



MANAGEMENT REPORT

TEREOS AÇÚCAR E ENERGIA BRASIL S.A.

For the year ended 31 March 2026

This is a convenience translation from the original financial statements of Tereos Açúcar e Energia Brasil S.A. for the year ended 31 March 2026 previously issued in Portuguese.

MANAGEMENT REPORT

For the year ended 31 March 2026

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 2026, 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

Fiscal year 25/26 was marked by significant transformations for Tereos in Brazil. In a market environment characterised by price volatility, climate challenges and shifts in the macroeconomic landscape, we maintained our focus on the safety of our operations, financial discipline and the sustainable generation of value for all our stakeholders.

With a crushing volume of 17.9 million tonnes of sugarcane and favourable pricing positions, Tereos delivered its third highest revenue (R\$ 5.7 billion), third highest adjusted EBITDA in its history (R\$ 1.3 billion), lowest net debt in the last 10 years and bank leverage of 0.5x under market methodology.

The sale of the Andrade unit, located in Pitangueiras (SP), is the result of the efficient evolution of our asset portfolio and the strengthening of our competitive position in regions where Tereos has a stronger market presence. These decisions reflect a management approach guided by efficient capital allocation, the continuous pursuit of productivity and the building of an increasingly resilient business, prepared to meet the present needs without losing sight of the challenges and opportunities of the future. The proceeds from the sale contributed to Tereos achieving a record cash position of R\$ 2 billion, equivalent to 2.5x short-term bank debt.

Our teams once again demonstrated a high level of operational commitment, enabling the maintenance of the industrial, agricultural and commercial excellence that characterises Tereos' operations in Brazil. The results reflect the collective efforts of our employees, partner producers, suppliers, customers and communities with whom we engage, reinforcing the importance of collaboration as an essential element for the sustainable development of our activities.

We closed the fiscal year with a solid financial structure, suited to the profile of our business and aligned with the Company's long-term strategy. We remain committed to prudent management of liquidity, indebtedness and risks, preserving the investment capacity needed to sustain the competitiveness, innovation and continuous evolution of our operations.

We remain dedicated to conducting our activities safely and efficiently, seeking to preserve the natural resources that underpin our business and contributing to the generation of lasting value for the people and regions where we operate.

For the upcoming crop, we remain attentive to the dynamics of the markets in which we operate, maintaining a disciplined and balanced approach to business management. We are confident that the quality of our assets, the competence of our teams and the support of the Tereos Group position us well to continue cultivating a sustainable future, meeting essential needs of the society and consistently generating value for our shareholders and other stakeholders.

Management would like to thank its shareholders, employees, customers, suppliers, financial institutions and other partners who contributed to yet another cycle of achievements for the Company.

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 six 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 25/26. The variations presented are comparative with the crop 24/25 (previous crop), unless otherwise stated.

According to UNICA (*União da Indústria de Cana de Açúcar*), despite a 1.7% decrease, mainly caused by the unfavorable weather conditions during crop development, the South Center region of Brazil has recorded its fourth-largest crushing in history, totaling 611 million tonnes of sugarcane. In the crop 25/26, the region produced 40 million tonnes of sugar (+0,6%) and 34 billion liters of ethanol (-3.6%), of which 13 billion liters of anhydrous ethanol (+4.2%) and 21 billion liters hydrous ethanol (-7.8%). The production mix increased 2p.p. towards sugar, reaching 50% compared to 48% in the previous crop.

In the crop 25/26, raw sugar prices reached an average price of R\$ 1,769 per ton compared to R\$ 2,366 per ton in the previous harvest, representing a decrease of 26%, due to increased global supply.

Tereos ended the crop 25/26 with a crushing of 17.9 million tonnes of sugarcane (-12,3%) and a record high production mix of 71% focused on sugar. Production totaled 1.7 million tonnes of sugar (-6,5%) and 426 km³ of ethanol (-31,7%) as well as 810 thousand MWh of energy were exported (-20,2%). The combination of lower volume and lower total recoverable sugar (TRS) processed, resulted in a total production of 2.5 million tonnes (-14,4%).

3. Financial and Operating Performance

KPIs (millions of R\$)	Crop 25/26	Crop 24/25	Var (%)
Net revenue	5.703	6.775	-16%
EBITDA (Adjusted) ¹	1.059	1.603	-34%
<i>EBITDA margin (Adjusted)</i>	<i>19%</i>	<i>24%</i>	<i>-5 p.p.</i>
Recurring EBIT ^{1 2}	409	1.015	-60%
<i>EBIT margin</i>	<i>7%</i>	<i>15%</i>	<i>-8 p.p.</i>
Total of assets	9.647	9.579	1%
Equity	3.343	3.040	10%
Net Debt ^{1 3}	2.197	2.725	-19%
Current Liquidity	1,9x	1,4x	34%
Cash / Short-term debt ^{1 3}	2,5x	1,3x	96%
Net Debt ^{1 3} / EBITDA (Adjusted) ¹	2,1x	1,7x	22%
Bank Net Debt / EBITDA (Adjusted) – Peers disclosure	0,5x	0,6x	-15%

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

² Does not consider the fair value of biological assets

³ 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 25/26	Crop 24/25	Var (%)
Net income (loss)	137	364	-62%
Income tax	47	165	-71%
Share of profit of associates	(10)	(7)	43%
Net financial expense	201	381	-47%
Amortization and depreciation	880	793	11%
Impairment	272	-	n/a
Gain on disposal of assets	(285)	2	n/a
Fair value of biological assets ¹	74	151	-51%
Others	-	0	n/a
EBITDA (Adjusted) with IFRS 16 / CPC 06 (R2)	1.317	1.850	-29%
Impact IFRS 16 / CPC 06 (R2)	(258)	(247)	4%
EBITDA (Adjusted)	1.059	1.603	-34%
Cash Flow hedge	72	88	-19%
Amortization of tilling costs	517	466	11%
Amortization of intercrop maintenance costs	316	275	15%
EBITDA (Adjusted) – Peers disclosure	1.965	2.433	-19%
Leverage considering EBITDA (Adjusted) – Peers disclosure	1,1x	1,1x	0 p.p.

¹ 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 following our 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 approved by the board. The current year net income destination of R\$ 119 million comprise R\$ 6 million to legal reserve and R\$ 113 million to retained earnings. As at 31 March 2026, net equity reserves comprise (i) R\$ 11 million in legal reserve; (ii) R\$ 107 million in tax incentive reserve; and (iii) R\$ 115 million in retained earnings.

4. Investments

Investments (millions of R\$)	Safra 25/26	Safra 24/25	Var (%)
Planting	568	614	-8%
Improvements, maintenance and expansions	271	327	-17%
Total Investments	839	942	-11%

Capital expenditures decreased compared to the previous year, mainly due to the conclusion of relevant industrial projects carried out in crop 24/25 and the return of planting areas to stabilised levels in the current crop.

5. Debt (financial resources)

The Company ended the crop 25/26 with a net debt of R\$ 2,197 million (-19%), and the cash balance of R\$ 1,996 million, which includes the proceeds from the sale of Andrade, is equivalent to 2.5x the short-term bank debt, with highlight to the bank net debt leverage by EBITDA adjusted to market practices, which stood at 0.5x. Intercompany loans mature in crop 28/29 and carry annual interest payments.

Debt (millions of R\$)	Crop 25/26	Crop 24/25	Var (%)
Gross debt BRL	1.395	1.610	-13%
Gross debt USD/EUR	2.798	2.559	9%
Of which intercompany loans USD/EUR	1.209	1.292	-6%
Total gross debt^{1 2}	4.193	4.170	1%
Cash and cash equivalents BRL	(1.933)	(1.223)	58%
Cash and cash equivalents USD/EUR	(63)	(222)	-72%
Total cash and cash equivalents	(1.996)	(1.445)	38%
Total net debt^{1 2}	2.197	2.725	-19%
Net debt ^{1 2} / EBITDA (Adjusted) ¹	2,1x	1,7x	22%
Bank net debt / EBITDA (Adjusted) – Peers disclosure	0,5x	0,6x	-15%

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

² Does not consider loans receivables from related parties

6. ESG (Environmental, Social and Governance)

Sustainability is a strategic pillar for Tereos, guiding capital allocation decision-making, strengthening business resilience and its capacity to generate long-term value. Integrated into the corporate strategy, this agenda reflects the Company's commitment to balancing economic performance with environmental and socio responsibility, with a focus on the transition to a low-carbon economy.

On the climate agenda, we have advanced in our decarbonisation journey, structuring initiatives that span the entire value chain — from the field to the industry — combining operational efficiency, technological innovation and the growing use of renewable solutions. This evolution is underpinned by a disciplined approach, prioritising projects by their potential impact and value generation, without compromising financial solidity.

Tereos participated as co-leader in the elaboration of the study "Decarbonisation of agribusiness — pathways to reduce emissions and promote sustainability", conducted by the Brazilian Business Council for Sustainable Development (CEBDS), which consolidates relevant guidelines for the sector, such as the expansion of catalytic capital for decarbonisation initiatives, the practice of regenerative agriculture and the strengthening of the carbon market in Brazil.

Tereos also had relevant participation in the United Nations Climate Change Conference (COP30), held in 2025 in Belém (PA), where the Company reinforced its active involvement in the climate agenda and positioning as a relevant agent in the transition to a low-carbon economy, contributing constructively to the development of solutions applicable to agribusiness.

On the institutional front, we reinforced our commitment to transparency and governance and continue to evolve in the management of priority topics, with dedicated structures for strategic direction and decision-making, maintaining active dialogue with different stakeholders and publishing the Sustainability Report, aligned with international best practices, consolidating sustainability as a central element of our strategy and corporate culture.

6.1. Journey to decarbonisation

We are the first company in the Brazilian sugar-energy sector to align our climate targets with SBTi criteria, adopting a resilient, low-carbon agricultural model. We are committed to reducing, by crop 2032/2033, 50% of industrial emissions (scopes 1 and 2) and 36% of agricultural emissions (FLAG) and scope 3. The execution of the climate agenda is driven by a structured decarbonisation roadmap, supported by robust governance with committee oversight and progress across supply chain, industrial operations and agricultural practices. In parallel, the Company is

advancing in sustainability reporting, adopting frameworks that enhance the traceability, auditability and transparency of information.

