction expire or the position is repurchased.

The fair value of over-the-counter contracts is measured at market values based on public information. This measurement follows the usual market models and is calculated monthly by both the Company and its subsidiary and the banks that intermediate the transactions. Margin deposits are not required for these contracts. The impact on the Company's and its subsidiary's cash flows is only on the settlement date.

Sensitivity analysis for commodity risk

The Company and its subsidiary have adopted a probable scenario to make a sensitivity analysis and present the effects of depreciation of the fair value of the Company's and its subsidiary's financial instruments.

The probable scenario was defined internally by the Market Intelligence Department and is expected by the Company and its subsidiary for the variation of this indicator for the next 12 months. The assumption adopted is the percentage rate of volatility in the market prices of sugar and ethanol commodities reported in recent months and applied to the probable scenario. The scenarios: Possible and Remote are the scenarios proposed by CPC 40 - Financial Instruments: Disclosures.

The method used consisted of recalculating the fluctuation in the fair value of each scenario in relation to the market rate as of March 31, 2024.

	CONSOLIDATED / COMPANY			
Price Risk - 2024			**Scenarios**	
Long position	**Rate (increase/decrease)**	**Price (R$ m³)**	**Increase**	**Decrease**
Goods				
Ethanol Inventory	2.5%	2,278	4,695	(4,695)
Ethanol Contracts	2.5%	2,278	18,185	(18,185)
Total effect			**22,880**	**(22,880)**
Short position			**Scenarios**	
Goods	**Rate (increase/decrease)**	**Price (R$ m³)**	**Increase**	**Decrease**
Ethanol Contracts	2.5%	2,278	(11,007)	11,007
Futures Contracts	2.5%	2,278	(2,605)	(2,605)
Total effect			**(13,612)**	**13,612**

	COMPANY			
Price Risk - 2023			**Scenarios**	
Long position	**Rate (increase/decrease)**	**Price (R$ m³)**	**Increase**	**Decrease**
Goods				
Ethanol Inventory	2.5%	2,733	20,107	(20,107)
Ethanol Contracts	2.5%	2,733	209	(209)
Futures Contracts	2.5%	2,733	2,800	(2,800)
Total effect			**23,116**	**(23,116)**
Short position			**Scenarios**	
Goods	**Rate (increase/decrease)**	**Price (R$ m³)**	**Increase**	**Decrease**
Ethanol Contracts	2.5%	2,733	(13,339)	13,339
Total effect			**(13,339)**	**13,339**

Foreign exchange risk

The Company and its subsidiary are exposed to foreign exchange rate risk to the extent that there is a mismatch between the currencies in which sales are denominated and the Company's related functional currency, which is the Brazilian real.

The Company and its subsidiary use Over-the-counter Contracts to hedge their transactions against currency risk, and they consist mainly of NDF (Non-Deliverable Forward) contracts and swap contracts for specific situations. When necessary, these contracts are renewed upon maturity. Exposures to this type of risk are regularly restated, due to the Company's normal course of business.

Monetary assets and liabilities denominated in foreign currency are managed according to their net exposure, by means of foreign currency purchases and sales at spot or future rates (forward contracts), if necessary, substantially for short-term exposures.

Exposure to foreign exchange risk

A summary of the Company's and its subsidiary's exposure to foreign exchange risk as reported to Management is as follows:

	CONSOLIDATED / COMPANY			
Type	**Maturity**	**Notional amount thousand**	**Notional amount R$ thousand**	**Fair value gain (loss) R$ thousand**
Trade receivables in USD	Apr24 to May24	10,108	50,503	845
NDF contract on foreign currency (Merchandise) in USD	Apr24 to Jul24	(20,793)	(103,898)	(611)
JPY loans	Jul24	(4,578,000)	(150,085)	(1,666)
USD loans	Oct24	(20,111)	(100,000)	(1,209)
JPY swap contract	Jul24	4,578,000	150,085	1,666
USD swap contract	Jul24	20,111	100,000	1,209

A reasonably possible appreciation (devaluation) of the Brazilian real against the US dollar or the Yen as of March 31, 2024 would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and do not include any impact of forecast sales and purchases.

