



# Floresteca S.A.

## 3Q 2025 Results Summary

Out 2025



# Agenda

1. Harvesting Operations by Farm & Project Year
2. Yields
3. Log Sales and Prices
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# Harvest Operations by Farm

Table: Area Changes – 3Q 2025

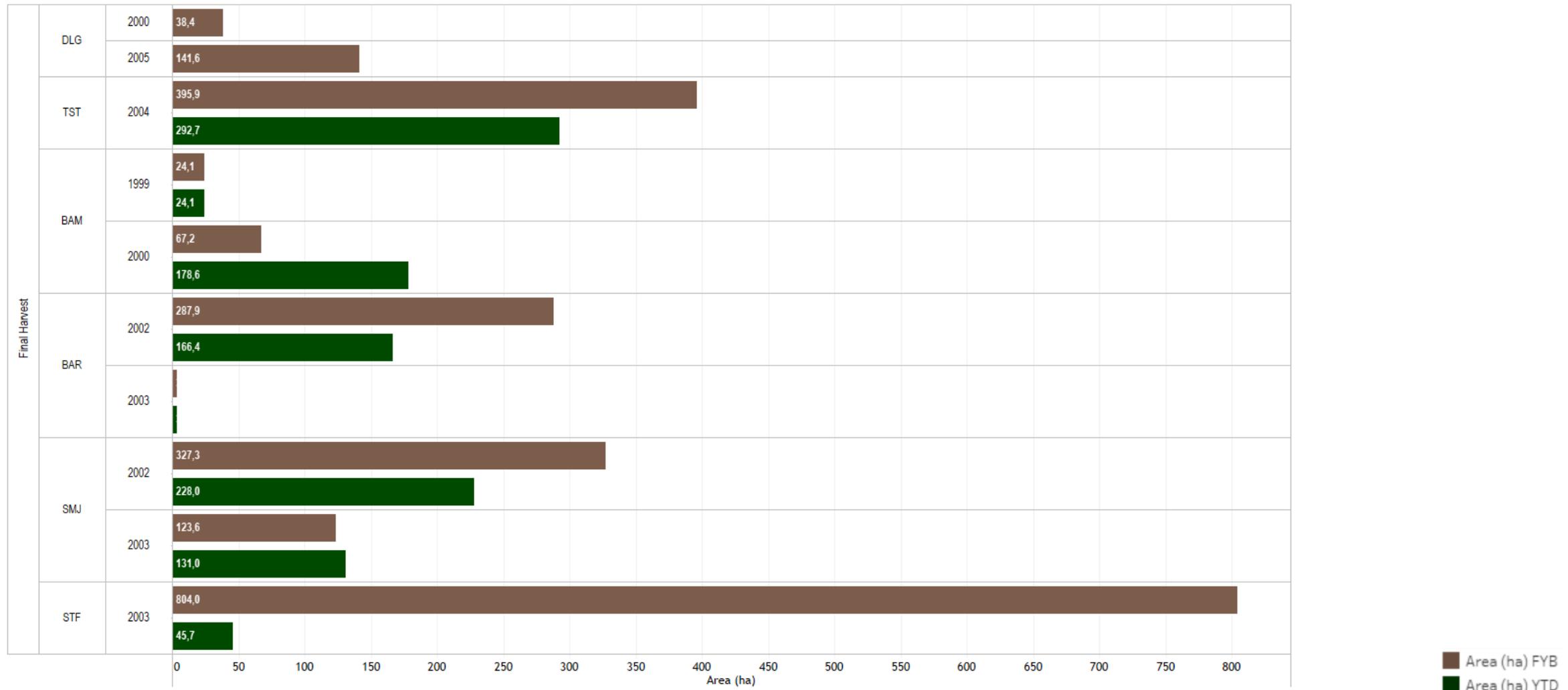
Project	Planting Year	Initial Area (ha) - End of 4Q 2024	Harvested Area (ha) - 1Q 2025	Harvested Area (ha) - 2Q 2025	Harvested Area (ha) - 3Q 2025	Current Area (ha) - End of 3Q 2025	Site Class 3 Area (ha)	Current Area (ha) - Dismissive Site Class 3
Bambu	1999	549.07				549.07	524.93	24.14
Bambu	2000	513.83				513.83	265.26	248.57
Duas Lagoas	2000	311.57				311.57	273.21	38.36
Duas Lagoas	2001	843.85				843.85	762.86	80.99
São Miguel	2001	97.52		97.52		0.00	0.00	0.00
Barranquinho	2002	960.13				960.13		960.13
Cacimba	2002	114.21	114.21			0.00		0.00
São Miguel	2002	5.71		5.71		0.00		0.00
Santa Maria do Jauru	2002	970.67				970.67	83.35	887.32
Barranquinho	2003	12.78				12.78		12.78
Cacimba	2003	2.04	2.04			0.00		0.00
Santa Maria do Jauru	2003	206.72				206.72		206.72
Santa Fé	2003	1,848.81		393.86		1,454.95	561.04	893.91
Barranquinho	2004	1,002.89				1,002.89	94.72	908.17
Terra Santa	2004	994.1	156.24			837.86		837.86
Duas Lagoas	2005	202.93				202.93		202.93
Duas Lagoas	2006	215.84				215.84		215.84
Mutum	2007	511.32				511.32		511.32
São José	2007	301.22				301.22		301.22
Santa Maria do Jauru II	2008	94.42				94.42		94.42
Total		9,759.63	272.49	497.09		8,990.05	2,565.37	6,424.68

The table on the left presents FSA projects initial area (ha), based on the end of 4Q2024, the harvested area in 2025, and the currently standing area. Also, the Site Class 3 areas that have been agreed to be removed from TRC management are presented on a separate column.

No stands were fully completed during the third quarter of 2025.

# Harvest Operations by Farm

This graph shows the 2025 budgeted areas (FYB - brown color) and areas where harvest has already started (green color). Here, operations may still be ongoing. In BAM, some planned stands for last year, due operation delays, were harvested during 2025. So, there is more harvested area than budgeted. During the third quarter, operations started in more area in SMJ and TST projects. Also, harvesting activities begun in BAR project.



# Sales Summary – Year to date

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total
<b>BAM1999</b>										
Budget	2,221	0	0	0	0	0	0	0	0	2,221
YEE	0	1	1,096	1,470	1,086	610	67	76	1,230	5,638
<b>BAM2000</b>										
Budget	754	980	73	0	0	0	0	0	0	1,808
YEE	1,419	2,671	1,489	1,285	1,312	1,054	825	1,271	1,554	12,880
<b>BAR2002</b>										
Budget	0	0	0	2,245	4,242	3,313	4,495	2,603	0	16,898
YEE	0	0	0	0	0	0	0	0	0	0
<b>BAR2003</b>										
Budget	0	0	0	0	0	0	0	0	284	284
YEE	0	0	0	0	0	0	0	0	0	0
<b>DLG2005</b>										
Budget	0	0	0	0	0	0	0	0	0	0
YEE	0	0	0	0	0	0	60	20	0	80
<b>SMG2001</b>										
Budget	0	0	0	0	0	0	0	0	0	0
YEE	1,772	1,580	51	48	35	0	0	0	0	3,486
<b>SMG2002</b>										
Budget	0	0	0	0	0	0	0	0	0	0
YEE	37	251	0	27	0	0	0	0	0	315
<b>SMJ2002</b>										
Budget	5,880	5,220	2,281	0	0	0	0	2,433	2,495	18,310
YEE	0	818	3,644	3,494	3,139	2,872	984	837	138	15,926
<b>SMJ2003</b>										
Budget	0	0	0	0	0	0	0	0	312	312
YEE	0	489	2,137	2,535	1,458	382	469	845	574	8,889
<b>STF2003</b>										
Budget	5,563	5,562	5,563	4,442	2,563	2,563	2,562	2,563	2,562	33,943
YEE	5,390	4,712	4,830	3,807	2,293	2,621	0	16	28	23,698
<b>TST2004</b>										
Budget	0	0	1,905	3,952	4,809	3,953	6,303	4,685	3,952	29,560
YEE	83	0	0	0	0	0	1,712	3,892	5,175	10,863
<b>Total</b>										
Budget	14,419	11,763	9,822	10,639	11,614	9,829	13,360	12,284	9,606	103,334
YEE	8,702	10,523	13,250	12,668	9,322	7,540	4,118	6,957	8,699	81,779

In the third quarter, operations performed below expectations, with 19.7 thousand m<sup>3</sup> sold (YEE) compared to 35.2 thousand m<sup>3</sup> planned for the period, representing a negative variance of 44%.

TST2004 and BAM2000 projects were the main contributors to the volume produced during the quarter, significantly impacting the total realized. TRC sawmill was shutdown for nearly two months, directly affected the harvesting and loading pace and, consequently, the total volume sold.

