(Convenience translation into English from the original previously issued in Portuguese)

GRANBIO INVESTIMENTOS S.A.

Independent auditor’s review report

Individual and consolidated interim financial information
As at June 30, 2024

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Individual and consolidated interim financial information
As at June 30, 2024

Contents

Management Report

Dear Shareholders,

In line with its legal and bylaw provisions, the Management of GranBio Investimentos S.A. hereby submits for your appreciation the Company's individual and consolidated interim financial statements along with the independent auditor's report on the individual and consolidated interim financial statements, prepared in accordance with the accounting practices adopted in Brazil for the period ended June 30, 2024.

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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INDIVIDUAL AND CONSOLIDATED QUARTERLY INFORMATION

To the
Management and Shareholders of
GranBio Investimentos S.A.
São Paulo - SP

Introduction

We have reviewed the individual and consolidated interim financial information of GranBio Investimentos S.A. ("Company"), included in the quarterly information, for the period ended June 30, 2024, which comprises the statement of financial position as at June 30, 2024, and the respective statements of income and comprehensive income for the three- and six-month period then ended, and of changes in equity and cash flows for the six-month period then ended, as well as the corresponding notes.

The Company's Management is responsible for the preparation of the individual interim financial information in accordance with NBC TG 21 (R4), and for the preparation of the consolidated interim financial information in accordance with NBC TG 21 (R4) and with International Accounting Standard (IAS) 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the presentation of this interim financial information in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to quarterly information. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of the review

We conducted our review in accordance with Brazilian and international standards for reviewing interim financial information (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity). A review of interim financial information consists principally of applying analytical and other review procedures and making enquiries of and having discussions with persons responsible for financial and accounting matters. An interim review is substantially less in scope than an audit conducted in accordance with auditing standards and does not provide assurance that we would become aware of any or all significant matters that might be identified in an audit. Accordingly, we do not express such an audit opinion.

Conclusion on the individual interim financial information

Based on our review, we are not aware of any fact that would lead us to believe that the individual interim financial information included in the accompanying quarterly information has not been prepared, in all material respects, in accordance with NBC TG 21 (R4), applicable to the preparation of quarterly information, and presented in accordance with the standards issued by CVM.

Conclusion on the consolidated interim financial information

Based on our review, we are not aware of any fact that would lead us to believe that the consolidated interim financial information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with NBC TG 21 (R4) and IAS 34, applicable to Quarterly Information, and presented in accordance with the standards issued by CVM.

Emphasis

Investment realization stage

We draw attention to Note 1 to the individual and consolidated interim financial information, which describes that the Company and its subsidiaries have reported recurring losses on their operations and accumulated loss in equity amounting to R$ 831,365 thousand (R$ 758,862 thousand as at December 31, 2023) in the individual and consolidated statements. This situation is mainly due to the fact that the ethanol plant of the subsidiary Bioflex Agroindustrial S.A. is currently in the stage of investments to reach its business capacity of continual operations and, consequently, the recoverability of the investments made in fixed assets and technology (intangible assets). Our conclusion is not qualified in respect of this matter.

Related-party transactions

We draw attention to Note 9 to the individual and consolidated interim financial information, which describes that the Company and its subsidiaries maintain balances and transactions in significant amounts with related parties, according to the conditions described therein. Accordingly, the results of these operations could have been different if they had been carried out with third parties. Therefore, the accompanying individual and consolidated interim financial information should be read in this context. Our conclusion is not modified in respect of this matter.

Other matters

Statements of Value Added

The accompanying interim financial information includes the individual and consolidated statements of value added for the six-month period ended June 30, 2024, prepared under the responsibility of the Company's Management and presented as supplementary information for the purposes of IAS 34. These statements were submitted to the same review procedures followed for the review of the quarterly information, for the purpose of concluding on whether they are reconciled with the interim financial information and accounting records, as applicable, and if their form and contents meet the criteria defined in NBC TG 09 – Statement of Value Added. Based on our review, we are not aware of any fact that would lead us to believe that these statements of value added were not prepared, in all material respects, in accordance with the criteria established in this standard and consistently with the individual and consolidated interim financial information taken as a whole.

The accompanying financial statements have been translated into English for the convenience of readers outside Brazil.

São Paulo, August 08, 2024.

BDO RCS Auditores Independentes SS Ltda.
CRC 2 SP 013846/O-1

Ricardo Vieira da Rocha
Accountant CRC 1 BA 026357/O-2 – S - SP

GRANBIO INVESTIMENTOS S.A.

Statement of financial position
June 30, 2024 and December 31, 2023
(In thousands of Reais)

Assets

	Note	Parent Company 06/30/2024	Parent Company 12/31/2023	Consolidated 06/30/2024	Consolidated 12/31/2023
Current					
Cash and cash equivalents	6	1	1	1,687	200
Accounts receivable	7	-	-	892	237
Inventory	8	-	-	3,851	8,608
Advances to suppliers		20	-	1,918	1,953
Recoverable taxes		588	601	2,337	2,345
Prepaid expense		47	1	758	672
		656	603	11,443	14,015
Non-current					
Recoverable taxes		-	-	479	479
Judicial deposits		50	84	232	482
Advances to suppliers		-	-	15,260	14,565
Related-party loans	9	4,190	2,429	-	-
Investments	10	973,673	948,931	-	-
Property, plant and equipment	11	2,190	2,278	701,474	700,861
Intangible assets	12	-	-	598,114	530,810
		980,103	953,722	1,315,559	1,247,197
Total assets		980,759	954,325	1,327,002	1,261,212

Liabilities and equity

	Note	Parent Company 06/30/2024	Parent Company 12/31/2023	Consolidated 06/30/2024	Consolidated 12/31/2023
Current					
Loans and borrowings	14	1,700	390	57,587	32,338
Trade payables	15	815	176	48,791	35,291
Tax and labor obligations		518	10	18,184	6,675
Other accounts payable		86	82	1,050	1,066
Related-party loans	9	53,334	30,660	18,129	-
		56,453	31,318	143,741	75,370
Non-current					
Loans and borrowings	14	76,836	76,583	233,629	245,669
Tax and labor obligations		-	-	5,862	6,680
Deferred income tax and social contribution	24.c	-	-	43,878	40,474
Government grant	16	-	-	3,838	-
Provision for labor contingencies	17	-	-	63	634
Other accounts payable		1,752	1,797	3,021	2,580
Other accounts payable to related parties	9	-	-	45,427	43,172
		78,588	78,380	335,718	339,209
Equity					
Capital stock	18	977,662	977,662	977,662	977,662
Advance for future capital increase	18.b	363,780	363,780	363,780	363,780
Capital reserves	18.c	108,175	108,175	108,175	108,175
Asset and liability valuation adjustments	18.d	227,466	153,872	227,466	153,872
Accumulated losses		(831,365)	(758,862)	(831,365)	(758,862)
Equity attributable to controlling shareholders		845,718	844,627	845,718	844,627
Non-controlling interest	10.d	-	-	1,825	2,006
		845,718	844,627	847,543	846,633
Total liabilities and equity		980,759	954,325	1,327,002	1,261,212

The explanatory notes are part of the individual and consolidated interim financial statements.

GRANBIO INVESTIMENTOS S.A.

Income statement
Three-month and six-month periods ended June 30, 2024 and 2023
(In thousands of Reais)

		Parent Company				Consolidated			
	Note	04/01/2024 to 06/30/2024	01/01/2024to 06/30/2024	04/01/2023 to 06/30/2023	01/01/2023 to 06/30/2023	04/01/2024 to 06/30/2024	01/01/2024to 06/30/2024	04/01/2023to 06/30/2023	01/01/2023 to 06/30/2023
Revenue from services rendered	19	-	-	-	-	-	-	1,486	3,044
Cost of services rendered and idleness	20	-	-	-	-	(12,068)	(20,888)	(10,453)	(23,594)
Gross loss		-	-	-	-	(12,068)	(20,888)	(8,967)	(20,550)
Operating revenue/(expenses)									
Administrative and general expenses	21	(1,988)	(3,108)	(1,635)	(3,537)	(14,013)	(34,566)	(13,348)	(26,235)
Other operating revenue and (expenses)	22	-	-	-	-	726	5,763	(645)	(630)
Equity in earnings (losses) of controlled companies	10.c	(30,741)	(60,141)	(29,845)	(61,267)	-	-	-	-
Net income before financial revenues (expenses)		(32,729)	(63,249)	(31,480)	(64,804)	(25,355)	(49,691)	(22,960)	(47,415)
Financial revenues	23	-	-	5,095	8,611	377	765	4,981	9,218
Financial expenses	23	(5,953)	(9,254)	(4,095)	(8,200)	(15,116)	(26,132)	(13,911)	(28,541)
Financial result, net		(5,953)	(9,254)	1,000	411	(14,739)	(25,367)	(8,930)	(19,323)
Income before income tax and social contribution		(38,682)	(72,503)	(30,480)	(64,393)	(40,094)	(75,058)	(31,890)	(66,738)
Current income tax and social contribution	24.a	-	-	-	-	-	-	116	(362)
Deferred income tax and social contribution	24.a	-	-	-	-	1,218	2,374	1,156	2,369
Loss for the period		(38,682)	(72,503)	(30,480)	(64,393)	(38,876)	(72,684)	(30,618)	(64,731)
Controlling interest						(38,682)	(72,503)	(30,480)	(64,393)
Non-controlling interest						(194)	(181)	(138)	(338)
Loss for the period						(38,876)	(72,684)	(30,618)	(64,731)
Number of shares	27					108,133	108,133	108,133	108,133
Earnings per share	27					(0.3577)	(0.6705)	(0.2819)	(0.5955)

The explanatory notes are part of the individual and consolidated interim financial statements.