Foreign exchange risk 2024	**CONSOLIDATED / COMPANY**			
			Scenarios	
	Rate (increase/decrease)	**PTAX 03/31/24**	**Increase**	**Decrease**
		BRL/USD/JPY		
Trade receivables in USD	5%	4.9962	2,525	(2,525)
NDF contract on foreign currency (Merchandise)	5%	4.9962	(5,194)	5,194
JPY loans	10%	0.0330	(7,556)	7,556
USD loans	5%	4.9962	(5,024)	5,024
JPY swap contract	10%	0.0330	7,556	(7,556)
USD swap contract	5%	4.9962	5,024	(5,024)
Total effect			**(2,669)**	**2,669**

Foreign exchange risk 2023	**COMPANY**			
			Scenarios	
	Rate (increase/decrease)	**PTAX 03/31/23**	**Increase**	**Decrease**
		BRL/USD		
NDF contract on foreign currency (Merchandise)	5%	5.0804	(10,792)	10,792
Total effect			**(10,792)**	**10,792**

Interest rate risk

The Company's and its subsidiary's debts are indexed to fixed and floating rates, and therefore are exposed to interest rate fluctuations. The exposure risk posed by the CDI is partially offset by financial investments.

The purpose of managing the Company’s and its subsidiary’s total financial costs is to get their finance costs in line with market prices, considering entities of a similar size.

Exposure to interest rate risk

At the reporting date the profile of the Company's and its subsidiary's interest-bearing financial instruments was as follows:

		CONSOLIDATED	COMPANY	
		March 31, 2024	March 31, 2024	March 31, 2023
Principal	**Maturity**	**Amount R$ thousand**	**Amount R$ thousand**	**Amount R$ thousand**
Financial investments		340,822	335,649	1,093,154
JPY swap contract for CDI rate	Jul24	151,751	151,751	-
USD swap contract for CDI rate	Oct24	101,209	101,209	-
Loans	Nov23 and Dec24	(660,135)	(660,135)	(1,605,885)
Total		**(66,353)**	**(71,526)**	**(512,731)**

Cash flow sensitivity analysis for floating rate instruments

According to the debt balance, the schedule of disbursements and the interest rates applied to loans and financing and to assets, the Company and the subsidiary present a sensitivity analysis of how much equity and profit or loss for the period would have increased (decreased) according to the amounts shown below. The scenario is considered the most probable estimate of interest rates on the date of the individual company and consolidated financial statements, according to the tables below:

Interest rate risk - 2024	CONSOLIDATED / COMPANY			
			Scenarios	
	Rate (increase/decrease)	**CDI Mar24**	**Increase**	**Decrease**
Net interest rate exposure	25%	12.61%	(16,588)	16,588
Total effect			**(16,588)**	**16,588**

Interest rate risk - 2023	COMPANY			
			Scenarios	
	Rate (increase/decrease)	**CDI Mar23**	**Increase**	**Decrease**
Net interest rate exposure	25%	13.65%	(128,182)	128,182
Total effect			**(128,182)**	**128,182**

Operational risk

Operational, non-financial, risk is the risk of direct or indirect losses deriving from a range of causes connected with the Company's and its subsidiary's business, personnel, technology and infrastructure processes and external factors, such as those arising from statutory and regulatory requirements and generally accepted business standards.

The purpose of the Company and its subsidiary is to monitor potential operational risks to mitigate financial losses and damage to their reputation and business continuity to the maximum, therefore seeking cost efficiencies, therefore avoiding control procedures that are not effective.

Capital management

Management's policy is to maintain a sufficient capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Company and its subsidiary hold several financial instruments, among which: financial investments, trade receivables, trade payables, and loans and financing. Transactions with derivative financial instruments carried out for hedging against market volatility, as well as forward purchases and sales of merchandise to and from the Cooperative and clients, are also part of the portfolio of financial instruments. To that end the following hedging instruments are used: NDF - Non-Deliverable Forwards, commodity and currency futures contracts.