The technical foundation of our climate strategy is underpinned by an annual GHG emissions inventory, prepared in accordance with internationally recognised methodologies, such as the IPCC, the Brazilian GHG Protocol Programme and ISO 14064-1.

6.2. Sustainable supply chain

Tereos maintains strong links with the agricultural sector, both in France, where farmers are cooperative members, and in Brazil, where the company cultivates close and long-lasting relations with its raw material suppliers, positively impacting production conditions.

To deepen this partnership the company structured the *Amigo Produtor* relationship programme, with pillars covering agronomic technical support, sustainability and certifications of good practices through *Amigo Produtor Sustentavel* (APS) seal. As a result, suppliers have been advancing in the adoption of more rigorous standards of production certification.

Regenerative agriculture plays a central role in Tereos' strategy, with the adoption of practices that promote the balance of agricultural ecosystems, combining technological innovation — such as the use of Unmanned Aerial Vehicles (UAVs), geolocation and agricultural management software — with agronomic techniques aimed at increasing productive resilience. Among the initiatives implemented, crop rotation with a mix of species stands out, contributing to soil moisture conservation, increased biodiversity with improved soil microbiology, natural pest and disease control, erosion protection and plant strengthening in water stress scenarios.

As the technology in the field advances, the use of controlled-release fertilisers has emerged as a relevant strategy to increase the efficiency of the production system in the face of climate change, enabling greater synchronisation between nutrient supply and plant demand, reducing losses, increasing agronomic efficiency and contributing to the reduction of greenhouse gas emissions, while favouring crop resilience under water stress conditions, reinforcing the commitment to a more efficient and low-carbon agriculture.

Tereos also promotes the use of organic fertilisers through the reuse of industrial by-products, such as vinasse and filter cake, which are shared with agricultural partners. This practice contributes to the reduction of chemical input use, the improvement of soil nutritional efficiency and the dissemination of more sustainable practices throughout the supply chain.

In this context, the use of the SAI platform stands out, which promotes socially and environmentally responsible agriculture through the FSA (Farm Sustainability Assessment) tool, a farm self-assessment questionnaire on agricultural practices. This methodology underpins the sustainability assessment of sugarcane sourced from suppliers.

Until March 2026, 26 suppliers were certified, totalling 3.3 million tonnes of certified sugarcane, representing 36.56% of the total volume of supplier sugarcane processed at the units in crop 2025/2026. Tereos's Own sugarcane production is fully certified by Bonsucro, an internationally recognised standard that attests to the sustainability of sugar-energy production. Currently, 100% of own sugarcane is certified, corresponding to 8.9 million tonnes of sugarcane crushed in crop 2025/2026.

6.3. Circular economy

Adopting the principles of the circular economy has enabled Tereos to reduce greenhouse gas emissions and increase the use of renewable materials, while also strengthening its industrial efficiency and competitiveness. For this reason, the circular economy consolidates itself as central to the operations, reinserting residues into the production chain as new inputs. In the sugar-energy sector, sugarcane has high utilisation rates, with virtually 100% of biomass and by-products being used.

This performance is recognized under the *Renovabio* programme, in which 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, the company directs food waste from its restaurants to composting for use in soil fertilisation and also advances in packaging reverse logistics.

6.4. Water

Tereos continuously seeks to increase the efficiency of hydric management and reduce consumption of water through structured initiatives. The preservation of water resources is fundamental pillar for the sustainability of the operations and for the generation of value for the long term.

In the industrial process of sugarcane, the company promotes water circularity starting from the reuse of natural humidity in the plant: the water is transformed into steam and is later condensed into liquid water through heat exchange, being reinserted in the process. After being reused to its maximum potential, the surplus becomes part of residual water, which is destined for fertigation of sugarcane fields, among other applications.

In the crop 2025/2026, the company advanced on its target to reduce water consumption per tonne of processed sugarcane, reaching 7% out of the 21,5% established for the crop 2029/2030, considering the baseline year 2017/18.

To sustain these advancements, Tereos structures its water management across different fronts:

- **Environment Committees:** held monthly at the operational plants, they monitor projects and actions aimed at improving environmental indicators, including water consumption. They bring together multidisciplinary teams, promoting the exchange of experiences and the development of solutions for water and effluent reuse. The committees also monitor relevant indicators, such as the efficiency of Sewage Treatment Plants, effluent generation and compliance with abstraction targets.
- **Water Tactical Committee:** conducted at the corporate level, it aims to define strategic guidelines for water management. The forum evaluates the feasibility and replicability of initiatives across units, analyses investments and validates gains achieved, with a focus on consumption reduction (m³) and the water balance of operations.
- **"Olhos D'água" Project:** an initiative aimed at the recovery of headwaters in the hydrographic basins in the region where the company operates, through reforestation and restoration of degraded areas. The program contributes to water infiltration into the soil, improving the hydric quality, increasing the availability of water and promotion of biodiversity.
- **Continuous improvement and internal recognition:** the Company invests in projects aimed at water use efficiency and encourages the generation of solutions through initiatives such as Kaizen and PDCA. These actions are internally recognised through the Tereos Excellence Award, reinforcing a culture of sustainability and innovation.
- **Process Visit:** a structured programme for the dissemination of best practices across industrial units, including initiatives related to water reduction and reuse, process standardisation and knowledge sharing, strengthening internal benchmarking and the continuous improvement of operations.

6.5. Socio-environmental certifications and seals

The certification management is a central element of Tereos' sustainability strategy, ensuring the adoption of internationally recognised standards and reinforcing the credibility of its operations with the most demanding markets. This approach strengthens the Company's ability to capture commercial opportunities and to position its products in higher value-added segments.

Of note during the period is the maintenance of the Bonsucro EU certification at the Mandu unit, ensuring eligibility for ethanol exports to the European market, and the progress of the Andrade and Cruz Alta units in maintaining and expanding Bonsucro certifications, meeting rigorous sustainability criteria in sugar-energy production.

Additionally, Tereos obtained and maintained relevant certifications such as ISCC EU, ISCC CORSIA, ISCC CORSIA Plus and the ISCC Low LUC add-on, which reinforce the robustness of the production chain and the mitigation of risks associated with indirect land use change.

Also noteworthy is the obtainment of the international Regenagri certification by the Cruz Alta unit, in Olímpia (SP), making Tereos the second company in the Brazilian sugar-energy sector and the first in the state of São Paulo to achieve this recognition. The certification, granted through independent audit, validates the adoption of regenerative agriculture practices, with a focus on improving soil health, promoting biodiversity and the efficient use of water resources. Among the criteria assessed, highlights include the increased use of organic matter in the soil, the application of biofertilisers derived from sugarcane processing, the use of cover crops between productive cycles and biological pest management, as well as the use of renewable energy and water reuse in operations. This achievement reinforces the consistency of the Company's strategy in integrating regenerative practices into its operations at scale, contributing to the strengthening of productive resilience and the advancement of the decarbonisation agenda.

These certifications are fundamental to enabling the insertion of sugarcane ethanol into strategic markets, including its application in the production of sustainable aviation fuel (SAF). In doing so, they directly contribute to the advancement of the global decarbonisation agenda and to the consolidation of Tereos as a relevant player in the energy transition.

Certification	Certification Description	Cruz Alta	Severina	Tanabi	Mandu	São 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	●		●	●	●	●
FSSC 22000	FSSC 22000 – Food Safety System Certification: 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 (Sedex Members Ethical Trade Audit): Good practices in ethical audit technique	●					
ISCC EU, ISCC Corsia and Corsia Plus	ISCC (International Sustainability and Carbon Certification): Exports of ethanol and other biofuels to the European Union, including use in international aviation (SAF)				●		
Regenagri	Certification of regenerative agriculture	●					

6.6. Occupational health and safety, safety of processes, risk and emergency

Tereos maintains a continuous commitment to reduce accident rates and with a robust safety policy applied to all its operations. Our guidelines of health and safety are based on pillars: Risk Management, Management System, Leadership Accountability, Safety of Processes and Emergency Control, included in the “SEJA” Program.

A Tereos mantém um compromisso contínuo com a redução dos índices de acidentes e com a aplicação de uma política de segurança robusta em todas as suas operações. Nossas diretrizes de Segurança e Saúde são estruturadas em pilares: Gestão de Riscos, Sistema de Gestão, Responsabilização das Lideranças, Segurança de Processos e Controle de Emergências, contemplados no Programa SEJA.

- **Risk Management:** divided into four layers, this pillar covers the assessment risks in the operations, change management, task analysis and individual perception, targeting to build a proactive and affective approach based on critical groups. The focus is on high-level actions, such as elimination and replacement of hazards and engineering control.
- **Management System:** we operate with a focus on management tools, structured safety agenda, targets and indicators, covering all hierarchical levels. Guaranteeing the legal requirements, with a highlight to the Regulamentary Norms, ensuring compliance and operational discipline. This model supports decision-making, directs priorities and strengthens accountability, with the objective of developing an increasingly safety-active team, results-oriented and committed to the continuous evolution of Tereos' safety culture.
- **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.

- **Safety of Processes:** in Process Safety Management (PSM), we focus on the prevention of occurrences and the mitigation of consequences of risk scenarios throughout the entire lifecycle of our facilities. We operate based on a structured system, aligned with the elements of OSHA 1910.119 and the CCPS, integrating knowledge of processes, equipment and risks. Also this year, Tereos invested in electromechanical interlocks, double block and bleed, electrical system upgrades and passive protections, as well as dust collection at one unit.
- **Emergency Control:** in emergency response, we operate in a structured manner to ensure rapid, effective and safe response to different scenarios. We have dedicated teams at all units, including firefighters, emergency leaders, industrial brigade members and agricultural firefighting teams. We operate with standardised response procedures. We conduct frequent training sessions and drills to keep teams prepared, in addition to continuous investments in the modernisation and reliability of firefighting systems, such as test stands, electrical room protection and ethanol tank cooling, among others, always aligned with the Fire Department and national and international standards

This way, Tereos reinforces its commitment to the health and safety of its people, the integrity of its processes and assets and the sustainability of its operations, acting in an integrated and preventive manner. The continuous evolution of these pillars strengthens the safety culture, ensuring consistent results and the protection of all those involved in our activities.