GRANBIO INVESTIMENTOS S.A.

Statement of comprehensive income
Three-month and six-month periods ended June 30, 2024 and 2023
(In thousands of Reais)

		Parent Company				Consolidated			
	Note	04/01/2024 to 06/30/2024	01/01/2024 to 06/30/2024	04/01/2023 to 06/30/2023	01/01/2023 to 06/30/2023	04/01/2024 to 06/30/2024	01/01/2024 to 06/30/2024	04/01/2023 to 06/30/2023	01/01/2023 to 06/30/2023
Loss for the period		(38,682)	(72,503)	(30,480)	(64,393)	(38,876)	(72,684)	(30,618)	(64,731)
Other comprehensive income to be reclassified to profit or loss in subsequent periods									
Cumulative translation adjustment - CTA	10.c e 17.d	57,873	73,594	(27,740)	(42,325)	57,873	73,594	(27,740)	(42,325)
Comprehensive income for the period		19,191	1,091	(58,220)	(106,718)	18,997	910	(58,358)	(107,056)
Profit attributable to:									
Controlling interest						19,191	1,091	(58,220)	(106,718)
Non-controlling interest						(194)	(181)	(138)	(338)
Total comprehensive income						18,997	910	(58,358)	(107,056)

The explanatory notes are part of the individual and consolidated interim financial statements.

GRANBIO INVESTIMENTOS S.A.

Statement of changes in equity
Three-month and six-month periods ended June 30, 2024 and 2023
(In thousands of Reais)

		Attributable to the controlling shareholders							
	Note	Capital stock	Advances for future capital increase	Capital reserve	Asset and liability valuation adjustments	Accumulated losses	Equity attributed to shareholders	Non-controlling interest	Total equity
Balances as of January 1, 2023		977,662	341,059	108,175	193,613	(712,290)	908,219	2,768	910,987
Cumulative translation adjustment - CTA	10.c	-	-	-	(42,325)	-	(42,325)	-	(42,325)
Loss for the period		-	-	-	-	(64,393)	(64,393)	(338)	(64,731)
Balances as of June 30, 2023		977,662	341,059	108,175	151,288	(776,683)	801,501	2,430	803,931
Balances as of January 1, 2024		977,662	363,780	108,175	153,872	(758,862)	844,627	2,006	846,633
Cumulative translation adjustment - CTA	10.c e 18.d	-	-	-	73,594	-	73,594	-	73,594
Loss for the period		-	-	-	-	(72,503)	(72,503)	(181)	(72,684)
Balances as of June 30, 2024		977,662	363,780	108,175	227,466	(831,365)	845,718	1,825	847,543

The explanatory notes are part of the individual and consolidated interim financial statements.

GRANBIO INVESTIMENTOS S.A.

Statement of cash flow
Six-month period ended June 30, 2024 and 2023
(In thousands of Reais)

	Note	Parent Company		Consolidated	
		06/30/2024	06/30/2023	06/30/2024	06/30/2023
Cash flow from operating activities					
Loss for the period		(72,503)	(64,393)	(72,684)	(64,731)
Adjustments for:					
Depreciation	11.b	103	103	18,873	20,050
Amortization	12	-	-	8,373	8,586
Earnings from short-term investments		-	(4,964)	-	(620)
Write-off of property, plant and equipment		-	-	451	55
Exchange variation		4,545	(2,524)	-	-
Equity in earnings (losses) of controlled companies	10.c	60,141	61,267	-	-
Provision for interest on loans and borrowings	14.b	4,287	7,082	15,933	22,626
Provision for interest on orther accounts payable		-	-	2,255	-
Provision for impairment loss		-	-	-	652
Deferred income tax and social contribution		-	-	(2,374)	(2,386)
Provision for leasing interest		(41)	(35)	(41)	(35)
Provision for labor contingencies		-	-	(571)	167
Provision for loss with inventory write off	8	-	-	4,753	-
Result for adjustments in the period		(3,468)	(3,464)	(25,032)	(15,636)
Changes in assets and liabilities:					
Accounts receivable		-	-	(576)	1,204
Advance to suppliers		(20)	11	(660)	(13,545)
Advance to suppliers - related parties		-	-	-	12,979
Inventories		-	-	4	(39)
Recoverable taxes		13	(230)	8	(293)
Prepaid expenses		(46)	-	146	(126)
Judicial deposits		34	-	250	(121)
Other accounts payable to related parties		-	-	3,218	(11,723)
Trade payables		639	(2)	(1,154)	(3,005)
Tax and labor obligations		507	151	10,539	36
Advances to clients		-	-	-	(3,065)
Other accounts payable		-	(118)	191	(661)
Net cash produces by (used in) operating activities		1,127	(188)	11,966	(18,359)
Interest on amortized loans and borrowings	14.b	(2,724)	(8,114)	(2,724)	(8,114)
Net cash used in operating activities		(5,065)	(11,766)	(15,790)	(42,109)
Cash flows from investing activities					
Discharge (placement) of short-term investments		-	(5,500)	-	(5,500)
Related-party loans		(1,761)	-	-	-
Increase in investments	10.c	(11,289)	(10,272)	-	-
Acquisition of property, plant and equipment	11.b	(14)	-	(3,975)	(2,843)
Government grant		-	-	3,565	-
Acquisition of intangible assets	12	-	-	(362)	(7,223)
Net cash produced by (used in) investing activities		(13,064)	(15,772)	(772)	(15,566)
Cash flows from financing activities					
Loans from related parties		18,129	35,088	18,129	609
Payment of loans and borrowings - principal		-	(2,909)	-	(2,909)
Net cash produced by (used in) financing activities		18,129	32,179	18,129	(2,300)
Effect of exchange variation on cash and cash equivalents		-	-	(80)	42
Net increase/(decrease) in cash and cash equivalents		-	4,641	1,487	(59,933)
Cash and cash equivalents on January 01		1	1	200	64,723
Cash and cash equivalents on June 30		1	4,642	1,687	4,790
Net increase/(decrease) in cash and cash equivalents		-	4,641	1,487	(59,933)

The explanatory notes are part of the individual and consolidated interim financial statements.

GRANBIO INVESTIMENTOS S.A.

Statement of added value
Six-month period ended June 30, 2024 and 2023
(In thousands of Reais)

	Parent Company		Consolidated	
	06/30/2024	06/30/2023	06/30/2024	06/30/2023
Revenue				
Sales of merchandise, goods and services	-	-	-	3,044
Other revenues and (expenses)	-	-	5,766	22
Impairment loss on account receivable	-	-	-	(652)
	-	-	5,766	2,414
Inputs acquired from third parties				
Costs	-	-	(2,850)	(4,149)
Material, electricity, outsourced services and other operating expenses	(2,359)	(3,137)	(5,659)	(10,900)
	(2,359)	(3,137)	(8,509)	(15,049)
Gross added value	(2,359)	(3,137)	(2,743)	(12,635)
Depreciation and amortization	(102)	(102)	(27,246)	(28,636)
	(102)	(102)	(27,246)	(28,636)
Net added value produced	(2,461)	(3,239)	(29,989)	(41,271)
Transferred added value				
Equity in earnings (losses) of controlled companies	(60,141)	(61,267)	-	-
Financial revenues	-	8,611	765	9,218
	(60,141)	(52,656)	765	9,218
Added value to be distributed	(62,602)	(55,895)	(29,224)	(32,053)
Distribution of added value				
Personnel				
Direct compensation	-	-	1,511	1,568
Benefits	136	76	1,011	636
Government Severance Indemnity Fund for Employees (FGTS)	-	-	173	141
	136	76	2,695	2,345
Taxes, Fees and contributions				
Federal	554	262	14,404	1,155
State	-	-	272	677
	554	262	14,676	1,832
Interest on third-party capital				
Financial expenses	9,211	8,160	26,089	28,501
	9,211	8,160	26,089	28,501
Return on own capital				
Profit (loss) retained	(72,503)	(64,393)	(72,503)	(64,393)
Non-controlling interest	-	-	(181)	(338)
	(72,503)	(64,393)	(72,684)	(64,731)
Total	(62,602)	(55,895)	(29,224)	(32,053)

The explanatory notes are part of the individual and consolidated interim financial statements.