# Sales Summary – Year end estimate

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
<b>BAM1999</b>													
Budget	2,221	0	0	0	0	0	0	0	0	0	0	0	2,221
YEE	0	1	1,096	1,470	1,086	610	67	76	1,230	0	0	0	5,638
<b>BAM2000</b>													
Budget	754	980	73	0	0	0	0	0	0	0	0	0	1,808
YEE	1,419	2,671	1,489	1,285	1,312	1,054	825	1,271	1,554	1,253	0	0	14,133
<b>BAR2002</b>													
Budget	0	0	0	2,245	4,242	3,313	4,495	2,603	0	0	0	0	16,898
YEE	0	0	0	0	0	0	0	0	0	0	0	1,193	1,193
<b>BAR2003</b>													
Budget	0	0	0	0	0	0	0	0	284	222	0	0	506
YEE	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>DLG2000</b>													
Budget	0	0	0	0	0	0	0	0	0	1,456	0	0	1,456
YEE	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>DLG2001</b>													
Budget	0	0	0	0	0	0	0	0	0	0	0	0	0
YEE	0	0	0	0	0	0	60	20	0	0	0	0	80
<b>DLG2005</b>													
Budget	0	0	0	0	0	0	0	0	0	1,827	978	0	2,806
YEE	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>SMG2001</b>													
Budget	0	0	0	0	0	0	0	0	0	0	0	0	0
YEE	1,772	1,580	51	48	35	0	0	0	0	0	0	0	3,486
<b>SMG2002</b>													
Budget	0	0	0	0	0	0	0	0	0	0	0	0	0
YEE	37	251	0	27	0	0	0	0	0	0	0	0	315
<b>SMJ2002</b>													
Budget	5,880	5,220	2,281	0	0	0	0	2,433	2,495	428	2,039	615	21,391
YEE	0	818	3,644	3,494	3,139	2,872	984	837	138	1,305	810	810	18,851
<b>SMJ2003</b>													
Budget	0	0	0	0	0	0	0	0	312	3,019	2,427	4,069	9,828
YEE	0	489	2,137	2,535	1,458	382	469	845	574	0	0	0	8,889
<b>STF2003</b>													
Budget	5,563	5,562	5,563	4,442	2,563	2,563	2,562	2,563	2,562	2,562	2,563	2,562	41,631
YEE	5,390	4,712	4,830	3,807	2,293	2,621	0	16	28	0	0	2,148	25,846
<b>TST2004</b>													
Budget	0	0	1,905	3,952	4,809	3,953	6,303	4,685	3,952	3,514	0	0	33,074
YEE	83	0	0	0	0	0	1,712	3,892	5,175	2,964	3,120	0	16,947
<b>Total</b>													
Budget	14,419	11,763	9,822	10,639	11,614	9,829	13,360	12,284	9,606	13,029	8,007	7,247	131,617
YEE	8,702	10,523	13,250	12,688	9,322	7,540	4,118	6,957	8,699	5,522	3,930	4,151	95,382

The analysis of the production projection for the fourth quarter is still forecast to remain below the annual budget, with the total volume (YEE) expected to reach 95.4 thousand m<sup>3</sup>, compared to the 131.6 thousand m<sup>3</sup> budgeted for the year.

Operations will be performed on SMJ2002, TST2004 and BAR2002 projects stand out as the main contributors to the planned production for the fourth quarter, concentrating the highest expected volumes, particularly in November.

# Yields - Final Harvests

**Table: Log sales final harvest, stands planned for 2025**

Project	Planting Year	Site Class	DBH (cm)	BA (m <sup>2</sup> /ha)	AREA (ha)	VOL (m <sup>3</sup> /ha)	REMOVED (TPH)
					FYB	FYB	FYB
BAM	1999	S2	23,3	14,1	53,7	41,4	320
	2000	S2	27,1	15,5	40,2	60,5	263
		S3	21,6	10,6	36,6	38,8	281
BAR	2002	S1	31,6	16,3	202,0	95,0	204
		S2	22,1	12,8	85,9	29,5	323
	2003	S1	36,7	23,3	3,9	161,8	216
DLG	2000	S2	27,9	9,5	38,4	38,0	146
	2005	S2	27,4	9,7	95,6	28,8	161
		S3	24,1	7,3	46,1	14,9	152
SMJ	2002	S1	34,0	15,1	327,3	81,7	172
	2003	S1	39,2	16,3	123,6	99,4	138
STF	2003	S1	30,8	16,8	100,9	75,7	255
		S2	25,3	14,4	549,3	48,2	285
		S3	22,9	13,7	153,7	49,0	273
TST	2004	S1	36,6	16,4	385,2	85,1	162
		S2	26,5	16,7	10,7	61,2	315
Total			30,9	15,0	2.253,0	65,4	221

- Table = 2025 budget stands. Total values (volume, area and trees) planned and performed until end of 2Q 2025.
- DBH and BA are the latest measured data.

The table shows planned sales of 2025. This table shows only stands where operations are fully finished, so that the yields per hectare are comparable.

## 2025 Planned

During 3Q2025 operations have already begun in stands of BAR, TST and SMJ projects.

In the first semester of 2025, the operations were concentrated in finishing stands planned for 2024. Because of that, no stand has been fully completed yet from the 2025 plan. Therefore, adjacent table presents only the projected yields for 2025.

# Log Sales & Prices

## Roadside Prices Comparison 2025 YTD

Girth Class	Description	Volume m <sup>3</sup>		Value USD		Avg RS Price (USD/m <sup>3</sup> )		Avg Girth (cm)		Proportion	
		Budget	YTD	Budget	YTD	Budget	YTD	Budget	YTD	Budget	YTD
40-50	Regular	0	4,207	0	157,939	0	38	0	45	0%	5%
	Channel	0	0	0	0	0	0	0	0	0%	0%
50-60	Regular	7,923	7,165	447,855	319,548	57	45	60	60	10%	9%
	Channel	0	0	0	0	0	0	0	0	0%	0%
60-70	Regular	18,361	24,516	1,037,830	1,385,313	57	57	68	68	22%	30%
	Channel	0	0	0	0	0	0	0	0	0%	0%
70-80	Regular	22,448	1,919	1,268,873	135,635	57	71	76	75	27%	2%
	Channel	0	0	0	0	0	0	0	0	0%	0%
80-90	Regular	24,624	15,200	2,181,515	1,373,734	89	90	85	85	30%	19%
	Channel	0	611	0	38,815	0	63	0	87	0%	1%
90-100	Regular	13,014	5,480	1,442,410	617,282	111	113	95	94	16%	7%
	Channel	0	4,194	0	340,713	0	81	0	94	0%	5%
100-110	Regular	6,856	2,473	859,864	339,223	125	137	105	105	8%	3%
	Channel	0	2,717	0	261,521	0	96	0	105	0%	3%
110-120	Regular	5,855	2,768	810,484	453,614	138	164	115	114	7%	3%
	Channel	0	5,090	0	585,989	0	115	0	116	0%	6%
120-130	Regular	2,991	430	446,516	91,845	149	214	125	125	4%	1%
	Channel	0	3,581	0	485,261	0	136	0	124	0%	4%
130-140	Regular	1,037	94	188,493	20,741	182	220	135	131	1%	0%
	Channel	0	1,188	0	183,709	0	155	0	133	0%	1%
140-150	Regular	221	0	40,134	0	182	0	145	0	0%	0%
	Channel	0	145	0	25,901	0	179	0	146	0%	0%
150-160	Regular	5	0	965	0	182	0	155	0	0%	0%
	Channel	0	0	0	0	0	0	0	0	0%	0%
<b>Total Geral</b>		<b>103,334</b>	<b>81,779</b>	<b>8,724,938</b>	<b>6,816,783</b>	<b>84</b>	<b>83</b>	<b>100</b>	<b>88</b>	<b>100%</b>	<b>100%</b>

Total average price closed the quarter only 1% lower than budget. FSA sells to TRC at the roadside, with the pricing determined by the latest Consufor price survey available at the time of the transaction.

According to the Consufor report, prices held stable on the 1Q 2025 (which based prices for 2Q 2025) but dropped on the reports sent in July and September (prices for 3Q and 4Q), reflecting the challenging situation seen on the Indian market.

Prices for defective logs, such as channeling or crooked, are given a discount on their Consufor value (30%). Sales are then detailed separately for regular and discounted (channel) logs.

It is important to state that the thicker one tree is, the higher the incidence of channels in its bottom log. Hence, the higher differentiation in price for thicker logs. The presence of channels can also be related to genetic material, site quality and size of the bottom log of the forests being harvested at the moment.

Budget prices consider the incidence of channel logs at the following proportions:

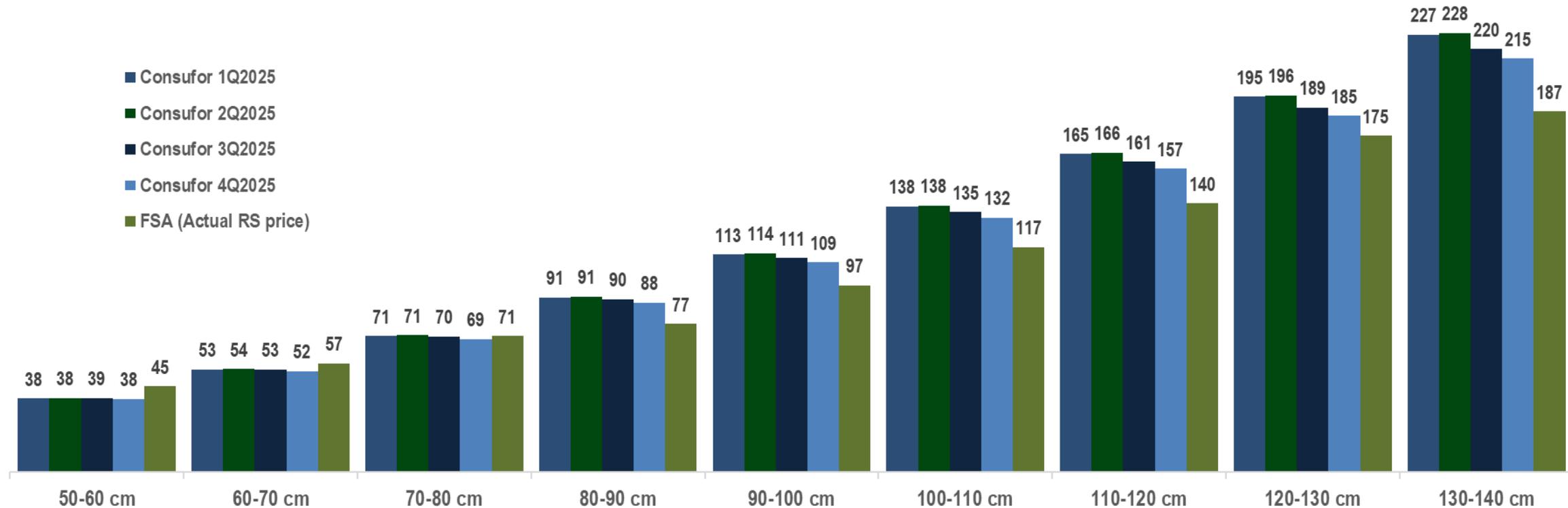
- <100 m : 0%
- 100-110 cm : 25%
- 110-120 cm : 50%
- 120-130 cm : 75%
- 130+ cm : 100%

Weighted prices are then calculated accordingly.