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 center 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, ranking in the top 20 best large agribusiness companies to work for in Brazil, among the top 20 best large companies in the interior of São Paulo state and among the 50 best large industries of Brazil. Starting in crop 25/26, the company's leadership development programs began to incorporate modules on Diversity, Equity and Inclusion, covering all leadership levels. In addition, several conversation circles were held with focus groups across the Company, with the aim of making all hierarchical levels protagonists in building an increasingly inclusive environment.

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

- **5th 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:** Launched in crop 24/25, the training for all leadership levels (from supervisors to directors) on diversity, equity and inclusion was concluded this crop. The training was 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 many group talks about Diversity, Equity and Inclusion. 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, 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 boosts 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 25/26, a training course was promoted for the community close to Cruz Alta unit. We promoted for the first time the course for Logistics, exclusively for women residents in Olímpia city. 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 25/26 with a total internal utilization of 63%. This number is even better when we only consider leadership positions, reaching 76%.

6.8. Entry Programs

- **Young Apprentice Program:** The program is aimed at young people, between 16 and 24 years old, with little or no professional experience and aims to train and develop technical and behavioural 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 25/26, 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 13 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. 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.
- **Programa Tereos Summer Experience:** The vacation internship 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 25/26, we had 09 university students from the region participating in the program at our units.

- **Young Talents Program:** The Tereos' internship Young Talents 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 132 interns participating in the Young Talents Program in our units and corporate area in this crop.
- **Young Engineers Program:** We relaunched the Young Engineers Program, focusing 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 and 25/26.

At Tereos, we continuously invest in the training and development of our people, at every stage of their journey within the Company. Our programmes are structured to enhance individual capabilities and prepare talents to perform in alignment with our values and strategic objectives. We offer a wide range of training initiatives targeting all levels of the organisation, creating concrete opportunities for advancement and professional growth within the Company.

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 38% 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.

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 2026, 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.

FINAL CONSIDERATIONS

The Company would like to express its gratitude to everyone who collaborated to achieve the objectives established throughout the crop 25/26, especially to its shareholders, employees, customers, suppliers and agricultural and commercial partners.

Consolidated Financial Statements

Tereos Açúcar e Energia Brasil S.A.

March 31, 2026

with Independent Auditor's Report



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with confidence**

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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 Accounting Standards (IFRS Accounting Standards), issued by the International Accounting Standards Board (IASB)

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, 2026, 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, 2026, 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 Accounting Standards (IFRS Accounting Standards) 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), applicable to audits of financial statements in Brazil, 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.



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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, 2026.



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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, 2026.

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.



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Emphasis

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, 2026, in accordance with accounting practices adopted in Brazil and with the International Accounting Standards (IFRS Accounting Standards), issued by the International Accounting Standards Board (IASB), presented separately, for which a separate unmodified auditor's report was issued dated June 18, 2026.

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 Accounting Standards (IFRS Accounting Standards), issued by the International Accounting Standards Board (IASB), 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 subsidiaries' financial reporting process.



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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.



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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 18, 2026

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

A handwritten signature in blue ink, appearing to read 'Wagner dos Santos Junior', is written over a faint rectangular stamp.

Wagner dos Santos Junior
Accountant CRC SP-216386/O

CONSOLIDATED FINANCIAL STATEMENTS

TEREOS AÇÚCAR E ENERGIA BRASIL S.A.

For the year ended 31 March 2026

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 2026 previously issued in Portuguese.

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

For the year ended

<i>(millions of R\$)</i>	Notes	31 March 2026	31 March 2025
Revenue	8	5,703	6,775
Cost of sales (1)	9	(5,039)	(5,456)
General and administrative expenses (2)	9	(455)	(450)
Other operating income (expense)	9	166	35
Operating income (expense)		375	903
Financial expenses	17	(624)	(755)
Financial income	17	423	373
Net financial income (expense)		(201)	(381)
Share of profit of associates	15	10	7
Net income (loss) before taxes		184	529
Income taxes	21	(47)	(165)
NET INCOME (LOSS)		137	364
<i>Attributable to owners of the parent</i>		119	299
<i>Attributable to non-controlling interests</i>		18	64
Earnings (loss) per share (R\$)	20.2	0.1878	0.4733

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

(1) It includes logistics costs

(2) It includes selling expenses

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

<i>(millions of R\$)</i>	For the year ended	
	31 March 2026	31 March 2025
NET INCOME (LOSS)	137	364
<i>Attributable to owners of the parent</i>	119	299
<i>Attributable to non-controlling interests</i>	18	64
Items that may subsequently be reclassified to profit or loss		
Cash-flow hedge reserve	181	81
<i>of which income tax effect</i>	(93)	(42)
Other comprehensive income (loss), net of taxes	181	81
TOTAL COMPREHENSIVE INCOME (LOSS)	318	444
<i>Attributable to owners of the parent</i>	299	383
<i>Attributable to non-controlling interests</i>	19	61

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.

(millions of R\$)	Notes	As of	
		31 March 2026	31 March 2025
ASSETS			
Cash and cash equivalents	18.5	1,996	1,445
Trade receivables	11.2	468	546
Inventories	11.1	558	560
Biological assets	16	631	696
Other current financial assets	18.2	662	561
Current income tax receivables	22	52	63
Other current assets		10	6
Total current assets		4,378	3,878
Deferred tax assets	22	140	220
Non-current financial assets with related parties	24.2	400	343
Other non-current financial assets	18.2	311	213
Investments in associates	15	61	53
Property, plant and equipment	13	4,234	4,470
Goodwill	12.1	0	272
Other intangible assets	12.2	122	129
Total non-current assets		5,269	5,701
TOTAL ASSETS		9,647	9,579
LIABILITIES AND EQUITY			
Short-term borrowings	18.6	990	1,329
Trade payables	11.3	688	911
Current financial liabilities with related parties	24.2	7	0
Other current financial liabilities	18.3	608	530
Current income tax payables	22	44	2
Other current liabilities		2	4
Total current liabilities		2,339	2,776
Long-term borrowings	18.6	2,581	2,289
Deferred tax liabilities	22	70	53
Long-term provisions	23	51	52
Non-current financial liabilities with related parties	24.2	1,202	1,292
Other non-current financial liabilities	18.3	61	77
Total non-current liabilities		3,965	3,763
Total liabilities		6,303	6,539
Issued capital	20.1	2,778	2,778
Reserves (accumulated loss)		234	115
Accumulated other comprehensive income (loss)		117	(64)
Equity attributable to owners of the parent		3,129	2,829
Non-controlling interests		214	211
Total equity		3,343	3,040
TOTAL EQUITY AND LIABILITIES		9,647	9,579

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

<i>(millions of R\$)</i>	TOTAL EQUITY attributable to the parent	TOTAL EQUITY attributable to NCI	TOTAL EQUITY
At 1 April 2024	2,446	149	2,595
Net income (loss)	299	64	364
Other comprehensive income (loss)	83	(3)	81
Comprehensive income (loss)	383	61	444
At 31 March 2025	2,829	211	3,040
Net income (loss)	119	18	137
Other comprehensive income (loss)	181	1	181
Comprehensive income (loss)	299	19	318
Dividends	0	(15)	(15)
At 31 March 2026	3,129	214	3,343

<i>(millions of R\$)</i>		Issued capital	Reserves (accumulated loss)	Cash-flow hedge	Accumulated OCI	TOTAL EQUITY
ATTRIBUTABLE TO THE PARENT	At 1 April 2024	2,778	(185)	(147)	(147)	2,446
	Net income (loss)	0	299	0	0	299
	Other comprehensive income (loss)	0	0	83	83	83
	Comprehensive income (loss)	0	299	83	83	383
	At 31 March 2025	2,778	115	(64)	(64)	2,829
	Net income (loss)	0	119	0	0	119
	Other comprehensive income (loss)	0	0	181	181	181
Comprehensive income (loss)	0	119	181	181	299	
At 31 March 2026	2,778	234	117	117	3,129	
ATTRIBUTABLE TO NCI	At 1 April 2024	0	147	2	2	149
	Net income (loss)	0	64	0	0	64
	Other comprehensive income (loss)	0	0	(3)	(3)	(3)
	Comprehensive income (loss)	0	64	(3)	(3)	61
	At 31 March 2025	0	212	(1)	(1)	211
	Net income (loss)	0	18	0	0	18
	Other comprehensive income (loss)	0	0	1	1	1
Comprehensive income (loss)	0	18	1	1	19	
Dividends	0	(15)	0	0	(15)	
At 31 March 2026	0	214	(0)	(0)	214	

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.