1. Reporting entity

GranBio Investimentos S.A. ("GranBio" or "Company") is a privately held company headquartered at Av. Professor Almeida Prado, 532 – Edif. Prédio, 50, Butantã, in the city and state of São Paulo, incorporated on June 13, 2011. Its ultimate and direct parent company is GranInvestimentos S.A., headquartered at Av. Faria Lima, 3144 – 3º andar, Jardim Paulistano, in the city and state of São Paulo.

GranBio is a holding company and its subsidiaries are mainly engaged in: (a) logistical and technological solutions for supplying biomass (b) creating viable flexible biorefineries that can be rolled out on an industrial scale to convert biomass into cellulose sugar, biofuels, biochemicals, nanocellulose and other ligno-cellulosic materials, in addition to electric power; (c) developing and licensing patents and intellectual property in the renewables sector using biomass as a raw material; and (d) generating and cogenerating renewable electric power.

Through its subsidiaries in the United States of America (USA), the Company develops and licenses clean technology to produce nanocellulose and biochemicals. GranBio LLC has upwards of 400 patents, including registered patents and applications, for various proprietary technologies it has developed. The Thomaston Research Center in Georgia, USA, has four integrated pilot plants that have been continuously operating for 12 years.

AVAPCO LLC, a subsidiary of GranBio LLC, reached an agreement in September 2023 with UOP LLC, a subsidiary of the Honeywell International Company, supporting the construction of a plant to produce advanced aviation fuel (Sustainable Aviation Fuel – SAF) providing engineering services and technology licenses, in addition to the development of modular engineering in the design of the plant.

GranBio entered into global alliance with Nuseed until 2034 for the technical development of sugarcane varietals as a source of biomass for second-generation biochemicals and fuels (2G). The alliance with Nuseed guarantees GranBio an exclusive cane-energy licensing contract in 2G biorefineries worldwide.

The Company's individual and consolidated interim financial statements embraces the Company and its subsidiaries (jointly referred to as "Group").

Continued operation

On June 30, 2024, the Company presented a consolidated net working capital deficiency of R$132,298 and accumulated losses of R$831,365.

Due to the business characteristics of a technology firm, management is continuously evaluating the ability of the Company and its subsidiaries to keep generating sufficient cash flow to ensure the continuity of its operations for the foreseeable future, by either generating operating cash flows, disposing of assets, external funding, or shareholder funding.

As regards the subsidiary BioFlex Agroindustrial S.A., the Group monitors projected short-term cash flow, which reflects the expected use of the recently implemented asset and the investments being made to achieve commercial capacity in an ongoing operation. Additionally, there is a project to increase production capacity from 30 million liters/year to 60 million liters/year from 2026 and potentially 200 million liters/year from 2027 combining 2G ethanol and 1G ethanol, produced from residual molasses.

The Company's Business Plan is based on the following actions already carried impacting estimated future cash flows:

- Through its subsidiary AVAPCO, on January 26, 2023, GranBio obtained a new grant line of up to US$80 million from the U.S. Department of Energy (DOE) for the construction of an integrated 2G SAF (Sustainable Aviation Fuel) biorefinery on a demonstrative scale, equivalent to 6 million liters/year, and a joint industrial-scale nanocellulose plant using wood and sugarcane trash as raw materials. The project is ongoing and the first reimbursements of expenses will occur in the second quarter of 2024.
- On September 1, 2023, the debt of the indirect subsidiary BioFlex Agroindustrial S.A with Banco Itaú, originally classified as Guarantee Honor, was renegotiated through a Bank Credit Certificate (CCB) instrument. On September 13, 2023, the related party Olympia Shipping B.V, a subsidiary of Stratus Energy B.V, which has the same controlling shareholders as GranBio, assumed the loan on behalf of BioFlex in the amount of R$38,633 equivalent to US$7,857. Subsequently, on October 19, 2023, Olympia Shipping B.V onerously assigned such credit which, on that date, was recognized in the amount of R$39,586, to its controlling company, Stratus Energy B.V, with the consent of BioFlex which, on the same date, through of a Private Payment Instrument and Other Covenants, assigned 22,848 units of BLFE11 Debentures, paying off the balance payable to the related party.
- On December 28, 2023, the Parent Company GranInvestimentos S.A., through its shareholders, paid off sub-credit "A" of the financing with Financiadora de Estudos e Projetos (FINEP), in the amount of R$48,963, Note 14.

The planned actions that impact the future cash flow estimates are:

- The Company is implementing its capital restructuring plan through: (i) identifying a strategic partner for joint action in the development of its business plan for technology marketing and licensing, selling first and second generation ethanol and biochemicals, in addition to an investing partner for the advanced jet fuel production plant (Sustainable Aviation Fuel – SAF); and (ii) negotiating ethanol presale contracts as cash advances strategy to optimize its working capital equation and accelerate investments to raise BioFlex I's capacity, focusing on the return of its operations for the 2024/2025 harvest.

Considering the business plan, Management believes that obligations will be paid as planned, and that the cash flow generation will be appropriate to meet its obligations in the foreseeable future.

However, if the business plan is not successful, the Company's current controlling shareholders have formally committed to continue supporting the Company in all actions required for continuity, including the commitment to allocate additional resources in sufficient amount.

Based on its evaluation, Management has concluded that there is no significant uncertainty as to the Company's ability to continue in operation for the foreseeable future. Therefore, the Company and its subsidiaries' individual and consolidated interim financial statements was prepared under the assumption of continuity.

2. List of subsidiaries

Direct subsidiaries

- BioEdge Agroindustrial Ltda.: Company that invests, on a commercial scale, in second-generation ethanol and biochemical plants;
- GranBio LLC: A US-based company engaged in investing in companies strategically related to the Company's business plan, by creating technologies for converting biomass into cellulose sugar for biochemicals and second-generation ethanol, in addition to developing nanocellulose for a range of industries.

Indirect subsidiaries

- BioFlex Agroindustrial S.A.: Company engaged in the production of biomass, processing biomass for the production and sale of biofuel, electricity, biochemicals and pharma chemicals, technological research and development, sale of sugarcane straw, bagasse and biomass;
- Advanta Biorrefinaria de Combustíveis Sustentáveis: Consortium with the purpose of its members BioFlex Agroindustrial S.A. and BioEdge Agroindustrial Ltda. to carry out a new business of first-generation ethanol production based on sugarcane molasses;
- BioFlex Participações Ltda: the Company's purpose is to manage assets, property, plant, equipment, and interest;
- GranBio Intellectual Property Holdings LLC: Owner of all the patents and industrial and technological secrets developed by GranAPI LLC and its subsidiaries;
- GranBio Conversion Technologies LLC: Company that owns the Thomaston asset, a demonstration plant for existing biomass conversion technologies. This company has a leasing agreement of its assets with AVAPCO LLC;
- American Green + LLC: Company that holds the sublicensing rights of technologies owned by GranBio Intellectual Property Holdings LLC for converting biomass into cellulosic ethanol;
- AVAPCO LLC: Company that holds the sublicensing rights of technologies owned by GranBio Intellectual Property Holdings LLC for converting biomass into cellulosic ethanol and nanocellulose. This company leases the Thomaston asset (a demonstration plant) from GranBio Process Conversion Technologies LLC to develop new technologies and provide services to clients;
- GranBio Services Inc.: A US-based company that invests in companies strategically related to the Company's business plan. It is the holding company of the three companies below:

  - ✓ Alpena Biorefinery Inc.: Company providing water treatment services to the paper and pulp company Decorative Panels International, located in Alpena, MI, and the production and sale of molasses to other clients;
  - ✓ Alpena Protoype Bioref LLC: Non-operating company owner of the Alpena Biorefinery land;
  - ✓ Alternative Bioprod Inv. LLC: Non-operating company.

Note 5 shows the percentage of interests in the direct and indirect subsidiaries and joint ventures.

3. Basis of preparation and presentation of the individual and consolidated interim financial statements

The Board of Directors approved the preparation of the individual and consolidated interim financial statements on August 8, 2024.

The Company's individual and consolidated interim information for the period ended June 30, 2024 comprise the individual and consolidated interim financial statements of the Company and its subsidiaries. In the individual and consolidated interim financial statements, the corresponding interest in the subsidiaries is presented using the equity equivalence method.

