



# MANAGEMENT REPORT

## **TEREOS AÇÚCAR E ENERGIA BRASIL S.A.**

For the year ended 31 March 2025

*This is a convenience translation from the original financial statements of Tereos Açúcar e Energia Brasil S.A. for the year ended 31 March 2025 previously issued in Portuguese.*



**Tereos**

## MANAGEMENT REPORT

### For the year ended 31 March 2025

In compliance with legal and statutory rules, the Management of Tereos Açúcar e Energia Brasil S.A. ("Company" or "Tereos" or "TAEB") submits the Management Report and the Consolidated Financial Statements, for to the year ended on 31 March 2025, prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board (IASB) and accounting practices adopted in Brazil ("BRGAAP") accompanied by the Independent Auditor's Report.

## MESSAGE FROM MANAGEMENT

It is with great satisfaction and pride that we present to you our financial statements for the crop 24/25, once again reaffirming the solidity of our business model, the consistency of our deliveries and the resilience of our team in the face of challenges in the sector.

Our crushing volume was the third largest ever recorded (20.4 million tons of sugarcane), and we once again achieved record revenue (R\$ 6.8 billion), consolidating a cycle of sustainable growth and recurring performance. This crop also marks the second-highest adjusted EBITDA in our history, the second-highest recurring EBIT and the second-lowest level of financial leverage, among other achievements we are proud of. These figures reflect the maturity of the Company and the effectiveness of our strategic decisions — even in a scenario that included specific climate adversities, such as prolonged drought and fire events throughout the cycle, which were promptly and effectively mitigated by the rapid and coordinated actions of our teams.

The climate-related challenges faced during the crop impacted our sugar production mix, which reached 64% — even more sugar-focused than the 48% recorded in the South-Central region — and led to a 3% year-on-year drop in crushing volume, one of the smallest declines in the sector and smaller than that of the South-Central region, which saw a 5% drop. This smaller decrease reflects our ongoing investments in sugarcane field renewal and the continuous improvement of agricultural practices. We reached a yield of 10.8 TSH (tonnes of TRS per hectare), the third highest among groups processing over 10 million tonnes of sugarcane, according to CTC (*Centro de Tecnologia Canavieira*).

In this crop year, Tereos signed an unprecedented long-term agreement with Koppert, the global leader in biological control, to support research and development of biological inputs. The three-year contract also reaffirms the continued supply of Koppert products to Tereos, as already established in the partnership between the two companies, in which Tereos will take part in the advanced research centre SparcBio (São Paulo Advanced Research Center for Biological Control), maintained by Koppert, FAPESP and the University of São Paulo, through ESALQ/USP in Piracicaba, ensuring access to new solutions developed within the center.

This initiative reinforces our continuous commitment with innovation and sustainability, fundamental pillars to the consistency and strength behind the historic figures we have achieved. As protagonists of the sector, we are pioneers in adopting new technologies, whether in precision agriculture, with a georeferencing system that uses cutting-edge technology to track and monitor all activities in our agricultural areas, or in the use of analytical intelligence, which leverages data captured by tablets, drones, satellites and sensors to generate insights that improve decision-making.

This year, we took another step towards a more sustainable future by obtaining ISCC EU, ISCC Corsia and ISCC Corsia Plus certifications for our Mandu unit. These certifications ensure that the entire ethanol value chain — from the field to the end consumer — is sustainable according to environmental, social and economic criteria, including raw material traceability and land use, proving that the Company's sugarcane ethanol meets international requirements to produce sustainable aviation fuel (SAF).

Tereos maintained its GPTW (Great Place to Work) certification and in this crop, we are proud to be ranked among the 10 best large agribusiness companies to work for in Brazil. Additionally, Tereos was recognised as one of the top five companies in the mental health category, which highlights organisations with outstanding initiatives in employee care and well-being.

The performance achieved in this crop year is a direct result of the dedication of our people, the clarity of our strategy and the solidity of our structure. More than simply addressing short-term variability, we have shown that we are prepared to deliver consistent value, even in challenging scenarios.

We reaffirm our commitment to excellence, innovation and sustainability, always guided by our confidence in the Tereos team and our responsibility to generate positive impact to all our stakeholders.

Your usual contacts at Tereos remain available for any questions or further information.

## 1. Business Description

The Company is a privately held corporation, fully controlled by the Tereos Group, headquartered in France through NewCo Tereos Internacional (BR) Ltda., with a 56% stake in Brazil and with Tereos Participations SAS also as another shareholder. The Company has seven industrial units located in the northwest of the state of São Paulo.

## 2. Sugarcane and ethanol market

Below is presented the main data relating to the sugarcane and ethanol market for the crop 24/25 and all variations presented are comparative with the crop 23/24 (previous crop), unless otherwise stated.

According to UNICA (*União da Indústria de Cana de Açúcar*), the South Center region of Brazil had recorded its second-largest crushing in history, totaling 622 million tons of sugarcane (5.0% decrease), despite a drop in productivity influenced by unfavorable weather and wildfires. In the crop 24/25, the region produced 40 million tons of sugar (5.3% decrease) and 35 billion liters of ethanol (4.1% increase), of which 12 billion liters of anhydrous ethanol (5.6% increase) and 23 billion liters hydrous ethanol (10.3% increase). The production mix remained stable, declining 1p.p. to 48% for sugar, compared to 49% in the previous crop, due to the lower volume of sugarcane crushed and increased production from corn ethanol plants.

In the crop 24/25, raw sugar prices reached an average price of R\$ 2,366 per ton compared to R\$ 2,572 per ton in the previous harvest, representing a decrease of 8%, despite the constrained global supply.

Tereos ended the crop 24/25 with a crushing of 20.4 million tons of sugarcane (-3.2% decrease) and a production mix of 64% focused on sugar. Production totaled 1.8 million tons of sugar (-6.3% increase) and 624 km<sup>3</sup> of ethanol (7.5% increase) as well as 1,015 thousand MWh of energy were exported (14.7% increase). Regarding the total recoverable sugar (TRS) processed, there was a -1.8% decrease, totaling 2.9 million tons produced.

### 3. Economic-Financial Indicator

KPIs (millions of R\$)	Crop 24/25	Crop 23/24	Var (%)
<b>Net Revenue</b>	<b>6,755</b>	<b>6,717</b>	<b>1%</b>
<b>EBITDA (Adjusted) <sup>1</sup></b>	<b>1,603</b>	<b>1,682</b>	<b>-5%</b>
<i>EBITDA Margin (Adjusted)</i>	<i>24%</i>	<i>25%</i>	<i>-1 p.p.</i>
<b>Recurring EBIT <sup>1</sup></b>	<b>864</b>	<b>1,250</b>	<b>-31%</b>
<i>EBIT Margin</i>	<i>13%</i>	<i>19%</i>	<i>-6 p.p.</i>
Total Assets	9,579	9,626	0%
Equity	3,040	2,595	17%
Net Debt <sup>1 2</sup>	2,725	2,716	0%
Current Liquidity	1.4x	1.3x	9%
Cash / Short-term debt <sup>1 2</sup>	1.3x	1.1x	15%
Net Debt <sup>1 2</sup> / EBITDA (Adjusted) <sup>1</sup>	1.7x	1.6x	5%

<sup>1</sup> Does not consider effects of IFRS 16 / CPC 06 (R2)

<sup>2</sup> Does not consider loans receivable from related parties

The Company chooses to use adjusted EBITDA in order to demonstrate the information that best reflects its operational cash generation and carries out the reconciliation according to the table below.

EBITDA Reconciliation (millions of R\$)	Crop 24/25	Crop 23/24	Var (%)
<b>Net income (loss)</b>	<b>364</b>	<b>719</b>	<b>-49%</b>
Income tax	165	160	3%
Share of profit of associates	(7)	(8)	-18%
Net financial expense	381	414	-8%
Amortisation	793	656	21%
Gain on disposal of assets	2	-	n/a
Fair value of biological assets <sup>1</sup>	151	(50)	> 100%
Others	0	1	-98%
<b>EBITDA (Adjusted) with IFRS 16 / CPC 06 (R2)</b>	<b>1,850</b>	<b>1,893</b>	<b>-2%</b>
Impact IFRS 16 / CPC 06 (R2)	(247)	(211)	17%
<b>EBITDA (Adjusted)</b>	<b>1,603</b>	<b>1,682</b>	<b>-5%</b>
Cash Flow Hedge	88	12	>100%
Amortisation of tilling costs	466	435	7%
Amortisation of intercrop maintenance costs	275	280	-2%
<b>EBITDA (Adjusted) – Peers disclosure</b>	<b>2,433</b>	<b>2,410</b>	<b>1%</b>
Leverage considering EBITDA (Adjusted) – Peers disclosure	1,1x	1,1x	-1%

<sup>1</sup> Considering biological assets fair value from cashflow statement and change in variation in finished goods – FV harvested

### 3.1. Dividends

In accordance with Law 6,404/76 and in accordance with its Articles of Association, shareholders are entitled to receive annual mandatory minimum payment of 25% of the annual individual statutory net income adjusted for the following items: (i) allocation to Legal Reserve; (ii) movements on the Contingencies reserve; (iii) allocation to the tax incentive reserves and (iv) realisation of the Unrealised Income Reserve.

Minimum dividend calculation is based on the net result of the Parent Company of the consolidated Group Tereos Açúcar e Energia Brasil S.A and distribution is allowed when reserves in equity are positive. As at 31 March 2025, net equity reserves comprise (i) R\$ 5 million in legal reserves; (ii) R\$ 107 million in tax incentive reserves; (iii) R\$ (297) million in accumulated losses; and (iv) R\$ 299 million corresponding to the net income for the current year, which absorbs the accumulated losses. The other destinations were done accordingly and are immaterial for disclosure purposes.

## 4. Investments

Investments (millions of R\$)	Crop 24/25	Crop 23/24	Var (%)
Planting	614	596	3%
Improvements, maintenance and expansions	327	341	-4%
<b>Total investments</b>	<b>942</b>	<b>937</b>	<b>0%</b>

Capital expenditures remained stable compared to the previous year.

## 5. Debt (financial resources)

The Company ended the crop 24/25 with a stable net debt of R\$ 2,725 million, and leverage of 1.7x in the net debt x adjusted EBITDA ratio. Note that the Company has been reducing its exposure to debt denominated in Brazilian reais in recent years, given the high interest rates, the increased cost of credit in Brazil and the strategy to reduce external debt in favour of intragroup financing under more favourable conditions with Tereos entities in Europe. As a result, the depreciation of the real against stronger currencies, although leading to higher revenue inflows from exports, results in higher impact on the net debt valuation at the end of the crop year and at constant exchange rates, net debt would have been R\$ 2,422 million, resulting in leverage of 1.5x as at 31 March 2025.

Debt (millions of R\$)	Crop 24/25	Crop 23/24	Var (%)
Gross debt BRL	1,610	2,192	-27%
Gross debt USD/EUR	2,559	2,436	5%
<b>Total gross debt<sup>1 2</sup></b>	<b>4,170</b>	<b>4,628</b>	<b>-10%</b>
Cash and cash equivalents BRL	(1,223)	(1,438)	-15%
Cash and cash equivalents USD/EUR	(222)	(474)	-53%
<b>Total cash and cash equivalents</b>	<b>(1,445)</b>	<b>(1,912)</b>	<b>-24%</b>
<b>Total net debt<sup>1 2</sup></b>	<b>2,725</b>	<b>2,716</b>	<b>1%</b>
Net Debt <sup>1 2</sup> / EBITDA (Adjusted) <sup>1</sup>	1.7x	1.6x	5%

<sup>1</sup> Does not consider effects of IFRS 16 / CPC 06 (R2)

<sup>2</sup> Does not consider loans receivable from related parties

## 6. ESG (Environmental, Social and Governance)

Since 2017, we have been signatories to the United Nations Global Compact and stand out as the only company in the sector to join the Science Based Targets initiative (SBTi), a collaboration between CDP (Carbon Disclosure Project), the United Nations Global Compact, the World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). This initiative aims to engage the private sector in addressing climate change and limiting global warming to 1.5°C. Launched in 2000, it is recognised as the main global reference for sustainable development and provides a voluntary commitment framework for organisations that wish to advance their approaches to socio-environmental responsibility.

The Global Compact proposes that organisations around the world voluntarily align their strategies and operations with ten universally accepted principles in the areas of human rights, international labour standards, the environment and the fight against corruption.

To optimise the environmental and social impacts of our business model, our sustainable development strategy is structured on pillars that cover the entire value chain. In 2024, we published the fourth sustainability report of Tereos Açúcar e Energia Brasil S.A., prepared in accordance with the GRI (Global Reporting Initiative) standard, aligned with Tereos' global pillars and long-term commitments. We also maintained committees dedicated to guiding strategic actions on key topics and supporting the Executive Sustainability Committee's decision-making.

## 6.1. Sustainable supply chain

Tereos maintains strong links with the agricultural world, both in France, where farmers are cooperative members, and in Brazil, where we maintain close ties with our raw material suppliers.

To meet climate and demographic challenges, our priority is to combine our revenue growth with reducing our carbon footprint in the field.

To strengthen our partnership and achieve sustainable results with producers, we maintain the *Amigo Produtor* relationship program, structured on seven pillars. Within the Technical Support pillar, we offer specialised agronomic consulting, to support the selection of the best sugarcane varieties and the adoption of more competitive agricultural practices. Under the Sustainability pillar, we developed the *Amigo Produtor Sustentável* (APS) seal, which includes training and technical monitoring focused on increasing productivity and implementing best practices. In addition, the program offers a series of benefits that boost our partners' results, such as a purchasing club, support in certifying sustainable production and *Tereos em Campo*, which are technical meetings and themed events throughout the campaign to discuss the main challenges and solutions in the sector.

Committed to sustainability in the field and driven by the APS, our suppliers have been adhering to rigorous production certification standards. Among these is the Sustainable Agriculture Initiative (SAI), an organisation that promotes the development of socially and environmentally responsible agriculture through the FSA (Farm Sustainability Assessment) tool a farm self-assessment questionnaire. Until March 2025, 23 producers had gone through this process. Currently, 35% of sugarcane supplied undergoes FSA/SAI assessment, which represents over 18% of all sugarcane crushed in the 2024/25 harvest at our units.

Our own sugarcane is certified by Bonsucro, internationally recognized for attesting sustainable sugar-energy production and six of our units are certified.

Since 2017, we have the Supplier Management Program (PGF), an initiative that aims to monitor companies that provide services and equipment and supplies for our operations. By monitoring the performance of each supplier in criteria such as sustainability, reliability, quality, safety, innovation, among others, we can support them in evolving the services provided and equipment made available, bringing maturity to the business and strengthening our supply chain over time and every year, we promote the recognition of outstanding suppliers.

At our units, we monitor the nutrient cycle and adopt soil conservation practices to ensure the productivity and longevity of our sugarcane fields. We implement crop rotation as a strategy for biological nitrogen fixation and the production of green mass, supporting the replenishment of organic matter in the soil. We also reuse industrial by-products such as vinasse and filter cake, as well as straw left in the field after harvesting, further enriching soil quality.

We have a solid agricultural technology development front, and with each crop year, we incorporate new solutions aimed at optimising resources. Among these initiatives are the use of precision agriculture, the application of UAVs (unmanned aerial vehicles) to monitor fields, ongoing research into more resistant sugarcane varieties, and a portfolio of highly efficient agricultural inputs.

In 2024, Tereos signed an unprecedented long-term agreement with Koppert, a global leader in biological control, for the research and development of biological inputs. The three-year contract also reaffirms the continued supply of inputs from Koppert to Tereos, as already foreseen in the existing partnership between the two companies, in which Tereos will take part in the São Paulo Advanced Research Center for Biological Control (SparcBio), maintained by

Koppert, FAPESP (São Paulo Research Foundation), and the University of São Paulo through the Luiz de Queiroz College of Agriculture – ESALQ/USP, in Piracicaba, ensuring access to new solutions developed at the centre.

The signing of this agreement aligns with Tereos' investments in biological control and regenerative agriculture, as well as its goal of decarbonising operations. The company already adopts a number of initiatives in agricultural management and crop treatment aimed at increasing productivity while reducing costs and, above all, enhancing sustainability.

## 6.2. Circular economy and climate change

Adopting the logic of the circular economy has enabled us to enhance our environmental performance, reducing greenhouse gas emissions and increasing the use of renewable materials, while also strengthening our industrial efficiency and commercial competitiveness. In the crop 24/25, in addition to the application of vinasse and filter cake in our sugarcane fields and the cogeneration of energy from sugarcane bagasse, we maintained the operation of our biogas plant at the Cruz Alta unit (Olimpia/SP), with the capacity to generate electricity through the biodigestion of vinasse.

Reducing environmental impact and making the most of our raw materials are strategic priorities. For this reason, the circular economy is central to our operations, reinserting plant residues into the production chain as new inputs. In the sugar-energy sector, sugarcane has one of the highest utilisation rates: virtually 100% of biomass and by-products are used.

As a result of these efforts, under the *Renovabio* programme, Tereos is among the groups with crushing volumes above 10 million tonnes that achieve the highest energy efficiency scores.

In addition to reusing industrial waste, we also manage food waste from our restaurants, directing it to our own compost bins for later use in fertilising nurseries and green areas. Furthermore, we have implemented reverse logistics for 30% of the packaging sold in the retail market.

## 6.3. Water

Tereos also always seeks to increase the efficiency of its water management and reduce consumption of the resource supported by several initiatives. Taking care of the environment, and especially water resources, is fundamental to ensuring a better and more sustainable future for everyone. There is also water circularity in the processing of sugarcane through the water contained in the plant, which in the industrial process is transformed into steam and then condensed into liquid water through heat exchange. After being reused to its maximum potential, the surplus becomes one of the sources of residual water, which is later used for fertigation of sugarcane fields, among other applications. In the crop 24/25, we reached 5% of our target to reduce water consumption per tonne of processed sugarcane, out of the 21.5% expected for the crop 29/30 (compared to the baseline year 2017/18). Some of the initiatives through which we address the importance of this topic are detailed below:

- **Water Committees:** internal meetings are held monthly with the aim of implementing actions to improve water consumption results. The Company brings together people involved in these processes in different ways, to discuss ideas and develop solutions for reusing water and minimizing the generation of waste and effluents. The committee also evaluates important operational indicators, such as water capture, the efficiency of Sewage Treatment Plants and the capture goals of each unit, including discussions of new projects and initiatives by other units.
- **Water Eyes:** a program to recover headwaters in the hydrographic basins of the region through reforestation of headwaters areas to create favorable soil conditions for rainwater infiltration, improving the quality and increasing the quantity of water for the local area, among other actions.
- **Kaizen Projects:** Tereos invests in several projects aimed at more efficient water management and encourages the development of solutions in all industrial units to reduce consumption and more conscious regarding the use of water resources. The Company also has internal recognition practices for these initiatives, with a special focus on the sustainability of operations, such as the “Tereos Excellence Award”

and the “Kaizen Program”. Every month, different areas of the Company can register water management improvement initiatives through the Kaizen Program, with the aim of optimizing processes and achieving business objectives in a more sustainable way.