# Log Sales & Prices

Floresteca S.A (YEE) vs Consufor roadside prices (USD/M<sup>3</sup>)



Consufor reports the price for regular logs, which are shown on this graph. All defective logs are given a 30% discount on their reference price. It is important to state that the thicker one tree is, the higher the incidence of channels in its bottom log. Hence, the higher differentiation in price for thicker logs.

# Market Update

## India

In Q3\*, Brazil ranked as the largest teak exporter to India, with a 28% market share, followed by Panama (26%), Ghana (18%), Ecuador (15%), and Costa Rica (13%). Together, these countries accounted for 69% of India's import volume.

Although Panama and Costa Rica appear among the top five origins, their volumes this year were undoubtedly much lower than what they typically ship in a regular season. This is due to market conditions that forced them to curtail their harvests. Brazil also followed this trend (including TRC), which is helping the market recover faster.

Overall inventory across the country has been declining since May, reaching approximately 2,275 containers — a decrease of about 54% since January.

\*Period: July and August.

# Project Results to Date

Harvest Report Amounts Paid and Provisions (in USD):

2016 HR	7,841,879
2017 HR	5,645,549
2018 HR	1,977,316
2019 HR	6,103,896
2020 HR	81,498
2021 HR	1,908,246
2022 HR	153,351
2023 HR	18,648
2024 HR	0
<b>Total</b>	<b>23,730,383</b>
<b>Paid</b>	<b>-10,177,209</b>
<b>Outstanding</b>	<b>13,553,174</b>

# Legal and Compliance Update

## **TERRA SANTA, BAMBU IV AND PARAISO FARMS – OVERVIEW**

The three farms have land use deals (“LUDs”, also “Usufruct Agreements”) with the same landowner, Mr. Antonio Frigieri Filho and his wife Jacqueline da Costa Marques Frigeiri. Under these LUD agreements, they own a specific part of the planted area in each farm. The precise terms and the percentage area differ in each agreement. They received some advance payments for the final harvest proceeds under the agreements that shall be deducted from the actual final proceeds. It bears stating that the likely amounts to be received by the Landowners for the 3 farms are at present less than the advance payments, or at least will largely reduce the net amounts payable to them.

### **• LUD claim on TERRA SANTA FARM FILED BY FRIGIERI**

Overview (until 05/24/2020): FRIGIERI claims for 94 hectares of teak, instead of 3,26 hectares that FSA recognizes as granted in the land use deal. The difference is based on the total area planted and some flooded teak hectares. A preliminary injunction was granted not to cut the trees until the delimitation of FRIGIERI’s area in Terra Santa Farm. FSA has already answered the file and has been asking for the thinning of teak planting to be authorized.

**08/12/2025:** the judge of the claim issues a formal record of attachment for real state properties titles n.18455, 18456, and 23673, registered at the 1st Real Estate Registry Office of Barra do Bugres/MT. FRIGIERI is appointed as the official custodian of these properties and is ordered not to sell, transfer, or encumber the attached assets without the judge’s express authorization.

**08/13/2025:** the attorney Pablo Berger submits his resignation from the powers granted to him by FRIGIERI in the following cases 1017418-61.2019.8.11.0041; 1004587-68.2025.8.11.0041; 1023504-77.2021.8.11.0041; 1005132-80.2021.8.11.0041; 1003308-23.2020.8.11.0041; 1059084-42.2019.8.11.0041 and 1042161-72.2018.8.11.0041. From this date forward, the legal representative of FRIGIERI is Mr. Uber Roberto de Carvalho, registered with the OAB/MT.

**08/20/2025:** FRIGIERI files preliminary objection to the enforcement in the main case, pointing out an overstatement of the amount due resulting from a material error and a violation of res judicata. They claim that the amount claimed by the claimant (3,085,696.67 BRL) is overstated due to the incorrect application of interest, monetary correction, fines, and fees, and show that the correct amount to be enforced should be 2,453,675.34 BRL. They argue that this issue is of public order and not subject to time limits, and request that the Court recognize the over-execution (R\$ 632,021.01), approve FRIGIERI’s calculation, and order that the enforcement proceed based on the correct amount, while notifying the claimant to take the necessary actions.

**09/09/2025:** FSA’s attorneys (i) inform that they have recorded the attachment order (lien) in the property registries of Fazenda Paraíso (properties titles n. 18455, 18456, and 23673), and (ii) request the issuance of a writ of appraisal to be carried out by a court-appointed appraiser (bailiff), so that the proceedings may continue.

# Legal and Compliance Update

**09/30/2025:** FSA's attorneys file a response to FRIGIERI's pre-execution objection, alleging that FRIGIERI's objection is manifestly unfounded and dilatory on the grounds that: (i) it seeks to re-litigate the merits of the execution (e.g., excess of execution, indices, and the start and end dates for legal accretions), which should have been addressed in an objection to the enforcement of judgment, a motion that is now time-barred; (ii) FRIGIERI's argument regarding the monetary correction and default interest indices lacks legal and jurisprudential support, as the calculation was made in accordance with the applicable law and its amendments; (iii) the objection is merely dilatory, evidenced by the failure to cite any legal provision or precedent to substantiate it; and (iv) they failed to deposit the undisputed amount with the court or nominate an asset for attachment. The response concluded by requesting the dismissal of the objection as inadmissible. Alternatively, if the court decides to hear the objection, it requested a dismissal on the merits for being contrary to the law and settled case law, and that FRIGIERI be ordered to pay a fine for contempt of court (due to the unfounded and dilatory objection).

## **LUD claim on TERRA SANTA FARM FILED BY FSA**

Overview: FSA requests the publicity of the existence of the claim before Terra Santa Farm Real Estate Registry Office, in order to guarantee FRIGIERI's debts with FSA

**09/03/2025:** The Superior Court of Justice (STJ) denies the appeal and upholds the lower court's decision based on the following reasons: (i) FSA interest in registering a protest against the sale of the property is clearly established, ensuring protection against third parties; (ii) there is no prior clarification regarding the registration of the usufruct, which prevents the court from considering this argument; and (iii) the allocation of legal costs is correctly applied, assigning responsibility to the party that causes the proceedings and is unsuccessful in light of the other party's prevailing interest.

**09/16/2025:** FRIGIERI files a new appeal (agravo interno), in which he seeks the reform of the decision issued on 09/03/2025 that denied his previous appeal and upheld the lower court's ruling, arguing that the decision (i) incorrectly dismissed his argument on the burden of proof as irrelevant, when in fact it concerns a legal question; (ii) wrongly found that the issue of the usufruct and the parties' obligations had not been raised, although it was clearly part of the case; and (iii) improperly treated the discussion on the allocation of court costs as a matter of fact rather than a matter of law. He therefore requests that these obstacles be removed and that the Special Appeal be fully heard, so that the protest action may be dismissed or, at least, the court costs fairly shared between the parties.

**10/10/2025:** FSA submits an objection to the new appeal (agravo interno) filed by FRIGIERI, arguing that the appeal is clearly inadmissible, as the appellant does not specifically challenge the reasoning of the previous decision, fails to demonstrate that the legal issues were previously addressed, and repeats arguments that have already been rejected, showing that the appeal is intended solely to delay proceedings. FSA requests the full upholding of the prior single-judge decision that denied the special appeal and the imposition of a penalty, making any future appeals contingent upon prior payment of the penalty.

**10/31/2025:** the Superior Court (STJ) announces the trial of FRIGIERI's new appeal (agravo interno), for a date between 11/18/2025 and 11/24/2025

# Legal and Compliance Update

## **LUD claim on BAMBU IV FARM**

Overview: FRIGIERI, the landowner of Bambu IV Farm, claims to the termination of the land use deal, and compensation for losses related to the expected harvest. A preliminary injunction filed by FRIGIERI requesting (i) the immediate harvest; (ii) stumps removal and (iii) the immediate repossession of Bambu IV Farm, was denied by the local Court of Appeals. The preliminary hearing occurred on 02/03/2020, with no settlement. FSA and LHS filed their answers in the case, contested by FRIGIERI.

**09/09/2025:** the attorney Pablo Berger submits his resignation from the powers granted to him by FRIGIERI in the following cases 1004587-68.2025.8.11.0041; 1017418-61.2019.8.11.0041; 1023504-77.2021.8.11.0041; 1005132-80.2021.8.11.0041; 1003308-23.2020.8.11.0041; 1059084-42.2019.8.11.0041 and 1042161-72.2018.8.11.0041. From this date forward, the legal representative of FRIGIERI is Mr. Uber Roberto de Carvalho, registered with the OAB/MT.

## **LUD claim on BAMBU IV FARM – Filed by FSA**

Overview: LHS claims for the immediate payment of the debt by FRIGIERI - approximately BRL220,000.00, related to advanced payments made for FRIGIERI of the final harvest..

**08/08/2025:** LHS submits its opposition to the FRIGIERI'S INJUNCTION APPEAL, arguing that (i) the appeal lacks merit, and the execution should proceed normally, with the practice of enforcement acts to satisfy the debt; (ii) the release of the blocked funds has already occurred, and therefore any request for suspension is moot; (iii) it emphasizes that the COURT OF APPEALS, in a previous decision (appeal n. 1004735-47.2021.8.11.0000, in BAMBU LAWSUIT FILED BY LHS), denied suspensive effect to the injunctions filed by FRIGIERI and authorized the regular continuation of the execution, and that the injunctions have already been dismissed at first instance; (iv) there is no evidence of imminent or irreparable harm, as the guarantee provided is sufficient to protect the creditor's interests. Accordingly, LHS requests that the FRIGIERI'S INJUNCTION APPEAL be declared moot or, alternatively, that the appeal be denied, maintaining the challenged decision in full, in strict accordance with the applicable law and the jurisprudence of the COURT OF APPEALS.

**09/29/2025:** the judge ordered a search via the RENAJUD system (the judicial online vehicle restriction system) to locate vehicles registered to FRIGIERI, due to the outstanding debt of BRL 82,052.00.