Statement of compliance

The Company's individual and consolidated interim financial statements was prepared and are presented in accordance with NBC TG 21 (R4) and the individual and consolidated interim accounting information in accordance with NBC TG 21 (R4) and international standards IAS 34 – "Interim Financial Reporting", issued by the "International Accounting Standards Board – (IASB)" and with the standards issued by the Securities and Exchange Commission, applicable to individual and consolidated interim financial statements. NBC TG 21 (R4) / IAS 34 requires the use of certain accounting estimates by the Company's Management. The individual and consolidated interim financial statements was prepared based on historical cost, except for certain financial assets and liabilities that are measured at fair value. This individual and consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and, therefore, should be read in conjunction with the financial statements for the year ended December 31, 2023, which were prepared in accordance with the accounting practices adopted in Brazil and international financial reporting standards (IFRS) issued by the International Accounting Standards Board (IASB). There were no changes in the accounting practices adopted in the period ended June 30, 2024 in relation to those applicable as of December 31, 2023.

Details on the Group's main accounting policies are presented in Note 5.

Functional and presentation currency

The individual and consolidated interim statements are being presented in Brazilian Reais, which is the Company and its subsidiaries' functional currency, except the subsidiary GranBio LLC and its direct and indirect subsidiaries, whose functional currency is the US Dollar. All balances have been rounded to the nearest thousand, unless otherwise indicated.

Use of estimates and judgments

In preparing the individual and consolidated interim statements, Management has made judgments and used estimates that affect the application of the accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

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

a. Judgments

The information on judgments made in applying the accounting policies that have significant effects on the amounts recognized in the individual and consolidated interim statements are included in the following notes:

- Note 1 – Reporting Entity (Operation continuity): Management's evaluation of how the Group will produce and/or obtain capital to support operations over the next 12 months.
- Note 5 – Significant accounting policies (a. Consolidation basis): determination whether the Company has control over an investee.
- Note 10 – Investments: determines whether the Company has influence over an investee.
- Note 11 - Property, plant and equipment and Note 12 – Intangible assets: impairment test, key assumptions underlying the recoverable amounts. More information available on Note 13.

- Note 14 – Loans and borrowings: compliance with the contractual terms of loans and borrowings.
- Note 19 – Net revenue from services rendered: the Group recognizes revenue when it transfers the control of a good or service to the client.

b. Uncertainties about assumptions and estimates

Information about assumptions and estimates uncertainties as of June 30, 2024 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the coming financial year are included in the following notes:

- Note 8 – Inventories: recoverable value of inventory based on market replacement cost, slow-moving products, expired products or products nearing the expiration date and products that do not meet quality standards, recorded as “Cost of products sold” and replacement cost in the market.
- Note 11 – Property, plant and equipment: assessing the need to conduct impairment tests on property, plant and equipment and key assumptions underlying recoverable amounts. For further information see Note 13.
- Note 12 – Intangible assets: main assumptions underlying the recoverable amounts, including the recoverability of development costs, licenses, intellectual property and goodwill deriving from the business combination. For further information see Note 13.

Measurement of fair value

Several of the Company’s accounting policies and disclosures require the measurement of fair value, for both financial and non-financial assets and liabilities; disclosures are shown in Note 25.

When measuring the fair value of an asset or a liability, the Group used observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices);
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs);
- Additional information on the assumptions adopted in measuring fair values is included in Note 13.

4. Basis of measurement

The individual and consolidated interim financial statements have been prepared on the historical cost basis, except for the valuation of certain assets and liabilities, such as financial instruments, which are measured at fair value.

5. Significant accounting policies

The accounting policies set out below have been applied, by the Group, consistently to all periods presented in these individual and consolidated interim financial statements.

(In thousands of Reais)

a. Basis of consolidation

Percentage interest in investees

See below the percentage interest in the direct and indirect subsidiaries and joint ventures on June 30, 2024 and December 31, 2023:

	Country	% Interest	
Direct subsidiaries		06/30/2024	12/31/2023
GranBio LLC	USA	100.00%	100.00%
BioEdge Agroindustrial Ltda.	Brazil	100.00%	100.00%
Indirect subsidiaries			
BioFlex Agroindustrial S.A.	Brazil	100.00%	100.00%
Advanta Biorrefinaria de Combustíveis Sustentáveis (*)	Brazil	100.00%	-
BioFlex Participações Ltda. (*)	Brazil	100.00%	-
GranBio - Intellectual Property Holdings LLC	USA	97.00%	97.00%
GranBio Conversion Technologies LLC	USA	100.00%	100.00%
American Green + LLC	USA	100.00%	100.00%
AVAPCO LLC	USA	100.00%	100.00%
GranBio Services Inc.	USA	96.10%	96.10%
Alpena Biorefinery INC (**)	USA	-	100.00%
Alpena Protoype Bioref LLC (**)	USA	-	100.00%
Alternative Bioprod Inv. LLC (**)	USA	-	100.00%

(*) As the Group is undergoing a corporate restructuring process, two new indirect subsidiaries were established during the second quarter of 2024 with the aim of expanding the business. Further details are available in Note 2.

(**) The Group is in the process of corporate restructuring to reduce administrative costs and better manage business segments, and in March 2024, the following indirect subsidiaries that no longer carried out operational activities had their corporate registrations written off: Alternative Bioproducts Investment, Alpena Protoype Biorefinery LL and Alpena Biorefinery Inc.

(i) Subsidiaries

The Group controls an entity when it is exposed to, or has a right to, the variable returns from its involvement with the entity and could affect those returns through its power over the entity. The interim financial statements of subsidiaries are included in the individual and consolidated interim financial statements from the date on which the Group obtains the control until the date on which control ceases.

The subsidiaries' interim financial statement is recognized in the Parent Company's interim financial statement by the equity-income method.

(ii) Investments in equity-accounted investees

The Group's investments in entities valued by the equity method consists of interests in subsidiaries, in the individual interim financial statements.

(iii) Transactions eliminated on consolidation

Intra-group balances and transactions and any unrealized revenues and expenses arising from intra-group transactions are eliminated in preparing the individual and consolidated interim financial statements. Unrealized gains arising from transactions with investees recorded by the equity income method are eliminated against the investment in proportion to the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of an impairment loss.

(iv) Loss of control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities, and any related NCI and other components of equity of the subsidiary. Any gain or loss arising from the loss of control is recognized in profit or loss.

(v) Non-controlling interest

NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

b. Foreign currency

(i) Foreign-currency transactions

Foreign-currency transactions are translated to the respective functional currencies of Company's entities at the exchange rates on the transaction dates.

Cash assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate on the reporting date. Non-cash assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate at the date the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rates on the date of the transaction. Foreign currency differences are generally recognized in profit or loss.

The investees' income and cash flow statements, not in the Parent Company's functional currency, are translated into Brazilian Real at the average monthly exchange rate; assets and liabilities are translated at the final rate and other equity items are translated at the historical rate.

Exchange variation on investments in subsidiaries and associated companies, with a functional currency different from the Parent Company, are recorded in equity as an accumulated translation adjustment, and are transferred to profit or loss when investments are sold.

(ii) Overseas subsidiaries

Assets and liabilities from overseas subsidiaries, including goodwill and fair value adjustment from acquisition, are translated into Brazilian Real at the exchange rate on the reporting date. Revenues and expenses from overseas subsidiaries are translated into Brazilian Real at the exchange rate on the dates of the transactions

Foreign currency differences generated on translation into the presentation currency are recognized in other comprehensive income and accumulated in the asset and liability valuation adjustment in equity. If the subsidiary is not a wholly owned subsidiary, the corresponding proportion of the translation difference is attributed to non-controlling interests.

c. Revenues

Revenue is measured based on the consideration specified in the contract with the client. The Group recognizes revenue when it transfers control over a good or service to a client or when the sale/concession of the license is granted.

The following topics provide information about the nature and timing of the satisfaction of performance obligations in contracts with clients, including significant payment terms, and the related revenue recognition policies:

- Service fee revenue: revenue is recognized over time as services are provided. The stage of completion for determining the amount of revenue to be recognized is assessed based on surveys of work performed. If the services under a single arrangement are rendered in different reporting periods, then the consideration is allocated based on their relative stand-alone selling prices. The stand-alone selling price is determined based on the list prices at which the Group sells the services in separate transactions. Invoices are issued monthly and are usually payable within 30 days;
- License revenue: the Company's license revenue is recognized at the specific time of sale or concession, since, at that time, the client can determine how and when to use this license without needing the Company's performance, that is, the Company will no longer carry out any activities that significantly affect the intellectual property under that license to which the client has rights. Therefore, the license provides the right to use the Company's intellectual property as it exists at the time it is sold and granted and, for this reason, revenue is recognized at that specific time of the sale and concession of the license, as its intellectual property does not change, and the client obtains control at the time the license is granted;
- Revenue from collaboration agreements: revenue is deferred and recognized over time, on a straight-line basis, according to the time determined in the agreement between the parties. Revenue from collaboration agreements also includes revenue recognition from the development of new products. The price and billing methods are determined in specific negotiations with each client.

d. Employee benefits

Short-term employee benefits

Short-term employee benefits obligations are recognized as personnel expenses as the corresponding service is rendered. The liability is recognized for the amount of the expected payment if the Group has a present legal or constructive obligation to pay this amount in respect of service rendered by the employee and the obligation can be reliably estimated.

e. Financial revenues and expenses

The Company's financial revenues and expenses include:

- Interest revenues and expenses;
- Net gain/loss on financial assets at fair value through profit and loss;
- Foreign-currency gain/loss on financial assets and liabilities.