(millions of R\$)	Notes	For the year ended	
		31 March 2026	31 March 2025
Net income (loss)		137	364
Share of profit of associates	15	(10)	(7)
Amortisation	9	880	793
Fair value adjustments on biological assets	16	71	145
Other fair value adjustments through the statement of operations		(2)	18
Gain (loss) on disposals of assets		(289)	5
Income tax expense (income)	21	47	165
Net financial expense		273	360
Impact of changes in working capital:		(377)	(44)
<i>of which decrease (increase) in trade receivables</i>		90	(74)
<i>of which (decrease) increase in trade payables</i>		(236)	190
<i>of which decrease (increase) in inventories</i>		(85)	(29)
<i>of which impact of changes in other items</i>		(146)	(132)
Change in other accounts with no cash impact (1)		343	107
Cash provided by (used in) operating activities		1,074	1,905
Income taxes paid		35	(115)
Net cash provided by (used in) operating activities		1,109	1,790
Acquisition of property, plant and equipment and intangible assets		(835)	(988)
Acquisition of financial assets		10	3
Change in loans and advances granted		8	7
Interest received		242	209
Proceeds from the disposal of property, plant and equipment and intangible assets		7	4
Proceeds from the disposal of financial assets	7.1	643	0
Dividends received		2	3
Net cash provided by (used in) investing activities		78	(761)
Borrowings issues	18.6	1,140	982
Borrowings repayments (2)	18.6	(1,069)	(2,607)
Financing interest paid		(551)	(515)
Change in financial assets with related parties		(57)	(39)
Change in financial liabilities with related parties		(83)	684
Dividends paid to non-controlling interests		(15)	(0)
Net cash provided by (used in) financing activities		(636)	(1,495)
Net change in cash and cash equivalents, net of bank overdrafts		551	(467)
Cash and cash equivalents, net of bank overdrafts at opening	18.5	1,445	1,912
Cash and cash equivalents, net of bank overdrafts at closing	18.5	1,996	1,445
Net change in cash and cash equivalents, net of bank overdrafts		551	(467)

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

(1) The R\$ 343 million for the year ended 31 March 2026 comprises mainly the impairment loss recognised on Goodwill for R\$ 272 million (note 12.3) and the recycling of financial instruments into net revenue of R\$ 70 million (R\$ 105 million for 31 March 2025).

(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 – sold on 31 March 2026 (note 7.1).
- Tanabi unit - Tanabi - SP.
- Mandu unit - Guaíra - SP.
- Vertente unit - Guaraci - SP.

The consolidated financial statements for the year ended 31 March 2026 were prepared and authorised for issue by its management at its meeting on 18 June 2026.

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 Moussey-le-Vieux, 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 2026.

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;
- Centro de Tecnología 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 are consistent with those applied by the Group for the year ended 31 March 2025. The amendments to IAS 21/CPC 02 (R2) (Lack of Exchangeability) mandatorily applicable for fiscal years beginning on or after 1 January 2025, 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 2026, 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 2026 that the Group did not elect to early apply

The following standards and interpretations that are mandatorily applicable after 31 March 2026 could have an impact on the Group's consolidated financial statements:

Standard or Interpretation	Standard / Amendment / Interpretation Name	Effective date*
Amendments to IFRS 9 (CPC 48) & IFRS 7 (CPC 40 (R1))	Classification and Measurement of Financial Instruments	1/1/2026
Annual improvements -Vol.11	Minor clarifications regarding IFRS 7 (CPC 40 (R1)), IFRS 9 (CPC 48), IFRS 10 (CPC 36 (R3)) and IAS 7 (CPC 03 (R2))	1/1/2026
IFRS 18 (CPC 51)	Disclosure in Financial Statements	1/1/2027

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

IFRS 18 will apply to financial years beginning on or after 1 January 2027, that mean 1 April 2027 for Tereos Group, with the possibility of earlier application on 1 January 2026. It was adopted by the European Union on 13 February 2026.

The Group is currently working on the impacts of this new standard, particularly about the structure of the income statement, the statement of cash flows, and the performance measures defined and communicated by management.

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.

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 2026 may change in subsequent periods.

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

Note	Estimate	Nature of disclosure
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 13	Property, plant and equipment	Assumptions used to determine the useful life of the assets.
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 19	Financial instruments	Assumptions used to determine the fair value of the different categories of financial instruments and the calculation of expected credit losses.
Note 21	Income taxes	Assumptions used for the recognition of deferred tax assets arising from the carry-forward of unused tax losses.
Note 23	Provisions	Provisions for claims and litigation: assumptions underlying risk assessment and measurement.

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 2026, 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

During the final phase of sugar price fixings for the 2025/2026 campaign, the Group noted a drop in its sales prices linked to the downward trend in global sugar prices (NY11) and the devaluation of the USD against other currencies. The Group therefore considered this to be an indication of impairment.

In accordance with IAS 36 (CPC 01 (R1)) – Impairment of assets, the Group therefore carried out, at its half-year closing of 30 September 2025, an impairment test with assumptions taking into account this information for the CGUs concerned, namely Sugar & Energy Brazil.

As part of this test, impairment has been recognised in the accounts for a total of R\$ (272) million (note 12.3).

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

Acquisition of Ibitiúva assets

In 2008, Tereos and Engie Brasil Energia S.A. (formerly Tractebel) entered into a bilateral agreement to build and operate a thermoelectric power plant located inside Andrade's plant, aiming to generate electricity from sugarcane bagasse to attend a 15-year concession for new energy distribution from 2010 until 2025 under a new entity named Ibitiúva Bioenergética S.A. ("Ibitiúva") owned 5% by Tereos and 95% by Engie Brasil Energia S.A.

On 1st October 2025, Tereos acquired all Ibitiúva's remaining shares at book value for a consideration of R\$ 114.00. The transaction was accounted for asset acquisition under IAS 16 (CPC 27) as it's a predetermined reversion of assets at the end of a concession rather than a business combination. The transaction did not generate any significant financial impact on the Group's financial statements.

On 1st January 2026, TAEB merged Ibitiúva based on 31 December 2025 statement of position presented below:

<i>(in millions of R\$)</i>	31 December 2025
ASSETS	
Cash and cash equivalents	11
Accounts receivable	9
Inventories	1
Total current assets	20
Other non-current financial assets	1
Property, plant and equipment	0
Other intangible assets	0
Total non-current assets	1
TOTAL ASSETS	21
<i>(in millions of R\$)</i>	31 December 2025
LIABILITIES AND EQUITY	
Trade payables	6
Other current financial liabilities	4
Current income tax payable	1
Total current liabilities	11
Long-term provisions	0
Total non-current liabilities	0
TOTAL LIABILITIES	11
Issued capital	0
Reserves	11
Total equity	11
TOTAL EQUITY AND LIABILITIES	21

Disposal of Andrade plant

On 29 January 2026, the Group entered into an agreement to sell its Andrade plant, owned by Tereos Açúcar e Energia Brasil S.A. to Viralcool Açúcar e Álcool Ltda., including equivalent 2 million tons of active sugarcane agreements as well as the standing cane in the field. The transaction was completed on 26 March 2026, generating a capital gain on disposal of R\$ 285 million recognised in the Group's "Other operating income (expense)" line at 31 March 2026.

The Andrade's plant assets transferred to Usina Andrade Ltda. on 31 March 2026 and sold, is presented below:

<i>(in millions of R\$)</i>	31 March 2026
ASSETS	
Cash and cash equivalents	0
Accounts receivable	4
Inventories	67
Other current financial assets	26
Total current assets	97
Other non-current financial assets	5
Property, plant and equipment	248
Other intangible assets	1
Total non-current assets	254
TOTAL ASSETS	351
Lease liabilities	9
Other current financial liabilities	6
Total current liabilities	15
Total non-current liabilities	0
TOTAL LIABILITIES	15
TOTAL NET ASSETS SOLD	335

Net capital gain of R\$ 285 million corresponds to R\$ 700 million of sale price less net assets sold for R\$ 335 million and less other costs for R\$ 80 million (including the net book value of standing sugarcane sold of R\$ 17 million and biological assets of R\$ 27 million).

7.2 List of fully consolidated companies

Company name	Country	31 March 2026	31 March 2025
		% of interest	% of interest
PARENT COMPANY			
Tereos Açúcar e Energia Brasil S.A.	Brazil	100.00	100.00
SUGAR ACTIVITIES			
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 2026	31 March 2025
		% of interest	% of interest
ASSOCIATE			
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 recognised in statement of operations is net of taxes.

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

<i>(millions of R\$)</i>	For the year ended	
	31 March 2026	31 March 2025
Sugar	3,973	4,718
Alcohol and Ethanol	1,223	1,580
Energy	396	359
Co-products	12	13
Other	99	105
REVENUE	5,703	6,775

9. Operating income (expense)

The analysis of operating expenses is as follows:

<i>(millions of R\$)</i>	Notes	For the year ended	
		31 March 2026	31 March 2025
Cost of sales		(5,039)	(5,456)
General and administrative expenses		(455)	(450)
Other operating income (expense)		166	35
TOTAL OPERATING EXPENSES BY DESTINATION		(5,328)	(5,872)
Raw materials and consumables used		(2,344)	(2,789)
External expenses		(1,278)	(1,449)
Employee benefits expense	10	(991)	(887)
Amortisation		(880)	(793)
Other		165	46
TOTAL OPERATING EXPENSES BY NATURE		(5,328)	(5,872)

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

At 31 March 2026, other operating income (expense) by destination amounts to R\$ 166 million and mainly comprises:

- R\$ 144 million of presumed Pis/Cofins tax credits over sugarcane acquisitions for the last five years,
- impairment losses recognised as part of impairment tests for an amount of R\$ (272) million (note 12.3),
- net capital gain of R\$ 285 million linked to the sale of Andrade (note 7.1).

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.

The line “Other” in operating expenses by nature for R\$ 165 million (R\$ 46 million at 31 March 2025) 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 2026	31 March 2025
Wages and salaries	(899)	(808)
Taxes on wages and salaries	(91)	(79)
Other employee expenses	(1)	(1)
EMPLOYEE BENEFIT EXPENSE	(991)	(887)

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 2025	Cash flows*	Depreciation*	Other	31 March 2026
Inventories	11.1	560	85	9	(96)	558
Trade receivables	11.2	546	(90)	(1)	13	468
Trade payables	11.3	(911)	236	0	(13)	(688)
Gross working capital		194	231	9	(96)	338
Other assets and liabilities		650	146	0	(77)	718
of which tilling costs	16	517	33	0	(21)	529
of which margin call	18.4	16	70	0	(0)	86
NET WORKING CAPITAL		844	377	9	(174)	1,056

* 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 2026 and 31 March 2025, inventories break down as follows:

<i>(millions of R\$)</i>	31 March 2026	31 March 2025
GROSS AMOUNT		
Raw materials	106	134
Energy	3	3
Work in progress	8	8
Intercrop costs (*)	364	325
Finished and intermediate products (**)	87	110
Total gross value of inventories	568	579
IMPAIRMENT		
Raw materials	(10)	(19)
Total impairment on inventories	(10)	(19)
NET VALUE OF INVENTORIES	558	560

(*) Including intercrop maintenance costs for R\$ 347 million at 31 March 2026 against R\$ 305 million at 31 March 2025.