- **Process Visit:** A programme aimed at presenting best practices adopted by the units during the crop, replicating action plans, kaizens and initiatives resulting from PDCA's related to processes, water reduction and reuse, standardisation of management and operational procedures, as well as promoting internal benchmarking and knowledge exchange (networking) among the industrial units of the Tereos Group.

#### 6.4. Socio-environmental certifications and seals

Combining high-performance agricultural practices with respect for the environment and people, as well as food safety, Tereos maintains important certifications, which require high quality standards throughout the entire production process. Our units operate in accordance with management systems that seek to meet market demands and the requirements of international standards. Furthermore, we continue working to increase certification scopes and meet market demands. In the crop 24/25, we recertified the Mandu unit under Bonsucro EU, enabling the export of ethanol to the European market, one of the sustainability requirements, adding value to the product and expanding commercial opportunities. In 2024, we obtained the ISCC EU, ISCC Corsia and ISCC Corsia Plus certifications for the Mandu unit. The ISCC (International Sustainability & Carbon Certification) ensures that the entire ethanol value chain, from the field to the end consumer, is sustainable according to environmental, social and economic criteria, including raw material traceability and land use, proving that the Company's sugarcane ethanol meets international requirements to be used in the production of sustainable aviation fuel (**SAF**).

Certification	Certification description	Cruz Alta	Severinia	Tanabi	Mandu	Andrade	San José	Vertente
Bonsucro	Reduction of environmental and social impacts in the production of sugarcane, ethanol and biomass energy	●		●	●	●	●	●
RenovaBio	Brazilian system renewable source fuel certification program	●	●	●	●	●	●	●
Greener ethanol	Consolidates the goals assumed under the Agro-Environmental Protocol (2007) and reaffirms good practices that have already been adopted	●		●	●	●	●	●
EPA	Registration to export ethanol to the USA			●		●		●
CARB	Certification for ethanol export to California			●				●
I-REC	The International REC Standard (I-REC) works as a global system for tracking environmental energy attributes and is the most reliable means of proving and tracking energy consumption from renewable sources, following various international standards. This is how anyone who consumes renewable energy can make a conscious, evidence-based choice.	●		●	●		●	
KOSHER	Attests that the process and products follow the legal requirements and specific criteria of the Orthodox Jewish diet	●				●		
HALAL	Attests that the process and products follow the legal requirements and criteria determined by Islamic jurisprudence	●		●	●	●	●	●
ISO 22000	Food safety: defines the requirements for a food safety management system covering all organizations in the food chain, from "harvest to table"	●						
FSSC 22000	FSSC 22000 – <i>Food Safety System Certification</i> : aims to monitor safety in food production and distribution	●						
Organic	Attests that the process and product follow the regulatory requirements determined by MAPA and the requirements of the certifying body	●						
GMP + FSA	Animal food safety: defines the requirements of a food safety management system for animal feed				●			
SMETA - Sedex	SMETA ( <i>Sedex Members Ethical Trade Audit</i> ): Good practices in ethical audit technique	●				●		
ISCC EU, ISCC Corsia e Corsia Plus	ISCC (International Sustainability and Carbon Certification): Exports of ethanol and other biofuels to the European Union, including use in international aviation (SAF)				●			

## 6.5. Occupational health and safety

Tereos continually seeks to reduce total accident rates and has a rigorous safety policy applied to all operations, with guidelines on health and safety topics based on the pillars of Risk Management, Management System, Leadership Accountability, and care for employees' physical and mental health are included in the "SEJA" Program.

**Risk Management:** divided into 4 layers, this pillar acts on the assessment of operational risks, management of priority unwanted events and change management, risk management by tasks and individual risk management to develop effective and proactive risk management based on risk groups that generate fatalities and permanent injuries. In each of the layers of this pillar, the focus will always be on high-level actions, which are Elimination and Replacement of Risk and Engineering Control.

**Management System:** in this pillar we operate with a focus on management tools, follow-up of indicators in operational meetings to maintain the focus on definitive solutions. The objective is to increase effectiveness in mitigating the causes of events. Among drivers who drive fleet vehicles, the company carries out safe driving training, in addition to implementing tools such as the Fatigue Management System, to avoid potential accidents.

**Accountability of Leadership:** in this pillar we work on the develop and empower Leadership through the promotion of resources, tools, methodologies and guidelines. We develop Visible and Perceived Leadership (VFL) seeking to have a culture of high performance and excellence, free from high potential occurrences. Within Leadership Accountability, we have the *LíderVisit* program, which aims to bring our leaders in contact with our operations to achieve increasingly safer processes. In this way, the leaders were divided into multidisciplinary groups and, periodically, visit different areas and units according to a pre-established schedule.

## 6.6. Socio environmental responsibility

The Group is involved in several programs to support local populations, particularly in the areas of health, education and the environment:

- **Beekeeping Project:** project created based on the Coexistence Protocol, signed between SAA, UNICA, ORPLANA and Syngenta, with the aim of encouraging dialogue between farmers and beekeepers. Together, we seek ways that value the rational protection of crops, the pollination service performed by bees, the protection of bees and respect for beekeeping. Were already identified 466 apiaries belonging to 60 beekeepers in 33 cities in the region of Tereos's seven units.
- **Water eyes:** 8 springs are included in the project, whereof 2 have already been recovered and 6 are under recovery.
- **Reforestation:** recovery of forest fragments with native tree seedlings, produced in our own nursery, in accordance with legal requirements, in compliance with the Forest Code, in addition to support for public entities in municipalities close to Tereos units, with an average of approximately 500 hectares of vegetation in recovery process.
- **Seedling Nursery:** production of native seedlings for reforestation actions by units, agricultural partners and public institutions. Around 180,000 seedlings are produced annually.
- **"Tereos na Área":** program that highlights the company's growing involvement with communities close to its units. During the period, we held two editions of the programme in the cities of Olímpia and Ibiporanga (SP), bringing culture, sports and services to the local populations.
- **Energy donation:** Since 2012, we have donated electricity to supply units *Antenor*, *Infantil* and *São Judas*, at *Hospital de Amor* in Barretos/SP, a reference in cancer prevention and treatment.

## 6.7. People

As a leading employer in the region in which it operates, Tereos is committed to promote qualified jobs to contribute to the economic and social development where we operate.

People are at the heart of our development model, and we are certain that it is our teams and our future talents that will allow us to achieve Tereos' ambitions of today and tomorrow. Tereos maintained its GPTW (Great Place to Work) certification and in this crop, we are proud to be ranked among the 10 best large agribusiness companies to work for in Brazil, obtained through a climate survey conducted with the Company's employees and recognizes the Company's initiatives focused on people management, in addition to reinforcing the Tereos Group's commitment to the well-being of employees, developing the practical skills of each one and promoting a collaborative environment for all.

During the crop, we held several notable events to provide information, promoting welcoming and making the work environment increasingly aware and inclusive, such as:

- **4th Diversity and Inclusion Week:** With relevant themes and addressing the 5 pillars of Diversity and Inclusion (Race and Ethnicity, Gender, LGBTQIA+, Generations and People with Disabilities), the Diversity and Inclusion Week aimed to reinforce our position regarding Diversity and Inclusion and strengthen the culture of inclusion in our company. It was also the opportunity to highlight the strategic benefits of inclusion and diversity for our business and raise awareness among teams about harassment and discrimination.
- **3rd Workshop for Women in Agribusiness:** Attended by more than 200 women, covering topics such as professional growth, protagonism, career, in addition to sharing life and career stories of successful women in agriculture.
- **Inclusive Leadership Training:** In the current crop year, we launched training for all leadership levels (from supervisors to directors) on diversity, equity and inclusion. The training is being conducted in three sessions throughout the year and covers how leaders can understand and support differences, address unconscious biases, maximise employee engagement and foster a culture of diversity within the company.
- **"We Need to Talk About It" Campaign:** Continuation and reinforcement of the campaign that encourages an effective approach to diversity and inclusion and seeks to combat harassment, prejudice and discrimination.
- **Groups talks about Diversity and Inclusion:** in our units and at Rio Preto's Office, members of the executive committee promoted dialogues about Diversity and Inclusion with more than 115 employees. As great allies of the cause, our leaders shared their stories, creating a safe space to welcome participants, and invited them to contribute to an environment where everyone can feel valued and respected.
- **"Empoderadas" Project:** In this crop we continued an exclusive mentoring initiative for female employees with the aim of strengthening and accelerating their professional development. Group talks were held on topics such as protagonism, motherhood, career, strategic communication and, in addition, the employees had individual mentoring sessions with the Company's executive managers.

We are effectively managing diversity, equity, and inclusion, advancing the ratio between men and women in all areas and positions. Our goal is to have 15% of women in the workforce by 2030, ensuring that every selection process has at least two women interviewed. Furthermore, we want to reach 17.5% of women in leadership positions in the same period.

Aiming to improve technical skills focused on the sugar-energy sector and promote professional initiation for residents of cities surrounding Tereos' industrial units, the company develops a series of free training courses for the population. These trainings reinforce Tereos' commitment not only to the communities where it operates, seeking to positively influence the population in these regions and contribute to local development through dialogue and actions, but also to diversity and female insertion in the job market.

By promoting classes exclusively for women, Tereos is committed to creating a diverse and inclusive work environment that promotes female participation. Furthermore, it empowers women by training them in different roles that, historically, were aimed at men, such as tractor and truck drivers and automotive maintenance.

In the crop 24/25, five training courses were promoted for communities close to Tereos units. The courses were for Agricultural Machinery Operation and Automotive Maintenance, exclusively for women residents in Tanabi, Guaraci and Olímpia cities. After training, participants received certificates and were evaluated for internal opportunities.

As a result of this culture of valuing people, we are proud to say that we closed the crop 24/25 with a total internal utilization of 56%. This number is even better when we only consider leadership positions, reaching 74%.

## 6.8. Entry Programs

- **Young Apprentice Program:** The program is aimed at young people, between 16 and 22 years old, with little or no professional experience and aims to train and develop technical and behavioral skills essential for entering the job market. The program allows young people to learn about processes and routines in our business units in a practical and targeted way, while at the same time receiving technical training at partner institutions. During the crop 24/25, around 400 young apprentices were undergoing training and the learning process in our units.
- **“Pescar” Project:** Tereos has also had a partnership with “*Projeto Pescar*” for 12 years, which aims to educate and train young people, between 16 and 22 years old, in situations of socioeconomic vulnerability, promoting the transformation of their realities and, therefore, of society, through learning and entry into the job market. The “*Projeto Pescar*” is focused on development, learning and professional initiation in agro-industrial processes, training and preparing participants not only to enter the job market within the sugar-energy sector, but also offering great possibilities for employment in one of our units. This crop, 20 young people participated in the “*Projeto Pescar*” in our units.
- **Tereos Summer Experience Program:** The program aims to develop new talents, offering the opportunity to experience their learning in practice, with the support of the company. During the 45-day internship period, participants have the challenge of developing a Kaizen project focused on their area of expertise. In the crop 24/25, we had 9 university students from the region participating in the program at our units.
- **Young Talents Program:** The program offers the opportunity for university students to learn more deeply and in a supervised way about their areas of activity. In this way, they learn about the sugar-energy sector and develop their skills in a practical way, working in the area’s daily activities and developing an improvement project. There were 133 interns participating in the Young Talents Program in our units and corporate area.
- **Young Engineers Program:** The program focus on the development and career acceleration of young professionals in the region, with professional experience between 2 and 5 years, for leadership development. Lasting 18 months and with a robust development plan in technical and behavioral skills, the program involved 6 professionals allocated to our industrial units in the crop 24/25.

## 6.9. Sustainable financing

In line with Tereos' commitment to engagement with the ESG theme, the Company has a portfolio of “green” financing linked to sustainability goals covering around 70% of its bank financing, in which Tereos remains committed to reducing emissions of greenhouse gases, reduce water consumption, increase the percentage of certified sugarcane, and improve health and safety indicators at work.

## OTHER EXTERNAL AUDIT SERVICES

The Company's policy of contracting services not related to the audit of its consolidated financial statements, together with its independent auditors, is based on internationally accepted principles that preserve the independence of the auditor, consisting of: (a) the auditor must not audit their own work, (b) the auditor must not perform managerial functions at their client; (c) the auditor must not promote the interests of his client; and (d) the value of the services charged to the client must not cause financial dependence of the auditors on their client.

In the year ended 31 March 2025, the Company did not make payments of fees to related parties of the external audit firm *Ernst & Young Auditores Independientes S/S Ltda.*, restricting itself only to audit services.

## CLOSING REMARKS

The Company would like to express its gratitude to everyone who collaborated to achieve the objectives established throughout the crop 24/25, especially to its shareholders, employees, customers, suppliers and agricultural and commercial partners.

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**A free translation from Portuguese into English of Independent Auditor's Report on Consolidated Financial Statements prepared in Brazilian currency in accordance with accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB)**

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## **Independent auditor's report on consolidated financial statements**

To the  
Shareholders and Management of  
**Tereos Açúcar e Energia Brasil S.A.**  
Olimpia - SP

### **Opinion**

We have audited the consolidated financial statements of Tereos Açúcar e Energia Brasil S.A. (the "Company"), which comprise the consolidated statement of financial position as at March 31, 2025, and the consolidated statement of operations, of comprehensive income (loss), of changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Tereos Açúcar e Energia Brasil S.A. as at March 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB).

### **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 "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report. We are independent of the Company and its subsidiaries and comply with the relevant ethical principles set forth in the Code of Professional Ethics for Accountants, the professional standards issued by the Brazil's National Association of State Boards of Accountancy (CFC) and we have fulfilled our other ethical responsibilities under these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the current year. These matters were addressed in the context of our audit of the consolidated financial statements and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter, including any commentary on the findings or outcome of our procedures, is provided in the context of the consolidated financial statements as a whole.

We have fulfilled the responsibilities described in the “Auditor’s responsibilities for the audit of the consolidated financial statements” section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

#### Fair value measurement of biological assets

As mentioned in Note 16 to the consolidated financial statements, the fair value measurement of biological assets is based on valuation techniques supported by an unobservable and liquid market, with assumptions that consider internal and external inputs, mainly related to the expected productivity, projected average prices for Total Recoverable Sugar (“ATR”), and cash flow discount rates.

Adjustments to the assumptions applied in the calculation of biological assets can potentially have significant impacts on the consolidated financial statements in “Biological assets” under current assets and in “Cost of products sold” in the statement of operations for the year. Due to the inherent risks in the subjectivity of certain assumptions that require the Company’s management to exercise judgment and that may have a significant impact on measuring the fair value of biological assets and, consequently, on the consolidated financial statements as a whole, this was considered a key audit matter.

How our audit addressed this matter:

Our audit procedures included, among others, understanding and analysis of the model adopted for estimating the biological assets’ fair value; involving valuation experts to assist us in the analysis and review of the adequacy of the key assumptions applied to determine the fair value of biological assets, including the productivity of sugarcane fields, the planted areas and the discount rate; comparison of the productivity assumptions with available internal and external historical information; sensitivity analysis of the significant assumptions applied; assessing the adequacy of the disclosures in the respective notes to the consolidated financial statements as at March 31, 2025.

Based on the results of the audit procedures performed for testing the fair value measurement of biological assets, which are consistent with Company’s management assessment, we considered that the criteria and assumptions adopted by the Company’s management for the fair value measurement of biological assets, as well as the respective disclosures related to this matter in Note 16, are acceptable in the context of the consolidated financial statements.

### Valuation of financial instruments, including derivatives, and designation of hedge accounting

As mentioned in Notes 18 and 19 to the consolidated financial statements, the Company's management has strategies in place to hedge its future cash flows from the impact of significant variables, such as fluctuations in exchange rates, interest rates and price volatility in the commodities market. These strategies consist of entering into specific derivative financial instruments for each type of risk (futures, swap, forward, among others). Some of these financial instruments are designated as hedged items underlying a specific documented risk, for the purpose of recognizing at the same time the result of the impacts of the instrument (derivative and non-derivative) and the related hedged item, which is known as "hedge accounting".

This matter was considered significant for our audit due to the complexity of the estimates and the high degree of judgment involved in measuring the fair value of financial instruments, including derivatives, as well as in determining a hedge relationship and its effectiveness, and the significant impacts on the financial statements that changes in the assumptions adopted for measuring financial instruments and hedge designations may generate.

How our audit addressed this matter:

Our audit procedures included, among others, understanding and analysis of the models adopted by the Company's management for assessing the valuation of financial instruments, including derivatives and designation of hedge accounting; obtain external confirmation from financial institutions; involving experts in financial instruments to assess the adequacy of the supporting documentation of hedge relationships, as well as the reasonableness of the main assumptions used to calculate the fair value of derivative financial instruments, using information on recent market transactions, the discount rate and credit risk of the Company and its counterparties; assessing the adequacy of the disclosures in the respective notes to the consolidated financial statements as of March 31, 2025.

Based on the results of the audit procedures performed for the valuation of financial instruments, including derivatives and the designation of hedge accounting, which are consistent with Company's management assessment, we considered that the criteria and assumptions used to determine the valuation of financial instruments, including derivatives and designation of hedge accounting adopted by the management of the Company, as well as the respective disclosures related to this matter in Notes 18 and 19, are acceptable in the context of the consolidated financial statements.

## **Emphasis**

### **a) Restatement of the corresponding values**

As mentioned in Note 2, as a result of the change in accounting practice and classification adopted by the Company as of March 31, 2024 for the presentation of its statement of operations, the corresponding amounts referring to the previous year, presented for comparison purposes, were adjusted and are being restated as provided for in CPC 23/IAS 8, (Accounting Policies, Change in Accounting Estimate and Errors). Our opinion contains no modification relating to this matter.

### **b) Individual financial statements**

We call attention to note 2.1 to the financial statements, which describes that the Company's management prepared a complete set of individual financial statements for the year ended March 31, 2025, in accordance with accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) (currently referred by the IFRS Foundation as "IFRS Accounting Standards"), presented separately, for which a separate unmodified auditor's report was issued dated June 27, 2025.

### **Other information accompanying the consolidated financial statements and the auditor's report**

Management is responsible for such other information, which comprise the Management Report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether this report is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the Management Report, 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 consolidated financial statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) (currently referred by the IFRS Foundation as "IFRS Accounting Standards"), and for such internal controls as Management determines is necessary to enable the preparation of these consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 subsidiaries or to cease operations, or has no other realistic alternative but to do so.

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

### **Auditor's responsibilities for the audit of consolidated financial statements**

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

As part of the audit conducted in accordance with Brazilian and International standards on auditing, we exercise professional judgment and maintain professional skepticism throughout the planning and performance of the audit. We also:

- Identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained 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.
- Obtained 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 subsidiaries' internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluded 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 subsidiaries' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Ribeirão Preto, June 27, 2025

ERNST & YOUNG  
Auditores Independentes S/S Ltda.  
CRC-SP-044415/F



Wagner dos Santos Junior  
Accountant CRC 1SP-216368/O-T

A photograph of a sugarcane field at sunset. The sun is low on the horizon, creating a bright orange and yellow glow that reflects on the water in the distance. The sky is filled with scattered clouds, some of which are illuminated by the setting sun. The foreground shows rows of young sugarcane plants in a field.