Interest revenues and expenses are recognized using the effective interest method.

"Effective interest rate" is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument by:

- Gross carrying amount of the financial asset; or
- At amortized cost of the financial liability.

When calculating interest revenues and expenses, the effective interest rate is charged on the gross carrying amount of the asset (when the asset is not impaired) or at the amortized cost of the liability. However, interest revenue is calculated by applying the effective interest rate to the amortized cost of the financial asset suffering impairment after initial recognition. If the asset is no longer impaired, the interest revenue is once again calculated on the gross amount.

f. Inventories

Inventories are valued at the lowest average purchase or production cost and net realizable value. The Group considers the following when determining the provision for inventory losses: low turnover products, expired or expiring products and products that do not meet quality standards at market replacement cost, recorded as "Cost of products sold". As described in Note 8, inventories are classified into raw materials and inputs necessary for the production of 2G ethanol.

g. Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at historical acquisition or construction cost, which includes the capitalized borrowing costs, less accumulated depreciation and accumulated impairment losses, when applicable.

If parts of an item of property, plant and equipment have different useful lives, they are recorded as individual items (major components) of property, plant and equipment. Gains and losses on the sale of an item of property, plant and equipment (calculated by the difference between the proceeds from the sale and the book value of the property, plant and equipment) is recognized in other operating income/loss.

(ii) Subsequent expenditure

Subsequent expenses are capitalized to the extent that it is probable that future benefits associated with the expenditures will accrue to the Group. Recurring maintenance and repair expenses are recorded in profit/loss.

(iii) Depreciation

Depreciation is calculated to amortize the cost of property, plant and equipment items, net of their estimated residual values, using the straight-line method on the estimated useful lives of the items and the depreciation is recognized in profit/loss. The right-of-use asset is subsequently amortized using the straight-line method from the inception date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group at the end of the lease term or the cost of the lease right-of-use asset reflects that the Group will exercise a call option. In that case the right-of-use asset will be amortized over its lifetime. Land is not depreciated.

Property, plant and equipment items are depreciated from the date they are installed and available for use, or in the case of internally built assets, from the day construction is completed and the asset is available for use.

(In thousands of Reais)

The estimated useful lives are (in years):

Property, plant and equipment	06/30/2024	12/31/2023
IT equipment	2 – 10	2 – 10
Vehicles	5	5
Furniture and fixtures	10 – 15	10 – 15
Lab plant and equipment	10 - 25	10 - 25
Agricultural plant and equipment	10 - 30	10 - 30
Improvements to rented property	30	30
Machinery, equipment, and industrial facilities	5 - 60	5 - 60
Lease rights-of-use	10	10
Buildings and constructions	30 - 60	30 - 60

Depreciation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

The Company hired a specialized company in evaluating the useful lives of the main assets of the indirect subsidiary BioFlex, and the new useful lives began to be considered in January 2023. For 2024, Management understood that there is no change in depreciation rates, after reviewing the work carried out for the previous year.

h. Intangible assets and goodwill

(i) Goodwill

The goodwill resulting from the acquisition of subsidiaries is measured at cost, less impairment test losses.

(ii) Research and development

Expenditure on research activities is recognized in profit or loss as incurred.

Development expenditures are capitalized only if development costs can be reliably measured, if the product or process is technically and commercially viable, if future economic benefits are probable, and if the Group has the intention and sufficient resources to complete development and use or sell the asset. After initial recognition, capitalized development expenditures are measured at cost, less accumulated amortization, and any impairment losses.

(iii) Other intangible assets

Other intangible assets that are acquired by the Group that have finite useful lives are measured at cost, less accumulated amortization and accumulated impairment losses. Subsequent expenditures are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate. Amortization is calculated on the cost of an asset, or other equivalent cost, less the residual value.

(iv) Subsequent expenses

Subsequent expenses are only capitalized when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenses are recognized in the statement of profit or loss when incurred.

(In thousands of Reais)

(v) Amortization

Amortization is recognized in the income statement using the straight-line method based on the estimated useful lives of intangible assets, from the date they are available for use.

The estimated useful lives are as follows (in years):

Intangible assets	06/30/2024	12/31/2023
Software	5	5
Technology licenses and intellectual property	30	30
Development - Energy Cane	12	12

(vi) Licenses, technological intellectual property and goodwill arising from the business combination

Intangible assets are recorded at acquisition cost or at the fair value of intangible assets acquired in a business combination, less accumulated amortization calculated using the straight-line method, when applicable. These intangible assets are tested for impairment according to the accounting policy in Note 5 (k.ii). Goodwill is not amortized.

i. Financial instruments

(i) Recognition and initial measurement

Accounts receivable and issued debt securities are initially recognized on the date they were originated.

All other financial assets and liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value. Accounts receivable without a significant financing component is initially measured at transaction price.

(ii) Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured: at amortized cost or fair value through profit or loss – FVTPL.

Financial assets are not reclassified after initial recognition, unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the reporting period subsequent to the change in business model. A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as measured at FVTPL:

- It is held within a business model whose objective is to hold financial assets to receive contractual cash flow; and
- Its contractual terms generate, on specific dates, cash flows that are related only to the payments of principal and interest on the outstanding principal amount.

A debt instrument is measured at FVTPL.

Financial assets held for trading or managed with performance evaluated based on fair value are measured at FVTPL.

Financial Assets

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

Financial liabilities

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

(iii) Derecognition

Financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when the Group transfers the contractual rights to receive the contractual cash flows on a financial asset in a transaction in which substantially all the risks and benefits of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all the risks and benefits of ownership of the financial asset and also does not retain control over the financial asset.

Financial liabilities

The Group derecognizes a financial liability when its contractual obligation is discharged, canceled, or expires. The Group also derecognizes a financial liability when the terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Upon derecognition of a financial liability, the difference between the former carrying amount and the consideration paid (including assets transferred that do not carry cash or liabilities assumed) is recognized in profit or loss.

(iv) Offsetting

Financial assets and liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to offset the amounts and intends to settle them on a net basis or to realize the asset and settle the liability simultaneously.

j. Capital share

Common shares are classified as equity.

Additional costs directly attributable to the issue of shares and share options are recognized as a deduction from equity. Tax effects relating to the cost of these transactions are accounted for in accordance with CPC 32. /IAS 12.

k. Impairment

(i) Non-derivative financial assets

Financial instruments and contractual assets

The Group recognizes provisions for expected credit losses on:

- Financial assets measured at amortized cost; and
- Contract assets.

The Group measures the loss allowance at an amount equal to the lifetime ECL. Provisions for losses on accounts receivables from clients and contract assets are measured at an amount equal to the lifetime expected credit loss for the instrument.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating the ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes quantitative and qualitative information and analyses based on the Company's historical experience, credit assessment and forward-looking information.

The Group assumes that the credit risk of a financial asset has increased substantially if it is more than 30 days overdue.

The Group considers a financial asset to be in default when:

- It is highly unlikely that the debtor will pay all its credit obligations without resorting to actions such as enforcing the guarantee (if applicable); or
- The financial asset is more than 90 days overdue.

The Group considers that a debt security has a low credit risk when its credit risk rating is equivalent to the globally accepted definition of "investment grade".

- Lifetime ECLs are ECLs that result from all possible default events over the expected life of a financial instrument;
- 12-month ECLs are ECLs that result from possible default events within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered to estimate the expected credit loss is the maximum contractual period during which the Group is subject to credit risk.

Measuring expected credit losses

Expected credit losses are estimates weighted by the probability of credit loss. Credit losses are measured at present value based on all cash shortfalls (i.e., the difference between the cash flows due to the Group under the contract and the cash flows expected to be receive). Expected credit losses are discounted at the financial asset's effective interest rate, when applicable.