**10/02/2025:** the attorney Pablo Berger submits his resignation from the powers granted to him by FRIGIERI in the following cases 1017418-61.2019.8.11.0041; 1004587-68.2025.8.11.0041; 1023504-77.2021.8.11.0041; 1005132-80.2021.8.11.0041; 1003308-23.2020.8.11.0041; 1059084-42.2019.8.11.0041 and 1042161-72.2018.8.11.0041. From this date forward, the legal representative of FRIGIERI is Mr. Uber Roberto de Carvalho, registered with the OAB/MT

**10/06/2025:** FRIGIERI submits a settlement offer to the court to resolve the outstanding debt. The proposal consists of 6 monthly payments of BRL 13,675.44, which will be subject to monetary correction and a 1% monthly interest charge, in compliance with legal requirements.

**10/07/2025:** LHS informs the court that accepts the settlement proposal and requests that the agreement be ratified by the judge.

**10/14/2025:** the judge of the claim ratifies the settlement.

# Legal and Compliance Update

- 10/15/2025:** in FRIGIERI'S OBJECTION LHS informs the court that FRIGIERI has submitted a settlement proposal, which LHS accepted and the judge ratified, and therefore requests that the appeal be deemed moot.
- 10/15/2025:** in FRIGIERI'S INJUNCTION APPEAL, the reporting judge dismisses the appeal on the grounds that it has lost its purpose following the approval of the settlement.
- 10/17/2025:** In FRIGIERI'S INJUNCTION APPEAL, the court declares the decision is final and unappealable, ordering the case to be closed and archived.
- 10/17/2025:** the court and the lower court states that FRIGIERI'S INJUNCTION APPEAL is unappealable.
- 11/03/2025:** in FRIGIERI'S OBJECTION LHS files a plea for clarification (embargos de declaração) requesting that the attorneys' fees established by the challenged judgment (currently set at 10%) be increased to 15% of the updated value of the case, according to Superior Court precedents.
- 11/05/2025:** the COURT OF APPEALS Revokes the certificate of final and binding judgment.
- 11/11/2025:** in FRIGIERI'S OBJECTION, FRIGIERI submits a response opposing LHS's plea for clarification, arguing that (i) LHS is attempting to change the economic outcome of the decision rather than clarify it; (ii) the Superior Court precedent argued to justify an increase in appellate fees does not apply when the case ends in a settlement and the appeal is dismissed as moot; (iii) the law requires that, in settlement scenarios, the terms agreed between the parties must prevail; and (iv) the request violates good-faith principles and the rule against "surprise decisions." FRIGIERI ultimately asks the court to reject the motion, maintain attorney fees at 10%, and impose a fine for the motion's dilatory nature.

# Legal and Compliance Update

## **LUD claim on PARAISO FARM FILED BY FRIGIERI:**

Overview: FRIGIERI filed a lawsuit against FSA for breach of contract regarding the usufruct of the Paraiso Farm. FRIGIERI allege that FSA failed to fulfill its contractual obligation to maintain the property's Rural Environmental Registry (CAR), resulting in financial losses for FRIGIERI. The plaintiffs seek a court order compelling FSA to regularize the CAR and demand compensation for moral damages in the amount of R\$30,000.00. FRIGIERI also claim their reputation is tarnished due to the irregularities, hindering their access to financial resources

**No news since the last report.**

## **PARAISO LAWSUIT FILED BY FSA:**

**Overview:** Collection action filed by FSA against FRIGIERI, the owners of Fazenda Paraíso, located in the State of Mato Grosso. Pursuant to the usufruct agreement for the exploitation of teak wood and other related documents, FRIGIERI was entitled to 20% of the proceeds from the sale of the wood and, over the years, received several cash advances from FSA (all duly documented), in addition to assigning part of their credit rights to the company. Upon expiration of the usufruct in 2023, FSA returned the property with the 31 hectares belonging to FRIGIERI and demanded repayment of the outstanding advances. Although acknowledging the debt, FRIGIERI refused to make payment. Consequently, FSA is seeking judicial enforcement of the debt in the amount of BRL 900,926.40, including interest, monetary correction, and attorneys' fees, as well as the granting of an evidentiary injunction for partial anticipation of the judgment.

**08/18/2025:** FRIGIERI submits a defense combined with a counterclaim against FSA, preliminarily arguing that the filed action is connected to a prior case involving FSA's obligations (case no. 1028333-96.2024.8.11.0041 – PARAISO LAWSUIT FILED BY FRIGIERI), and that the cases should be consolidated or, alternatively, the present claim suspended until the final decision in the prior case to avoid conflicting rulings. On the merits, FRIGIERI contends that the claimed payment is not due, as FSA was the first to breach essential contractual obligations, failing to return the property in adequate condition and to perform the wood harvesting duties assigned to it, constituting nonperformance that prevents any payment claim. Accordingly, FRIGIERI requests that the action be dismissed and, on the counterclaim, that FSA be ordered to compensate FRIGIERI for the damages caused by its breach, including restoration of the property and lost profits, with the total value of the claim set at BRL 100,000.

**09/11/2025:** FSA submits a reply and response to the counterclaim filed by FRIGIERI, arguing that (i) there is no connection between the current debt collection action and the separate obligation-to-do case filed by FRIGIERI, as the causes of action and requests are distinct; (ii) the claim of nonperformance by FSA is inapplicable, since the obligations to pay and to perform wood harvesting duties are independent; (iii) the counterclaim is entirely unfounded, as the requests to convert an obligation-to-do into damages and to demand an accounting do not relate to the debt collection claim and are incompatible with its procedural framework; (iv) the existence and amount of the debt (BRL 477,000) are undisputed, supporting partial judgment in favor of FSA or, alternatively, immediate deposit of the undisputed amount; and (v) FSA requests the rejection of all FRIGIERI's arguments, full judgment in FSA's favor on the debt collection claim, and the dismissal of the counterclaim, with FRIGIERI bearing all applicable costs and legal fees.

# Legal and Compliance Update

**10/06/2025:** FRIGIERI filed a reply to the counterclaim, arguing that: (i) there is a nexus between the debt collection action and the counterclaim, as they share the same, single cause of action (rights and obligations arising from the Usufruct Agreement), which seeks the quantification of damages and credits resulting from FSA's breach, stemming from the misappropriation of funds received from the sale of wood from thinning operations that FSA conducted in FRIGIERI's name; (ii) the contractual obligations are interdependent, and the payment is linked to and conditioned upon the future event of the wood sale. FSA's refusal to perform the final harvest is an active impediment to the occurrence of the event that would allow for the settlement of accounts. Similarly, FSA cannot refuse to harvest the crop while simultaneously demanding the advance payment that was to be settled with the profits from that same harvest; (iii) FSA breached the contract even before FRIGIERI's default, giving rise to the defense of prior material breach (*exceptio non adimpleti contractus*). This renders the debt unenforceable and makes it impossible to establish an undisputed amount. The reply concluded with a request for an order compelling FSA to reconstitute the misappropriated funds, to pay damages for losses arising from the failure to conduct the harvest, and finally, for the right to set-off the credits against the debt from the advance payments (in dollars).

# Legal and Compliance Update

## **LUD claim on PARAISO FARM II:**

Overview: Frigieri alleges that at Paraiso farm, FSA must (i) clean the areas by cutting and completely removing the remaining teak trees from the 31.01 hectares; (ii) remove the stumps and clean the usufruct areas, making them suitable for cattle farming or sugarcane planting; (iii) repair the allegedly damaged improvements, such as the main house, the three employee houses, and the barn; and (iv) compensate for the losses and damages suffered due to the return of the areas in poor condition. Furthermore, the plaintiff requested a preliminary injunction to compel FSA to carry out the activities in items (i) and (ii), under penalty of a daily fine of 5,000.00 BRL.

**10/10/2025:** The Expert informs the judge of the claim that (i) accepts the appointment; (ii) has a qualified technical team to carry out the appraisal, which has a fact-finding and evaluative nature, aimed at determining the costs of post-teak-harvest operations, assessing the condition of the returned improvements, and quantifying any lost profits; (iii) the work will include document analysis, satellite imagery review, on-site inspection, data collection for activity valuation, and preparation of the expert report addressing questions from the Court and the parties, with topographical aspects excluded and the parties responsible for indicating the perimeter of the area. Finally, the Expert requests provisional fees of 44,980 BRL, the provision of relevant documents by the parties, and a period of 90 days for delivery of the report.

**09/18/2025:** FSA appoints Mr. Fausto Hissashi Takazawa as its technical assistant and submits the expert questions, requesting that the expert confirm, among other points: the date and reliability of the reports presented by the plaintiffs; the condition and maintenance of the improvements on Fazenda Paraíso at the time of its return to the owners; the average cost of stump removal for the 573-hectare area; the economic suitability of the farm at the beginning and end of the usufruct, including its suitability for cattle raising and agriculture; the quality of the soil; and the existence of teak residues, their economic use, and any sales by the plaintiffs. FSA also reserves the right to submit additional expert questions at a later stage.

**09/17/2025:** FRIGIERI presents the expert questions in the case, informing that the appointment of a technical assistant will occur after the expert accepts the assignment and submits the fee proposal. They emphasize that, due to FSA's inaction in performing the clear-cutting, cleaning, and stump removal of the 31-hectare area, FRIGIERI assumes these services at their own expense, which must be considered in the calculation of costs and compensation.

**08/26/2025:** The judge of the case (i) approves the expert evidence requested by FRIGIERI and appoints the company Real Brasil Consultoria to conduct the technical inspection; (ii) notifies the parties to submit their questions and appoint technical assistants; and (iii) subsequently, the expert should be notified to submit their fee proposal, which is to be divided equally between the parties (50/50). Once the fees are agreed upon and paid by the parties, the work begins, and the report shall be delivered within 30 days.

# Legal and Compliance Update

## **BAMBU I FARM – OVERVIEW**

The farm has land use deals ("LUD", also "Usufruct Agreements"). The landowners, Mr. Luiz Plácido Pinto Junior and his wife Rosane Costa Marques Pinto claim for the accountability of the usufruct from Bambu I Farm.