13 Deferred tax assets and liabilities, net

Deferred tax assets and liabilities were attributed as follows:

	CONSOLIDATED / COMPANY		
	Assets	**Liabilities**	**Net assets**
	March 31, 2024	**March 31, 2024**	**March 31, 2024**
Income Tax	52,621	(19,543)	33,079
Social Contribution Tax	18,944	(7,035)	11,908
Total	**71,565**	**(26,578)**	**44,987**

Deferred tax assets - 2024	**CONSOLIDATED / COMPANY**		
	Assets	**Liabilities**	**Net assets**
	March 31, 2024	**March 31, 2024**	**March 31, 2024**
Revenue - unfulfilled performance obligations	11,202		11,202
Lease	395	-	395
Other provisions	6,745	-	6,745
Fair value of inventories and contracts	-	(78,171)	(78,171)
Allowance for ECL	238	-	238
Tax losses	176,531	-	176,531
Provision for bonus	1,140	-	1,140
Unrealized foreign exchange gain (loss)	7,007	-	7,007
Derivatives	7,227	-	7,227
Total	**210,485**	**(78,171)**	**132,314**
Effective rate			**34%**
Net deferred assets (liabilities)			**44,987**

deferred tax liabilities - 2023	**COMPANY**		
	Assets	**Liabilities**	**Net liabilities**
	March 31, 2023	**March 31, 2023**	**March 31, 2023**
Provision for bonus	10,845	(6,473)	15,617
Provision for oceanfreight	6,935	-	-
Other provisions	4,310	-	-
Fair value of inventories	-	(34,855)	(34,858)
Derivatives	-	(2,663)	(2,663)
Total	**22,090**	**(43,991)**	**(21,904)**
Effective rate			**34%**
Net deferred liabilities			**(7,447)**

Deferred tax assets were recognized assuming that they are to be realized in the future, in a manner which establishes the essential conditions for the accounting recognition and maintenance of deferred assets arising from income and social contribution tax losses and temporary differences.

The technical studies carried out by the Company, to support the maintenance of recognized amounts, confirm its capacity to generate taxable profit. These studies correspond to Management's best estimates about the future evolution of the Company's results. Accordingly, and due to the very nature of financial projections and the uncertainties inherent in information based on future expectations, particularly in the market in which the Company does business, there may be differences between estimated and actual results.

The main assumptions made for future taxable profit are the forecast ethanol prices, production volume, ethanol/total fuels consumption ratio reported nationwide, purchase and sales agreements, as well as estimates of exchange rate, interest rate and GDP.

Moreover, estimates were made according to the Company's budget, which was submitted to and approved by the Board of Directors. According to these projections, the Company expects to utilize all deferred assets arising from tax losses over the next three years.

The reconciliation between total tax expense calculated by applying tax rates and income and social contribution tax expenses in profit or loss is as follows:

Income and social contribution tax expenses	**CONSOLIDATED**	**COMPANY**	
	March 31, 2024	**March 31, 2024**	**March 31, 2023**
Book profit before income and social contribution taxes	(139,621)	(139,671)	69,309
Combined statutory rate	34%	34%	34%
Income and social contribution taxes:			
At the combined statutory rate	**47,471**	**47,488**	**-23,565**
Other permanent deductions (additions)	191	224	3
Surtax	73	73	24
IRPJ deductions – PAT and Sponsorship	68	68	12
Income and social contribution taxes in profit or loss for the year	47,803	47,854	(23,526)
Effective rate	**34%**	**34%**	**34%**
Current taxes	(4,630)	(4,580)	(16,080)
Deferred taxes	52,433	52,433	(7,447)
Total	**47,803**	**47,854**	**(23,526)**
Rate	34%	34%	34%

14 Contractual commitments

Sales: considering that the Company and its subsidiary do business in the ethanol market, sales are basically made at the price on the transaction date. However, most of these contracts are entered into in the short term. The volume commissioned for the new harvesting season is 2,693 thousand cubic meters of ethanol.

Purchases: According to the agreement entered into between the Company and its subsidiary and its related party - Copersucar S.A., committed purchase volumes for the next harvesting season total 3,390 thousand cubic meters of ethanol.