# CONSOLIDATED FINANCIAL STATEMENTS

## **TEREOS AÇÚCAR E ENERGIA BRASIL S.A.**

For the year ended 31 March 2025

*This is a convenience translation from the original consolidated financial statements of Tereos Açúcar e Energia Brasil S.A. for the year ended 31 March 2025 previously issued in Portuguese.*

## CONSOLIDATED STATEMENT OF OPERATIONS OF TEREOS AÇÚCAR E ENERGIA BRASIL S.A.

(millions of R\$)	Notes	For the year ended	
		31 March 2025	31 March 2024 restated*
Revenue	8	6,775	6,717
Cost of sales (1)	9	(5,456)	(5,015)
General and administrative expenses (2)	9	(450)	(422)
Other operating income (expense)	9	35	6
<b>Operating income (expense)</b>		<b>903</b>	<b>1,286</b>
Financial expenses	17	(755)	(627)
Financial income	17	373	213
<b>Net financial income (expense)</b>		<b>(381)</b>	<b>(414)</b>
Share of profit of associates	15	7	8
<b>Net income (loss) before taxes</b>		<b>529</b>	<b>880</b>
Income taxes	21	(165)	(160)
<b>NET INCOME (LOSS)</b>		<b>364</b>	<b>719</b>
Attributable to owners of the parent		299	669
Attributable to non-controlling interests		64	50
<b>Earnings (loss) per share (R\$)</b>	20.2	<b>0.4733</b>	<b>1.0578</b>

The accompanying notes are an integral part of these consolidated financial statements.

\* Comparative information, presented in this statement and the following, has been restated for the evolution of the presentation of the consolidated statement of operations (note 2.4).

(1) It includes logistics costs

(2) It includes selling expenses

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (LOSS) OF TEREOS AÇÚCAR E ENERGIA BRASIL S.A.

(millions of R\$)	For the year ended	
	31 March 2025	31 March 2024
<b>NET INCOME (LOSS)</b>	<b>364</b>	<b>719</b>
<i>Attributable to owners of the parent</i>	299	669
<i>Attributable to non-controlling interests</i>	64	50
<b>Items that may subsequently be reclassified to profit or loss</b>		
Cash-flow hedge reserve	81	(9)
<i>of which income tax effect</i>	(42)	5
<b>Other comprehensive income (loss), net of taxes</b>	<b>81</b>	<b>(9)</b>
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>	<b>444</b>	<b>710</b>
<i>Attributable to owners of the parent</i>	383	657
<i>Attributable to non-controlling interests</i>	61	53

The accompanying notes are an integral part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF TEREOS AÇÚCAR E ENERGIA BRASIL S.A.

		As of	
(millions of R\$)	Notes	31 March 2025	31 March 2024
ASSETS			
Cash and cash equivalents	18.5	1,445	1,912
Trade receivables	11.2	546	484
Inventories	11.1	560	532
Biological assets	16	696	775
Other current financial assets	18.2	561	463
Current income tax receivables	22	63	100
Other current assets		6	10
Total current assets		3,878	4,275
Deferred tax assets	22	220	311
Non-current financial assets with related parties	24.2	343	304
Other non-current financial assets	18.2	213	230
Investments in associates	15	53	51
Property, plant and equipment	13	4,470	4,050
Goodwill	12.1	272	272
Other intangible assets	12.2	129	133
Total non-current assets		5,701	5,351
TOTAL ASSETS		9,579	9,626
(millions of R\$)	Notes	31 March 2025	31 March 2024
LIABILITIES AND EQUITY			
Short-term borrowings	18.6	1,329	1,842
Trade payables	11.3	911	789
Other current financial liabilities	18.3	530	645
Current income tax payables	22	2	73
Other current liabilities		4	0
Total current liabilities		2,776	3,349
Long-term borrowings	18.6	2,289	2,838
Deferred tax liabilities	22	53	53
Long-term provisions	23	52	50
Non-current financial liabilities with related parties	24.2	1,292	608
Other non-current financial liabilities	18.3	77	133
Total non-current liabilities		3,763	3,683
Total liabilities		6,539	7,031
Issued capital	20.1	2,778	2,778
Reserves (accumulated loss)		115	(185)
Accumulated other comprehensive income (loss)		(64)	(147)
Equity attributable to owners of the parent		2,829	2,446
Non-controlling interests		211	149
Total equity		3,040	2,595
TOTAL EQUITY AND LIABILITIES		9,579	9,626

The accompanying notes are an integral part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY OF TEREOS AÇÚCAR E ENERGIA BRASIL S.A.

For the year ended

(millions of R\$)	TOTAL EQUITY attributable to the parent	TOTAL EQUITY attributable to NCI	TOTAL EQUITY
<b>At 1 April 2023</b>	<b>1,789</b>	<b>96</b>	<b>1,885</b>
Net income (loss)	669	50	719
Other comprehensive income (loss)	(12)	3	(9)
<b>Comprehensive income (loss)</b>	<b>657</b>	<b>53</b>	<b>710</b>
<b>At 31 March 2024</b>	<b>2,446</b>	<b>149</b>	<b>2,595</b>
<b>At 1 April 2024</b>	<b>2,446</b>	<b>149</b>	<b>2,595</b>
Net income (loss)	299	64	364
Other comprehensive income (loss)	83	(3)	81
<b>Comprehensive income (loss)</b>	<b>383</b>	<b>61</b>	<b>444</b>
<b>At 31 March 2025</b>	<b>2,829</b>	<b>211</b>	<b>3,040</b>

(millions of R\$)	Issued capital	Reserves (accumulated loss)	Cash-flow hedge	Accumulated OCI	TOTAL EQUITY
<b>ATTRIBUTABLE TO THE PARENT</b>					
<b>At 1 April 2023</b>	<b>2,778</b>	<b>(854)</b>	<b>(135)</b>	<b>(135)</b>	<b>1,789</b>
Net income (loss)	0	669	0	0	669
Other comprehensive income (loss)	0	0	(12)	(12)	(12)
<b>Comprehensive income (loss)</b>	<b>0</b>	<b>669</b>	<b>(12)</b>	<b>(12)</b>	<b>657</b>
<b>At 31 March 2024</b>	<b>2,778</b>	<b>(185)</b>	<b>(147)</b>	<b>(147)</b>	<b>2,446</b>
<b>At 1 April 2024</b>	<b>2,778</b>	<b>(185)</b>	<b>(147)</b>	<b>(147)</b>	<b>2,446</b>
Net income (loss)	0	299	0	0	299
Other comprehensive income (loss)	0	0	83	83	83
<b>Comprehensive income (loss)</b>	<b>0</b>	<b>299</b>	<b>83</b>	<b>83</b>	<b>383</b>
<b>At 31 March 2025</b>	<b>2,778</b>	<b>115</b>	<b>(64)</b>	<b>(64)</b>	<b>2,829</b>
<b>ATTRIBUTABLE TO NCI</b>					
<b>At 1 April 2023</b>	<b>0</b>	<b>97</b>	<b>(1)</b>	<b>(1)</b>	<b>96</b>
Net income (loss)	0	50	0	0	50
Other comprehensive income (loss)	0	0	3	3	3
<b>Comprehensive income (loss)</b>	<b>0</b>	<b>50</b>	<b>3</b>	<b>3</b>	<b>53</b>
<b>At 31 March 2024</b>	<b>0</b>	<b>147</b>	<b>2</b>	<b>2</b>	<b>149</b>
Net income (loss)	0	64	0	0	64
Other comprehensive income (loss)	0	0	(3)	(3)	(3)
<b>Comprehensive income (loss)</b>	<b>0</b>	<b>64</b>	<b>(3)</b>	<b>(3)</b>	<b>61</b>
<b>At 31 March 2025</b>	<b>0</b>	<b>212</b>	<b>(1)</b>	<b>(1)</b>	<b>211</b>

The accompanying notes are an integral part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF CASH FLOWS OF TEREOS AÇÚCAR E ENERGIA BRASIL S.A.

		For the year ended	
	Notes	31 March 2025	31 March 2024
<i>(millions of R\$)</i>			
<b>Net income (loss)</b>		<b>364</b>	<b>719</b>
Share of profit of associates	15	(7)	(8)
Amortisation	9	793	656
Fair value adjustments on biological assets	16	145	(50)
Other fair value adjustments through the statement of operations		18	41
Gain (loss) on disposals of assets		5	(1)
Income tax expense (income)	21	165	160
Net financial expense		360	398
Impact of changes in working capital:		(44)	85
<i>of which decrease (increase) in trade receivables</i>		(74)	(117)
<i>of which (decrease) increase in trade payables</i>		190	121
<i>of which decrease (increase) in inventories</i>		(29)	(3)
<i>of which impact of changes in other items</i>		(132)	84
Change in other accounts with no cash impact (1)		107	18
<b>Cash provided by (used in) operating activities</b>		<b>1,905</b>	<b>2,018</b>
Income taxes paid		(115)	(63)
<b>Net cash provided by (used in) operating activities</b>		<b>1,790</b>	<b>1,955</b>
Acquisition of property, plant and equipment and intangible assets		(988)	(937)
Acquisition of financial assets		3	(26)
Change in loans and advances granted		7	2
Interest received		209	161
Proceeds from the disposal of property, plant and equipment and intangible assets		4	3
Proceeds from the disposal of financial assets		0	2
Dividends received		3	11
<b>Net cash provided by (used in) investing activities</b>		<b>(761)</b>	<b>(784)</b>
Borrowings issues	18.6	982	633
Borrowings repayments (2)	18.6	(2,607)	(1,231)
Financing interest paid		(515)	(490)
Change in financial assets with related parties		(39)	(37)
Change in financial liabilities with related parties		684	354
<b>Net cash provided by (used in) financing activities</b>		<b>(1,495)</b>	<b>(771)</b>
<b>Net change in cash and cash equivalents, net of bank overdrafts</b>		<b>(467)</b>	<b>399</b>
Cash and cash equivalents, net of bank overdrafts at opening	18.5	1,912	1,513
Cash and cash equivalents, net of bank overdrafts at closing	18.5	1,445	1,912
<b>Net change in cash and cash equivalents, net of bank overdrafts</b>		<b>(467)</b>	<b>399</b>

The accompanying notes are an integral part of these consolidated financial statements.

(1) The R\$ 107 million for the year ended 31 March 2025 comprises mainly the recycling of financial instruments into net revenue of R\$ 105 million (R\$ 15 million for 31 March 2024).

(2) Borrowings repayments line comprises lease payments under IFRS 16 (CPC 06 (R2)).

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## A. Group presentation, principles and methods

### 1. Corporate information

Tereos Açúcar e Energia Brasil S.A. (the “Company” or “Tereos” or “TAEB”) is a Brazilian company, primarily engaged in the cultivation of sugarcane and production and sale of sugar, ethanol, energy and other sugarcane by-products, agricultural undertakings, import and export of assets, products, power generation and raw materials and holding equity interests in other companies.

Sugarcane planted from August to November requires a ripening period of 12 months before harvesting, and the ripening period for sugarcane planted from January to May is 18 months. The harvest period normally extends from April to November. Production is sold throughout the year and is not subject to seasonal variations but only to usual market variations in supply and demand.

Currently, the Company and its subsidiaries (the “Group”) operate seven plants. The existing plants and their locations are as follows:

- Cruz Alta unit - Olímpia - SP.
- Severínia unit - Severínia – SP – temporary closed.
- São José unit - Colina – SP
- Andrade unit - Pitangueiras - SP.
- Tanabi unit - Tanabi - SP.
- Mandu unit - Guaíra - SP.
- Vertente unit - Guaraci - SP.

The consolidated financial statements for the year ended 31 March 2025 were prepared and authorised for issue by its management at its meeting on 27 June 2025.

The Company is a subsidiary of NewCo Tereos Internacional (BR) Ltda., a Brazilian entity headquartered in São Paulo, Brazil, and Tereos Participations S.A.S., a French entity headquartered in Origny- Sainte-Benoîte, France.

Registered office: Rodovia Assis Chateaubriand, km 155 - Olímpia - São Paulo - Brazil.

### 2. Presentation of financial statements and accounting principles

#### 2.1 Basis of presentation

The Group’s consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (IASB) and in accordance with accounting practices adopted in Brazil (“BRGAAP”), at 31 March 2025.

The BRGAAP include those established in the Brazilian Corporate Law as well as the Pronouncements, Instructions and Interpretations issued by the Brazilian Accounting Pronouncements Committee (“CPC”).

For the preparation of the consolidated financial statements the Company has adopted all the accounting pronouncements and interpretations issued by CPC.

The consolidated financial statements include the following direct and indirect subsidiaries and associates:

- Usina Vertente Ltda. (“Vertente”) – direct subsidiary with 50% interest;
- Terminal Portuário de Paranaguá S.A (“Teapar”) – is an associate with direct participation with 35% interest, sold on 27 February 2025;
- Centro de Tecnologia Canavieira S.A. (“CTC”) – is an associate through Tereos Açúcar e Energia Brasil and Vertente, with 4.42% interest;
- Tereos Commodities do Brasil S.A. – direct subsidiary with 81% interest.

The accounting policies, described in the notes, except the change in accounting method described in the note 5, are consistent with those applied by the Group for the year ended 31 March 2024. The amendments to IAS 1/CPC 26 (R1) (Presentation of Financial Statements – Disclosure of Accounting Policies), IFRS 16/CPC 06 (R2) (Leases – Lease Liability on a Sale and Leaseback) and IAS 7/CPC 03 (R2) / IFRS 7/CPC 40 (R1) (Supplier finance arrangements), mandatorily applicable for fiscal years beginning on or after 1 January 2024, had no impact on the Group's financial statements.

The consolidated financial statements have been prepared on a historical cost basis, except for biological assets, derivatives and non-consolidated investments which are measured at fair value.

The accounting methods set out below have been applied consistently to all periods presented in the consolidated financial statements, and uniformly across Group entities.

The consolidated financial statements are presented in millions of Reais and all values are rounded to the nearest million except when otherwise indicated. In certain circumstances, this may lead to non-material differences between the sum of the figures and the sub-totals that appear in the tables.

In addition to the consolidated financial statements, the Group prepared a set of individual financial statements for the year ended 31 March 2025, in accordance with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) and the accounting practices adopted in Brazil, which should be read together.

The Group's financial year runs from April 1st to March 31st.

In addition, the Group considered the guidelines issued by OCPC 07 Technical Guidance, issued by CPC in November 2014, in the preparation of its financial statements. Accordingly, the relevant information in the financial statements is being disclosed and corresponds to that used by management in its management.

## 2.2 Standards and interpretations mandatorily applicable after 31 March 2025 that the Group did not elect to early apply

The following standards and interpretations that are mandatorily applicable after 31 March 2025 could have an impact on the Group's consolidated financial statements:

Standard or Interpretation	Standard / Amendment / Interpretation Name	Effective date*
Amendments to IAS 21 (CPC 02 (R2))	Lack of Exchangeability	1/1/2025
Amendments to IFRS 9 (CPC 48) & IFRS 7 (CPC 40 (R1))	Financial instruments - classification of financial assets with contingent characteristics	1/1/2026
IFRS 18	Presentation and Disclosure in Financial Statements	1/1/2027

\* Effective for the financial year beginning on or after this effective date

## 2.3 Seasonality

Our business is subject to seasonal trends based on the sugarcane growing cycle.

In our sugarcane activities, the crop begins in April and ends in December, which creates fluctuations in our inventories, and also affects our cash flows from operations. As a result, seasonality could significantly impact the financial position, liquidity and financing needs of our businesses.

## 2.4 Change in the presentation of the consolidated statement of operations

For the period ending 31 March 2025, the Group has made changes to its consolidated statement of operations in order to improve its reading and analysis. The changes relate to reclassifications within the aggregates of operating income that do not affect the latter and consist of:

- Consolidate the costs of the sales function, previously classified as distribution costs, with overhead.
- Consolidate the logistics costs, previously classified as distribution costs, with the costs of the goods sold.
- Harmonize the items recorded in overheads and in the cost of goods sold within the different operational sectors of the Group to have a more homogeneous reading.

The comparable period has been amended to reflect this change of presentation. The effects of this change on comparative financial information are presented below:

### CONSOLIDATED STATEMENT OF OPERATIONS

(millions of R\$)	For the year ended				31 March 2024 restated
	31 March 2024	Reclassification of commercial costs	Reclassification of logistics costs on sales	Harmonization of presentation	
Revenue	6,717				6,717
Cost of sales	(4,500)		(515)		(5,015)
Distribution expenses	(537)	22	515		0
General and administrative expenses	(349)	(22)		(51)	(422)
Other operating income (expense)	(45)			51	6
<b>Operating income (expense)</b>	<b>1,286</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,286</b>
Financial expenses	(627)				(627)
Financial income	213				213
<b>Net financial income (expense)</b>	<b>(414)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(414)</b>
Share of profit of associates	8				8
<b>Net income (loss) before taxes</b>	<b>880</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>880</b>
Income taxes	(160)				(160)
<b>NET INCOME (LOSS)</b>	<b>719</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>719</b>
<i>Attributable to owners of the parent</i>	<i>669</i>				<i>669</i>
<i>Attributable to non-controlling interests</i>	<i>50</i>				<i>50</i>

## 3. Use of estimates and judgments

In preparing the Group's consolidated financial statements, Management makes estimates and judgments, insofar as many items included in the financial statements cannot be measured with precision. Management revises these estimates and judgments if the underlying circumstances evolve or in light of new information or experience. Consequently, the estimates and judgments used to prepare the consolidated financial statements for the year ended 31 March 2025 may change in subsequent periods.

Management makes significant estimates in determining the accounting assumptions used in the following areas:

Note	Estimate	
Note 21	Income taxes	Assumptions used for the recognition of deferred tax assets arising from the carry-forward of unused tax losses.
Note 16	Biological assets	Key assumptions used to determine the fair value of standing cane (estimated yield, quantity of sugar per tonne of cane, sugar price, etc.).
Note 13	Property, plant and equipment	Assumptions used to determine the useful life of the assets.
Note 12	Impairment tests	Level of grouping of CGUs for goodwill impairment tests. Key assumptions used to determine recoverable amounts: value in use (discount rate, perpetual growth rate, expected cash flows), market value (revenue and EBITDA multiples for comparable companies or transactions, cash flows).
Note 23	Provisions	Provisions for claims and litigation: assumptions underlying risk assessment and measurement.
Note 19	Financial instruments	Assumptions used to determine the fair value of the different categories of financial instruments and the calculation of expected credit losses.

## 4. Climate and sustainable development

The raw materials processed by the Group come from agricultural activity, which is intrinsically subject to unpredictable changes in weather conditions. Tereos's business activities may therefore be directly affected by extreme or unfavourable weather conditions, natural stressors, natural disasters and climate change.