(**) Including fair value of harvested biological assets for R\$ 2 million at 31 March 2026 against R\$ 5 million at 31 March 2025.

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 2026 and 31 March 2025, trade receivables were as follows:

<i>(millions of R\$)</i>	31 March 2026	31 March 2025
Gross trade receivables	452	536
Contract assets	19	11
Allowance	(2)	(2)
TOTAL TRADE RECEIVABLES	468	546

At 31 March 2026, under the Group's factoring programmes, R\$ 24 million of trade receivables were sold, of which R\$ 24 million have been derecognised in accordance with IFRS 9 (CPC 48), the receivables having been sold without recourse.

Therefore, at 31 March 2026, current receivables included R\$ 0 million of receivables sold through factoring transactions that did not meet IFRS 9 (CPC 48) deconsolidation requirements (non-recourse provision).

(millions of R\$)	31 March 2026			31 March 2025		
	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	24	0	0	0	0	0
Sold to financial institutions	24	0	24	0	0	0

Past due trade receivables were as follows:

(millions of R\$)	31 March 2026	31 March 2025
Trade receivables	470	548
Not overdue	468	547
Overdue	2	1
Overdue by 181 to 360 days	1	0
Overdue by more than 360 days	1	1
Allowance	(2)	(2)
TOTAL	468	546

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 2026 and 31 March 2025, trade payables were as follows:

(millions of R\$)	31 March 2026	31 March 2025
Trade payables	688	911
TOTAL TRADE PAYABLES	688	911

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):

<i>(millions of R\$)</i>		31 March 2026	31 March 2025
Cash Generating Unit	Operating segment		
Sugar & Energy Brazil	Sugar & Energy Brazil	0	272
TOTAL NET GOODWILL		0	272

Changes in goodwill were as follows:

<i>(millions of R\$)</i>		31 March 2026	31 March 2025
GROSS AMOUNT			
Amount at opening		1,219	1,235
Derecognised on disposal of a subsidiary		0	(16)
Change in scope		(300)	0
Amount at closing		920	1,219
IMPAIRMENT			
Amount at opening		(947)	(963)
Impairment losses recognised in the year (1)		(272)	0
Derecognised on disposal of a subsidiary		0	16
Change in scope		300	0
Amount at closing		(920)	(947)
Net amount at closing		0	272

(1) Impairment has been recognised in the accounts (note 12.3).

At 31 March 2026, the changes in goodwill correspond to the disposal of Andrade plant (note 7.1) and to impairment test (note 12.3).

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:

<i>(millions of R\$)</i>	Patents, licenses	Other	TOTAL
GROSS AMOUNT			
31 March 2024	98	140	238
Reclassifications	4	0	4
31 March 2025	102	140	242
Changes in scope of consolidation	(3)	0	(3)
Disposals	(3)	(0)	(3)
31 March 2026	97	140	237
AMORTISATION AND IMPAIRMENT			
31 March 2024	(86)	(19)	(105)
Amortisations	(3)	(5)	(8)
31 March 2025	(89)	(24)	(113)
Amortisations	(3)	(5)	(8)
Changes in scope of consolidation	1	0	1
Disposals	2	0	2
Reclassifications	2	0	2
31 March 2026	(87)	(28)	(116)
Net amount at 31 March 2024	12	121	133
Net amount at 31 March 2025	13	116	129
Net amount at 31 March 2026	10	112	122

"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.

At 30 September 2025, in accordance with IAS 36, the Group carried out an impairment test (note 5) leading to the recognition of an impairment loss for an amount of R\$ (272) million.

At 31 March 2026, no further loss of value has been identified.

As of the impairment test of 31 March 2026, the key assumptions used to calculate the value of the CGUs are as follows:

<i>Sugar & Energy Brazil</i>	31 March 2026	31 March 2025
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	3.3%	3.5%
Post-tax discount rate	11.7%	12.1%
Pre-tax discount rate	15.2%	16.4%

Sensitivity analysis

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

These changes to the assumptions would result in the recognition of an impairment loss:

(millions of R\$)	For the year ended 31 March 2026	For the year ended 31 March 2025
Sensitivity analysis to key assumptions of the value in use	Impact on the recoverable value	
After-tax discount rate - Increase of 1pt		
Sugar & Energy Brazil	(66)	0

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\$ 6.4 million (R\$ 17 million at 31 March 2025) were capitalized at an average rate of 10.1% per year (10.3% per year at 31 March 2025).

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
GROSS AMOUNT								
31 March 2024	27	1,116	3,150	2,054	357	312	933	7,949
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)
31 March 2025	28	1,113	3,497	2,412	478	132	1,152	8,813
Additions/Reassessments	0	0	0	568	0	271	68	907
Reclassifications	8	8	198	0	91	(306)	(83)	(83)
Changes in scope of consolidation (1)	(3)	(128)	(284)	(85)	(33)	(2)	(9)	(544)
Disposals	0	(5)	(17)	(323)	(7)	0	0	(352)
31 March 2026	33	988	3,393	2,572	530	96	1,129	8,741
AMORTISATION AND IMPAIRMENT								
31 March 2024	(3)	(508)	(2,113)	(651)	(296)	0	(328)	(3,899)
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
31 March 2025	(4)	(545)	(2,244)	(765)	(307)	0	(478)	(4,343)
Amortisation	(1)	(40)	(162)	(407)	(44)	0	(217)	(872)
Reclassifications	0	0	(0)	0	(2)	0	83	81
Changes in scope of consolidation (1)	1	61	168	28	20	0	0	279
Disposals	0	5	17	320	7	0	0	349
31 March 2026	(4)	(519)	(2,221)	(825)	(326)	0	(612)	(4,506)
Net amount at 31 March 2024	24	608	1,037	1,402	61	312	605	4,050
Net amount at 31 March 2025	24	568	1,253	1,646	172	132	674	4,470
Net amount at 31 March 2026	29	469	1,173	1,747	204	96	517	4,234

(1) Bearer plants include R\$ 17 million of net book value related to the standing cane sold within Andrade's sale (note 7.1).

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 2026, 144 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:

<i>(millions of R\$)</i>	Land	Buildings	Tools, machinery, equipment	Transport materials	TOTAL
GROSS AMOUNT					
31 March 2024	655	5	2	271	933
Additions/Reassessments	16	12	6	243	277
Reclassifications	(23)	0	(0)	(35)	(58)
31 March 2025	648	17	8	479	1,152
Additions/Reassessments	(7)	10	6	60	68
Reclassifications	(17)	0	(0)	(66)	(83)
Changes in scope of consolidation	0	0	(0)	(9)	(9)
31 March 2026	624	26	13	465	1,129
AMORTISATION AND IMPAIRMENT					
31 March 2024	(211)	(0)	(1)	(115)	(328)
Amortisation	(66)	(2)	(4)	(135)	(207)
Reclassifications	23	0	0	35	58
31 March 2025	(254)	(3)	(5)	(216)	(478)
Amortisation	(63)	(4)	(6)	(144)	(217)
Reclassifications	17	0	0	66	83
31 March 2026	(301)	(6)	(11)	(295)	(612)
Net amount at 31 March 2024	443	4	1	156	605
Net amount at 31 March 2025	394	14	3	264	674
Net amount at 31 March 2026	323	20	2	171	517

14.2 Leases

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

<i>(millions of R\$)</i>	31 March 2026
Rental charges on short-term contracts (< 1 year)	(22)
Rental charges on contracts with low new value assets (< USD 5,000)	(32)
Others	(20)
TOTAL LEASES	(74)

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 2026 were as follows:

		Investment in associates		
(millions of R\$)	Activity	Group voting rights (in %)	31 March 2026	31 March 2025
	Centro de Tecnologia Canavieira	4.57%	61	53
TOTAL			61	53

		Share of profit of associates	
(millions of R\$)		31 March 2026	31 March 2025
	Teapar	0	(1)
	Centro de Tecnologia Canavieira	10	8
TOTAL		10	7

Changes in investments in associates are as follows:

(millions of R\$)	31 March 2025	Share of profit of associates	Dividends paid	Change in other comprehensive income	Other	31 March 2026
	53	10	(2)	0	0	61
TOTAL	53	10	(2)	0	0	61

F. Biological assets

16. Biological assets

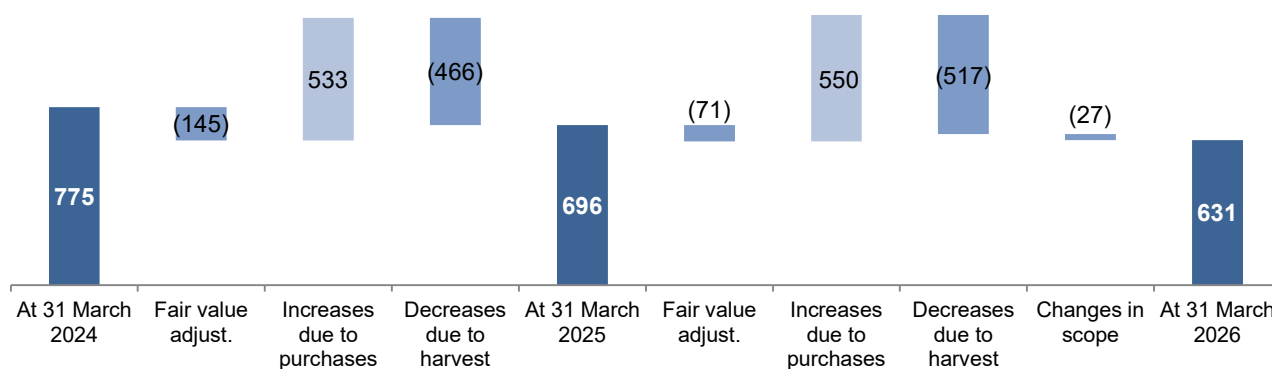
IAS 41 – Agriculture (CPC 29), covers the accounting treatment of agricultural activities. Agricultural activity is the management of the biological asset's transformation for sale or into agricultural products. These biological assets (sugarcane and manioc) and the related agricultural products (harvested 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 8,939 thousand tonnes for the period ended 31 March 2026 against 10,187 thousand tonnes for the year ended 31 March 2025.