**08/05/2025:** The Plaintiffs initiate the enforcement of the judgment and request that FSA be noticed to, within 15 days, comply with the provisions set forth in the first-instance judgment and provide accounting from the inception of the contractual relationship between the parties (December 18, 2000), by submitting documents detailing the thinning operations carried out and evidence of the profits already earned by FSA from the managed planting at the Bambu I farm, as well as documents proving the payments (transfers) already made to the Plaintiffs and other beneficiaries of the profits arising from this plantation, concerning the amounts owed to the Plaintiffs, under penalty of being precluded from contesting the documents submitted by the Plaintiffs.

**08/24/2025:** the attorney Pablo Berger submits his resignation from the powers granted to him by FRIGIERI in the following cases 1017418-61.2019.8.11.0041; 1004587-68.2025.8.11.0041; 1023504-77.2021.8.11.0041; 1005132-80.2021.8.11.0041; 1003308-23.2020.8.11.0041; 1059084-42.2019.8.11.0041 and 1042161-72.2018.8.11.0041. From this date forward, the legal representative of FRIGIERI is Mr. Uber Roberto de Carvalho, registered with the OAB/MT.

**09/01/2025:** The Plaintiffs request the regularization of the active party in the case by effecting the succession of the deceased Luiz Plácido Pinto Junior in favor of his universal successor, Rosane Costa Marques Pinto, and seek the correction of the case records to include only her name. The Plaintiffs assert their full standing, arguing that the sale of the bare ownership of the property "Fazenda Bambu I" does not affect their personal rights to supervise and receive the benefits of the usufruct, which are the subject of this accounting action. Finally, they request the dismissal of the defendants' claim of lack of standing, the continuation of the proceedings, and the summons of LHS and FSA to provide the required accounting.

**BAMBU V FARM – OVERVIEW** The farm has land use deal ("LUD", also "Usufruct Agreements"). The landowners, Mr. Fernando Augusto Palma Faria and his wife Cristina Adiles Costa Marques Faria claim for the accountability of the usufruct from Bambu V Farm.

- **Bambu V:** No movements since de the last report.

# Legal and Compliance Update

## **LUD claim on PAIOLANDIA FARM:**

Overview – Rondon Empreendimentos Imobiliários Ltda (“Rondon”) is the landowner of Paiolandia Farm and entered a land use with FSA. Rondon claims for the immediate payment of the debt by FSA, related to the timber of Paiolandia Farm.

**10/08/2025:** in FSA’S OBJECTION, FSA and its layers file an injunction appeal seeking the reform of the decision issued on 10/03/2025, which denied the request for the attachment of the debtor’s social quotas in Rondon Company and attributed certain legal costs to the creditors. They argue that: (i) the debtor, despite being duly notified, neither paid the debt nor indicated assets for attachment, while most of his wealth is immobilized in social quotas, making attachment of liquid assets impractical; (ii) the legal order of preference for attachment under the law is merely indicative and can be flexibly applied to ensure effectiveness of execution and creditor’s interest, as supported by consolidated jurisprudence of the Superior Court and Mato Grosso Court of Appeals; (iii) the disputed portion of the calculation (Selic base) represents only minimal discrepancy, and according to the law, the burden of legal costs should fall solely on the debtor; and (iv) the delay in attaching the debtor’s social quotas poses a real risk of asset dissipation, threatening the enforceability of the judgment. Accordingly, FSA requests the grant of active effect to the appeal to allow immediate attachment of the debtor’s social quotas, the definitive recognition of this attachment, and the reallocation of legal costs exclusively to the debtor (“FSA AND LAWYERS INJUNCTION APPEAL”)<sup>1</sup>.

**10/09/2025:** in FSA AND LAWYERS INJUNCTION APPEAL, the reporting judge grants the preliminary injunction and orders the attachment of the defendant Rondon’s shares in Rondon Company and the suspension of the award of attorney’s fees against the appellants until the final decision on the FSA AND LAWYERS INJUNCTION APPEAL, considering the plausibility of the right claimed by the claimants and the risk of harm to the effective outcome of the enforcement, given the debtor’s inaction in identifying assets and the need to ensure the effectiveness of the seizure.

**10/23/2025:** In light of the decision issued by the COURT OF APPEALS on 10/09/2025, in the FSA AND LAWYERS INJUNCTION APPEAL, the judge of FSA’S OBJECTION orders the following: (i) the immediate seizure of all shares held by Mr. Rondon in Rondon Company, up to the amount of the enforceable debt, and the issuance of the corresponding seizure record; (ii) that the Commercial Registry of the State of Mato Grosso (JUCEMAT) be notified to record the seizure in the Rondon Company’s registry; (iii) that Rondon Company be notified of the measure; and (iv) the suspension of the decision issued on 10/03/2025, concerning the order for the claimant to pay 10% of attorney’s fees, until the final judgment of the appeal, in accordance with the ruling issued by the higher court.

10/29/2025: Mr. Rondon files his opposition to the FSA AND LAWYERS INJUNCTION APPEAL, asking the court to uphold the lower-court decision that denied the request to seize his company shares. He argues that (i) the appeal is premature, as regular enforcement measures have not yet been exhausted and there is no evidence of asset concealment or dissipation; (ii) the seizure of corporate shares is an exceptional remedy, allowed only once all other, more liquid assets have been pursued without success; and (iii) freezing the shares without proven necessity would be a disproportionate action and a violation of due process. He ultimately requests that the appeal be dismissed and the original ruling fully maintained.

# Legal and Compliance Update

**10/29/2025:** in FSA AND LAWYERS INJUNCTION APPEAL, Mr. Rondon files a new appeal (agravo interno) against the decision of 10/09/2025, which grants the preliminary injunction in the FSA AND LAWYERS INJUNCTION APPEAL and orders the immediate seizure of his ownership interests in Rondon Company. Mr. Rondon (i) argues that the measure is premature and disproportionate, since the ordinary enforcement methods have not been exhausted and there is no evidence of concealment or dissipation of assets; thus, the statutory order of attachment and the principle of least onerous enforcement should prevail, as there is no concrete risk of delay; and (ii) he requests the revocation of the seizure, continuation of the enforcement proceedings by less burdensome means, and, alternatively, that no procedural fine be applied.

**11/05/2025:** The lower court notifies the Commercial Registry to record the seizure of the shares owned by Mr. Rondon in Rondon Company, up to the enforceable amount, currently totaling BRL 9,138,132.32.

**11/11/2025:** the Commercial Registry of Mato Grosso informs that has recorded the seizure of the shares owned by Mr. Rondon in Rondon Company

**PAIOLANDIA FARM – Director removal lawsuit:** First movement since 2023

Overview: Rondon Andrade Porto (partner of Rondon Empreendimentos Ltda) filed a case to remove the rightful Director of the company - Ms. Rebeca de Andrade Porto

**No news since the last report.**

# Outlook on Upcoming Quarters

Operations in FSA will continue to operate with 2 or 3 harvesting crews in the coming quarter, but during some periods 1 or 2 of those crews will be operating on LUD areas to deliver the production to landowners in Barranquinho and Santa Maria do Jauru. The production on these areas do not bring revenues to FSA as the logs are delivered roadside to the rightful owners. Nonetheless, this has been accounted for on the annual budget.

Up to now, logistic condition have remained favorable overall, apart from some small constraints for space on the railway from Rondonopolis to Santos. Port operations in Santos have been consistent this far, despite this being the most challenging time of the year, given competition from other agricultural commodities..

Currently, the ongoing court cases FSA is involved are not causing any operational constraints.

FSA is negotiating with landowners from Bambu and Santa Maria do Jauru for them to take on the responsibility for land clearing by paying out the amount it would spend directly to them. This will speed up the land return process and reduce FSA liabilities.

It is important to highlight that many of the actions taken now to preserve cash now are pushing costs to the future, but they should still be covered by FSA cash generation at some point. The main components to this are:

- Areas of final harvest where land clearing was not performed and the land has not yet been formally returned to landowners and FSA may be ruled by court to perform clearing, or at least reimburse their costs (currently 1.800 ha in Paraíso, Duas Lagoas and Santa Fé farms, estimated cost of **USD 1.4 M**).