The Group takes climate risks into account to the best of its knowledge in its period-end assumptions and includes their potential impacts in the financial statements, in particular by:

- reviewing the useful life of certain assets;
- taking into account, to the best of its knowledge, the main transition risks related to expected changes in regulations, such as the increasing pressure on water resources;
- including, in the impairment tests of assets with undetermined useful lives, the expected impacts of these risks.

Tereos considers that the assessment of climate risks is correctly taken into account in the Group's financial statements at 31 March 2025, in particular in the performance of impairment tests (note 12.3) and that it is consistent with its commitments made in this area.

## B. Significant events of the year

### 5. Significant events of the year

None.

## C. Scope of consolidation

### 6. Accounting principles related to the scope of consolidation

#### 6.1 Consolidation method

Subsidiaries are fully consolidated from the date of acquisition, i.e., the effective date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Entities are fully consolidated if the Group has all of the following:

- power over the investee;
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect the amount of the investor's returns.

Control is deemed to exist when the Group has power:

- over more than one-half of the voting rights of the other entity by virtue of an agreement, in the meetings of the Members of the Board of Directors or equivalent governing body;
- to govern the financial and operating policies of the other entity under a statute or agreement;
- to appoint or remove the majority of the Members of the Board of Directors or equivalent governing body of the other entity.

The consolidated financial statements are prepared based on the financial statements of the consolidated subsidiaries, which are prepared for the same reporting period as the parent company. Adjustments are made where necessary to bring the accounting policies into line with those of the Group. All material intra-group balances, income and expenses, unrealised gains and losses and dividends resulting from intra-group transactions are eliminated in full.

A change in the ownership interest of a subsidiary without a change of control is accounted for as an equity transaction.

Losses are attributed to the non-controlling interest even if that results in a negative balance.

If the Group ceases to exercise control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary.
- Derecognises the carrying amount of any non-controlling interest.
- Reclassifies the foreign currency translation reserve, recorded in equity, to the statement of operations.
- Reclassifies the parent's share of components previously recognised in other comprehensive income to statement of operations.
- Recognises the fair value of the consideration received.
- Recognises the fair value of any investment retained.
- Recognises any gain or loss in the statement of operations.

## **6.2 Associates**

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the entity but is not control or joint control of those policies. Significant influence is presumed to exist when the percentage of voting rights exercisable by the Group exceeds 20% but does not lead to control or joint control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

When assessing an investor's power over an investee, potential voting rights are taken into account if they are substantive, i.e., if they confer upon the investor the practical ability to direct the relevant activities of the investee on a timely basis.

## **6.3 Transactions in foreign currencies**

On initial recognition, transactions denominated in foreign currencies are translated into the subsidiary's functional currency at the exchange rate prevailing at the transaction date.

At year-end, financial assets and liabilities are translated at the year-end exchange rate, or at the hedged rate, if applicable. Foreign exchange differences resulting from these translations are recorded in the statement of operations under the heading "Financial income and expenses".

## 7. List of consolidated entities

### 7.1 Changes in scope of consolidation

Teapar was sold on 27 February 2025 by Tereos Açúcar e Energia Brasil S.A.

### 7.2 List of fully consolidated companies

Company name	Country	31 March 2025	31 March 2024
		% of interest	% of interest
<b>PARENT COMPANY</b>			
Tereos Açúcar e Energia Brasil S.A.	Brazil	100.00	100.00
<b>SUGAR ACTIVITIES</b>			
Usina Vertente Ltda.	Brazil	50.00	50.00
Tereos Commodities Brasil S.A.	Brazil	81.00	81.00

### 7.3 List of companies accounted for using the equity method

Company name	Country	31 March 2025	31 March 2024
		% of interest	% of interest
<b>ASSOCIATE</b>			
Terminal Portuário de Paranaguá S.A.	Brazil	-	35.00
Centro de Tecnologia Canavieira S.A.	Brazil	4.42	4.42

## D. Operating activities

### 8. Revenue

The Group's revenue mainly comprises sales of finished products and goods. They are recognised in the statement of operations when the control of goods is transferred.

IFRS 15 (CPC 47) requires the identification of service obligations related to the transfer of goods and services to the customer for each contract. Revenue is recognised when the service obligations are satisfied, based on the amount of compensation that the Group expects to receive in return for the transfer of goods and services to the customer.

Trade discount, customer rebates and return of products are deducted from revenue, as are benefits granted to customers, resulting in a cash outflow such as commercial cooperation or discounts. These amounts are estimated when revenue is recognised, on the basis of agreements and commitments with the customers concerned. In addition, revenue recognized in statement of operations is net of taxes.

Revenue mainly comprises sales of finished products and goods and is broken down as follows:

(millions of R\$)	For the year ended	
	31 March 2025	31 March 2024
Sugar	4,718	4,910
Alcohol and Ethanol	1,580	1,299
Energy	359	256
Co-products	13	116
Other	105	136
<b>REVENUE</b>	<b>6,775</b>	<b>6,717</b>

## 9. Operating income (expense)

The analysis of operating expenses is as follows:

(millions of R\$)	Notes	For the year ended	
		31 March 2025	31 March 2024 restated
Cost of sales		(5,456)	(5,015)
General and administrative expenses		(450)	(422)
Other operating income (expense)		35	6
<b>TOTAL OPERATING EXPENSES BY DESTINATION</b>		<b>(5,872)</b>	<b>(5,431)</b>
Raw materials and consumables used		(2,789)	(2,517)
External expenses		(1,449)	(1,423)
Employee benefits expense	10	(887)	(798)
Amortisation		(793)	(656)
Other		46	(36)
<b>TOTAL OPERATING EXPENSES BY NATURE</b>		<b>(5,872)</b>	<b>(5,431)</b>

External expenses mainly concern transportation costs, maintenance costs and rental charges.

At 31 March 2025, other operating income (expense) by destination amounts to R\$ 35 million and mainly comprises:

- tax credit recognition for R\$ 39 million, driven by ICMS exclusion from PIS/COFINS calculation basis,
- maintenance costs and amortisation of Severínia's plant for R\$ (9) million.

At 31 March 2024, other operating income (expense) by destination amounts to R\$ 6 million and mainly comprises:

- tax credit recognition for R\$ 26 million, whereof R\$ 12 million from exclusion of ICMS from PIS/COFINS calculation basis and R\$ 9 million from Reintegra,
- maintenance costs and amortisation of Severínia's plant for R\$ (23) million.

The line "Other" in operating expenses by nature for R\$ 46 million (R\$ (36) million at 31 March 2024) corresponds mainly to the detail of other operating income (expense) by destination above and other items recognised in "General and administrative expenses" line.

## 10. Staff costs

The Group staff costs during the period break down as follows:

(millions of R\$)	For the year ended	
	31 March 2025	31 March 2024
Wages and salaries	(808)	(726)
Taxes on wages and salaries	(79)	(71)
Other employee expenses	(1)	(1)
<b>EMPLOYEE BENEFIT EXPENSE</b>	<b>(887)</b>	<b>(798)</b>

## 11. Working capital analysis

Working capital (WC) corresponds to the sum of operating WC (inventories, trade receivables and trade payables), as well as the other assets and liabilities corresponding to the sum of:

- other current and non-current financial assets and liabilities;
- other current and non-current assets and liabilities;
- biological assets;

excluding:

- fair values related to derivatives and biological assets;
- investments flows such as guarantees and debts on purchase of assets.

(millions of R\$)	Notes	31 March 2024	Cash flows*	Depreciation*	Other	31 March 2025
Inventories	11.1	532	29	(1)	0	560
Trade receivables	11.2	484	74	1	(12)	546
Trade payables	11.3	(789)	(190)	0	68	(911)
<b>Gross working capital</b>		<b>227</b>	<b>(88)</b>	<b>(1)</b>	<b>56</b>	<b>194</b>
Other assets and liabilities		546	132	0	(28)	650
of which tilling costs	16	451	66	0	0	517
of which margin call	18.4	169	(153)	0	(0)	16
<b>NET WORKING CAPITAL</b>		<b>773</b>	<b>44</b>	<b>(1)</b>	<b>28</b>	<b>844</b>

\* The impacts of cash flows and depreciations are included in the statement of operations.

### 11.1 Inventories

Physical inventories are valued at the lower of cost and spot prices prevailing at the end of the reporting period. Cost is determined using the weighted average method or the "first in, first out" method, depending on the product. In addition, inventories held for trading are measured at fair value less costs to sell.

On initial recognition, raw materials and consumables are recognised at purchase price plus other expenses incurred in bringing the inventories to their present location and condition (transportation, commissions, etc.).

Manufactured products are valued at production cost, including the cost of materials consumed, depreciation of production inputs, and direct or indirect production expenses, excluding finance costs.

An impairment loss is recognised on inventories when:

- the gross value calculated as defined above exceeds the market value or realisable value;
- products have been subject to significant deterioration.

At 31 March 2025 and 31 March 2024, inventories break down as follows:

(millions of R\$)	31 March 2025	31 March 2024
<b>GROSS AMOUNT</b>		
Raw materials	134	122
Energy	3	3
Work in progress	8	4
Intercrop costs (*)	325	287
Finished and intermediate products (**)	110	134
<b>Total gross value of inventories</b>	<b>579</b>	<b>550</b>
<b>IMPAIRMENT</b>		
Raw materials	(19)	(18)
<b>Total impairment on inventories</b>	<b>(19)</b>	<b>(18)</b>
<b>NET VALUE OF INVENTORIES</b>	<b>560</b>	<b>532</b>

(\*) Including intercrop maintenance costs for R\$ 305 million at 31 March 2025 against R\$ 272 million at 31 March 2024.

(\*\*) Including fair value of harvested biological assets for R\$ 5 million at 31 March 2025 against R\$ 12 million at 31 March 2024.

## 11.2 Trade receivables

Trade and other receivables and loans are recorded at amortised cost, which corresponds to their nominal value. The portion of receivables and loans that are not covered by credit insurance generate the recognition of an impairment loss as soon as the invoice is issued, up to the expected losses at the maturity date. This reflects the probability of default of the counterparties and the expected loss rate, evaluated, as appropriate, on the basis of historical statistics, information provided by the credit reporting agencies, or ratings given by the rating agencies.

When the maturity of receivables and loans is greater than one year, a present value calculation is performed. The effects of this calculation are recorded in financial income and expense according to the effective interest rate method.

Loans and receivables are subject to impairment tests. An impairment loss is recognised in the statement of operations if the carrying value amount exceeds the recoverable value and there is objective evidence that the asset or group of assets is impaired.

The Group factors some of its receivables. In accordance with IFRS 9 (CPC 48), the Group derecognises receivables only when the contractual right to receive the related cash flows have been transferred, as well as substantially all the risks and rewards of ownership.

Dilution risk is excluded from the analysis of the transfer of risk to the extent that it is defined and circumscribed, especially where it is correctly distinguished from late-payment risk.

Receivables sold with recourse in the event of non-payment are not derecognised. Costs to sell receivables are expensed in operating and financial items.

At 31 March 2025 and 31 March 2024, trade receivables were as follows:

(millions of R\$)	31 March 2025	31 March 2024
Gross trade receivables	536	477
Contract assets	11	9
Allowance	(2)	(2)
<b>TOTAL TRADE RECEIVABLES</b>	<b>546</b>	<b>484</b>

Under the Group's factoring programmes, no receivables have been sold at 31 March 2025.

(millions of R\$)	31 March 2025			31 March 2024		
	Total sold to financial institutions	Portion sold and not derecognised	Portion sold and derecognised	Total sold to financial institutions	Portion sold and not derecognised	Portion sold and derecognised
Maximum authorised amount to be financed	0	0	0	18	0	0
Sold to financial institutions	0	0	0	18	0	18

Past due trade receivables were as follows:

(millions of R\$)	31 March 2025	31 March 2024
<b>Trade receivables</b>	<b>548</b>	<b>486</b>
Not overdue	547	485
Overdue	1	2
Overdue by 1 to 30 days	0	0
Overdue by more than 360 days	1	1
<b>Allowance</b>	<b>(2)</b>	<b>(2)</b>
<b>TOTAL</b>	<b>546</b>	<b>484</b>

### 11.3 Trade payables

Trade payables are recognised at their fair value, which is equivalent to their nominal value given that account payment terms are generally less than three months.

At 31 March 2025 and 31 March 2024, trade payables were as follows:

(millions of R\$)	31 March 2025	31 March 2024
Trade payables	911	789
<b>TOTAL TRADE PAYABLES</b>	<b>911</b>	<b>789</b>

## E. Intangible assets, property, plant and equipment and financial assets

### 12. Goodwill and other intangible assets

#### 12.1 Goodwill

Business combinations are initially measured using the acquisition method. The acquiree's assets, liabilities and contingent liabilities are measured at fair value on the acquisition date. The valuation differences identified on the acquisition date are recorded in the relevant asset and liability line items.

The residual difference between the acquisition cost of securities and the Group's share in the fair value assessment of identified assets and liabilities is recognised separately under "Goodwill" in the consolidated statement of financial position and assigned to the cash-generating units for which the benefits or the synergies of the acquisition are expected. Any excess (or "badwill") is recognised immediately in income as a gain on bargain purchase.

Goodwill recognised on the acquisition entities accounted for using the entity method is presented on the separate line "Investments in associates".

For each acquisition, the Group must choose between recognising the full amount of goodwill, regardless of the percentage of interest acquired, or the goodwill corresponding to the share acquired by the Group.

Acquisition costs of business combinations are expensed.

When the purchase price includes a conditional part, it is recognised at fair value at the acquisition date.

Any prior interest held in the acquiree before a take-over is reassessed at its fair value on the acquisition date and the related gain or loss is recorded in the statement of operations.

Goodwill is allocated to the following cash-generating units (CGUs):

(millions of R\$)		31 March 2025	31 March 2024
<b>Cash Generating Unit</b>	<b>Operating segment</b>		
Sugar & Energy Brazil	Sugar & Energy Brazil	272	272
<b>TOTAL NET GOODWILL</b>		<b>272</b>	<b>272</b>

Changes in goodwill were as follows:

(millions of R\$)

	31 March 2025	31 March 2024
<b>GROSS AMOUNT</b>		
<b>Amount at opening</b>	<b>1,235</b>	<b>1,235</b>
Derecognised on disposal of a subsidiary	(16)	0
<b>Amount at closing</b>	<b>1,219</b>	<b>1,235</b>
<b>IMPAIRMENT</b>		
<b>Amount at opening</b>	<b>(963)</b>	<b>(963)</b>
Derecognised on disposal of a subsidiary	16	0
<b>Amount at closing</b>	<b>(947)</b>	<b>(963)</b>
<b>Net amount at closing</b>	<b>272</b>	<b>272</b>

At 31 March 2025, the change in goodwill corresponds to the sale of Teapar (note 7.1).

## 12.2 Other intangible assets

Intangible assets include:

- patents acquired;
- recognised brands acquired that are distinguishable from other brands, whose value can be tracked over time;
- computer software; and
- qualifying development expenses.

Acquired patents and computer software are measured at their acquisition cost and are amortised over their useful life. Software is amortised on a straight-line basis over its expected useful life ranging from 1 to 5 years.

Brands with indefinite useful lives and emissions allowances are not amortised and are subject to annual impairment tests.

Amortisation and impairment losses are recognised in operating income.

In accordance with IAS 38 (CPC 04 (R1)), research and development expenses are expensed in the year incurred, with the exception of qualifying development expenses that meet the capitalisation criteria outlined in the standard.

Changes in other intangible assets over the year are as follows:

(millions of R\$)	Patents, licenses	Other	TOTAL
<b>GROSS AMOUNT</b>			
<b>31 March 2023</b>	<b>96</b>	<b>140</b>	<b>236</b>
Disposals	(1)	0	(1)
Reclassifications	3	0	3
<b>31 March 2024</b>	<b>98</b>	<b>140</b>	<b>238</b>
Reclassifications	4	0	4
<b>31 March 2025</b>	<b>102</b>	<b>140</b>	<b>242</b>
<b>AMORTISATION AND IMPAIRMENT</b>			
<b>31 March 2023</b>	<b>(83)</b>	<b>(14)</b>	<b>(98)</b>
Amortisations	(3)	(5)	(8)
Disposals	1	0	1
<b>31 March 2024</b>	<b>(86)</b>	<b>(19)</b>	<b>(105)</b>
Amortisations	(3)	(5)	(8)
<b>31 March 2025</b>	<b>(89)</b>	<b>(24)</b>	<b>(113)</b>
<b>Net amount at 31 March 2023</b>	<b>12</b>	<b>126</b>	<b>138</b>
<b>Net amount at 31 March 2024</b>	<b>12</b>	<b>121</b>	<b>133</b>
<b>Net amount at 31 March 2025</b>	<b>13</b>	<b>116</b>	<b>129</b>

"Other" column mainly refers to the execution of the agreement between Tereos and VLI, where Tereos is committed to invest in the VLI infrastructure and have back a commercial agreement for transportation of raw sugar from the terminal in Guar-SP to the port in Santos-SP where VLI will perform elevation services to load vessels for exports to Tereos.

### 12.3 Impairment tests

In accordance with IAS 36 – Impairment of Assets (CPC 01(R1)), goodwill, property plant and equipment and intangible assets are subject to impairment tests whenever events or changes of circumstances indicate that their carrying amount may not be recoverable. Goodwill and intangible assets that have an indefinite useful life are subject to an impairment test, at least once a year or more frequently if there are indications of impairment. The Group performs annual impairment tests during the last quarter of its financial year.

For the purposes of measuring impairment, assets are combined into cash-generating units (CGUs). These CGUs correspond to the smallest groups of assets generating cash flows clearly independent from those generated by other CGUs.

Goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the business combinations in which the goodwill was recorded.

An impairment test consists of comparing the carrying amount of an asset, a CGU or a group of CGUs to its recoverable value, which is the higher of its fair value less costs to sell and value in use.

Value in use is obtained by adding the discounted pre-tax values of the cash flows expected from use of the asset (or group of assets) and the terminal value.

The recoverable amount is determined by reference to the value in use, using the discounted future cash flow model on the basis of medium-term plans, built over a 5-year horizon, drawn up by the management, and reviewed by the Group's management, which take into account the assumptions for each activity and are based on market data, as well as on past performance. The assumptions made in terms of changes in sales and terminal cash flow are considered reasonable and in line with the market data available.

The main assumptions and estimates are for sugar production: expected sugar sales prices, agricultural yields in the context of climate change, energy and raw material costs, necessary decarbonisation investments and other macroeconomic factors.

Fair value less costs to sell corresponds to the amount that might be obtained from the sale of an asset (or group of assets) in an arm's length transaction, less costs directly related to the sale.

If the recoverable value is lower than the carrying amount of the asset (or group of assets), an impairment loss is recognised in the statement of operations for the difference and allocated first to goodwill. Impairment losses recognised against goodwill may not be reversed in subsequent periods.

Impairment tests are performed annually during the last quarter of the financial year, or whenever the Group identifies a triggering event.