Changes in scope comprise the net book value of the standing cane sold within Andrade's sale (note 7.1).

Standing cane

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

	Unit	31 March 2026	31 March 2025
Expected area to harvest	hectares	127,988	126,568
Estimated yields	tonnes of cane per hectare	75	69
Quantity of Total Recoverable Sugar	kg per tonne of cane	137	139
Value of one kg of TRS*	KR\$	1.0	1.2

* Total Recoverable Sugar.

The discount rate used for the calculation of fair value of biological assets at 31 March 2026 corresponds to the discount rate used in the impairment tests (note 12.3).

At 31 March 2026 and 31 March 2025, biological assets were as follows:

(millions of R\$)	31 March 2026	31 March 2025
Tilling costs	529	517
Fair value adjustment of biological assets	102	179
TOTAL	631	696

G. Financing and financial instruments

17. Net financial expense

Net financial expense is broken down as follows:

<i>(millions of R\$)</i>	For the year ended	
	31 March 2026	31 March 2025
Interest expenses	(485)	(546)
Loss on financial assets and liabilities at fair value through profit or loss	(1)	(4)
Fair value loss on derivatives	(43)	(32)
Foreign exchange losses	(66)	(150)
Other financial expenses	(30)	(23)
Financial expenses	(624)	(755)
Interest income	220	193
Gains on financial assets and liabilities at fair value through profit or loss	1	0
Fair value gains on derivatives	45	18
Foreign exchange gains	135	146
Other financial income	22	16
Financial income	423	373
NET FINANCIAL INCOME (EXPENSE)	(201)	(381)
<i>Of which net interest income (expense)</i>	<i>(265)</i>	<i>(353)</i>
<i>Of which foreign exchange gains and losses</i>	<i>70</i>	<i>(4)</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.

<i>(millions of R\$)</i>	For the year ended	
	31 March 2026	31 March 2025
Net interest income (expense) on debt	(265)	(353)
Net gains and losses on derivatives and hedging relationships	24	(10)
Cost of net debt	(241)	(363)

Gains and losses on financial assets and liabilities

For the year ended 31 March 2026

<i>(millions of R\$)</i>	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	(7)	0	0	(7)	0	0
Cash and cash equivalents	136	(51)	0	0	85	0	0
Other fin. assets (excluding derivatives)	57	0	0	0	57	0	0
Borrowings	(427)	17	0	0	(410)	0	207
Trade payables	0	(1)	0	0	(1)	0	0
Other fin. liabilities (excluding derivatives)	0	78	0	0	78	0	0
Derivatives	(31)	34	2	0	5	0	68
Other	0	0	0	(8)	(8)	0	0
TOTAL	(265)	70	2	(8)	(201)	0	275
Effect of deferred taxes on OCI							(93)
Total OCI net of taxes							181

For the year ended 31 March 2025

<i>(millions of R\$)</i>	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
TOTAL	(353)	(4)	(17)	(7)	(381)	(0)	122
Effect of deferred taxes on OCI							(42)
Total OCI net of taxes							81

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 2026, 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 2026

(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	468	468	0	0		
Cash and cash equivalents	18.5	1,996	0	1,996	0	1,996	1-2
Other current financial assets		662	484	56	122	178	1-2
of which Derivatives	19.1	178	0	56	122	178	1-2
of which Tax receivables		126	126	0	0		
of which Margin call	18.4	98	98	0	0		
of which Advance payments		218	218	0	0		
of which Other		42	42	0	0		
Total current financial assets		3,126	952	2,052	122	2,174	
Non-current fin. assets with related parties	24.2	400	400	0	0		
Other non-current financial assets		311	251	0	60	60	1-2
of which Derivatives	19.1	60	0	0	60	60	1-2
of which Paid deposit		35	35	0	0		
of which Tax receivables		115	115	0	0		
of which Restricted cash		87	87	0	0		
of which Other		14	14	0	0		
Total non-current financial assets		711	651	0	60	60	
TOTAL FINANCIAL ASSETS		3,838	1,603	2,052	182	2,234	

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		
Total current financial assets		2,552	931	1,463	158	1,621	
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		
Total non-current financial assets		556	552	0	4	4	
TOTAL FINANCIAL ASSETS		3,108	1,483	1,463	162	1,625	

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 2026

(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	990	1,010	0	(21)	859	2
<i>of which Gross debt</i>	18.6	798	818	0	(21)	859	2
<i>of which Lease liability</i>	18.6	192	192	0	0		
Trade payables	11.3	688	688	0	0		
Current fin. liabilities with related parties	24.2	7	7	0	0		
Other current financial liabilities		608	414	82	112	194	1-2
<i>of which Derivatives</i>	19.1	194	0	82	112	194	1-2
<i>of which Margin call</i>	18.4	12	12	0	0		
<i>of which Taxes and social payables</i>		160	160	0	0		
<i>of which Advances received</i>		128	128	0	0		
<i>of which Other</i>		114	114	0	0		
Total current financial liabilities		2,293	2,119	82	92	1,053	
Long-term borrowings	18.6	2,581	2,695	0	(114)	2,145	2
<i>of which Gross debt</i>	18.6	2,187	2,301	0	(114)	2,145	2
<i>of which Lease liability</i>	18.6	394	394	0	0		
Non-current fin. liabilities with related parties	24.2	1,202	1,202	0	0		
Other non-current financial liabilities		61	1	0	60	60	1-2
<i>of which Derivatives</i>	19.1	60	0	0	60	60	1-2
<i>of which Other</i>		1	1	0	0		
Total non-current financial liabilities		3,844	3,898	0	(54)	2,206	
TOTAL FINANCIAL LIABILITIES		6,136	6,017	82	38	3,259	

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
<i>of which Gross debt</i>	18.6	1,130	1,083	0	47	1,199	2
<i>of which Lease liability</i>	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
<i>of which Derivatives</i>	19.1	185	0	22	163	185	1-2
<i>of which Margin call</i>	18.4	17	17	0	0		
<i>of which Taxes and social payables</i>		156	156	0	0		
<i>of which Advances received</i>		78	78	0	0		
<i>of which Other</i>		93	93	0	0		
Total current financial liabilities		2,770	2,538	22	210	1,384	
Long-term borrowings	18.6	2,289	2,289	0	(0)	1,690	2
<i>of which Gross debt</i>	18.6	1,747	1,748	0	(0)	1,690	2
<i>of which Lease liability</i>	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
<i>of which Derivatives</i>	19.1	77	0	0	77	77	1-2
<i>of which Other</i>		1	1	0	0		
Total non-current financial liabilities		3,659	3,582	0	77	1,767	
TOTAL FINANCIAL LIABILITIES		6,429	6,120	22	287	3,151	

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 2026	31 March 2025
Initial margin	23	62
Margin variation	64	(46)
TOTAL	86	16
<i>of which assets margin calls</i>	98	33
<i>of which liabilities margin calls</i>	(12)	(17)

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 2026	31 March 2025
Certificates of deposit	2	1,875	1,218
Total cash equivalents		1,875	1,218
Cash	1	121	227
Total cash and cash equivalents		1,996	1,445
NET CASH		1,996	1,445

18.6 Borrowings

The Group's various credit facilities are presented below:

At 31 March 2026

(millions of R\$)

INDEX	Currency	Type	Current	Non-current	Total	Average interest rate	Maximum maturity
CDI	BRL	Working capital and other ST/LT	118	200	318	15.8%	6/9/2027
CDI	BRL	Working capital and other ST/LT	3	55	58	15.3%	4/25/2028
SOFR	USD	Export prepayment and LT Financings	255	781	1,036	6.6%	10/31/2029
TJLP	BRL	Investment financing (BNDES)	103	120	223	12.5%	5/15/2028
TJLP	BRL	Investment financing (FINEP)	5	12	17	8.0%	8/15/2029
IPCA	BRL	Investment Financing (PCA BNDES)	2	14	16	9.4%	7/15/2033
IPCA	BRL	Infrastructure debenture	219	212	431	10.1%	6/15/2027
Total floating rate			706	1,393	2,099	9.6%	
Fixed rates	BRL	Investment Financing (FINAME)	77	250	327	14.3%	3/27/2028
	BRL	Investment Financing (PCA BNDES)	1	8	9	6.5%	7/15/2033
	BRL	Investment Financing (PCA)	3	8	11	7.5%	7/15/2030
	USD	Export Prepayment	18	535	553	5.9%	6/14/2028
Total fixed rate			99	801	900	9.0%	
TOTAL GROSS DEBT BEFORE AMORTISED COSTS			806	2,194	3,000	9.4%	
Amortised cost			(8)	(7)	(15)		
Total gross debt			798	2,187	2,984		
Lease liability			192	394	586		
Total financial debt			990	2,581	3,570		
Cash and cash equivalent (note 18.5)					(1,996)		
Total net financial debt					1,574		
Related parties' financial assets (note 24.2)					(400)		
Related parties' financial liabilities (note 24.2)					1,209		
TOTAL NET FINANCIAL DEBT INCLUDING RELATED PARTIES					2,383		

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
Total floating rate			1,139	1,743	2,882	10.4%	
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
Total fixed rate			4	20	23	7.0%	
TOTAL GROSS DEBT BEFORE AMORTISED COSTS			1,143	1,762	2,905	10.3%	
Amortised cost			(12)	(15)	(27)		
Total gross debt			1,130	1,747	2,878		
Lease liability			199	542	740		
Total financial debt			1,329	2,289	3,618		
Cash and cash equivalent (note 18.5)					(1,445)		
Total net financial debt					2,173		
Related parties' financial assets (note 24.2)					(343)		
Related parties' financial liabilities (note 24.2)					1,292		
TOTAL NET FINANCIAL DEBT INCLUDING RELATED PARTIES					3,122		

Financings available in the Group

Group's financings are mostly bank loans and funding through capital markets, through the issuance of 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 2026, 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 15.8%.