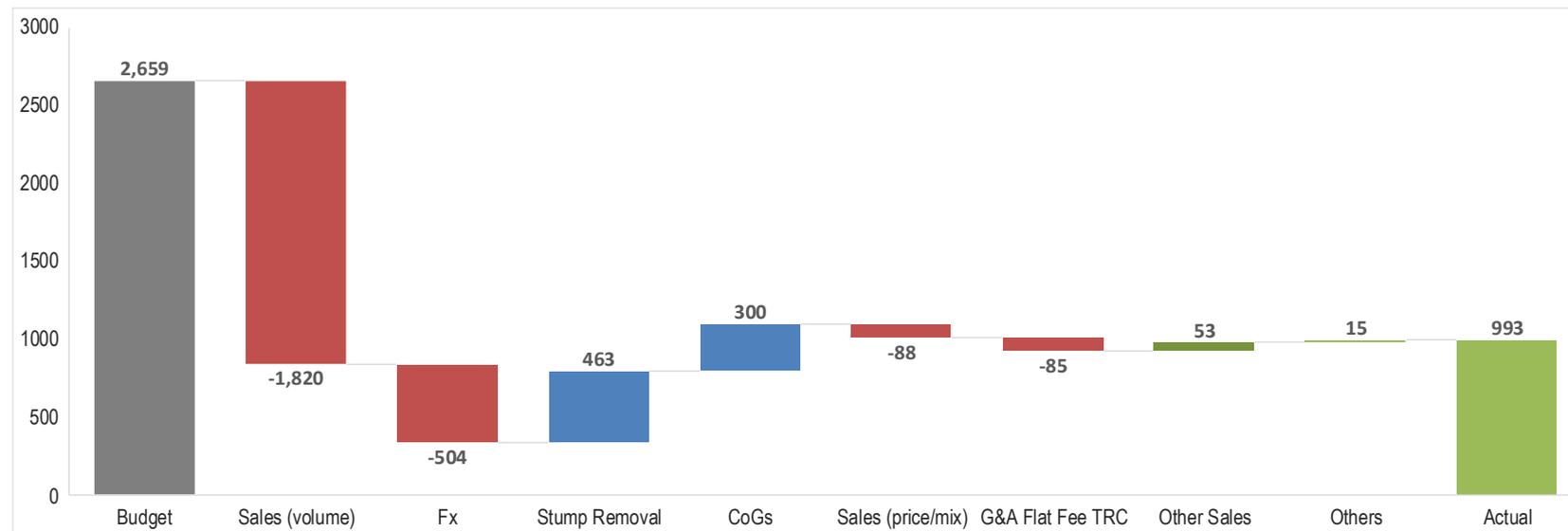
## FSA Summary Financial Information

# Summary P&L

FSA Profit and Loss (In USD 0,00) Volume	YTD				FY			
	YTD	YTD	Var.	%	FY	FY	Var.	%
	Budget	Actual			Budget	Actual		
	103,334	81,779	-21,556	-21%	131,617	95,382	-36,235	-28%
<b>01 - Sales</b>	<b>8,837,438</b>	<b>6,453,918</b>	<b>-2,383,520</b>	<b>-27%</b>	<b>11,491,027</b>	<b>7,289,021</b>	<b>-4,202,006</b>	<b>-37%</b>
01.01 - Log Sales	8,724,938	6,816,783	-1,908,155	-22%	11,341,027	7,998,175	-3,342,853	-29%
Fx gain (loss) to Actual	0	-503,947	-503,947	0%	0	-887,735	-887,735	0%
01.03 - Biomass	112,500	87,745	-24,755	-22%	150,000	125,245	-24,755	-17%
01.04 - Other Sales	0	53,336	53,336	0%	0	53,336	53,336	0%
01.1 - (-) Sales Deductions	-96,166	-334,584	-238,418	248%	-125,000	-363,418	-238,418	191%
<b>02 - Net Sales</b>	<b>8,741,272</b>	<b>6,119,333</b>	<b>-2,621,939</b>	<b>-30%</b>	<b>11,366,027</b>	<b>6,925,603</b>	<b>-4,440,425</b>	<b>-39%</b>
03 - CoGs	-3,482,805	-3,183,236	299,569	-9%	-4,441,405	-4,042,156	399,248	-9%
03.01 - Stump Removal	-773,788	-310,823	462,965	-60%	-858,400	-510,672	347,728	-41%
<b>04 - Gross Profit</b>	<b>4,484,680</b>	<b>2,625,275</b>	<b>-1,859,405</b>	<b>-41%</b>	<b>6,066,223</b>	<b>2,372,775</b>	<b>-3,693,448</b>	<b>-61%</b>
<b>05 - Operational Expenses</b>	<b>-1,825,511</b>	<b>-1,632,213</b>	<b>193,298</b>	<b>-11%</b>	<b>-2,248,321</b>	<b>-2,110,809</b>	<b>137,512</b>	<b>-6%</b>
5.01 - Forestry	-425,368	-375,667	49,700	-12%	-452,252	-480,885	-28,633	6%
5.02 - Property Management	-401,275	-444,903	-43,628	11%	-569,272	-590,353	-21,081	4%
5.03 - G&A Expenses	-163,733	-205,252	-41,519	25%	-216,551	-258,071	-41,519	19%
5.04 - G&A Flat Fee TRC	-515,136	-600,023	-84,887	16%	-690,246	-775,133	-84,887	12%
5.05 - Delayed Mngt Services Costs	-320,000	0	320,000	-100%	-320,000	0	320,000	-100%
5.06 - Other Operational	0	-6,368	-6,368	0%	0	-6,368	-6,368	0%
<b>06 - EBITDA</b>	<b>2,659,169</b>	<b>993,062</b>	<b>-1,666,108</b>	<b>-63%</b>	<b>3,817,902</b>	<b>261,966</b>	<b>-3,555,936</b>	<b>-93%</b>
<b>07 - Depreciation/Amortization/Depletion</b>	<b>-4,233,671</b>	<b>-3,219,332</b>	<b>1,014,339</b>	<b>-24%</b>	<b>-4,875,502</b>	<b>-5,092,802</b>	<b>-217,300</b>	<b>4%</b>
7.01 - Depreciation/Amortization	0	-4,923	-4,923	0%	0	-6,640	-6,640	0%
7.02 - Depletion	-4,122,438	-3,136,973	985,465	-24%	-4,730,632	-4,975,089	-244,458	5%
7.03 - Financial Income	0	80,615	80,615	0%	0	80,615	80,615	0%
7.04 - Financial Expenses	-111,233	-158,050	-46,817	42%	-144,871	-191,688	-46,817	32%
<b>08 - EBT</b>	<b>-1,574,502</b>	<b>-2,226,270</b>	<b>-651,768</b>	<b>41%</b>	<b>-1,057,600</b>	<b>-4,830,836</b>	<b>-3,773,236</b>	<b>357%</b>
<b>09 - Income Tax</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>
<b>10 - Profit &amp; Loss</b>	<b>-1,574,502</b>	<b>-2,226,270</b>	<b>-651,768</b>	<b>41%</b>	<b>-1,057,600</b>	<b>-4,830,836</b>	<b>-3,773,236</b>	<b>357%</b>

# Summary P&L YTD

## Operational Result vs Budget, Changes against Budget Amounts (USD, '000s)



The YTD Operational Result was **USD 993 K** versus **USD 2,6 M** budgeted or a negative variation of **USD - 1,7 M**.

Log revenue fell short of the budget by **USD - 2,4 M**, mainly driven by three factors: a volume shortfall of **- 21,556 m<sup>3</sup>**, which impacted revenue by **USD - 1,9 M**; a less favorable product mix, with a negative impact of **USD - 88 K**; and FX variation, which reduced revenue by **USD - 504 K** (budgeted FX: 6.0 vs. YTD FX: 5.55).

Stump removal shows a saving of **USD 463 K**, mainly due to new agreements and more favorable negotiations with suppliers.

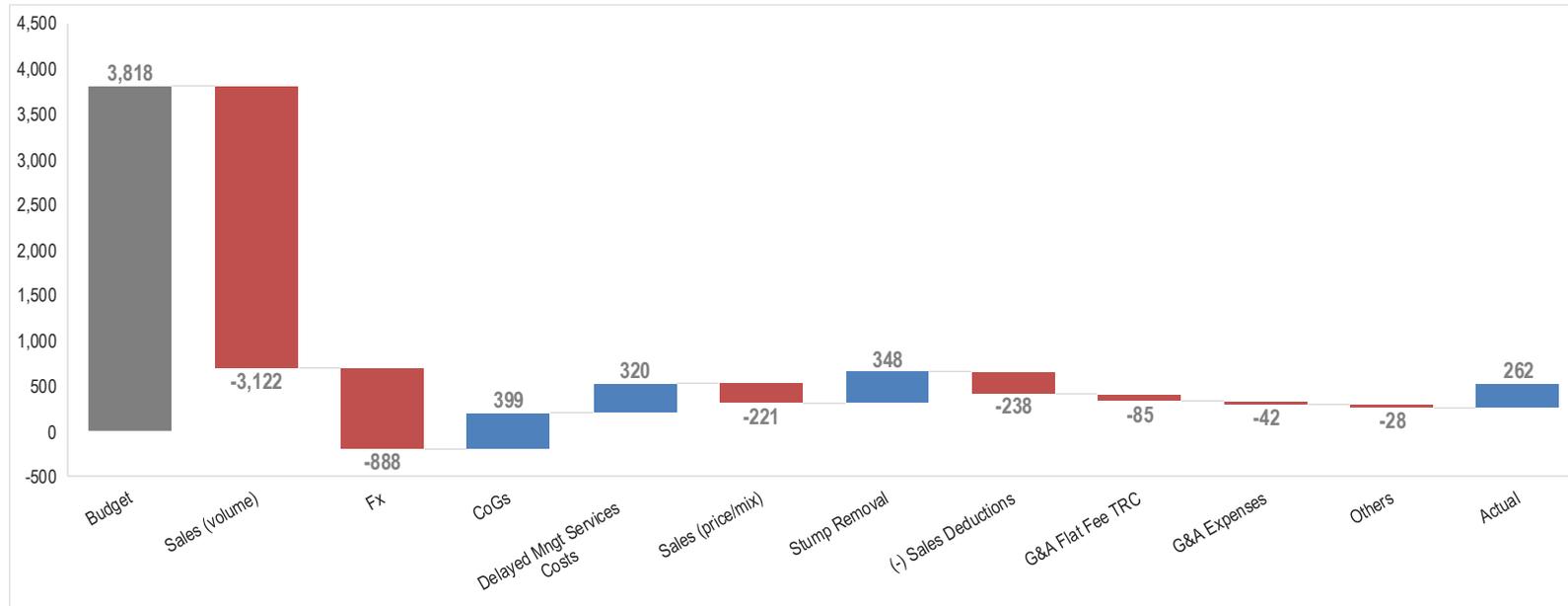
CoGs savings are explained by the lower volume executed year-to-date and the deferral of most LUD activities to the 4Q, despite the reimbursement of the harvesting activity under FSA's responsibility to CMB's landowner.

The G&A Flat Fee TRC exceeded the budget by **USD - 85 K**, driven by the inclusion of additional area from projects carried over from 2024.

Other Sales variation is mainly explained by the sale of 85.26 hectares of standing forest in the BAM2000 project.

# Summary P&L YEE

## Operational Result vs Budget, Changes against Budget Amounts (USD, '000s)



The overall FY Operational Result amounted to **USD 335 K**, falling short of the budgeted **USD 3,8 M**, resulting in a negative variance of **USD - 3,5 M**.

The lower volume projected for the year by **- 36,235 m<sup>3</sup>** results in a negative variation on revenues of **USD - 3,1 M**, as FSA's sales performance in 2025 was affected by both market conditions and logistical constraints.

The negative effect on Fx rate is due to BRL appreciation in comparison to the budget expectation. The budget Fx rate was **6.00** and the average for the FY is **5.66**.

The P&L budget included the amount of TRC invoices that were delayed in 2024 and postponed for payment in 2025 (**USD 320 K**). However, these were already paid in late 2024, impacting only the 2025 cash flow.