The key assumptions used to calculate the value of the CGUs are as follows:

<i>Sugar &amp; Energy Brazil</i>	31 March 2025	31 March 2024
Basis used for the determination of recoverable value	Value in use	Value in use
Source	5-year business plan discounted cash flows	5-year business plan discounted cash flows
Growth rate used for terminal value	3.5%	3.3%
Post-tax discount rate	12.1%	11.6%
Pre-tax discount rate	16.4%	16.8%

### Impairment recognised during the year

At 31 March 2025, no impairment loss was recognised.

### Sensitivity analysis

During the last quarter of the 2024/2025 financial year, the sensitivity analyses focused on the following assumptions:

- Change in the post-tax discount rate of +/- 1 point
- Change in the perpetual growth rate of +/- 0.5 points
- Change in the EBITDA margin over the final year of the business model of +/- 1 point
- A decrease of 10% in the prices of sugar in the first three years of the business plan

These changes to the assumptions would not result in the recognition of an impairment loss, all else being equal.

## 13. Property, plant and equipment

Property, plant and equipment are measured at cost (purchase price plus incidental costs needed to place the assets in service) or at production cost plus any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in a manner intended by the management except in the context of a business combination.

When certain components of property, plant and equipment acquired have different useful lives, the components approach is applied, and these components are depreciated over their respective useful lives.

Expenses corresponding to the replacement or renovation of components of property, plant and equipment are recorded as a new asset, and the carrying amount of the components replaced is eliminated.

The estimated cost of the portion of the total cost of an item of property, plant and equipment which must be replaced on an annual basis is recorded as a separate component of the cost of property, plant and equipment and is depreciated over its separate estimated useful life. It is then replaced in connection with the annual major maintenance activities. Regular periodic maintenance costs are expensed as incurred since the parts replaced do not enhance the performance of the asset.

In accordance with IAS 23 (CPC 20(R1)), interest on loans used to purchase property, plant and equipment of a material individual amount and with a significant construction life are recognised as an increase in the asset's acquisition cost. During the year, R\$ 17 million (R\$ 13 million at 31 March 2024) were capitalized at an average rate of 10.3% per year (9.9% per year at 31 March 2024).

Sugarcane plantation costs are included in property, plant and equipment. They are valued at cost and depreciated over their useful life.

Amortisation is calculated on a straight-line basis over the expected useful life of each asset:

Buildings	20-40 years
Technical installations, equipment and industrial tools	10-15 years
Fixtures and improvements to buildings	10-20 years
Bearer plant	5-6 years
Office equipment	5 years
Vehicles	5 years

Changes in property, plant and equipment are presented as follows:

(millions of R\$)	Land	Buildings	Tools, equip. and installations	Bearer plants	Other	Assets in progress	Right-of- use	TOTAL
<b>GROSS AMOUNT</b>								
<b>31 March 2023</b>	<b>27</b>	<b>1,050</b>	<b>3,035</b>	<b>1,621</b>	<b>352</b>	<b>183</b>	<b>759</b>	<b>7,027</b>
Additions/Reassessments	0	0	0	596	0	341	273	1,210
Reclassifications	0	66	127	15	16	(212)	(99)	(87)
Disposals	0	0	(11)	(179)	(11)	0	0	(202)
<b>31 March 2024</b>	<b>27</b>	<b>1,116</b>	<b>3,150</b>	<b>2,054</b>	<b>357</b>	<b>312</b>	<b>933</b>	<b>7,949</b>
Additions/Reassessments	0	0	0	614	0	327	277	1,219
Reclassifications	1	0	364	0	137	(507)	(58)	(62)
Disposals	0	(3)	(18)	(256)	(16)	0	0	(293)
<b>31 March 2025</b>	<b>28</b>	<b>1,113</b>	<b>3,497</b>	<b>2,412</b>	<b>478</b>	<b>132</b>	<b>1,152</b>	<b>8,813</b>
<b>AMORTISATION AND IMPAIRMENT</b>								
<b>31 March 2023</b>	<b>(2)</b>	<b>(468)</b>	<b>(1,976)</b>	<b>(547)</b>	<b>(291)</b>	<b>0</b>	<b>(252)</b>	<b>(3,535)</b>
Amortisation	(1)	(40)	(149)	(266)	(16)	0	(175)	(648)
Reclassifications	0	0	0	(15)	(0)	0	99	84
Disposals	0	0	11	177	11	0	0	200
Reversal of impairment	0	0	1	0	0	0	0	1
<b>31 March 2024</b>	<b>(3)</b>	<b>(508)</b>	<b>(2,113)</b>	<b>(651)</b>	<b>(296)</b>	<b>0</b>	<b>(328)</b>	<b>(3,899)</b>
Amortisation	(1)	(40)	(148)	(362)	(27)	0	(207)	(786)
Reclassifications	0	0	(0)	0	0	0	58	58
Disposals	0	3	18	248	16	0	0	284
<b>31 March 2025</b>	<b>(4)</b>	<b>(545)</b>	<b>(2,244)</b>	<b>(765)</b>	<b>(307)</b>	<b>0</b>	<b>(478)</b>	<b>(4,343)</b>
<b>Net amount at 31 March 2023</b>	<b>25</b>	<b>582</b>	<b>1,059</b>	<b>1,074</b>	<b>61</b>	<b>183</b>	<b>507</b>	<b>3,492</b>
<b>Net amount at 31 March 2024</b>	<b>24</b>	<b>608</b>	<b>1,037</b>	<b>1,402</b>	<b>61</b>	<b>312</b>	<b>605</b>	<b>4,050</b>
<b>Net amount at 31 March 2025</b>	<b>24</b>	<b>568</b>	<b>1,253</b>	<b>1,646</b>	<b>172</b>	<b>132</b>	<b>674</b>	<b>4,470</b>

## 14. Right-of-use assets and leases

Leases, as defined by IFRS 16 – Leases (CPC 06(R2)), are recognised in the statement of financial position as property, plant and equipment, which corresponds to the right to use the leased asset during the term of the contract, and as a liability, which relates to the payment obligation.

For simplification purposes, and as permitted by the standard, lease contracts with a term of less than 12 months, as well as contracts for which the replacement value is lower than or equal to USD 5,000, have not been recognised in accordance with the above IFRS 16 rules (CPC 06 (R2)).

The main lease contracts identified correspond to land, vehicles and buildings.

### Measurement of right-of-use assets

At the signing date of a lease contract, the right-of-use is valued at cost and corresponds to the initial amount of the lease liability, adjusted, if necessary, for the amount of any prepaid or accrued lease payments recognised in the statement of financial position.

The right-of-use asset is amortised over the useful life of the underlying assets.

### Measurement of lease liabilities

When the contract is signed, the lease liability is recognised for an amount equal to the present value of the lease payments over the term of the contract.

The amount of the liability depends to a large degree on the assumptions used for the lease term and, to a lesser extent, on the discount rate. The Group's extensive geographic coverage means it encounters a wide range of different legal conditions when entering into contracts. The lease term generally used to calculate the liability is the term of the initially negotiated lease, taking into account early termination or extension options when these are likely. The liability related to the lease contract is increased by the amount of the interest expense determined by applying the discount rate to the liability at the beginning of the period and is reduced by the repayments made.

The interest expense for the period as well as variable payments, not taken into account on initial measurement of the liability, and incurred during the considered period, are recognised as expenses.

The liability can be remeasured when the term of the lease is revised, when there is a modification linked to the assessment of the reasonably certain (or uncertain) nature of the exercise of an option, or a revision of the rates or indices on which rents are based at the date of the adjustment.

At 31 March 2025, 446 active leases contracts had been restated under IFRS 16.

## 14.1 Right-of-use assets

Changes in right-of-use assets are presented as follows:

(millions of R\$)	Land	Buildings	Tools, machinery, equipment	Transport materials	TOTAL
<b>GROSS AMOUNT</b>					
<b>31 March 2023</b>	<b>604</b>	<b>9</b>	<b>2</b>	<b>143</b>	<b>759</b>
Additions/Reassessments	61	5	(0)	208	273
Reclassifications	(10)	(9)	0	(80)	(99)
<b>31 March 2024</b>	<b>655</b>	<b>5</b>	<b>2</b>	<b>271</b>	<b>933</b>
Additions/Reassessments	16	12	6	243	277
Reclassifications	(23)	0	(0)	(35)	(58)
<b>31 March 2025</b>	<b>648</b>	<b>17</b>	<b>8</b>	<b>479</b>	<b>1,152</b>
<b>AMORTISATION AND IMPAIRMENT</b>					
<b>31 March 2023</b>	<b>(154)</b>	<b>(8)</b>	<b>(1)</b>	<b>(89)</b>	<b>(252)</b>
Amortisation	(67)	(2)	(0)	(106)	(175)
Reclassifications	10	9	0	80	99
<b>31 March 2024</b>	<b>(211)</b>	<b>(0)</b>	<b>(1)</b>	<b>(115)</b>	<b>(328)</b>
Amortisation	(66)	(2)	(4)	(135)	(207)
Reclassifications	23	0	0	35	58
<b>31 March 2025</b>	<b>(254)</b>	<b>(3)</b>	<b>(5)</b>	<b>(216)</b>	<b>(478)</b>
<b>Net amount at 31 March 2023</b>	<b>450</b>	<b>2</b>	<b>1</b>	<b>54</b>	<b>507</b>
<b>Net amount at 31 March 2024</b>	<b>443</b>	<b>4</b>	<b>1</b>	<b>156</b>	<b>605</b>
<b>Net amount at 31 March 2025</b>	<b>394</b>	<b>14</b>	<b>3</b>	<b>264</b>	<b>674</b>

## 14.2 Leases

The net amount of leases not restated as part of the IFRS 16 standard (CPC 06 (R2)) is as follows:

(millions of R\$)	31 March 2025
Rental charges on short-term contracts (< 1 year)	(19)
Rental charges on contracts with low new value assets (< USD 5,000)	(25)
Others	(18)
<b>TOTAL LEASES</b>	<b>(61)</b>

## 15. Investments in associates

The Group's investments in its associates are accounted for using the equity method.

Under the equity method, the investment in the associate is initially carried at its acquisition cost determined at the acquisition date. After acquisition, the carrying amount of the investment in the statement of financial position is adjusted for the changes in the Group's share of net assets, including comprehensive income for the period.

Goodwill relating to the associate is included in the carrying amount of the investment and is never amortised.

The statement of operations reflects the Group's share of the results of operations of the associate. Any change in other comprehensive income of those investees is presented in the consolidated statement of operations. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, where applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate. The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of operations below operating profit and represents profit or loss after tax of the associate.

When it is possible, the financial statements of the associate are prepared for the same reporting period as the parent company. Where necessary, adjustments are made to bring the accounting policies into line with those of the Group.

If the Group's share in the losses of an associate is greater than or equal to its investment in the associate, including any unsecured receivables, the Group does not recognise any additional losses, unless it has an obligation to do so or has made already payments in the name of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on the Group's investment in its associates. At each reporting date, the Group determines whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying amount and recognises the amount in the statement of operations.

When an investment ceases to be an associate, the Group measures and recognises any remaining investment at its fair value. Any difference between the carrying amount of the associate on loss of significant influence and the fair value of the residual investment and proceeds from disposal is recognised in the statement of operations.

Entities over which the Group does not exercise significant influence are measured at fair value and classified as non-consolidated investments at fair value.

Main investments in associates at 31 March 2025 were as follows:

		Investment in associates		
(millions of R\$)	Activity	Group voting rights (in %)	31 March 2025	31 March 2024
Teapar	Port services operator for sugar export sales	35.00%	0	5
Centro de Tecnologia Canavieira	R&D of sugarcane varieties	4.57%	53	47
<b>TOTAL</b>			<b>53</b>	<b>51</b>

		Share of profit of associates	
(millions of R\$)		31 March 2025	31 March 2024
Teapar		(1)	1
Centro de Tecnologia Canavieira		8	7
<b>TOTAL</b>		<b>7</b>	<b>8</b>

As reminder, Teapar was sold on 27 February 2025 (note 7.1).

Changes in investments in associates are as follows:

(millions of R\$)	31 March 2024	Share of profit of associates	Dividends paid	Change in other comprehensive income	Other	31 March 2025
Teapar	5	(1)	(1)	0	(2)	0
Centro de Tecnologia Canavieira	47	8	(2)	0	0	53
<b>TOTAL</b>	<b>51</b>	<b>7</b>	<b>(3)</b>	<b>0</b>	<b>(2)</b>	<b>53</b>

## F. Biological assets

### 16. Biological assets

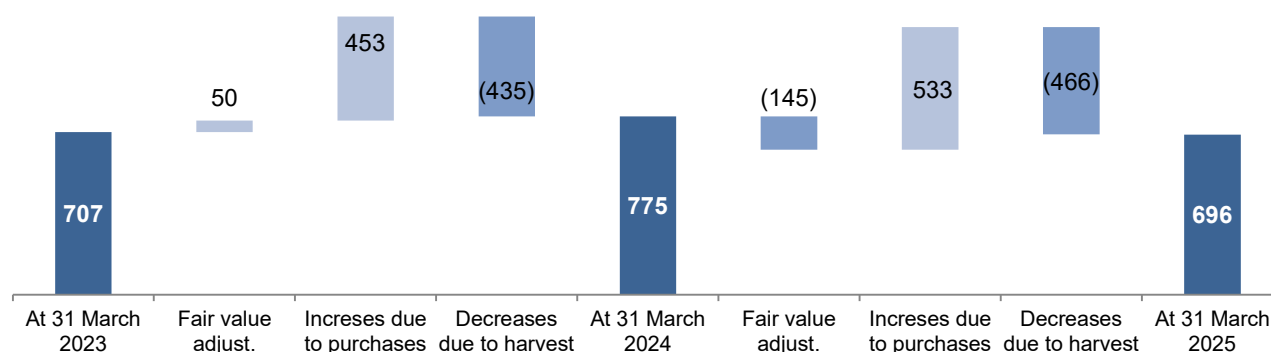
IAS 41 – Agriculture (CPC 29), covers the accounting treatment of agricultural activities. Agricultural activity is the management of the biological asset's transformation for sale or into agricultural products. These biological assets (sugarcane and manioc) and the related agricultural products (harvested sugarcane and manioc) must be recognised at fair value less estimated expenses at the point of sale. To satisfy this measurement rule, the Group values its standing cane at fair value less cost to sell and classifies it in current biological assets.

Changes in fair value are recognised in the cost of goods sold.

The bearer plants are measured at historical cost, in accordance with IAS 16 (CPC 27), and recognised in the statement of financial position in property, plant and equipment.

The methodology adopted by the Group to determine the fair value of level 3 biological assets is described in note 18.1.

### Changes in the net amount of biological assets (millions of R\$)



Own sugarcane crushed amounted to 10,187 thousand tonnes for the period ended 31 March 2025 against 10,787 thousand tonnes for the year ended 31 March 2024.

### Standing cane

The following assumptions have been used in the determination of the fair value of standing cane:

	Unit	31 March 2025	31 March 2024
Expected area to harvest	hectares	126,568	134,440
Estimated yields	tonnes of cane per hectare	69	83
Quantity of Total Recoverable Sugar	kg per tonne of cane	139	139
Value of one kg of TRS*	KR\$	1.2	1.1

\* Total Recoverable Sugar.

The discount rate used for the calculation of fair value of biological assets at 31 March 2025 corresponds to the discount rate used in the impairment tests (note 12.3).

At 31 March 2025 and 31 March 2024, biological assets were as follows:

(millions of R\$)	31 March 2025	31 March 2024
Tilling costs	517	451
Fair value adjustment of biological assets	179	324
<b>TOTAL</b>	<b>696</b>	<b>775</b>

## G. Financing and financial instruments

### 17. Net financial expense

Net financial expense is broken down as follows:

(millions of R\$)	For the year ended	
	31 March 2025	31 March 2024
Interest expenses	(546)	(541)
Loss on financial assets and liabilities at fair value through profit or loss	(4)	0
Fair value loss on derivatives	(32)	(42)
Foreign exchange losses	(150)	(27)
Other financial expenses	(23)	(17)
<b>Financial expenses</b>	<b>(755)</b>	<b>(627)</b>
Interest income	193	148
Gains on financial assets and liabilities at fair value through profit or loss	0	2
Fair value gains on derivatives	18	0
Foreign exchange gains	146	50
Other financial income	16	13
<b>Financial income</b>	<b>373</b>	<b>213</b>
<b>NET FINANCIAL INCOME (EXPENSE)</b>	<b>(381)</b>	<b>(414)</b>
<i>Of which net interest income (expense)</i>	<i>(353)</i>	<i>(394)</i>
<i>Of which foreign exchange gains and losses</i>	<i>(4)</i>	<i>23</i>

### Cost of net debt

The cost of net debt consists of :

- The cost of gross debt which includes the interest expense (calculated at the effective interest rate), gains and losses on interest rate derivatives allocated to gross debt (including the ineffective portion), whether qualified or not as hedges for accounting purposes, and hedging costs ;
- Financial income from investments including the return on investments of cash and cash equivalents measured at fair value through profit or loss.

(millions of R\$)	For the year ended	
	31 March 2025	31 March 2024
Net interest income (expense) on debt	(353)	(394)
Net gains and losses on derivatives and hedging relationships	(10)	(40)
<b>Cost of net debt</b>	<b>(363)</b>	<b>(434)</b>

### Gains and losses on financial assets and liabilities

For the year ended 31 March 2025

(millions of R\$)	Net interest income (expense)	Net foreign exchange income (expense)	Net gain (loss) of fair value	Other financial income (expense)	Total financial income (expense)	Operating income (expense)	OCI
Trade receivables	0	46	0	0	46	0	0
Cash and cash equivalents	126	80	0	0	206	0	0
Other fin. assets (excluding derivatives)	40	0	0	0	40	0	0
Borrowings	(509)	(42)	0	0	(551)	0	(156)
Trade payables	0	(4)	0	0	(4)	0	0
Other fin. liabilities (excluding derivatives)	0	(92)	0	0	(92)	0	0
Derivatives	(9)	7	(13)	0	(15)	(0)	278
Other	0	0	(4)	(7)	(11)	0	0
<b>TOTAL</b>	<b>(353)</b>	<b>(4)</b>	<b>(17)</b>	<b>(7)</b>	<b>(381)</b>	<b>(0)</b>	<b>122</b>
Effect of deferred taxes on OCI							(42)
<b>Total OCI net of taxes</b>							<b>81</b>

For the year ended 31 March 2024

(millions of R\$)	Net interest income (expense)	Net foreign exchange income (expense)	Net gain (loss) of fair value	Other financial income (expense)	Total financial income (expense)	Operating income (expense)	OCI
Trade receivables	0	16	0	0	16	0	0
Cash and cash equivalents	87	6	0	0	93	0	0
Other fin. assets (excluding derivatives)	37	0	0	1	38	0	0
Borrowings	(519)	14	0	0	(504)	0	47
Trade payables	0	1	0	0	1	0	0
Other fin. liabilities (excluding derivatives)	0	0	0	0	0	0	0
Derivatives	(0)	(14)	(42)	0	(56)	(1)	(61)
Other	(0)	0	2	(4)	(3)	0	0
<b>TOTAL</b>	<b>(394)</b>	<b>23</b>	<b>(40)</b>	<b>(4)</b>	<b>(414)</b>	<b>(1)</b>	<b>(14)</b>
Effect of deferred taxes on OCI							5
<b>Total OCI net of taxes</b>							<b>(9)</b>

## 18. Financial assets and liabilities

Financial assets and liabilities comprise the following elements:

- Cash and cash equivalents as well as bank overdrafts (note 18.5);
- Financial debts (note 18.6);
- Other non-current and current financial assets and liabilities (notes 18.2 and 18.3).