Both volumes consider both the agreements entered into by March 31, 2024 and the agreements that, according to market practices, were entered into during April and filed with regulatory agencies by the deadline of May 2, 2024.

15 Related Parties

a. Ultimate parent company

The controlling parties of the Company and its subsidiary as of March 31, 2024 and 2023 are:

	COMPANY			
	1st Capitalization	**2nd Capitalization**	**Total**	**Ownership interest**
Copersucar S.A.	5,000,001	220,044,000	225,044,001	50.01%
Vibra Energia S.A.	4,999,999	219,956,000	224,955,999	49.99%
Total	**10,000,000**	**440,000,000**	**450,000,000**	**100.00%**

b. Transactions with key management personnel

In 2024 and 2023 key management personnel compensation, including the Board of Directors, was as follows:

	CONSOLIDATED / COMPANY	**COMPANY**
	March 31, 2024	**March 31, 2023**
Key management personnel compensation		
Compensation paid to officers appointed according to the Company's bylaws	8,190	9,114
Fees paid to members of the Board of Directors	769	240
Total	**8,959**	**9,354**

c. Other related party transactions

Related party transactions consist of transactions between parent companies Vibra Energia S.A. and Copersucar S.A., and their direct and indirect subsidiaries or other related parties. They basically consist of:

Sale/Acquisition of goods and services – ethanol purchase and sale transactions carried out as per the agreement entered into by the parties, on an arm's length basis, considering the volumes, risks involved and corporate policies.

	CONSOLIDATED / COMPANY	**CONSOLIDATED / COMPANY**
	March 31, 2024	**March 31, 2023**
Transaction values for the year		
Accounts receivable for the sale of goods (note 4.a)		
Vibra Energia S.A. – Shareholder	**415,904**	**378,210**
Customer advances (note 4.b)		
Vibra Energia S.A. - Shareholder	**175**	**-**
Accounts payable for the acquisition of goods (note 9.a)		
Cooperativa de Produtores de Cana-de-Açucar, Açúcar e Álcool do Estado de São Paulo – Other related parties	389,253	587,462
Copersucar S.A. - Shareholder	175,264	3,968
Vibra Energia S.A. - Shareholder	869	-
	565,386	**591,430**
Advances to suppliers (note 9.b)		
Copersucar S.A. - Shareholder	459	-
Advances - Copersucar S.A. - Shareholders	242,060	-
	242,519	**-**
Transaction amount (cost)	**March 31, 2024**	**March 31, 2023**
Purchases of merchandise and services		
Cooperativa de Produtores de Cana-de-Açucar, Açúcar e Álcool do Estado de São Paulo – Other related parties	3,974,244	5,415,242
Copersucar S.A. - Shareholder	5,599,800	-
	9,574,044	**5,415,242**
Transaction amount (expenses)	**March 31, 2024**	**March 31, 2023**
Acquisition of services		
Copersucar S.A. - Shareholder	(3,402)	(2,644)
	(3,402)	**(2,644)**
Transaction amount (revenues)	**March 31, 2024**	**March 31, 2023**
Sales of merchandise and services		
Vibra Energia S.A. - Shareholders	4,308,509	1,908,806
	4,308,509	**1,908,806**

16 Equity

a. Share capital

The Company's initial paid-in share capital was R$10,000 on February 17, 2023 and an increase in capital of R$440,000 was made on July 3, 2023, totaling R$450,000. As of March 31, 2024, share capital consisted of four hundred and fifty million (450,000,000) registered, book-entry shares with no par value.

b. Legal reserve
The balance of the "Legal Reserve", as provided for in article 193 of Law No. 6.404/76, refers to the amount recognized at 5% of the profit for the year, limited to 20% of share capital.

c. Dividends
The Company's bylaws establish the distribution of 100% of dividends, in line with the statutory allocation of funds to build up the legal reserve. No dividends to be distributed were reported in 2024. On March 31, 2023, the amount of R$43,493 was distributed.

17 Revenue

Revenue streams
The Company and its subsidiary generate revenue primarily from the sale of ethanol and ethanol transportation services to their customers.