Impaired financial assets

At each reporting date, the Group evaluates whether the financial assets recorded at amortized cost are impaired. A financial asset is “impaired” when one or more events occur that have a detrimental impact on the estimated future cash flows of the financial asset. Objective evidence that a financial asset is impaired includes the following observable data:

- Significant financial difficulty of the issuer or borrower; violation of contractual clauses, such as default or being more than 90 days overdue;
- Restructuring of an amount due to the Group under conditions that will not be accepted under normal circumstances;
- The probability that the borrower will file for bankruptcy or undergo another type of financial reorganization;
- The disappearance of an active market for that financial asset due to financial difficulties.

Presenting the provision for expected credit losses in the statement of financial position

The provision for financial asset losses measured at amortized cost is deducted from the gross carrying amount of the assets, when applicable.

Write-off

The gross carrying amount of a financial asset is written-off when the Group does not have a reasonable expectation to recovering the financial asset in whole or in part. The Group does not expect any significant recovery of the written-off amount. However, written-off financial assets may still be subject to credit enforcement for compliance with the Company’s procedures for recovering amounts due

(ii) Non-financial assets

At each reporting date the Group reviews the carrying amounts of its non-financial assets (except biological assets and inventory) for signs of impairment. If there is such an indication, the asset’s recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped into the smallest group of assets that generate cash inflows from continuing use that are largely independent of cash inflows from other assets or CGUs (cash generating units). Goodwill resulting from a business combination is allocated to the CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGUs is the higher of its value in use and its fair value less selling expenses. Value in use is based on estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (or group of CGUs) and then to reduce the carrying amount of the other assets in the CGU (or group of CGUs) on a pro rata basis.

An impairment loss with respect to goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

l. Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. When the Group expects the amount of a provision to be reimbursed, in whole or in part, for example under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement, net of any reimbursement. The increase in the obligation due to the passage of time is recognized as a financial expense.

m. Statement of added value

The Group prepared the statements of added value pursuant to technical pronouncement CPC 09 - Statement of added value, which are presented as an integral part of the individual and consolidated interim financial statements in accordance with accounting practices adopted in Brazil applicable to publicly held companies, while for IFRS they represent supplementary financial information.

n. Government grant

The Group participates in a government grant program promoted by the United States Department of Energy (D.O.E.). The main objective of this program for the Company is to build a biorefinery to convert biomass into sustainable aviation fuel (SAF).

This type of financial support from the D.O.E. consists of the application of resources, as reimbursement of part of the expenses, based on documentary evidence of the financial disbursements made for the construction of the biorefinery.

Upon receipt of reimbursements from the D.O.E., the Company recognizes in two ways: (i) in liabilities as government reimbursements corresponding to project expenses related to amounts capitalized in property, plant and equipment in progress. At the end of the project, when the industrial plant begins operations, the balance of this liability will also be deferred to the result, using the useful life of the constructed property, plant and equipment as the criterion. (ii) in administrative and general expenses, reimbursements corresponding to indirect project expenses that were initially recorded in the result for the year.

o. New and revised standards and interpretations

In April 2024, the International Accounting Standards Board (IASB) issued IFRS 18 - Presentation and Disclosure in Financial Statements, which replaced IAS 1 - Presentation of Financial Statements. IFRS 18 introduces new requirements for the presentation of the income statement, requires disclosure of performance measures defined by Management and includes new requirements on aggregation and disaggregation of information in the financial statements. IFRS 18 will be effective from January 1, 2027 and the Company is evaluating the potential impacts arising from this standard.

(In thousands of Reais)

The information regarding the new accounting pronouncements issued by the Accounting Pronouncements Committee (CPC) and by the International Accounting Standards Board (IASB) did not bring significant changes in relation to those disclosed in Note 5 of the individual and consolidated financial statements as of December 31, 2023.

6. Cash and cash equivalents

	Parent Company		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Cash and banks - checking account	1	1	1,687	200
Total	1	1	1,687	200

Cash and cash equivalents include cash, bank deposits that are used for payments and receipts for the Company's operations, in addition to short-term investments.

7. Accounts receivable

	Consolidated	
	06/30/2024	12/31/2023
Accounts receivable	1,059	404
(-) Provision for impairment losses	(167)	(167)
	892	237

Receivables maturities

The maturities of receivables are presented below:

	Consolidated	
	06/30/2024	06/30/2024
Neither past due nor impaired	804	45
1 to 30 days past due	-	146
61 to 90 days past due	35	-
More than 1 year past due	220	213
	1,059	404

8. Inventories

	Consolidated	
	06/30/2024	06/30/2024
Consumables (i)	1.043	5.796
Finished goods	25	25
Storeroom materials	2.783	2.787
Total	3.851	8.608

(i) Balance of various consumables used to produce 2G ethanol. One of the main inputs for producing 2G ethanol are the enzymes which are stored in a specific location at an adequate temperature to avoid losing their productive capacity. The stock of enzymes stored in the hands of third parties has lost quality and cannot be used in the production process. The enzymes will be discarded in the third quarter of 2024, therefore, a provision was recorded for the loss of this stock in the amount of R$4,753.

(In thousands of Reais)

Inventory risk:

- Inventory counts are carried out periodically and, when necessary, the corresponding adjustments are recorded. However, in recent years there have been no significant inventory adjustments.

Management assessed inventory based on recoverable amount as of June 30, 2024 and 2023, as follows:

Adjustments	Provision
Balances as of December 31, 2022	(182)
Balances as of June 30, 2023	(182)
Balances as of December 31, 2023	(182)
Provision for losses	(4,753)
Balances as of June 30, 2024	(4,935)

9. Transactions with related parties

The Company has transactions with its direct subsidiaries, indirect subsidiaries, joint ventures, parent companies and associated companies, with the objective of providing funds for the maintenance of its operations. These operations have no remuneration or maturity, as agreed between the parties.

Transactions between related parties refer to loans to supply cash and commercial transactions that refer to transacted amounts of shared costs and other commercial transactions.

On June 30, 2024 and December 31, 2023, the balances are presented as follows

- Parent Company:

		06/30/2024		12/31/2023	
	Relation	Assets	Liabilities	Assets	Liabilities
Loans to related parties					
GranBio LLC (i)	Subsidiary	-	35,205	-	30,660
BioEdge Agroindustrial Ltda. (ii)	Subsidiary	4,181	-	2,429	-
BioFlex Agroindustrial S. A. (ii)	Subsidiary	9	-	-	-
GranInvestimentos S.A. (iii)	Parent Company	-	18,129	-	-
Total		4,190	53,334	2,429	30,660
Current			53,334	-	30,660
Non-current		4,190		2,429	-

(In thousands of Reais)

- Consolidated:

		06/30/2024		12/31/2023	
	Relation	Liabilities	Assets	Liabilities	Assets
Loans to related parties					
GranInvestimentos S.A. (iii)	Parent Company	-	18,129	-	-
Total		-	18,129	-	-
Other accounts payable to related parties					
Shareholder investment fund (iv)	Others	-	33,555	-	31,890
Stratus Energy B.V. (v)	Others	-	11,872	-	11,282
Total		-	45,427	-	43,172
Grand Total		-	63,556	-	43,172
Current		-	18,129	-	-
Non-current		-	45,427	-	43,172

(i) Loans taken from GranBio LLC without interest and with a defined maturity date;
(ii) Denote the amounts in the Company's current account with its subsidiaries. The loans are interest free and have no defined maturity date;
(iii) Amounts received from the Parent Company to supply cash from operating activities. The operations do not bear interest and do not have a defined maturity
(iv) Part of the debentures issued by the indirect Parent Company BioFlex Agroindustrial S.A. held by an investment fund of the final beneficiaries of GranInvestimentos S.A. 18,000 shares in the updated amount of R$33,555;
(v) Refers to 6,368 units of BFLE11 debentures for the updated value of R$11,872.

(In thousands of Reais)

Key management personnel compensation:

	Parent Company				Consolidated			
	04/01/2024 to 06/30/2024	01/01/2024 to 06/30/2024	04/01/2023 to 06/30/2023	01/01/2023 to 06/30/2023	04/01/2024 to 06/30/2024	01/01/2024 to 06/30/2024	04/01/2023 to 06/30/2023	01/01/2023 to 06/30/2023
Key management personnel compensation	(56)	(113)	(59)	(116)	(350)	(622)	(333)	(604)
Total	(56)	(113)	(59)	(116)	(350)	(622)	(333)	(604)

The amount paid as key management personnel compensation is included in personal expenses disclosed in Note 21.