### 18.1 Fair values of financial assets and liabilities

The fair values of financial assets and liabilities are the same as their carrying amounts, except for borrowings.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate fair value:

Since cash and cash equivalents, trade receivables and payables and other short-term borrowings mature in the near term, their fair value approximates their carrying amount.

The fair value of fixed- and variable-rate long-term borrowings is based on the estimated present value of the associated future cash flows (principal and interest repayments). A discount rate is calculated for each type of loan, determined by comparison with the interest rate used for similar transactions carried out during the previous period.

The fair value of available-for-sale securities (financial assets) is based on quoted prices in an active market, where available. Investments in equity instruments for which there are no quoted prices in an active market and whose fair value cannot be reliably measured are carried at cost, less any impairment losses, generally calculated in relation to the proportion of equity held.

The Group contracts derivative instruments with counterparties and financial institutions with investment grade ratings. Derivatives are measured using valuation techniques based on observable market inputs. The instruments concerned are mainly interest rate swaps, forward rate agreements, and commodity options and futures. The most frequently applied valuation techniques include forward pricing and swap models, which use present value calculations.

The Group uses the following hierarchy for determining and disclosing the fair value of financial assets and liabilities and biological assets (note 16):

- Level 1: unadjusted quoted prices in an active market for identical assets or liabilities.
- Level 2: other techniques for which all inputs with a significant impact on the recorded fair value are observable, either directly or indirectly.
- Level 3: techniques which use inputs with a significant impact on the recorded fair value that are not based on observable market data.

The methodology adopted by the Group to determine the fair value of assets and liabilities that belong to level 2 of the fair value hierarchy is as follows:

- Loans, borrowings and interest rate derivatives are valued using the discounted future cash flows method. This method uses interest rates and interest rate curves directly observable on the market at the valuation date.
- Foreign exchange derivatives (forwards) are valued on the basis of a recalculation, at the valuation date, of the forward exchange rate at maturity of the contract. This recalculation uses exchange rates and interest rate curves directly observable on the market at the valuation date.
- Interest rate options, foreign exchange options and commodity options are valued using the Black & Scholes model. This model uses the implied volatility of the underlying asset at the valuation date.
- Counterparty risk is measured using the CDS quoted on the market at the valuation date or, failing that, using the data available on the secondary market (credit spread of listed securities).

During the year ended 31 March 2025, no assets and liabilities measured at fair value were reclassified from or to level 1 or level 2.

## 18.2 Financial assets

IFRS 9 (CPC 48) provides a single approach for the classification and measurement of financial assets, based on the characteristics of the financial instrument and the Group's management intention with the following results:

- financial assets with cash flows that are representative of the payment of principal and interest only are measured at amortised cost if they are managed only for the purpose of collecting these flows;
- in other cases, financial assets are measured at fair value through profit or loss, except for equity instruments (investments, etc.) not held for trading and with changes in value that, on election affect "other comprehensive income".

The impact of these principles on assets is reflected as follows in the Group's statement of financial position:

Financial assets include the following categories: non-consolidated investments, financial investments, loans and receivables and derivatives.

At the acquisition date, the Group determines the classification of the financial asset in one of these accounting categories.

### Non-consolidated investments and financial investments at fair value

This category mainly includes non-consolidated investments and debt securities that do not meet the definitions of other categories of financial assets.

The Group has chosen to recognise the change in fair value of its investments in other comprehensive income because they meet the definition of equity instrument and are not held for trading except shares held in investment funds with changes in fair value recognised in financial income and expense.

The various categories of financial assets are presented in the tables below:

**At 31 March 2025**

(millions of R\$)	Notes	Total	Loans and receivables at amortised cost	Financial assets at fair value through profit or loss	Financial assets at fair value through OCI	Fair value	Level of fair value
Trade receivables	11.2	546	546	0	0		
Cash and cash equivalents	18.5	1,445	0	1,445	0	1,445	1-2
Other current financial assets		561	385	18	158	176	1-2
of which Derivatives	19.1	176	0	18	158	176	1-2
of which Tax receivables		58	58	0	0		
of which Margin call	18.4	33	33	0	0		
of which Advance payments		293	293	0	0		
of which Other		1	1	0	0		
<b>Total current financial assets</b>		<b>2,552</b>	<b>931</b>	<b>1,463</b>	<b>158</b>	<b>1,621</b>	
Non-current fin. assets with related parties	24.2	343	343	0	0		
Other non-current financial assets		213	209	0	4	4	1-2
of which Derivatives	19.1	4	0	0	4	4	1-2
of which Paid deposit		43	43	0	0		
of which Tax receivables		56	56	0	0		
of which Restricted cash		97	97	0	0		
of which Other		13	13	0	0		
<b>Total non-current financial assets</b>		<b>556</b>	<b>552</b>	<b>0</b>	<b>4</b>	<b>4</b>	
<b>TOTAL FINANCIAL ASSETS</b>		<b>3,108</b>	<b>1,483</b>	<b>1,463</b>	<b>162</b>	<b>1,625</b>	

**At 31 March 2024**

(millions of R\$)	Notes	Total	Loans and receivables at amortised cost	Financial assets at fair value through profit or loss	Financial assets at fair value through OCI	Fair value	Level of fair value
Trade receivables	11.2	484	484	0	0		
Cash and cash equivalents	18.5	1,912	0	1,912	0	1,912	1-2
Other current financial assets		463	413	0	51	51	1-2
of which Derivatives	19.1	51	0	0	51	51	1-2
of which Tax receivables		52	52	0	0		
of which Margin call	18.4	169	169	0	0		
of which Advance payments		191	191	0	0		
<b>Total current financial assets</b>		<b>2,859</b>	<b>897</b>	<b>1,912</b>	<b>51</b>	<b>1,962</b>	
Non-current fin. assets with related parties	24.2	304	304	0	0		
Other non-current financial assets		230	223	0	7	7	1-2
of which Derivatives	19.1	7	0	0	7	7	1-2
of which Paid deposit		49	49	0	0		
of which Tax receivables		67	67	0	0		
of which Restricted cash		100	100	0	0		
of which Other		6	6	0	0		
<b>Total non-current financial assets</b>		<b>534</b>	<b>527</b>	<b>0</b>	<b>7</b>	<b>7</b>	
<b>TOTAL FINANCIAL ASSETS</b>		<b>3,393</b>	<b>1,423</b>	<b>1,912</b>	<b>58</b>	<b>1,969</b>	

### 18.3 Financial liabilities

#### Measurement and recognition of financial liabilities at amortised cost

With the exception of financial liabilities at fair value and derivatives comprising liabilities measured and recognised at fair value, borrowings and other financial liabilities are measured and recognised initially at fair value and then at amortised cost, calculated using the effective interest rate.

In accordance with the Group accounting policy, Tereos Açúcar e Energia Brasil S.A. is considering in its cash flows statement its financial interest paid as cash flows from financing activities.

## Measurement and recognition of financial liabilities designated at fair value upon initial recognition

When a financial liability is eligible to be recognised at fair value in its entirety – as in the case of a liability with an embedded derivative – the Group recognises the liability at fair value and changes in fair value are recognised in financial income and expenses.

The various categories of financial liabilities are presented in the tables below:

### At 31 March 2025

(millions of R\$)	Notes	Total	Financial liabilities at amortised cost	Financial liabilities at fair value through profit or loss	Financial liabilities at fair value through OCI	Fair value	Level of fair value
Short-term borrowings	18.6	1,329	1,282	0	47	1,199	2
of which Gross debt	18.6	1,130	1,083	0	47	1,199	2
of which Lease liability	18.6	199	199	0	0		
Trade payables	11.3	911	911	0	0		
Other current financial liabilities		530	345	22	163	185	1-2
of which Derivatives	19.1	185	0	22	163	185	1-2
of which Margin call	18.4	17	17	0	0		
of which Taxes and social payables		156	156	0	0		
of which Advances received		78	78	0	0		
of which Other		93	93	0	0		
<b>Total current financial liabilities</b>		<b>2,770</b>	<b>2,538</b>	<b>22</b>	<b>210</b>	<b>1,384</b>	
Long-term borrowings	18.6	2,289	2,289	0	(0)	1,690	2
of which Gross debt	18.6	1,747	1,748	0	(0)	1,690	2
of which Lease liability	18.6	542	542	0	0		
Non-current fin. liabilities with related parties	24.2	1,292	1,292	0	0		
Other non-current financial liabilities		77	1	0	77	77	1-2
of which Derivatives	19.1	77	0	0	77	77	1-2
of which Other		1	1	0	0		
<b>Total non-current financial liabilities</b>		<b>3,659</b>	<b>3,582</b>	<b>0</b>	<b>77</b>	<b>1,767</b>	
<b>TOTAL FINANCIAL LIABILITIES</b>		<b>6,429</b>	<b>6,120</b>	<b>22</b>	<b>287</b>	<b>3,151</b>	

### At 31 March 2024

(millions of R\$)	Notes	Total	Financial liabilities at amortised cost	Financial liabilities at fair value through profit or loss	Financial liabilities at fair value through OCI	Fair value	Level of fair value
Short-term borrowings	18.6	1,842	1,866	0	(24)	1,807	2
of which Gross debt	18.6	1,718	1,743	0	(24)	1,807	2
of which Lease liability	18.6	123	123	0	0		
Trade payables	11.3	789	789	0	0		
Other current financial liabilities		645	400	1	244	245	1-2
of which Derivatives	19.1	245	0	1	244	245	1-2
of which Taxes and social payables		140	140	0	0		
of which Advances received		151	151	0	0		
of which Other		108	108	0	0		
<b>Total current financial liabilities</b>		<b>3,275</b>	<b>3,055</b>	<b>1</b>	<b>220</b>	<b>2,052</b>	
Long-term borrowings	18.6	2,838	2,865	0	(26)	2,271	2
of which Gross debt	18.6	2,302	2,328	0	(26)	2,271	2
of which Lease liability	18.6	537	537	0	0		
Non-current fin. liabilities with related parties	24.2	608	608	0	0		
Other non-current financial liabilities		133	1	0	133	133	1-2
of which Derivatives	19.1	133	0	0	133	133	1-2
of which Other		1	1	0	0		
<b>Total non-current financial liabilities</b>		<b>3,580</b>	<b>3,473</b>	<b>0</b>	<b>107</b>	<b>2,404</b>	
<b>TOTAL FINANCIAL LIABILITIES</b>		<b>6,855</b>	<b>6,528</b>	<b>1</b>	<b>326</b>	<b>4,456</b>	

## 18.4 Margin calls

On regulated futures markets, the trading process is regulated by a clearing house to ensure that transactions are properly executed to maturity.

The clearing house is an intermediary between the buyer and the seller who deals with margin calls in particular. It makes daily margin calls (variation margins) which aim to reconstitute an investor's security deposit if it has been initiated by a significant market movement.

Margin calls break down as follows:

<i>(millions of R\$)</i>	31 March 2025	31 March 2024
Initial margin	62	100
Margin variation	(46)	69
<b>TOTAL</b>	<b>16</b>	<b>169</b>
<i>of which assets margin calls</i>	33	169
<i>of which liabilities margin calls</i>	(17)	0

## 18.5 Cash and cash equivalents

Cash and cash equivalents include cash in bank current accounts, term deposits convertible in the very short term (less than three months) for which there is no material risk of loss of value in the event of a change in interest rates, and investment securities that are by nature highly liquid and subject to a negligible risk of change in value.

Changes in cash and cash equivalents are presented in the consolidated statement of cash flows.

The net cash balance presented in the consolidated statement of cash flows is as follows:

<i>(millions of R\$)</i>	Level of fair value	31 March 2025	31 March 2024
Certificates of deposit	2	1,218	995
<b>Total cash equivalents</b>		<b>1,218</b>	<b>995</b>
Cash	1	227	917
<b>Total cash and cash equivalents</b>		<b>1,445</b>	<b>1,912</b>
<b>NET CASH</b>		<b>1,445</b>	<b>1,912</b>

## 18.6 Borrowings

The Group's various credit facilities are presented below:

At 31 March 2025

(millions of R\$)

INDEX	Currency	Type	Current	Non-current	Total	Average interest rate	Maximum maturity
CDI	BRL	Working capital and other ST/LT	231	100	331	15.6%	6/26/2026
CDI	BRL	Working capital and other ST/LT	1	0	1	19.6%	10/23/2025
SOFR	USD	Export prepayment and LT Financings	394	873	1,267	7.2%	10/31/2029
TJLP	BRL	Investment financing (BNDES)	101	216	317	11.3%	5/15/2028
TJLP	BRL	Investment financing (FINEP)	5	16	21	7.0%	8/15/2029
IPCA	BRL	Certificate of Agribusiness Receivables	151	0	151	10.2%	3/16/2026
IPCA	BRL	Investment Financing (PCA BNDES)	2	16	18	10.7%	7/15/2033
IPCA	BRL	Infrastructure debenture	215	409	624	11.4%	6/15/2027
SELIC	BRL	Investment financing (BNDES)	38	113	151	19.1%	11/16/2037
<b>Total floating rate</b>			<b>1,139</b>	<b>1,743</b>	<b>2,882</b>	<b>10.4%</b>	
Fixed rates	BRL	Investment Financing (PCA BNDES)	1	9	11	6.5%	7/15/2033
	BRL	Investment Financing (PCA)	3	10	13	7.5%	7/15/2030
<b>Total fixed rate</b>			<b>4</b>	<b>20</b>	<b>23</b>	<b>7.0%</b>	
<b>TOTAL GROSS DEBT BEFORE AMORTISED COSTS</b>			<b>1,143</b>	<b>1,762</b>	<b>2,905</b>	<b>10.3%</b>	
Amortised cost			(12)	(15)	(27)		
<b>Total gross debt</b>			<b>1,130</b>	<b>1,747</b>	<b>2,878</b>		
Lease liability			199	542	740		
<b>Total financial debt</b>			<b>1,329</b>	<b>2,289</b>	<b>3,618</b>		
Cash and cash equivalent (note 18.5)					(1,445)		
<b>Total net financial debt</b>					<b>2,173</b>		
Related parties' financial assets (note 24.2)					(343)		
Related parties' financial liabilities (note 24.2)					1,292		
<b>TOTAL NET FINANCIAL DEBT INCLUDING RELATED PARTIES</b>					<b>3,122</b>		

At 31 March 2024

(millions of R\$)

INDEX	Currency	Type	Current	Non-current	Total	Average interest rate	Maximum maturity
CDI	BRL	Working capital and other ST/LT	0	202	202	12.2%	6/30/2025
CDI	BRL	Working capital and other ST/LT	2	1	4	16.0%	6/28/2024
CDI	BRL	Certificate of Agribusiness Receivables	166	0	166	11.4%	1/15/2025
SOFR	USD	Export prepayment and LT Financings	747	882	1,629	9.4%	11/16/2032
TJLP	BRL	Investment financing (BNDES)	100	312	412	9.9%	5/15/2028
TJLP	BRL	Investment financing (FINEP)	5	21	25	6.0%	8/15/2029
IPCA	BRL	Certificate of Agribusiness Receivables	144	143	287	10.6%	10/15/2024
IPCA	BRL	Certificate of Agribusiness Receivables	153	0	153	9.6%	3/16/2026
IPCA	BRL	Investment Financing (PCA BNDES)	2	18	20	10.1%	7/15/2033
IPCA	BRL	Infrastructure debenture	10	583	592	10.8%	6/15/2027
SELIC	BRL	Investment financing (BNDES)	33	135	169	15.4%	11/16/2037
<b>Total floating rate</b>			<b>1,362</b>	<b>2,297</b>	<b>3,659</b>	<b>10.3%</b>	
Fixed rates	BRL	Investment Financing (FINAME)	0	0	0	6.0%	11/18/2024
	BRL	Investment Financing (PCA BNDES)	1	11	12	6.5%	7/15/2033
	BRL	Investment Financing (PCA)	3	12	15	7.5%	7/15/2030
	USD	Export Prepayment	199	0	199	6.4%	2/17/2025
	BRL	Working Capital	171	0	171	14.3%	6/28/2024
<b>Total fixed rate</b>			<b>374</b>	<b>23</b>	<b>397</b>	<b>9.8%</b>	
<b>TOTAL GROSS DEBT BEFORE AMORTISED COSTS</b>			<b>1,736</b>	<b>2,320</b>	<b>4,056</b>	<b>10.2%</b>	
Amortised cost			(18)	(18)	(36)		
<b>Total gross debt</b>			<b>1,718</b>	<b>2,302</b>	<b>4,020</b>		
Lease liability			123	537	660		
<b>Total financial debt</b>			<b>1,842</b>	<b>2,838</b>	<b>4,680</b>		
Cash and cash equivalent (note 18.5)					(1,912)		
<b>Total net financial debt</b>					<b>2,768</b>		
Related parties' financial assets (note 24.2)					(304)		
Related parties' financial liabilities (note 24.2)					608		
<b>TOTAL NET FINANCIAL DEBT INCLUDING RELATED PARTIES</b>					<b>3,072</b>		

## Financings available in the Group

Group's financings are mostly bank loans and funding through capital markets, through the issuance of Agribusiness Receivables Certificates (CRA) and Debentures. The company benefits from a major BNDES project financing loan, one major export pre-financing loans and several bilateral short-term and medium-term credit lines.

All average rates listed below are weighted by outstanding amounts.

Borrowings on a floating rate basis are based on a variable reference rate (CDI, IPCA, SOFR, among others) to which a contractual margin is added. The effective interest rate is the sum of both items and changes over time, but an average interest rate on a yearly basis can be calculated as per the above table.

### a / CDI-based financings of Brazilian subsidiaries (CDI – Brazilian Overnight Interbank Deposit rate)

At 31 March 2025, the bulk of Tereos's CDI based on debt was in the form working capital and structured financings and CRAs. These loans have an average interest rate of 15.6%.

In June 2024, the Group entered a new R\$ 100 million bilateral loan with Alfa bank indexed at CDI + 0.97% with max maturity in June 2026 and swapped into a USD exposure loan to improve nature hedge of income from exports in exchange of a future interest cash flows of SOFR + 2.60%.

The outstanding amount of CDI based financings is R\$ 332 million (R\$ 371 million at 31 March 2024), whereof R\$ 331 million swapped to SOFR USD.

#### **b / SOFR-based financings (USD denominated)**

In order to extend maturities on working capital financings and improve natural hedge of income from exports, the Group have structured financing with a significant portion of medium-term export pre-financing contracts at SOFR plus a margin. These SOFR-based financings are denominated in USD plus a margin that ranges from 2.30% to 3.15% with an average of 2.9%. Most of these financings are secured by the assignment of future export receivables. These loans have an average interest rate of 7.2%.