In April 2025, the Group entered into a new bilateral agreement of BRL 200 million indexed at CDI + 0.96%, with max maturity in June 2027, and in September 2025, another bilateral agreement of BRL 55 million indexed at CDI + 0.55%, with max maturity April 2028. Both facilities have been swapped into a USD exposure loan to improve nature hedge of income from export in exchange of a future interest cash flows of interest indexed to SOFR + 2.50% and 2.06%, respectively.

The outstanding amount of CDI based financings is R\$ 377 million (R\$ 332 million at 31 March 2025), whereof the total amount was 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 2.20% to 3.15% with an average of 2.89%. Most of these financings are secured by the assignment of future export receivables. These loans have an average interest rate of 6.6%.

In April 2025, the Group entered into a new bilateral agreement of USD 20 million indexed to SOFR + 2.45%, with max maturity in March 2028. In March 2026, the Group entered into another bilateral agreement of USD 24 million indexed to SOFR + 2.40%, also maturing in March 2028.

The total outstanding amount of SOFR-based USD financings is R\$ 1,036 million (R\$ 1,267 million at 31 March 2025).

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 12.5%.

The outstanding amount of TJLP-based financings is R\$ 240 million (R\$ 338 million at 31 March 2025).

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

IPCA-based financings comprise funding through capital markets, such as Debentures. The margins applied range from 5.4% to 6.1% with average of 6%. These loans have an average interest rate of 10.1%.

The outstanding amount of IPCA-based financings is R\$ 447 million (R\$ 793 million at 31 March 2025), whereof R\$ 431 million swapped to CDI.

e / Fixed rate financings

Fixed-rate financings mainly consist of short- and medium-term bilateral facilities.

In May 2025, the Group entered into a new bilateral agreement of BRL 200 million at a rate of 14.92%, with max maturity in May 2027. This facility was swapped into USD exposure loan to improve nature hedge of income from export in exchange of a future interest cash flows of interest indexed to SOFR + 2.50%.

In November 2025, the Group entered into two new bilateral agreements of USD 12.5 million, at a rate of 5.92%, both with max Maturity in May 2028.

In December 2025, the Group entered into three new bilateral agreements: one of USD 20 million at a rate of 5.70%, with max maturity in December 2027; another of USD 18 million at a rate of 5.90%, with max maturity in June 2028; and a BRL 50 million agreement at a rate of 13%, with max maturity in October 2027. This last facility was swapped into USD to enhance the natural hedge of export revenues, through the exchange of a fixed BRL rate of 13% for a fixed USD rate of 4.89%.

In March 2026, the Group entered into a new BRL 50 million agreement at a rate of 13% and maturing in March 2028, with a USD swap to enhance the natural hedge with export revenues, through the exchange of a fixed BRL rate of 13% for a fixed USD rate of 4.6518%.

The outstanding amount of fixed rate financings is R\$ 900 million (R\$ 23 million at 31 March 2025). These loans have an average interest rate of 9%.

Average interest rate

The global average interest rate is at 9.4 % at 31 March 2026 against 10.2% at 31 March 2025.

Foreign currency breakdown

The foreign currency breakdown of the debt at 31 March 2026 is as follows:

Currency	USD	BRL	Total
Millions of R\$ at 31 March 2026	1,411	1,589	3,000

Debt by maturity

The maturity of the debt at 31 March 2026 is as follows:

At 31 March 2026

(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	806	1,522	514	145	5	8	3,000
Lease liability	192	103	69	55	53	115	586

Reconciliation of changes in financial debt with the cash flow statement

Changes in financial debt are presented as follows:

(millions of R\$)	31 March 2026	31 March 2025
Financial debt - Opening	3,618	4,680
Borrowings issues	1,140	982
Borrowings repayments (1)	(1,069)	(2,607)
Change in treasury liabilities	(95)	(30)
Change with effect on cash	(25)	(1,655)
Change in fair value	(141)	234
Changes in scope of consolidation	(9)	0
Impact of IFRS 16 (CPC 06 (R2))	114	327
Other	13	31
Change with no effect on cash	(23)	592
Financial debt - Closing	3,570	3,618

(1) Of which R\$ (259) million related to IFRS 16 (CPC 06 (R2)), against R\$ (247) million at 31 March 2025.

18.7 Covenants

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

Type at 31 March 2026	Definition	Triggering level
Net debt	Consolidated net debt Tereos Açúcar e Energia Brasil Group / Consolidated EBITDA Tereos Açúcar e Energia Brasil Group	Max. 4.5
Interest cover	Consolidated adjusted EBITDA Tereos Açúcar e Energia Brasil Group / Consolidated net interest expense Tereos Açúcar e Energia Brasil Group	Min. 2.0
Liquidity	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:

<i>(millions of R\$)</i>		Level	Notional Amount	Fair value		Net
				Assets	Liabilities	
Interest rate vanilla swaps and options	Cash Flow Hedge		1,135	59	(88)	(29)
Interest rate derivatives (OTC)		2	1,135	59	(88)	(29)
FX forward contracts	Cash Flow Hedge		1,343	118	0	118
FX forward contracts	Trading		1,202	39	(65)	(26)
USD borrowings qualified as CFH	Cash Flow Hedge		1,558	0	135	135
Foreign exchange derivatives (OTC)		2	4,104	157	70	227
Commodities futures	Cash Flow Hedge		520	5	(85)	(79)
Commodities futures	Trading		91	17	(17)	0
Commodity derivatives		1	611	22	(102)	(79)
TOTAL			5,849	238	(119)	119

At 31 March 2025

(millions of R\$)		Level	Notional Amount	Fair value		Net
				Assets	Liabilities	
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)

Derivative impacts are as follows:

Change through Comprehensive Income or through profit or loss	Category	At 31 March 2026		OCI
		Income / (expense)		
		Fair value *	OCI recycling	
Interest rate derivatives	Cash Flow Hedge	23	(31)	117
Foreign exchange derivatives	Trading	(22)		
	Cash Flow Hedge	0	90	137
	USD loan qualified as cash flow hedge	0	(72)	207
Commodity derivatives	Cash Flow Hedge	0	205	(186)
Total		2	192	275
Effect of deferred taxes on OCI				(93)
Total OCI net of taxes				181
<i>Of which OCI recycled to net revenue</i>			223	(223)
<i>Of which OCI recycled to financial result</i>			(31)	31

* Of which an ineffective portion of R\$ 23 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:

(millions of R\$)	Notional			TOTAL	Fair value
	less than 1 year	1 to 5 years	more than 5 years		
Vanilla swaps	418	717	0	1,135	(29)
qualified as cash flow hedges	418	717	0	1,135	(29)
TOTAL INTEREST RATE	418	717	0	1,135	(29)
<i>of which fixed rate based derivatives</i>	52	50	0	102	3
<i>of which CDI based derivatives</i>	219	212	0	431	(88)
<i>of which SOFR based derivatives</i>	147	455	0	602	56

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 2026 <i>(millions of R\$)</i>	Notional	Impacts in a probable scenario		Impacts in a possible scenario		Impacts in a stress scenario	
		+10%	-10%	+25%	-25%	+50%	-50%
Borrowings at floating rate not hedged	1,291	6	(6)	14	(14)	29	(29)
Interest rate derivatives	1,033	8	(8)	20	(20)	41	(41)
Cash flow hedges (Other comprehensive income impact)	1,033	8	(8)	20	(20)	41	(41)
TOTAL	2,325	14	(14)	35	(35)	70	(70)
<i>of which impact on the statement of operations</i>		6	(6)	14	(14)	29	(29)
<i>of which impact on other comprehensive income</i>		8	(8)	20	(20)	41	(41)

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 2026 <i>(millions of R\$)</i>	Notional			TOTAL	Fair value
	less than 1 year	1 to 5 years	more than 5 years		
Forwards/NDF	1,253	1,293	0	2,546	93
qualified as cash flow hedges	1,253	90	0	1,343	118
at fair value through profit or loss	0	1,202	0	1,202	(26)
USD Borrowings qualified as CFH	242	1,316	0	1,558	135
TOTAL FOREX	1,495	2,608	0	4,104	227
<i>of which USD/BRL derivatives</i>	1,495	2,608	0	4,104	227

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 2026 <i>(millions of R\$)</i>	Notional	Impacts in a probable scenario		Impacts in a possible scenario		Impacts in a stress scenario	
		+10%	-10%	+25%	-25%	+50%	-50%
Assets and Liabilities	150	15	(15)	38	(38)	75	(75)
Net of financial assets and liabilities (statement of operations impact)	150	15	(15)	38	(38)	75	(75)
FX Derivatives (including USD borrowings qualified in CFH)	4,104	410	(410)	1,026	(1,026)	2,052	(2,052)
Trading (statement of operations impact)	1,202	120	(120)	301	(301)	601	(601)
Cash flow hedges (other comprehensive income impact)	2,901	290	(290)	725	(725)	1,451	(1,451)
Commodities Derivatives	611	67	(67)	168	(168)	338	(338)
Trading (statement of operations impact)	91	0	0	0	0	0	0
Cash flow hedges (other comprehensive income impact)	520	67	(67)	168	(168)	338	(338)
TOTAL	4,865	492	(492)	1,232	(1,232)	2,465	(2,465)
<i>of which impact on the statement of operations</i>		135	(135)	338	(338)	676	(676)
<i>of which impact on other comprehensive income</i>		357	(357)	893	(893)	1,788	(1,788)