(In thousands of Reais)

10. Investments

a. Breakdown of balances:

	Parent Company	
	06/30/2024	12/31/2023
Direct and indirect subsidiaries	973,673	948,931
Total	973,673	948,931

b. Direct investees:

	Equity		Loss for the period	
	06/30/2024	12/31/2023	06/30/2024	06/30/2023
Investees				
BioEdge Agroindustrial Ltda.	402,014	460,501	(58,487)	(48,139)
GranBio LLC	571,659	488,430	(1,654)	(13,128)
	973,673	948,931	(60,141)	(61,267)

(In thousands of Reais)

Changes in investments

c. Direct subsidiaries:

	Balance as of 12/31/2023	Translation adjustments	Investments (i)	Equity result	Balance as of 06/30/2024
Subsidiaries					
BioEdge Agroindustrial Ltda.	460,501	-	-	(58,487)	402,014
GranBio LLC	488,430	73,594	11,289	(1,654)	571,659
Total investments	948,931	73,594	11,289	(60,141)	973,673

(i) The amount of R$11,289 refers to financial contributions made to the investee based on its cash needs.

	Balance as of 12/31/2022	Translation adjustments	Investments (i)	Equity result	Balance as of 06/30/2023
Subsidiaries					
BioEdge Agroindustrial Ltda.	464,182	-	-	(48,139)	416,043
GranBio LLC	551,643	(42,325)	10,272	(13,128)	506,462
Total investments	1,015,825	(42,325)	10,272	(61,267)	922,505

(i) The amount of R$10,272 refers to financial contributions made to the investee based on its cash needs.

d. Summary of direct subsidiaries' equity accounts

Direct subsidiaries as of June 30, 2024	Assets	Liabilities	Controlling interest	Non-controlling interest	Equity
BioEdge Agroindustrial Ltda.	1,094,959	692,945	402,014	-	402,014
GranBio LLC	647,415	73,931	571,659	1,825	573,484

Direct subsidiaries as of June 30, 2023	Assets	Liabilities	Controlling interest	Non-controlling interest	Equity
BioEdge Agroindustrial Ltda.	992,892	576,849	416,043	-	416,043
GranBio LLC	575,753	66,861	506,462	2,430	508,892

(In thousands of Reais)

Direct subsidiaries	Net result 06/30/2024	Net result 06/30/2023
BioEdge Agroindustrial Ltda.	(58,487)	(48,139)
GranBio LLC	(1,654)	(13,128)
	(60,141)	(61,267)

11. Property, plant and equipment

a. Breakdown of carrying amount

- Parent Company:

	06/30/2024			12/31/2023
	Cost	Depreciation	Net	Net
IT equipment	812	(789)	23	16
Improvement to rented properties	688	(104)	584	610
Furniture and fixtures	810	(807)	3	2
Administrative facilities	84	(84)	-	-
Right of use	2,081	(501)	1,580	1,650
	4,475	(2,285)	2,190	2,278

- Consolidated:

	06/30/2024			12/31/2023
	Cost	Depreciation	Cost	Depreciation
IT equipment	3,590	(3,229)	361	241
Furniture and fixtures	1,675	(1,582)	93	99
Lab plant and equipment	4,362	(3,862)	500	497
Agricultural plant and equipment	37,076	(33,259)	3,817	4,301
Improvement to rented properties	4,929	(2,850)	2,079	2,137
Industrial machinery, equipment and facilities	786,698	(161,699)	624,999	641,433
Property, plant and equipment in progress	29,583	-	29,583	11,983
Right of use	2,081	(501)	1,580	1,650
Land	2,358	-	2,358	2,095
Buildings and constructions	42,525	(6,421)	36,104	36,425
Total	914,877	(213,403)	701,474	700,861

(In thousands of Reais)

b. Changes in property, plant and equipment:

- Parent Company

	Balance as of 12/31/2023	Additions	Write-off	Balance as of 06/30/2024
Cost				
Improvements to rented property	688	-	-	688
Furniture and fixtures	807	3	-	810
IT equipment	803	11	(2)	812
Administrative facilities	84	-	-	84
Right of use	2,081	-	-	2,081
Total	4,463	14	(2)	4,475
Depreciation				
Improvements to rented property	(78)	(26)	-	(104)
Furniture and fixtures	(805)	(2)	-	(807)
IT equipment	(787)	(4)	2	(789)
Administrative facilities	(84)	-	-	(84)
Right of use	(431)	(70)	-	(501)
Total	(2,185)	(102)	2	(2,285)
Total property, plant and equipment	2,278	(88)	-	2,190

	Balance as of 12/31/2022	Additions	Write-off	Balance as of 06/30/2023
Cost				
Improvements to rented property	688	-	-	688
Furniture and fixtures	874	-	-	874
IT equipment	837	-	-	837
Administrative facilities	84	-	-	84
Right of use	2,081	-	-	2,081
Total	4,564	-	-	4,564
Depreciation				
Improvements to rented property	(26)	(26)	-	(52)
Furniture and fixtures	(868)	(3)	-	0(871)
IT equipment	(813)	(4)	-	(817)
Administrative facilities	(84)	-	-	(84)
Right of use	(291)	(70)	-	(361)
Total	(2,082)	(103)	-	(2,185)
Total property, plant and equipment	2,482	(103)	-	2,379

(In thousands of Reais)

- Consolidated:

	Balance as of 12/31/2023	Additions	Write-off	Exchange variation	Balance as of 06/30/2024
Cost					
IT equipment	3,248	115	(6)	233	3,590
Furniture and fixtures	1,657	3	-	15	1,675
Lab plant and equipment	5,193	24	(1,312)	457	4,362
Agricultural plant and equipment	37,620	-	(544)	-	37,076
Improvements to rented property	4,929	-	-	-	4,929
Industrial machinery, equipment and facilities	823,271	1,488	(50,541)	12,480	786,698
Property, plant and equipment in progress	11,983	15,478	-	2,122	29,583
Right of use	2,081	-	-	-	2,081
Land	2,095	-	(25)	288	2,358
Buildings and constructions	42,018	-	-	507	42,525
Total	934,095	17,108	(52,428)	16,102	914,877
Depreciation					
IT equipment	(3,007)	(25)	4	(201)	(3,229)
Furniture and fixtures	(1,558)	(9)	-	(15)	(1,582)
Lab plant and equipment	(4,696)	(32)	1,312	(446)	(3,862)
Agricultural plant and equipment	(33,319)	(455)	515	-	(33,259)
Improvements to rented property	(2,792)	(58)	-	-	(2,850)
Industrial machinery, equipment and facilities	(181,838)	(17,698)	50,146	(12,309)	(161,699)
Right of use	(431)	(70)	-	-	(501)
Buildings and constructions	(5,593)	(526)	-	(302)	(6,421)
Total	(233,234)	(18,873)	51,977	(13,273)	(213,403)
Total property, plant and equipment	700,861	(1,765)	(451)	2,829	701,474

(In thousands of Reais)

	Balance as of 12/31/2022	Additions	Write-off	Exchange variation	Balance as of 06/30/2023
Cost					
IT equipment	3,257	120	-	(122)	3,255
Furniture and fixtures	1,734	-	-	(8)	1,726
Lab plant and equipment	5,495	-	-	(320)	5,175
Agricultural plant and equipment	40,209	-	(285)	-	39,924
Improvements to rented property	4,929	-	-	-	4,929
Industrial machinery, equipment and facilities	846,263	-	-	(9,473)	836,790
Property, plant and equipment in progress	3,942	2,723	-	-	6,665
Right of use	2,081	-	-	-	2,081
Land	2,247	-	-	(161)	2,086
Buildings and constructions	42,284	-	-	(282)	42,002
Total	952,441	2,843	(285)	(10,366)	944,633
Depreciation					
IT equipment	(3,104)	(19)	-	109	(3,014)
Furniture and fixtures	(1,616)	(10)	-	8	(1,618)
Lab plant and equipment	(4,742)	(138)	-	305	(4,575)
Agricultural plant and equipment	(33,716)	(553)	266	-	(34,003)
Improvements to rented property	(2,677)	(58)	-	-	(2,735)
Industrial machinery, equipment and facilities	(155,073)	(18,676)	-	9,338	(164,411)
Right of use	(291)	(70)	-	-	(361)
Buildings and constructions	(4,689)	(526)	-	151	(5,064)
Total	(205,908)	(20,050)	266	9,911	(215,781)
Total property, plant and equipment	1746,533	(17,207)	(19)	(455)	728,852

Property, plant and equipment in progress

The additions made during the 2024 fiscal year are part of the project to build a biorefinery to convert biomass into sustainable aviation fuel (SAF).

Guarantees

The residual carrying amount of property, plant and equipment pledged as collateral for loans and borrowings amounts to R$664,505 on June 30, 2024. For more information see Note 14 c.

Write-off of assets

On June 30, 2024, the amount of R$451 represent, mainly, the write-off of property, plant and equipment of indirect subsidiaries whose corporate records were written off. On June 30, 2023, the amount of R$19 represent the write-off for the sale of a vehicle. For more information see Notes 05.a and 22, respectively.