In May 2024, the Group entered a new USD 6 million bilateral loan with CCB – China Construction Bank at SOFR + 2.3% with max maturity in March 2026 and, in June 2024, a new USD 20 million bilateral loan with Banco do Brasil at SOFR + 2.2% with max maturity in June 2026.

In October 2024, Tereos entered an export prefinancing loan for USD 132 million with a syndicate of five banks for its Sugar and Renewables activity in Brazil. This credit facility bears interests based on the Term SOFR index plus a margin which depends on the leverage ratio and is subject to applicable sustainability discounts or premiums in accordance with the achievement of sustainability targets. This export prefinancing facility was subscribed to replace the two previous export prefinancing loans entered in June 2020 and in June 2022 which were prepaid in parallel with the set-up of the new USD 132 million loan. Similarly to the two previous refinanced facilities, this new facility is partially secured by the assignment of future export receivables.

The total outstanding amount of SOFR-based USD financings is R\$ 1,267 million (R\$ 1,629 million at 31 March 2024).

#### **c / TJLP-based financings (TJLP – long-term state interest rate)**

Medium-term/Long-term financings are denominated in BRL and consist of equipment financing facilities from BNDES secured by pledge over the equipment financed. These loans have an average interest rate of 11.3%.

The outstanding amount of TJLP-based financings is R\$ 338 million (R\$ 437 million at 31 March 2024).

#### **d / IPCA-based financings (IPCA – Special Amplified Consumer Price Index)**

IPCA-based financings comprise funding through capital markets, such as Agribusiness Receivables Certificates (CRA) and Debentures. The margins applied range from 4.9% to 6.1% with average of 5.5%. These loans have an average interest rate of 11.2%.

The outstanding amount of IPCA-based financings is R\$ 793 million (R\$ 1,052 million at 31 March 2024), whereof R\$ 775 million swapped to CDI.

#### **e / SELIC-based financings (SELIC – Basic Interest Rate defined by Brazilian Central Bank)**

A specific line of BNDES financing is available and negotiated based on SELIC plus a margin that ranges from 4.14% to 4.79% with an average of 4.25%. The outstanding amount is R\$ 151 million (R\$ 169 million at 31 March 2024). These loans have an average interest rate of 19.1%.

#### **f / Fixed rate financings**

Fixed rate financings consist mainly of BNDES investment financing of equipment financing loans.

The outstanding amount of fixed rate financings is R\$ 23 million (R\$ 397 million at 31 March 2024). These loans have an average interest rate of 6.9%.

## Average interest rate

The global average interest rate is at 10.2% at 31 March 2025 against 10.2% at 31 March 2024.

## Foreign currency breakdown

The foreign currency breakdown of the debt at 31 March 2025 is as follows:

Currency	USD	BRL	Total
Millions of R\$ at 31 March 2025	1,267	1,638	2,905

## Debt by maturity

The maturity of the debt at 31 March 2025 is as follows:

### At 31 March 2025

(millions of R\$)	less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	more than 5 years	TOTAL
Maturity of debt before amortised cost	1,143	718	579	275	161	29	2,905
Lease liability	199	175	88	57	53	170	740

## Reconciliation of changes in financial debt with the cash flow statement

Changes in financial debt are presented as follows:

(millions of R\$)	31 March 2025	31 March 2024
<b>Financial debt - Opening</b>	<b>4,680</b>	<b>4,971</b>
Borrowings issues	982	633
Borrowings repayments (1)	(2,607)	(1,231)
Change in treasury liabilities	(30)	(3)
<b>Change with effect on cash</b>	<b>(1,655)</b>	<b>(601)</b>
Change in fair value	234	(35)
Impact of IFRS 16 (CPC 06 (R2))	327	319
Other	31	26
<b>Change with no effect on cash</b>	<b>592</b>	<b>310</b>
<b>Financial debt - Closing</b>	<b>3,618</b>	<b>4,680</b>

(1) Of which R\$ (247) million related to IFRS 16 (CPC 06 (R2)), against R\$ (210) million at 31 March 2024.

## 18.7 Covenants

The following covenants relate to Tereos Açúcar e Energia Brasil S.A. and its subsidiaries.

Type at 31 March 2025	Definition	Triggering level
<b>Net debt</b>	Consolidated net debt Tereos Açúcar e Energia Brasil Group / Consolidated EBITDA Tereos Açúcar e Energia Brasil Group	Max. 4.5
<b>Interest cover</b>	Consolidated adjusted EBITDA Tereos Açúcar e Energia Brasil Group / Consolidated net interest expense Tereos Açúcar e Energia Brasil Group	Min. 2.0
<b>Liquidity</b>	Consolidated current assets Tereos Açúcar e Energia Brasil Group / Consolidated current liabilities Tereos Açúcar e Energia Brasil Group	Min. 1.0

The Group complies with all of its financial covenants on the issue date of the financial statements.

## 19. Risk management and financial instruments

In the context of its operating and financing activities, the Group is exposed to the following financial risks:

- market risks: interest rate risk, foreign exchange risk, commodities risk and energy risk;
- liquidity risks.

### 19.1 Derivatives

The Group uses derivative instruments to manage and reduce its exposure to risks of changes in interest rates, exchange rates and commodity prices.

Derivative instruments are measured at fair value in the statement of financial position, whether or not they qualify for hedge accounting under IFRS 9 (CPC 48), under other financial assets and liabilities. The fair value of derivatives is estimated using commonly used valuation models taking into account data from active markets.

Derivative instruments that do not meet the definition of hedging instruments are qualified as "held for trading". Changes in the fair value of held for trading derivatives are recognised in the statement of operations.

The changes in fair value of trading derivatives as well as the ineffective portion of derivatives qualified as cash flow hedges are recognised in profit and loss, the results of closed derivatives qualified as "held for trading" or as hedging are classified as:

- Financial expenses and income, when the underlying risk is classified as financial income and expenses (interest rate and financial exchange rate);
- Operating expenses and income, when the underlying risk is classified as operating expenses and income (Commodities – i.e., raw materials, finished products and operational change).

Whenever possible, as part of the Group's production activities, derivative instruments are recognised in accordance with the rules on hedge accounting.

Hedge accounting is applicable if:

- The hedging relationship is formally designated and documented at inception;
- The effectiveness of the hedging relationship is demonstrated from its inception and then by regular verification of the correlation between the change in the market value of the hedging instrument and that of the hedged item.

The types of hedge accounting relationships currently implemented by the Group meet the requirements of IFRS 9 (CPC 48) and are aligned with the Group's risk management strategy and objectives.

The Group uses cash flow hedges as well as fair value hedges.

In these hedging relationships, the effectiveness of the derivative is assessed using the hypothetical derivatives method: the derivative designated in each hedging relationship must be effective in offsetting changes in the cash flows of the hedged item.

The main sources of ineffectiveness are:

- The effect of the Group's and its counterparties' credit risk on the fair value of the hedging instruments which is not reflected in the change in fair value of the hedged items (exchange rates, interest rates and commodities). In accordance with IFRS 13 (CPC 46), credit risk on derivative instruments is measured on a regular basis. The lack of materiality has never given rise to the recognition of an adjustment in this respect;
- Changes in the timing and the amount of expected cash flows from hedged transactions for foreign currency risk. Changes in fair value from one period to another are recognised differently depending on the type of hedge accounting applied.

Cash flow hedges (CFHs) are used to hedge the exposure to changes in the cash flow of a recognised asset or liability or of a highly probable forecast transaction that affects reported net income. For cash flow hedges, the effective portion of the change in fair value of the hedging instrument is recorded directly in other comprehensive income, the change in fair value of the underlying operation is not recorded in the statement of consolidated financial position. The change in value of the ineffective portion is recognised in profit or loss. Amounts recognised in other comprehensive income are reversed in profit or loss in the same period as the hedged item itself.

The time value of the options documented as cash flow hedges is treated as the cost of hedging: changes in fair value of time value are recognised in other comprehensive income and then recycled in operating or financial income at the same time as the hedged item.

Commodity hedging instruments falling within the scope of IFRS 9 (CPC 48) are derivative instruments and are measured at fair value. The change in fair value and the net impact of unwinding transactions are recognised in operating income.

Breakdown by type of derivative:

#### At 31 March 2025

At 31 March 2025		Fair value				
(millions of R\$)		Level	Notional Amount	Assets	Liabilities	Net
Interest rate vanilla swaps and options	Cash Flow Hedge		1,106	0	(164)	(164)
Interest rate derivatives (OTC)		2	1,106	0	(164)	(164)
FX forward contracts	Cash Flow Hedge		1,809	44	(63)	(19)
FX forward contracts	Trading		713	18	(22)	(4)
USD borrowings qualified as CFH	Cash Flow Hedge		1,237	0	(47)	(47)
Foreign exchange derivatives (OTC)		2	3,760	62	(132)	(70)
Commodities futures	Cash Flow Hedge		1,229	118	(13)	105
Commodity derivatives		1	1,229	118	(13)	105
TOTAL			6,095	180	(309)	(128)

#### At 31 March 2024

At 31 March 2024		Fair value				
(millions of R\$)		Level	Notional Amount	Assets	Liabilities	Net
Interest rate vanilla swaps and options	Cash Flow Hedge		1,252	6	(126)	(119)
Interest rate derivatives (OTC)		2	1,252	6	(126)	(119)
FX forward contracts	Cash Flow Hedge		1,849	12	(5)	7
FX forward contracts	Trading		220	0	(1)	(1)
USD borrowings qualified as CFH	Cash Flow Hedge		1,502	0	51	51
Foreign exchange derivatives (OTC)		2	3,571	12	45	57
Commodities futures	Cash Flow Hedge		1,746	39	(247)	(207)
Commodity derivatives		1	1,746	39	(247)	(207)
TOTAL			6,569	58	(327)	(269)

Derivative impacts are as follows:

		At 31 March 2025		
Change through Comprehensive Income or through profit or loss	Category	Income / (expense)		OCI
		Fair value *	OCI recycling	
Interest rate derivatives	Cash Flow Hedge	(10)	(9)	(38)
Foreign exchange derivatives	Trading	(3)		
	Cash Flow Hedge	0	(212)	(26)
	USD loan qualified as cash flow hedge	0	(88)	(156)
Commodity derivatives	Cash Flow Hedge	(0)	35	343
<b>Total</b>		<b>(13)</b>	<b>(273)</b>	<b>122</b>
Effect of deferred taxes on OCI				(42)
<b>Total OCI net of taxes</b>				<b>81</b>
Of which OCI recycled to net revenue			(264)	264
Of which OCI recycled to financial result			(9)	9

\* Of which an ineffective portion of R\$ (10) million for derivatives qualified as hedges

## 19.2 Interest rate risk management

The Group's exposure to interest rate risk is generated primarily by its borrowings at floating rates which impact future financial results.

When the Group wants to minimise the exposure of its subsidiaries to the risk of an increase in interest rates, the Group uses derivative instruments in the form of vanilla swaps. The interest rate hedging policy is defined centrally at Group level.

The notional amounts and fair values of interest rate derivatives by maturity breakdown are as follows:

At 31 March 2025		Notional			TOTAL	Fair value
(millions of R\$)		less than 1 year	1 to 5 years	more than 5 years		
<b>Vanilla swaps</b>		<b>597</b>	<b>509</b>	<b>0</b>	<b>1,106</b>	<b>(164)</b>
qualified as cash flow hedges		597	509	0	1,106	(164)
<b>TOTAL INTEREST RATE</b>		<b>597</b>	<b>509</b>	<b>0</b>	<b>1,106</b>	<b>(164)</b>
of which CDI based derivatives		366	409	0	775	(136)
of which SOFR based derivatives		231	100	0	331	(27)

## Sensitivity of the statement of operations and other comprehensive income

The sensitivity analysis applies movements in interest rates and determines for various scenarios the impact of changes in interest rates on the statement of operations and other comprehensive income. The table below summarises financial exposures to changes in interest rates.

At 31 March 2025		Notional	Impacts in a probable scenario		Impacts in a possible scenario		Impacts in a stress scenario	
(millions of R\$)			+10%	-10%	+25%	-25%	+50%	-50%
<b>Borrowings at floating rate not hedged</b>		<b>1,775</b>	<b>11</b>	<b>(11)</b>	<b>26</b>	<b>(26)</b>	<b>53</b>	<b>(53)</b>
<b>Interest rate derivatives</b>		<b>1,106</b>	<b>13</b>	<b>(13)</b>	<b>33</b>	<b>(33)</b>	<b>66</b>	<b>(66)</b>
Cash flow hedges (Other comprehensive income impact)		1,106	13	(13)	33	(33)	66	(66)
<b>TOTAL</b>		<b>2,882</b>	<b>24</b>	<b>(24)</b>	<b>59</b>	<b>(59)</b>	<b>118</b>	<b>(118)</b>
of which impact on the statement of operations			11	(11)	26	(26)	53	(53)
of which impact on other comprehensive income			13	(13)	33	(33)	66	(66)

A variation of +/- 10% has been applied to all floating interest rates, which is considered as reasonable based on observable market conditions. All other variables of the underlying amounts were held constant.

Underlying amounts contain unhedged borrowings at floating rates and the fair value of interest rate derivatives. These changes would impact the statement of operations, except for the fair value of interest rate derivatives qualified as cash flow hedges, changes in which would impact other comprehensive income.

### 19.3 Foreign exchange risk management

To hedge exposure to foreign exchange risk, the Group uses derivative instruments, primarily outright forward contracts maturing in less than 12 months and USD borrowings to cover fluctuations in foreign exchange rates on sugar sales. These instruments are qualified as cash flow hedges.

The notional amounts and fair values of foreign exchange derivatives by maturity breakdown as follows:

At 31 March 2025 (millions of R\$)	Notional			TOTAL	Fair value
	less than 1 year	1 to 5 years	more than 5 years		
<b>Forwards/NDF</b>	<b>1,622</b>	<b>900</b>	<b>0</b>	<b>2,522</b>	<b>(23)</b>
qualified as cash flow hedges	1,622	187	0	1,809	(19)
at fair value through profit or loss	0	713	0	713	(4)
<b>USD Borrowings qualified as CFH</b>	<b>365</b>	<b>873</b>	<b>0</b>	<b>1,237</b>	<b>(47)</b>
<b>TOTAL FOREX</b>	<b>1,987</b>	<b>1,773</b>	<b>0</b>	<b>3,760</b>	<b>(70)</b>
of which USD/BRL derivatives	1,987	1,773	0	3,760	(70)

### Sensitivity of the statement of operations and other comprehensive income

The sensitivity analysis considers for various scenarios the impacts of a change in underlying foreign exchange rates on the statement of operations and other comprehensive income.

At 31 March 2025 (millions of R\$)	Notional	Impacts in a probable scenario		Impacts in a possible scenario		Impacts in a stress scenario	
		+10%	-10%	+25%	-25%	+50%	-50%
<b>Assets and Liabilities</b>	<b>230</b>	<b>23</b>	<b>(23)</b>	<b>58</b>	<b>(58)</b>	<b>115</b>	<b>(115)</b>
Net of financial assets and liabilities (statement of operations impact)	230	23	(23)	58	(58)	115	(115)
<b>FX Derivatives (including USD borrowings qualified in CFH)</b>	<b>3,760</b>	<b>376</b>	<b>(376)</b>	<b>940</b>	<b>(940)</b>	<b>1,880</b>	<b>(1,880)</b>
Trading (statement of operations impact)	713	71	(71)	178	(178)	356	(356)
Cash flow hedges (other comprehensive income impact)	3,047	305	(305)	762	(762)	1,523	(1,523)
<b>Commodities Derivatives</b>	<b>1,229</b>	<b>124</b>	<b>(124)</b>	<b>313</b>	<b>(313)</b>	<b>638</b>	<b>(638)</b>
Cash flow hedges (other comprehensive income impact)	1,229	124	(124)	313	(313)	638	(638)
<b>TOTAL</b>	<b>5,219</b>	<b>523</b>	<b>(523)</b>	<b>1,311</b>	<b>(1,311)</b>	<b>2,633</b>	<b>(2,633)</b>
of which impact on the statement of operations		94	(94)	236	(236)	472	(472)
of which impact on other comprehensive income		428	(428)	1,075	(1,075)	2,161	(2,161)

All foreign currency denominated items were included in the analysis, as well as the impact on the fair value of commodities derivatives which are denominated in USD (typically sugar).

The above table shows the sensitivity of the Group's statement of operations and other comprehensive income to changes in the underlying currency pairs (EUR/USD, USD/BRL).

The sensitivity analysis was prepared considering a +/- 10% change to be reasonable, based on general market observations. All other variables were held constant.

The different scenarios would impact the statement of operations, except for derivatives accounted for as cash flow hedges whose impacts would be recorded in other comprehensive income.

## 19.4 Commodities risk management

To hedge its commodities price risk, several Group entities, depending on their activities, may buy and sell commodities future/forward contracts. The commodities traded are mainly raw and white sugar for Tereos Açúcar e Energia Brasil representing their finished products.

Commodities and finished products transactions are performed at the subsidiary level and reviewed by the Market Risk Committees at Tereos Açúcar e Energia Brasil.

The notional amounts of commodities and finished products derivatives by maturity are as follows:

At 31 March 2025 (millions of R\$)	Notional			TOTAL	Fair value
	less than 1 year	1 to 5 years	more than 5 years		
<b>Futures</b>	1,228	1	0	1,229	105
qualified as cash flow hedges	1,228	1	0	1,229	105
<b>TOTAL COMMODITIES</b>	1,228	1	0	1,229	105
of which sugar derivatives	1,228	1	0	1,229	105

## Sensitivity of the statement of operations and other comprehensive income

At 31 March 2025 (millions of R\$)	Notional	Impacts in a probable scenario		Impacts in a possible scenario		Impacts in a stress scenario	
		+10%	-10%	+25%	-25%	+50%	-50%
<b>Sugar derivatives</b>	1,229	124	(124)	313	(313)	638	(638)
Cash flow hedges (other comprehensive income impact)	1,229	124	(124)	313	(313)	638	(638)
<b>TOTAL</b>	1,229	124	(124)	313	(313)	638	(638)
of which impact on other comprehensive income		124	(124)	313	(313)	638	(638)

Items included in the analysis correspond exclusively to the fair value of commodities and finished products derivatives. The Group did not include any off-balance sheet commitments in this analysis.

The above table shows the sensitivity of the Group's statement of operations and other comprehensive income to possible commodities price changes.

The analysis was based on raw and white sugar futures.

The sensitivity analysis was prepared considering a +/- 10% change to be reasonable, based on general market observations. All other variables were held constant.

The different scenarios would impact the statement of operations, except for commodities/finished products derivatives accounted for as cash flow hedges, whose impacts would be recorded in other comprehensive income.

## 19.5 Liquidity risk management

Group liquidity management and financing are performed by the Tereos Group Financing & Treasury Department, with operation support from the operating subsidiaries.

The Group's approach to liquidity risk is mainly based on diversifying the type, maturity and source of its financing instruments. Hence, the Group finances itself on the bank market, on the public bond market, as well as on other specialised financing markets.