Stump removal is reflected in the forecast months through activities planned at Fazenda Santa Maria, estimated at **USD 112 K**, along with three scheduled installments totaling **USD 87 K** related to the payment agreement with the owner of Bambu V.

Sales deductions exceeded the budget because tax credits were considered in the budget to offset the amount payable. However, this impact is limited to cash flow. In the actual P&L, the full amount of sales tax is recognized as an expense.

G&A expenses increased mainly due to a **USD 25 K** non-cash tax credit reversal and severance costs for an employee on long-term medical leave. Additionally, there were unbudgeted one-off audit-related professional service expenses.

# Cost of Production Summary - YTD

Harvesting Cost, per activity:

Type	Act.Group	Unit	Total Cost (BRL)		STATUS		Unitary Cost (BRL/un)	
			Actual	Budget	Quantity (un)		Actual	Budget
Harvesting	Felling	m³	4.872.526	5.899.214	79.602	114.569	61	51
	Forwarding	m³	4.958.992	5.555.271	100.361	114.626	49	48
	Loading	m³	1.049.217	1.759.558	80.953	114.207	13	15
	Lot Formation	m³	2.489.522	4.504.101	77.327	114.626	32	39
	Adjustment	-	3.046.107	0			0	0
	Taxes	-	1.024.571	1.790.605			0	0
	Soil Prep	ha	630.560	2.283.044	556	796	1.135	2.870
	Stump Removal	ha	1.700.377	2.292.104	567	819	3.001	2.800
	Support	-	2.224.410	2.741.055	0	0	0	0
	Tree Selection	ha	29.219		367		80	
Grand Total			22.025.501	26.824.952				

Total Activities		YTD	Budget	Var %
COP	BRL	19,694,564	20,896,829	-6%
Commercial Vol. + Stock Vol.	m³	79,106	103,334	-23%
<b>COP/m3</b>	<b>BRL</b>	<b>249</b>	<b>202</b>	<b>23%</b>
Cost of Goods Sold (CoGs)		18,765,869	0	0%
Accounting adj. (CoGs - COP)		-928,695	0	0%
Land Clearing		YTD	Budget	Var %
Soil Prep	BRL	630,560	2,316,766	-73%
Stump Removal	BRL	1,700,377	2,325,959	-27%
Area	ha	556	796	-30%
Area	ha	567	819	-31%
<b>Soil prep</b>	<b>BRL/ha</b>	<b>1,134</b>	<b>2,911</b>	<b>-61%</b>
<b>Stump Removal</b>	<b>BRL/ha</b>	<b>2,999</b>	<b>2,840</b>	<b>6%</b>
TOTAL		YTD	Budget	Var %
COP + Land Clearing	BRL	22,025,501	25,539,554	
BRL/USD Budget Rate		6.00	6.00	0%
<b>COP + Land Clearing</b>	<b>USD</b>	<b>3,670,917</b>	<b>4,256,592</b>	<b>-14%</b>

In the third quarter, the total cost incurred was approximately 20% below budget. Despite the overall savings, unit costs showed an undesirable increase in certain activities, particularly in felling and forwarding. On the other hand, loading and soil preparation stood out positively, with unit costs below budgeted levels.

The total operational cost (COP) was 6% below budget. The commercialized and stock volume was 23% lower than expected, which led to an increase in the cost per cubic meter (COP/m³).

In soil preparation and stump removal activities, execution was 30% below the planned level. The consolidated total of COP and land clearing showed a 14% savings compared to the budget.

The Adjustment shows on the first table represents the difference between the actual expenditures incurred in the period (effective cost of production) to the estimated costs of the resources used registered by our operational controls (standard cost).

For a better reconciliation with P&L, the information of the Cost of Goods Sold (CoGs) was included, meaning the average cost of production from effectively sold volume in the balance sheet. In addition, the Accounting adj. is the difference between the Cost of Production (COP) and the Cost of Goods sold and represents the variation in stock/inventories in the period.

# Silvicultural Operations Summary - YTD

## Forestry Operations YEE

Type	Act.Group	Unit	Total Cost (BRL)		STATUS Quantity (un)		Unitary Cost (BRL/un)	
			Actual	Budget	Actual	Budget	Actual	Budget
Silviculture	Controle de Exóticas	ha	72.043	46.281	0	0	0	0
	Fire Fighting	-		70.273		0		0
	Firebreaks	ha	425.531	475.890	1.140	1.190	373	400
	Inventory	parc	171.781	312.049	1.100	1.480	156	211
	Planting	ha	3.292		0		0	
	Research	-	2.509		0		0	
	Roads	km	462.361	1.210.000	78	220	5.929	5.500
	Weed Control	ha	246.996	320.154	352	440	702	728
	Adjustment	-	769.527	0			0	0
	Taxes	-	98.504	117.559			0	0
<b>Grand Total</b>			<b>2.252.544</b>	<b>2.552.206</b>				

Our total cost is in line with the forecast as activities are being executed as planned, with variations within the line items.

Adjustment is the difference between the actual expenditures incurred in the period (effective) to the estimated costs of the resources used registered by our operational controls (standard cost).

# General & Administrative Expenses

## G&A / Overhead Summary YTD

FSA Total Overhead Costs (In USD 0,00)	YTD	YTD	Var.	%
	Budget	Actual		
5.02 - Property Management	-401.275	-444.903	-43.628	11%
5.03 - G&A Expenses	-163.733	-205.252	-41.519	25%
5.04 - G&A Flat Fee TRC	-515.136	-600.023	-84.887	16%
<b>TOTAL</b>	<b>-1.080.143</b>	<b>-1.250.178</b>	<b>-170.035</b>	<b>16%</b>

## G&A / Overhead Summary YEE

FSA Total Overhead Costs (In USD 0,00)	FY	FY	Var.	%
	Budget	Actual		
5.02 - Property Management	-569.272	-612.900	-43.628	8%
5.03 - G&A Expenses	-216.551	-258.071	-41.519	19%
5.04 - G&A Flat Fee TRC	-690.246	-775.133	-84.887	12%
<b>TOTAL</b>	<b>-1.476.069</b>	<b>-1.646.104</b>	<b>-170.035</b>	<b>12%</b>

Property costs show a negative variance of **USD - 44 K** in 3Q, explained by the land tax budgeted for 4Q and additional third-party service expenses not included in the budget.

The main reason for the increase in direct G&A expenses are a non-cash tax credit reversal (USD 25 K) and severance payments for an employee who had been on long-term medical leave. In addition, there were one-off professional service expenses related to audit activities, which were not budgeted.

The G&A Flat Fee TRC variance amounted to **USD - 84 K** as the area considered for the standing area calculation is larger than planned for 2025, driven by the carryover of unfinished projects from 2024.

In May, FSA and TRC agreed to update the standing areas that base the G&A fee along the year as harvest gets finalized each month, to bring these expenses back to budget. Even though the contracts states that this should be an annual fee based on the starting area of the year, the methodology will be adapted to avoid higher costs to FSA.

The positive impact of this change can already be observed in 3Q, with the quarterly variance reducing to **USD 17 K**, compared to **USD 32 K** in 2Q.

# Cash Summary - YEE

## Actual and Budget Cash Flow USD

FSA Cash Flow (In USD 0,00) Fx rate	1Q2025	1Q2025	2Q2025	2Q2025	3Q2025	3Q2025	4Q2025	4Q2025	2025	2025	Var.
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	FY	
	<b>Initial Balance</b>	166,667	603,678	401,801	484,256	1,002,938	925,409	1,279,212	1,619,338	166,667	
<b>Gross Revenues</b>	<b>2,904,705</b>	<b>2,451,805</b>	<b>2,754,271</b>	<b>2,454,735</b>	<b>2,593,429</b>	<b>2,515,624</b>	<b>2,848,583</b>	<b>1,465,706</b>	<b>11,100,988</b>	<b>8,887,869</b>	<b>-2,213,118</b>
Log Sales	2,904,705	2,414,238	2,754,271	2,342,097	2,593,429	2,367,197	2,848,583	1,465,706	11,100,988	8,589,238	-2,511,750
Other Sales	0	37,566	0	112,638	0	148,427	0	0	0	298,631	298,631
(-) Sales Deductions	-25,645	-12,586	-22,852	-16,983	-25,108	-9,543	-20,146	-33,443	-93,750	-72,555	21,195
<b>Net Revenues</b>	<b>2,879,060</b>	<b>2,439,219</b>	<b>2,731,419</b>	<b>2,437,752</b>	<b>2,568,321</b>	<b>2,506,081</b>	<b>2,828,438</b>	<b>1,432,262</b>	<b>11,007,238</b>	<b>8,815,315</b>	<b>-2,191,923</b>
Harvesting	-1,240,705	-1,474,378	-1,056,624	-1,307,091	-1,185,476	-966,235	-958,756	-784,066	-4,441,561	-4,531,770	-90,209
Stump Removal	-455,919	-155,039	-177,090	-107,615	-140,778	-68,630	-84,612	-199,849	-858,400	-531,132	327,268
Forestry Costs	-187,661	-180,997	-143,335	-75,948	-94,372	-182,119	-26,884	-105,218	-452,252	-544,282	-92,031
Property Costs	-137,528	-140,216	-136,532	-128,653	-127,215	-138,032	-167,997	-167,997	-569,272	-574,898	-5,626
G&A Own expenses	-25,843	-34,582	-25,497	-23,194	-25,222	-23,000	-26,656	-26,656	-103,218	-107,432	-4,214
TRC Services	-209,500	-198,820	0	0	0	0	0	0	-209,500	-198,820	10,680
Flat Fee	-170,028	-214,850	-171,707	-203,751	-173,401	-190,416	-175,110	-175,110	-690,246	-784,127	-93,881
LUD	0	0	-206,333	-64,419	0	-96,629	0	-348,807	-206,333	-509,854	-303,521
<b>Operational Cash Generation</b>	<b>451,875</b>	<b>40,336</b>	<b>814,301</b>	<b>527,082</b>	<b>821,859</b>	<b>841,021</b>	<b>1,388,422</b>	<b>-375,440</b>	<b>3,476,456</b>	<b>1,032,999</b>	<b>-2,443,458</b>
Legal Expenses	-29,746	-25,796	-31,263	-26,342	-26,163	34,677	-26,163	-26,163	-113,333	-43,624	69,709
Financial expenses	0	3,433	0	14,742	0	18,937	0	0	0	37,113	37,113
Income tax	0	0	0	0	0	0	0	0	0	0	0
Loan	-78,745	-37,129	-73,650	-34,727	-411,173	-193,871	-403,878	-190,432	-967,447	-456,158	511,289
Transfers to FBV/SATT	-108,250	-103,513	-108,250	-102,529	-108,250	-107,004	-108,250	-101,495	-433,000	-414,540	18,460
Legal Provision VTP	0	-466	0	0	0	0	0	0	0	-466	-466
<b>Cash Generation</b>	<b>235,134</b>	<b>-123,135</b>	<b>601,138</b>	<b>378,226</b>	<b>276,273</b>	<b>593,761</b>	<b>850,131</b>	<b>-693,529</b>	<b>1,962,676</b>	<b>155,323</b>	<b>-1,807,354</b>
Fx gain/loss	0	3,713	0	62,927	0	100,169	0	-89,073	0	77,736	77,736
<b>Closing Balance</b>	<b>401,801</b>	<b>484,256</b>	<b>1,002,938</b>	<b>925,409</b>	<b>1,279,212</b>	<b>1,619,338</b>	<b>2,129,343</b>	<b>836,737</b>	<b>2,129,343</b>	<b>836,737</b>	<b>-1,292,606</b>