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 2026 <i>(millions of R\$)</i>	Notional			TOTAL	Fair value
	less than 1 year	1 to 5 years	more than 5 years		
Futures	421	189	0	611	(79)
qualified as cash flow hedges	330	189	0	520	(79)
at fair value through profit or loss	91	0	0	91	0
TOTAL COMMODITIES	421	189	0	611	(79)
<i>of which sugar derivatives</i>	421	189	0	611	(79)

Sensitivity of the statement of operations and other comprehensive income

At 31 March 2026	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%
Sugar derivatives	611	67	(67)	168	(168)	338	(338)
Trading (statement of operations impact)	91	0	0	0	0	0	0
Cash flow hedges (other comprehensive income impact)	520	67	(67)	168	(168)	338	(338)
TOTAL	611	67	(67)	168	(168)	338	(338)
<i>of which impact on other comprehensive income</i>		67	(67)	168	(168)	338	(338)

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 Recebiveis do Agronegocio), and when possible, also uses BNDES / Finame 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 2026	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
(millions of R\$)							
Debt maturities before amortised cost	806	1,522	514	145	5	8	3,000
Fixed interest payment commitments	88	136	18	4	1	1	247
Floating interest payment commitments	99	62	15	4	0	0	180
Total debt before amortised cost	993	1,719	547	153	7	9	3,427
Net flows on swap	(35)	6	0	0	0	0	(29)
Total derivatives	(35)	6	0	0	0	0	(29)
TOTAL INTEREST PAYMENT COMMITMENTS INCLUDING DERIVATIVES	152	204	33	7	1	1	398

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
Total debt before amortised cost	1,355	829	640	302	170	34	3,329
Net flows on swap	(87)	(77)	0	0	0	0	(164)
Total derivatives	(87)	(77)	0	0	0	0	(164)
TOTAL INTEREST PAYMENT COMMITMENTS INCLUDING DERIVATIVES	125	34	61	27	9	4	261

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 2024	632,654,313	2,778
At 31 March 2025	632,654,313	2,778
At 31 March 2026 *	632,654,313	2,778

* The par value per share at 31 March 2026 is R\$ 4.3915, against R\$ 4.3915 at 31 March 2025.

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 2026 and 632,654,313 shares for the year ended 31 March 2025.

For the year ended 31 March 2026 and 31 March 2025, there is no difference between diluted and basic earnings per share.

The earnings (loss) per share for the year ended 31 March 2026 and 31 March 2025, amounted to R\$ 0.1878 and R\$ 0.4733, 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 approved by the board. The destination of current year income of R\$119 million is R\$ 6 million to legal reserves and R\$ 113 million to retained earnings. As at 31 March 2026, net equity reserves comprise (i) R\$ 11 million in legal reserves; (ii) R\$ 107 million in tax incentive reserves; (iii) R\$ 115 million in retained earnings.

20.4 Tax incentive reserves

The Company applies from the benefit granted by the Government concerning ICMS Agreement n° 116/2022 and EC n° 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 2026, is nil as at 31 March 2025.

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:

<i>(millions of R\$)</i>	For the year ended	
	31 March 2026	31 March 2025
Current income tax	(43)	(117)
Deferred income tax	(4)	(49)
TOTAL INCOME TAX	(47)	(165)

21.2 Reconciliation of theoretical tax expense and effective tax expense

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

<i>(millions of R\$)</i>	For the year ended	
	31 March 2026	31 March 2025
Net income (loss)	137	364
Income taxes	(47)	(165)
Income before income taxes and share of profit of associates	184	529
<i>Brazil's statutory income tax rate</i>	34%	34%
Income taxes based on Brazil's statutory rate	(63)	(180)
Tax losses without recognition of deferred tax assets tax loss carry forward	(1)	(7)
Recognition of previously unrecognised tax losses	7	0
Cbios revenue	6	16
Other non-deductible expenses for tax purposes	3	6
Adjustments to reconcile income taxes	15	15
EFFECTIVE INCOME TAX	(47)	(165)
<i>Effective income tax rate</i>	26%	31%

21.3 International tax reform Pillar 2

The Group is subject to the OECD's Pillar 2 rules following their transposition into French law and is required to pay an additional tax for the difference between its GloBE effective tax rate (TEI GloBE) in each jurisdiction and the minimum rate of 15%. Temporary protection schemes, which allow a deferred application of the rules, have been introduced for a maximum of three financial years.

On 31 March 2026, the Pillar 2 rules were applied, and the Group has estimated that it is eligible to benefit from temporary protection schemes in all its jurisdictions in which it operates. Consequently, no additional tax expense has been recognised on 31 March 2026.

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 2026	31 March 2025
Income tax receivables	52	63
Income tax payables	(44)	(2)
TOTAL CURRENT TAX	8	61
Deferred tax assets	140	220
Deferred tax liabilities	(70)	(53)
TOTAL DEFERRED TAX	70	168

Net deferred tax assets amounted to R\$ 70 million including R\$ 215 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 2026	31 March 2025
Deferred tax assets through the statement of operations	202	190
Deferred tax assets through other comprehensive income	(62)	31
Deferred tax assets	140	220
Deferred tax liabilities through the statement of operations	(70)	(54)
Deferred tax liabilities through other comprehensive income	0	1
Deferred tax liabilities	(70)	(53)
TOTAL OF DEFERRED TAX	70	168

<i>(millions of R\$)</i>	31 March 2026	31 March 2025
Differences between carrying value and tax basis	(145)	(128)
<i>Property, plant and equipment and intangible assets</i>	(277)	(361)
<i>Biological assets</i>	(38)	(57)
<i>Financial assets and liabilities</i>	121	241
<i>Others</i>	48	50
Tax losses unused and recognized as deferred tax assets	215	296
TOTAL	70	168

Changes in deferred taxes are presented below:

<i>(millions of R\$)</i>	31 March 2026	31 March 2025
Deferred tax at opening	168	258
Amount charged to the statement of operations	(4)	(49)
Amount charged to other comprehensive income	(93)	(42)
Deferred tax at closing	70	168

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:

<i>(millions of R\$)</i>	31 March 2026	31 March 2025
N+1	0	20
N+2	0	51
N+3	46	52
N+4	81	72
N+5	89	101
TOTAL DEFERRED TAX ASSETS ON TAX LOSSES CARRIED FORWARD	215	296

Unrecognised deferred tax assets arising on the carry-forward of unused tax losses amounted to R\$ 7 million at 31 March 2026 (compared to R\$ 13 million at 31 March 2025).

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:

<i>(millions of R\$)</i>	Non-current	
	31 March 2026	31 March 2025
Labour	44	42
Environment	1	3
Other	6	7
TOTAL PROVISIONS	51	52

Changes in provisions over the year were as follows:

<i>(millions of R\$)</i>	Labour	Tax	Environment	Other	Total
At 1 April 2024	40	1	3	6	50
Additions during the period	2	0	0	1	3
Amounts used	(1)	(1)	(0)	0	(2)
At 31 March 2025	42	0	3	7	52
Additions during the period	3	0	(1)	0	3
Amounts used	(2)	(0)	(1)	(1)	(4)
At 31 March 2026	44	0	1	6	51

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

<i>(millions of R\$)</i>	Probable		Possible	
	Number of claims	Provision	Number of claims	Claims with possible losses
Labour	230	44	462	102
Tax	0	0	339	2,331
Environment	2	1	137	17
Other	9	6	64	27
At 31 March 2026	241	51	1,002	2,477
Labour	247	42	547	109
Tax	0	0	358	2,219
Environment	4	3	150	18
Other	12	7	58	29
At 31 March 2025	263	52	1,113	2,375

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 2026	31 March 2025	31 March 2026	31 March 2025
Entities controlling the Group				
a/ NewCo Tereos Internacional BR Ltda	0	0	(1)	(2)
a/ Tereos Participations	3	6	(84)	(86)
Entities controlled by Tereos Group				
c/ Tereos Amido e Adoçantes Brasil	5	7	0	0
b/ Tereos Commodities France (ex TBE)	1,807	2,372	(3)	(8)

(millions of R\$)	Receivables		Payables	
	31 March 2026	31 March 2025	31 March 2026	31 March 2025
Entities controlling the Group				
a/ NewCo Tereos Internacional BR Ltda	0	0	1	2
a/ Tereos Participations	3	6	14	21
Entities controlled by Tereos Group				
c/ Tereos Amido e Adoçantes Brasil	2	2	0	0
a/ Tereos Starch & Sweeteners Europe	0	0	1	1
b/ Tereos Commodities France (ex TBE)	8	24	0	4

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 2026	31 March 2025	31 March 2026	31 March 2025
Entities controlling the Group				
NewCo Tereos Internacional BR Ltda	400	343	0	0
Entities controlled by Tereos Group				
a/ Tereos Finance Group 1	0	0	1,209	1,292

a/ During the crop, the Group reimbursed R\$ 79 million of interests.

No other material amounts of interest were received or paid to related parties for the years ended 31 March 2026 and 2025.

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

<i>(millions of R\$)</i>	31 March 2026	31 March 2025
Current financial liabilities with related parties	(7)	0
Non-current financial assets with related parties	400	343
Non-current financial liabilities with related parties	(1,202)	(1,292)
TOTAL NET RELATED PARTY FINANCIAL ASSETS (LIABILITIES)	(809)	(949)

Reconciliation of changes in related parties with the cash flow statement

Changes in related parties are presented as follows:

<i>(millions of R\$)</i>	31 March 2026	31 March 2025
CURRENT ACCOUNT WITH RELATED PARTIES OPENING	(949)	(304)
Change with effect on cash	140	(645)
<i>Change of the period</i>	140	(645)
CURRENT ACCOUNT WITH RELATED PARTIES CLOSING	(809)	(949)

25. Unrecognised contractual commitments

Commitments given

<i>(millions of R\$)</i>	31 March 2026	31 March 2025
Assets covered by commitments	37	37
Commitment to buy sugarcane	3,604	4,653

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 4.0 million tonnes per crop to be delivered between 2026 and 2032. At 31 March 2026, the total commitment is estimated at R\$ 3,604 million, based on the average price until that date of R\$ 147.58 per tonne of sugarcane purchased.

26. Subsequent events

None.