As such the Group finances itself with USD funding from the bank market, on the local "bond" market (Certificados de Recebíveis do Agronegócio), and when possible, also uses BNDES / Fname programs which give access to long maturities in R\$.

The Group is subject to fluctuations in its level of net debt due to the seasonal nature of its businesses (this mainly applies to sugar businesses in Brazil), which may generate cash surpluses for short periods. The Group's policy is to invest available cash only in bank deposits or in liquid money market funds.

The undiscounted contractual cash outflows (interest and principal amortisation) on outstanding financial liabilities and derivatives by maturity were as follows:

#### At 31 March 2025

(millions of R\$)	less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	more than 5 years	TOTAL
Debt maturities before amortised cost	1,143	718	579	275	161	29	2,905
Fixed interest payment commitments	80	46	27	13	5	4	175
Floating interest payment commitments	133	64	34	14	4	0	250
<b>Total debt before amortised cost</b>	<b>1,355</b>	<b>829</b>	<b>640</b>	<b>302</b>	<b>170</b>	<b>34</b>	<b>3,329</b>
Net flows on swap	(87)	(77)	0	0	0	0	(164)
<b>Total derivatives</b>	<b>(87)</b>	<b>(77)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(164)</b>
<b>TOTAL INTEREST PAYMENT COMMITMENTS INCLUDING DERIVATIVES</b>	<b>125</b>	<b>34</b>	<b>61</b>	<b>27</b>	<b>9</b>	<b>4</b>	<b>261</b>

#### At 31 March 2024

(millions of R\$)	less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	more than 5 years	TOTAL
Debt maturities before amortised cost	1,736	1,040	604	449	80	147	4,056
Fixed interest payment commitments	157	77	41	19	9	16	319
Floating interest payment commitments	142	100	42	17	5	7	313
<b>Total debt before amortised cost</b>	<b>2,035</b>	<b>1,218</b>	<b>687</b>	<b>484</b>	<b>93</b>	<b>169</b>	<b>4,688</b>
Net flows on swap	(16)	(79)	(24)	0	0	0	(119)
<b>Total derivatives</b>	<b>(16)</b>	<b>(79)</b>	<b>(24)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(119)</b>
<b>TOTAL INTEREST PAYMENT COMMITMENTS INCLUDING DERIVATIVES</b>	<b>282</b>	<b>99</b>	<b>59</b>	<b>35</b>	<b>14</b>	<b>23</b>	<b>512</b>

## H. Equity

### Reserves

The nature and purpose of each reserve are the following:

#### Cash flow hedge reserve (CFH)

The cash flow hedge reserve contains the effective portion of the cash flow hedge relationships incurred at the reporting date, net of tax. Further information on the accounting methods applicable to the use of this reserve are disclosed in note 19.1.

### Other comprehensive income

Other comprehensive income (OCI) items relate to:

- cash flow hedges that the Group uses to hedge its interest rate, foreign exchange and commodity risks;
- changes in fair value of non-consolidated investments; and
- the impact of changes in foreign exchange translation reserves during the period.

The impact on the fair value of financial instruments is explained in note 17.

## 20. Equity

### 20.1 Issued capital and share premium

Changes in issued capital over the period were as follows:

(millions of R\$)	Number of shares	Issued capital
At 31 March 2023	632,654,313	2,778
At 31 March 2024	632,654,313	2,778
At 31 March 2025 *	632,654,313	2,778

\* The par value per share at 31 March 2025 is 4.3915 R\$, against 4.3915 R\$ at 31 March 2024.

### 20.2 Earnings (loss) per share

The average number of ordinary shares used in the calculation of earnings per share is 632,654,313 shares for the year ended 31 March 2025 and 632,654,313 shares for the year ended 31 March 2024.

For the year ended 31 March 2025 and 31 March 2024, there is no difference between diluted and basic earnings per share.

The earnings (loss) per share for the year ended 31 March 2025 and 31 March 2024, amounted to R\$ 0.4733, and R\$ 1.0578, respectively.

### 20.3 Dividends

In accordance with Law 6,404/76 and in accordance with its Articles of Association, shareholders are entitled to receive annual mandatory minimum payment of 25% of the annual individual statutory net income adjusted for the following items: (i) allocation to Legal Reserve; (ii) movements on the Contingencies reserve; (iii) allocation to the tax incentive reserves and (iv) realisation of the Unrealised Income Reserve.

Minimum dividend calculation is based on the net result of the Parent Company of the consolidated Group Tereos Açúcar e Energia Brasil S.A and distribution is allowed when reserves in equity are positive. As at 31 March 2025, net equity reserves comprise (i) R\$ 5 million in legal reserves; (ii) R\$ 107 million in tax incentive reserves; (iii) R\$ (297) million in accumulated losses; and (iv) R\$ 299 million corresponding to the net income for the current year, which absorbs the accumulated losses. The other destinations were done accordingly and are immaterial for disclosure purposes.

### 20.4 Tax incentive reserves

The Company applies from the benefit granted by the Government concerning ICMS Agreement nº 116/2022 and EC nº 123/2022, attributing granted credit, used in taxpayers' bookkeeping to offset ICMS debts in their ordinary calculation. The amount calculated for the year ended at 31 March 2025, is nil as at 31 March 2024) and is presented as follows:

(millions of R\$)	31 March 2025	31 March 2024
Initial amount	0	107
Tax incentive of the year	0	0
Tax incentive reserve constituted with current year net income	0	(107)
Tax incentive reserve constituted with previous years net income	0	0
Final amount to be constituted	0	0

## I. Income taxes

### 21. Income tax recognised in the statement of operations

Income taxes in the consolidated statement of operations include current and deferred taxes.

#### Current income taxes

Current income taxes are calculated based on taxable income for the year. Taxable income for the year differs from income reported in the consolidated statement of operations because it excludes income or expenses that are taxable or deductible in other periods, as well as income or expenses that are never taxable or deductible.

Current income tax assets or liabilities are recognised in the statement of financial position using tax rates that have been enacted at year-end.

#### 21.1 Income tax recognised in the statement of operations

The breakdown of income taxes is presented as follows:

(millions of R\$)	For the year ended	
	31 March 2025	31 March 2024
Current income tax	(117)	(35)
Deferred income tax	(49)	(126)
<b>TOTAL INCOME TAX</b>	<b>(165)</b>	<b>(160)</b>

#### 21.2 Reconciliation of theoretical tax expense and effective tax expense

The reconciliation between the applicable and effective tax rates is presented below:

(millions of R\$)	For the year ended	
	31 March 2025	31 March 2024
Net income (loss)	364	719
Share of profit of associates	0	8
Income taxes	(165)	(160)
<b>Income before income taxes and share of profit of associates</b>	<b>529</b>	<b>871</b>
<i>Brazil's statutory income tax rate</i>	<i>34%</i>	<i>34%</i>
<b>Income taxes based on Brazil's statutory rate</b>	<b>(180)</b>	<b>(296)</b>
Tax losses without recognition of deferred tax assets tax loss carry forward	(7)	(1)
Recognition of previously unrecognised tax losses	0	74
Cbios revenue	16	23
Other non-deductible expenses for tax purposes	6	39
<b>Adjustments to reconcile income taxes</b>	<b>15</b>	<b>136</b>
<b>EFFECTIVE INCOME TAX</b>	<b>(165)</b>	<b>(160)</b>
<i>Effective income tax rate</i>	<i>31%</i>	<i>18%</i>

### 22. Deferred taxes and income taxes

Pursuant to IAS 12 (CPC 32), deferred taxes result from temporary differences between the carrying amounts of assets and liabilities and their tax base.

Deferred taxes are recognised as expenses or revenue in income unless generated by items charged directly to other comprehensive income, in which case the related deferred taxes are also recognised in other comprehensive income.

Deferred income taxes are calculated based on the tax rate expected to apply during the financial year in which the asset will be realised or the liability settled, and are classified into non-current assets and liabilities. The effects of changes in tax rates from one period to the next are recognised in income in the period when the change occurs, except to the extent that it relates to items previously recognised outside the consolidated statement of operations.

Unused tax losses can be carried forward indefinitely and are not subject to inflation adjustment.

The expected recovery of all deferred tax assets is supported by the taxable income projections, which have been approved by the Group's Management. Projections of future taxable income include several estimates related to the performance of the international economy and more specifically the economies in which the Group operates, interest rate fluctuations, sales volumes, sales prices and tax rates which may differ from actual data and amounts.

Deferred tax assets resulting from temporary differences, tax losses and both tax loss or tax credit carry-forwards are limited to the estimated recoverable tax amount. This is measured at the reporting date based on the income outlook for the relevant entities.

Pursuant to IAS 12 (CPC 32), deferred tax assets and liabilities are not discounted.

Current and deferred taxes in the statement of financial position break down as follows:

<i>(millions of R\$)</i>	31 March 2025	31 March 2024
Income tax receivables	63	100
Income tax payables	(2)	(73)
<b>TOTAL CURRENT TAX</b>	<b>61</b>	<b>27</b>
Deferred tax assets	220	311
Deferred tax liabilities	(53)	(53)
<b>TOTAL DEFERRED TAX</b>	<b>168</b>	<b>258</b>

Net deferred tax assets amounted to R\$ 168 million including R\$ 296 million on the recognition of tax losses carried forward.

The breakdown of deferred tax on the statement of financial position is presented as follows:

<i>(millions of R\$)</i>	31 March 2025	31 March 2024
Deferred tax assets through the statement of operations	190	236
Deferred tax assets through other comprehensive income	31	75
<b>Deferred tax assets</b>	<b>220</b>	<b>311</b>
Deferred tax liabilities through the statement of operations	(54)	(51)
Deferred tax liabilities through other comprehensive income	1	(2)
<b>Deferred tax liabilities</b>	<b>(53)</b>	<b>(53)</b>
<b>TOTAL OF DEFERRED TAX</b>	<b>168</b>	<b>258</b>

<i>(millions of R\$)</i>	31 March 2025	31 March 2024
Differences between carrying value and tax basis	(128)	11
<i>Property, plant and equipment and intangible assets</i>	(361)	(187)
<i>Biological assets</i>	(57)	(114)
<i>Financial assets and liabilities</i>	241	267
<i>Others</i>	50	45
Tax losses unused and recognized as deferred tax assets	296	247
<b>TOTAL</b>	<b>168</b>	<b>258</b>

Changes in deferred taxes are presented below:

(millions of R\$)	31 March 2025	31 March 2024
<b>Deferred tax at opening</b>	<b>258</b>	<b>379</b>
Amount charged to the statement of operations	(49)	(126)
Amount charged to other comprehensive income	(42)	5
<b>Deferred tax at closing</b>	<b>168</b>	<b>258</b>

The expected recovery of deferred tax assets recognised on tax losses carried forward based on the taxable income projections approved by Group Management is as follows:

(millions of R\$)	31 March 2025	31 March 2024
N+1	20	87
N+2	51	65
N+3	52	63
N+4	72	32
N+5	101	0
<b>TOTAL DEFERRED TAX ASSETS ON TAX LOSSES CARRIED FORWARD</b>	<b>296</b>	<b>247</b>

Unrecognised deferred tax assets arising on the carry-forward of unused tax losses amounted to R\$ 13 million at 31 March 2025 (compared to R\$ 6 million at 31 March 2024).

## J. Provisions and contingent liabilities

### 23. Provisions

Provisions are recognised when there is an obligation (legal, contractual or constructive) to a third party provided that it may be estimated reliably and is likely to result in an outflow of resources, with no at-least-equivalent consideration expected in return.

Where the effect of the time value of money is material, the provision is discounted to present value. The discount rate used to determine the present value reflects the time value of money and the specific risks related to the liability being measured. The effect of discounting is recognised in financial expenses.

A restructuring provision is recognised when a detailed formal plan has been announced or when implementation of a restructuring plan has already begun.

As opposed to the above definition of a provision, a contingent liability is:

- A potential obligation resulting from a past event whose existence will only be confirmed by the occurrence or otherwise of an uncertain event not under the control of the Group; or
- A current obligation resulting from a past event for which either the amount of the obligation cannot be reliably estimated or it is not likely that an outflow of resources representing economic benefits will be required to extinguish the obligation.

Provisions are set aside for the following contingencies:

(millions of R\$)	Non-current	
	31 March 2025	31 March 2024
Labour	42	40
Tax	0	1
Environment	3	3
Other	7	6
<b>TOTAL PROVISIONS</b>	<b>52</b>	<b>50</b>

Changes in provisions over the year were as follows:

(millions of R\$)	Labour	Tax	Environment	Other	Total
<b>At 1 April 2023</b>	<b>35</b>	<b>0</b>	<b>8</b>	<b>5</b>	<b>49</b>
Additions during the period	6	1	0	1	8
Amounts used	(1)	0	(5)	(0)	(6)
<b>At 31 March 2024</b>	<b>40</b>	<b>1</b>	<b>3</b>	<b>6</b>	<b>50</b>
Additions during the period	2	0	0	1	3
Amounts used	(1)	(1)	(0)	0	(2)
<b>At 31 March 2025</b>	<b>42</b>	<b>0</b>	<b>3</b>	<b>7</b>	<b>52</b>

The table below presents a summary of disputes with probable and possible loss involving the Group:

(millions of R\$)	Probable		Possible	
	Number of claims	Provision	Number of claims	Claims with possible losses
Labour	247	42	547	109
Tax	0	0	358	2,219
Environment	4	3	150	18
Other	12	7	58	29
<b>At 31 March 2025</b>	<b>263</b>	<b>52</b>	<b>1,113</b>	<b>2,375</b>
Labour	219	40	575	98
Tax	1	1	386	1,993
Environment	5	3	148	17
Other	10	6	62	43
<b>At 31 March 2024</b>	<b>235</b>	<b>50</b>	<b>1,171</b>	<b>2,151</b>

### Provisions for employee-related disputes

The Group faces labour claims. The main demands regarding the labour lawsuits are related to: (i) overtime; (ii) overtime due to partial lunchtime breaks fruition; (iii) hazard pay and exposure to unhealthy agents pay; (iv) illness and work accident compensations; and (v) labour outsourcing.

### Tax disputes

The Group is involved in several taxes cases involving mainly: (i) PIS COFINS credit over agriculture and other broader tax credit right; (ii) IRPJ/CSLL taxable basis related to goodwill; (iii) Reduced ICMS on VHP sugar for food purposes; (iv) Social Security Tax on exports; (v) ICMS on export - technical loss; (vi) ICMS credits on intermediate goods essential to the production process; (vii) ICMS credits related to diesel fuel consumption linked to sugarcane production and (viii) ICMS arising from reported variances between production and sales volumes.

### Provisions for environmental risks

The Group is currently litigant in recurrent administrative and judicial proceedings, related to fires in sugarcane plantation areas.

### Civil litigations

The Group faces claims of many different natures, mainly referring to traffic accidents; work accidents; fires; contractual disagreements, credit recovery and others.

At the date of authorization for issue of these consolidated financial statements, management is not aware of any additional dispute involving material risks likely to affect the Group's income or financial position.

## K. Other information

### 24. Related parties

#### 24.1 Operating transactions with related parties

The transactions presented below do not include transactions with natural persons or companies controlled by natural persons. These transactions are not material.

Transactions have been carried out with the following entities:

(millions of R\$)	Sales		Purchases	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
<b>Entities controlling the Group</b>				
a/ NewCo Tereos Internacional BR Ltda	0	0	(2)	(0)
b/ Tereos Participations	6	5	(86)	(66)
<b>Entities controlled by Tereos Group</b>				
a/ Tereos Amido e Adoçantes Brasil	7	7	0	0
b/ Tereos Commodities France (ex TBE)	2,372	2,985	(8)	(11)

(millions of R\$)	Receivables		Payables	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
<b>Entities controlling the Group</b>				
a/ NewCo Tereos Internacional BR Ltda	0	0	2	1
b/ Tereos Participations	6	5	21	13
<b>Entities controlled by Tereos Group</b>				
a/ Tereos Amido e Adoçantes Brasil	2	2	0	0
b/ Tereos Starch & Sweeteners Europe	0	0	1	0
c/ Tereos Commodities France (ex TBE)	24	63	4	11

a/ An intra-group service agreement was entered into on 1 April 2016 by and between Tereos Participations as service provider, and the Company and its subsidiaries. The agreement sets forth the terms and conditions under which Tereos Participations will provide to the beneficiaries certain services, in particular in IT, administrative, strategy, insurance, financing and treasury, accounting and consolidation, communication, business development, legal and tax areas. In consideration for the provision of such services, Tereos Participations will receive compensation equal to the direct and/or indirect costs incurred by Tereos Participations in connection with the provision of such services, plus a 9% margin.

b/ Some operational activities (sugar sales out of the Brazilian market) of the Group are performed with Tereos Commodities France (a subsidiary of Tereos Participations) at market conditions.

c/ Some management fees are invoiced by the Group to Tereos Amido e Adoçantes Brasil S.A.

## 24.2 Financing transactions with related parties

The main financing transactions were carried out with the following entities:

(millions of R\$)	Financial assets		Financial liabilities	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
<b>Entities controlling the Group</b>				
NewCo Tereos Internacional BR Ltda	343	304	0	0
<b>Entities controlled by Tereos Group</b>				
a/ Tereos Finance Group 1	0	0	1,292	608

a/ During the crop, the Group entered a new loan funding of € 95 million with Tereos Finance Group 1 with maturity date on November 2026 and during the crop, the Group reimbursed R\$ 87 million of interests.

No other material amounts of interest were received or paid to related parties for the years ended 31 March 2025 and 2024.

The financial assets and liabilities of related parties are classified in the statement of financial position as follows:

(millions of R\$)	31 March 2025	31 March 2024
Non-current financial assets with related parties	343	304
Non-current financial liabilities with related parties	(1,292)	(608)
<b>TOTAL NET RELATED PARTY FINANCIAL ASSETS (LIABILITIES)</b>	<b>(949)</b>	<b>(304)</b>

## Reconciliation of changes in related parties with the cash flow statement

Changes in related parties are presented as follows:

(millions of R\$)	31 March 2025	31 March 2024
<b>CURRENT ACCOUNT WITH RELATED PARTIES OPENING</b>	<b>(304)</b>	<b>12</b>
Change with effect on cash	(645)	(316)
Change of the period	(645)	(316)
<b>CURRENT ACCOUNT WITH RELATED PARTIES CLOSING</b>	<b>(949)</b>	<b>(304)</b>

## 25. Unrecognised contractual commitments

### Commitments given

(millions of R\$)	31 March 2025	31 March 2024
Assets covered by commitments	37	37
Commitment to buy sugarcane	4,653	4,224

### Assets covered by commitments

The Group pledged properties and vehicles in the amount of R\$ 37 million as collateral for tax claims.

### Purchases of sugarcane

Tereos Açúcar e Energia Brasil entered into contracts for the purchase of sugarcane produced on third parties' rural properties, amounting to approximately 4.7 million tonnes per crop to be delivered between 2025 and 2031. At 31 March 2025, the total commitment is estimated at R\$ 4,653 million, based on the average price until that date of R\$ 163.79 per tonne of sugarcane purchased.

## 26. Subsequent events

None.