Transactions carried out from March 2023 to March 2024	CONSOLIDATED / COMPANY	COMPANY
	March 31, 2024	March 31, 2023
Revenue from goods	10,185,760	5,011,895
Revenue from freight services	299	1,215
Total	**10,186,059**	**5,013,110**

Below is the reconciliation of gross revenue to revenues reported in the statement of profit or loss for the year:

	CONSOLIDATED / COMPANY	COMPANY
	March 31, 2024	March 31, 2023
Gross revenue for tax purposes	11,075,553	5,179,876
Less:		
Taxes on sales	(845,817)	(201,213)
Taxes on services	(322)	-
Returns/discounts	(3,200)	(2,384)
Total	**10,226,214**	**4,976,279**
Realized derivative financial instrument	(40,155)	36,831
Total	**10,186,059**	**5,013,110**

Representation of net revenues:

Customers	March 31, 2024 %	March 31, 2023 %
VIBRA ENERGIA S.A.	39%	37%
IPIRANGA PRODUTOS DE PETROLEO S.A.	16%	21%

Sales revenue by geographic region:

	March 31, 2024		March 31, 2023	
States	**Net revenue amount**	**%**	**Net revenue amount**	**%**
SP	5,356,772	53%	3,100,047	62%
PR	1,026,210	10%	628,367	13%
RS	901,709	9%	541,37	11%
RJ	684,078	7%	274,292	6%
SC	249,743	2%	166,262	3%
MG	241,650	2%	174,638	4%
BA	81,545	1%	2,370	0%
MS	50,700	1%	13,433	0%
ES	19,385	0%	5,096	0%
PE	3,848	0%	70,403	1%
PB	603	0%	-	-
MA	286	0%	-	-
GO	268	0%	-	-
Total Domestic Market	**8,616,797**	**85%**	**4,976,278**	**100%**
Foreign Market	1,609,417	15%	-	0%
Total sales	**10,226,214**	**100%**	**4,976,279**	**100%**

18 Expenses by nature

Expenses by nature	**CONSOLIDATED / COMPANY**	**COMPANY**
	March 31, 2024	**March 31, 2023**
Cost of products, except freight, transshipment and storage	(10,161,329)	(4,911,311)
Change in fair value of inventories	35,759	7,240
Depreciation and amortization	(805)	(83)
Personnel expenses	(24,071)	(27,268)
Freight, transshipment, storage and shipping expenses	(87,883)	(11,479)
Other expenses	(2,365)	(1,870)
Third-party services	(11,037)	(10,029)
Administrative expenses	(864)	(107)
Total	**(10,252,595)**	**(4,954,907)**
Classified as:		
- Cost of sales	(10,125,571)	(4,904,070)
- Selling expenses	(96,565)	(20,205)
- Administrative expenses	(30,459)	(30,632)
Total	**(10,252,595)**	**(4,954,907)**

19 Net finance income (costs)

	March 31, 2024	March 31, 2024	March 31, 2023
Finance income			
Gains on derivative transactions	-	-	11,026
Floating-rate transactions	76,915	76,741	-
Foreign exchange gains	26,534	26,534	-
Interest income	97,900	97,900	119,825
Total finance income	**201,349**	**201,175**	**130,851**
Finance costs			
Losses on derivative transactions	(33,200)	(33,200)	(2,596)
Floating-rate transactions	(38,456)	(38,456)	-
Foreign exchange losses	(36,278)	(36,278)	-
Interest expense	(159,073)	(159,073)	(110,885)
PIS and COFINS on finance income	(689)	(681)	(5,685)
Other finance costs	(6,738)	(6,738)	(579)
Total finance costs	**(274,434)**	**(274,426)**	**(119,745)**
Total net finance income (costs)	**(73,085)**	**(73,251)**	**11,106**

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Pedro Paranhos
Chief Executive Officer

Wagner Bertazo
Finance and Administrative Director

Alexander Zebulun
Chief Commercial Officer

Arthur Kenji B. Yoneda
Accountant
CRC 1SP312753/O-7