The lower receivables in Q1 compared to the budget were due to early payments made in 2024 to cover year-end holidays. However, this was offset by a higher-than-expected opening balance from Q2 onwards, receivables were impacted by lower-than-budgeted volumes, leading to a negative variance of **USD - 1,1 M** YTD and **USD - 2,5 M** by year-end.

In 1Q, FSA settled all previously outstanding harvesting and flat fee invoices totaling **USD 198 K**, which had been delayed due to cash constraints. All 2025 invoices are currently being paid on time.

As noted on the P&L slide, stump removal is showing savings of **USD 327 K**, even considering the forecasted costs for activities at Fazenda Santa Maria and the three scheduled installments to the owner of Bambu V.

Forestry is over budget by **USD - 92 K** due to supply purchases made in 1Q 2025. The road maintenance activity that has not yet been carried out in the YTD is projected in the upcoming months of the cash flow forecast, with an estimated cost of **USD 470 K**.

Despite the negative variance in the projected cash balance for 2025, FSA expects to close the year with a positive cash position, ensuring no shortfall at year-end.

# FSA Balance Sheet

## Floresteca S.A- Balance Sheet position of September 30, 2025

(In thousands of reais/dollars)

**FX RATE- ASSETS** 5,3180  
**FX RATE - LIABILITIES** 5,3186

ASSETS	R\$	\$	LIABILITIES AND EQUITY	R\$	\$
<b>CURRENT ASSETS</b>			<b>CURRENT LIABILITIES</b>		
Cash and cash equivalents	8.612.612	1.619.521	Loans and financing	5.718.991	1.075.281
Accounts receivable	11.059.917	2.079.714	Suppliers and other accounts payable	3.684.443	692.747
Inventories	3.922.995	737.682	TAX	336.384	63.247
Other receivables	27.005	5.078	Payroll	47.309	8.895
Taxes Recoverable	1.553.741	292.166	<b>Total Current Liabilities</b>	<b>9.787.127</b>	<b>1.840.170</b>
<b>Total Current Asset</b>	<b>25.176.270</b>	<b>4.734.161</b>	<b>Non-current liabilities</b>		
<b>NON-CURRENT ASSETS</b>			Loans and financing	606.863.765	114.102.163
Advances to agricultural partners	7.248.922	1.363.092	Contingencies	48.879.912	9.190.372
Other receivables	63.232	11.890	Suppliers and other accounts payable	9.786.710	1.840.091
Deferred taxes	25.957.101	4.880.989	<b>Total Non-Current Liabilities</b>	<b>665.530.387</b>	<b>125.132.626</b>
Forests - Own	526.964.786	99.090.783	<b>EQUITY</b>		
Property, plant & equipment	235.862	44.352	Capital	27.797.555	5.226.480
Intangible assets	5.185	975	Legal reserve	5.559.311	1.045.258
<b>Total Non-Current Asset</b>	<b>560.475.089</b>	<b>105.392.081</b>	Statement of profit or loss	(4.415.897)	(830.274)
			Profit Reserve	(118.607.124)	(22.300.441)
			Foreign exchange adjusts		12.424
<b>TOTAL CURRENT ASSETS</b>	<b>585.651.359</b>	<b>110.126.243</b>	<b>TOTAL EQUITY</b>	<b>(89.666.155)</b>	<b>(16.846.553)</b>
			<b>TOTAL LIABILITIES AND EQUITY</b>	<b>585.651.359</b>	<b>110.126.242</b>

## Appendix - Financial Tables

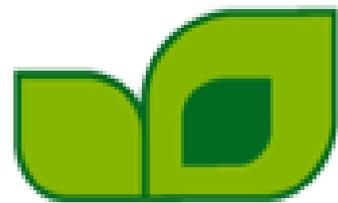
# Cash Summary - YEE

## YEE and Budget Cash Flow BRL

FSA Cash Flow (In BRL 0,00)	1Q2025	1Q2025	2Q2025	2Q2025	3Q2025	3Q2025	4Q2025	4Q2025	2025	2025	Var.
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	FY	
	<b>Initial Balance</b>	<b>1,000,000</b>	<b>3,519,504</b>	<b>2,410,804</b>	<b>2,780,694</b>	<b>6,017,631</b>	<b>5,050,049</b>	<b>7,675,270</b>	<b>8,612,612</b>	<b>1,000,000</b>	
<b>Gross Revenues</b>	<b>17,428,228</b>	<b>14,710,829</b>	<b>16,525,625</b>	<b>14,728,410</b>	<b>15,560,572</b>	<b>15,093,743</b>	<b>17,091,500</b>	<b>8,794,234</b>	<b>66,605,926</b>	<b>53,327,216</b>	<b>-13,278,710</b>
Log Sales	17,428,228	14,485,430	16,525,625	14,052,580	15,560,572	14,203,184	17,091,500	8,794,234	66,605,926	51,535,427	-15,070,499
Other Sales	0	225,399	0	675,831	0	890,559	0	0	0	1,791,789	1,791,789
(-) Sales Deductions	-153,870	-75,515	-137,111	-101,896	-150,645	-57,258	-120,874	-200,659	-562,500	-435,328	127,172
<b>Net Revenues</b>	<b>17,274,358</b>	<b>14,635,314</b>	<b>16,388,515</b>	<b>14,626,514</b>	<b>15,409,927</b>	<b>15,036,485</b>	<b>16,970,626</b>	<b>8,593,575</b>	<b>66,043,426</b>	<b>52,891,888</b>	<b>-13,151,538</b>
Harvesting	-7,444,232	-8,846,268	-6,339,744	-7,842,546	-7,112,854	-5,797,409	-5,752,535	-4,704,394	-26,649,364	-27,190,619	-541,255
Stump Removal	-2,735,514	-930,232	-1,062,540	-645,689	-844,671	-411,780	-507,675	-1,199,092	-5,150,400	-3,186,793	1,963,607
Forestry Costs	-1,125,963	-1,085,984	-860,012	-455,690	-566,230	-1,092,714	-161,304	-631,305	-2,713,509	-3,265,693	-552,184
Property Costs	-825,170	-841,297	-819,192	-771,917	-763,287	-828,190	-1,007,983	-1,007,983	-3,415,633	-3,449,387	-33,755
G&A Own expenses	-155,058	-207,494	-152,982	-139,163	-151,330	-137,999	-159,937	-159,937	-619,308	-644,593	-25,285
Overdue TRC Services	-1,257,000	-1,192,923	0	0	0	0	0	0	-1,257,000	-1,192,923	64,077
Flat Fee	-1,020,171	-1,289,101	-1,030,240	-1,222,505	-1,040,403	-1,142,496	-1,050,660	-1,050,660	-4,141,474	-4,704,762	-563,288
LUD	0	0	-1,238,000	-386,514	0	-579,771	0	-2,092,842	-1,238,000	-3,059,127	-1,821,127
<b>Operational Cash Generation</b>	<b>2,711,251</b>	<b>242,015</b>	<b>4,885,804</b>	<b>3,162,490</b>	<b>4,931,152</b>	<b>5,046,125</b>	<b>8,330,532</b>	<b>-2,252,638</b>	<b>20,858,738</b>	<b>6,197,992</b>	<b>-14,660,746</b>
Legal Expenses	-178,475	-154,777	-187,575	-158,055	-156,975	208,062	-156,975	-156,975	-680,000	-261,745	418,255
Financial expenses	0	20,598	0	88,455	0	113,624	0	0	0	222,677	222,677
Income tax	0	0	0	0	0	0	0	0	0	0	0
Loan	-472,472	-222,774	-441,902	-208,360	-2,467,037	-1,163,226	-2,423,269	-1,142,589	-5,804,680	-2,736,949	3,067,731
Transfers to FBV/SATT	-649,500	-621,075	-649,500	-615,175	-649,500	-642,021	-649,500	-608,970	-2,598,000	-2,487,241	110,759
Legal Provision VTP	0	-2,797	0	0	0	0	0	0	0	-2,797	-2,797
<b>Cash Generation</b>	<b>1,410,804</b>	<b>-738,811</b>	<b>3,606,827</b>	<b>2,269,355</b>	<b>1,657,640</b>	<b>3,562,564</b>	<b>5,100,788</b>	<b>-4,161,172</b>	<b>11,776,058</b>	<b>931,936</b>	<b>-10,844,122</b>
<b>Closing Balance</b>	<b>2,410,804</b>	<b>2,780,694</b>	<b>6,017,631</b>	<b>5,050,049</b>	<b>7,675,270</b>	<b>8,612,612</b>	<b>12,776,058</b>	<b>4,451,440</b>	<b>12,776,058</b>	<b>4,451,440</b>	<b>-8,324,618</b>



Thank You!



Floresteca