(In thousands of Reais)

12. Intangible assets

- Consolidated:

	Software	Development (Yeast and Energy cane) (a)	Joint development (Energy cane)	Licenses and intellectual property	Goodwill	Total
Balance as of December 31, 2022	111	11,890	-	447,077	121,484	580,562
Additions	-	-	6,484	739	-	7,223
Amortization (a)	(111)	-	(270)	(8,205)	-	(8,586)
Exchange variation	-	-	-	(33,637)	(9,278)	(42,915)
Balance as of June 30, 2023	-	11,890	6,214	405,974	112,206	536,284
Balance as of December 31, 2023	-	11,890	5,944	400,256	112,720	530,810
Additions	-	-	-	362	-	362
Amortization (a)	-	-	(270)	(8,103)	-	(8,373)
Exchange variation	-	-	-	58,607	16,708	75,315
Balance as of 30, 2024	-	11,890	5,674	451,122	129,428	598,114

(a) Amortization expenses were booked as administrative and general expenses.

- Development (yeast and energy cane) - Development of genetically modified yeast to ferment cellulose sugar in the amount of R$11,890 on June 30, 2024 and June 30, 2023.
- Joint development (energy cane) – GranBio entered into a global alliance with the Nuseed Group until 2034 for the technical development of sugarcane varietals as a source of biomass for second-generation biochemicals and fuels (2G). The alliance with Nuseed guarantees an exclusive licensing agreement for energy cane in 2G biorefineries worldwide. In January 2023, R$6,484 (US$1,250) was paid for the first phase of the partnership;
- Licenses and intellectual property – Amounts referring to the development of licenses and intellectual property in the development of nanocellulose technology, biorefineries and commercial and industrial secrets. On March 31, 2019, the amount of R$368,086 was recognized referring to the intangible assets identified by Management in the business combination between Granbio LLC and the companies GranAPI LLC, API- Property-Intelectual Holdings LLC, American Process Conversion Technologies LLC and American Process Conversion Technologies Holdco LLC. The amount of technology licenses and intellectual property was calculated based on the expected revenue generated by the sale of licenses to third parties, based on the existing commercial pipeline and growth expected for the number of projects for converting biomass into cellulosic ethanol, biochemicals and nanocellulose;
- Goodwill – Value refers to the expected future earnings of the companies GranAPI LLC, API-Propriety Intellectual Holdings LLC, American Process Conversion Technologies LLC and American Process Conversion Technologies Holdco LLC, through their existing technology. Management used the relief-from-royalty method to estimate the fair value of these companies' technology. This method assumes that, rather than paying to acquire a business, a company would be willing to pay to exploit the benefits related to this class of assets. This goodwill is not deductible for tax purposes.

13. Impairment analysis

a. Property, plant and equipment

At each annual reporting date, the Group checks whether there is evidence that the carrying amount of a definite-lived asset has incurred impairment. If there is evidence of impairment, a test is carried out to quantify the asset's recoverable value. The recoverable value of an asset is determined by the higher of: (a) its fair value less estimated costs to sell and (b) its value in use. The value in use is measured based on the discounted cash flows (before tax) deriving from the continuous use of an asset until the end of its useful life.

To reinforce the Management's opinion that there is no indication of assets impairment, for the fiscal year ending December 31, 2023, the Company hired an independent valuation company to measure the industrial assets of BioFlex Agroindustrial S.A. using the fair value analysis method less estimated selling costs.

As a result of the recoverability analysis carried out, an excess of R$58,827 was identified on December 31, 2023 over the book value and, therefore, it is not necessary to recognize a reduction in the recoverable amount for the cash generating unit.

However, if current or future results are not consistent with the estimates and assumptions used in determining the fair value of property, plant and equipment, the Company may be exposed to losses.

(In thousands of Reais)

On June 30, 2024, the Group evaluated its property, plant and equipment in the current context and did not identify any indication that they may have suffered devaluation.

b. Intangible assets and goodwill

Goodwill resulting from business combinations and indefinite-lived intangible assets are tested for impairment at least once a year, in December.

Regarding the impairment test for the subsidiary GranBio LLC, on December 31, 2023, the Group used 10-year cash flow plus perpetuity without considering the growth rate, which reflects the expectation of using the newly implemented asset and in the investment being made to achieve commercial capacity in an ongoing operation based on financial estimates approved by Senior Management.

The licenses' selling prices were determined based on evidence from target markets. The opex projection was compiled based on the history of costs incurred adjusted to an industrial capacity level of use.

On June 30, 2024, the Group evaluated its intangible assets in the current context and did not identify any indication that they may have suffered devaluation.

14. Loans and borrowings

				Parent Company		Consolidated	
Type	Index	Charges	Maturity	30/06/2024	31/12/2023	30/06/2024	31/12/2023
FINEP-Financing	TJLP	+ 5.00%	Feb/29	78,536	76,973	78,536	76,973
Working capital	CDI	+1.08	Dec/27	-	-	212,680	201,034
				78,536	76,973	291,216	278,007
Current				1,700	390	57,587	32,338
Non-current				76,836	76,583	233,629	245,669

Short-term debt had been putting pressure on the Group's cash flow. Management concluded some renegotiations with financial institutions to lengthen the debt profile in order to readjust its operating cash flow. See Note 1.

Finep - Financing

FINEP financing was contracted with the objective of supporting the Research and Development of Cana Energia Vertix biomass project and proprietary yeasts, in addition to the development of technologies for converting biomass into biochemicals and biofuel.

Financing with final maturity in February 2029, with the updated amount being R$78,536 on June 30, 2024 (R$76,973 on December 31, 2023).

Working capital

Balance from the restructuring of loans and borrowings with main creditors, with loans and borrowing with public banks having their balances exercised by private banks.

Negotiations were made with these private banks and the renegotiated debt was reclassified as Working Capital.

(In thousands of Reais)

a. Debt amortization schedule

See below the contractual maturities of financial liabilities:

	Parent Company		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
1 year	1,700	390	57,587	32,338
2 years	6,008	-	30,594	24,585
3 years	21,842	16,493	46,427	41,079
4 years and onwards	48,986	60,090	156,608	180,005
Total	78,536	76,973	291,216	278,007

b. Reconciliation of equity changes with cash flows arising from financing activities

	Parent Company	Consolidated
Balances as of December 31, 2022	132,376	342,253
Amortization of loans and borrowings (principal)	(2,909)	(2,909)
Provision for interest on loans and borrowings	7,082	22,626
Amortization of loans and borrowings (interest)	(8,114)	(8,114)
Balances as of June 30, 2023	128,435	353,856
Balances as of December 31, 2023	76,973	278,007
Provision for interest on loans and borrowings	4,287	15,933
Amortization of loans and borrowings (interest)	(2,724)	(2,724)
Balances as of June 30, 2024	78,536	291,216

c. Guarantees

The Company's debts are secured by bank guarantee, corporate guarantee and real guarantees. Real guarantees are imposed on property, plant and equipment in favor of FINEP, Bradesco and Banco do Brasil. The institutions have mortgages on the industrial assets of the subsidiary BioFlex, and FINEP also has a guarantee on agricultural equipment. See amounts of property, plant and equipment given as collateral in Note 11.

d. Covenants

The Group has loans and borrowings in the parent company and in the consolidated statements, maturing in February 2029.

The loans and borrowings contain non-financial operating covenants establishing a range of obligations, listed below

- Compliance with environmental obligations and legislation, the biosafety quality certificate (CQB) and the Gene Pool Management Council (CGEN);
- Submit federal, state and municipal tax debt clearance certificates;
- Have not incurred protests for indisputable debts;
- Pausing of operating activities;
- Corporate and equity restructuring.

(In thousands of Reais)

The Executive Board and its legal advisers understand there was no breach of covenants during the first half of 2024 until the date of approval of these individual and consolidated interim financial statements.

15. Trade payables

	Parent Company		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Domestic payables	815	176	4,881	3,530
Overseas payables	-	-	43,910	31,761
Total	815	176	48,791	35,291

Trade payables are mainly due to the purchase of raw materials for the 2G ethanol production process and independent auditing and consultancy services acquired.

The Group has not yet developed a proprietary enzyme solution, which means that its technological and licensing process depend on enzyme suppliers, which are currently sourced exclusively from Novozymes North America INC.

16. Government grant

	Consolidated	
	06/30/2024	12/31/2023
Government grant	3,838	-
	3,838	-

Amounts received by the subsidiary AVAPCO LLC related to reimbursements paid by the D.O.E – United States Department of Energy for the construction of an integrated SAF 2G biorefinery. The amount will be amortized to the income statement, with no cash impact, following depreciation over the useful life of the SAF plant to be built. For further details, see Note 1 and 5.n.

17. Provision for contingencies

The Company and its subsidiaries are defendants in lawsuits rated as probable defeats by our legal advisers in the consolidated amount of R$63 on June 30, 2024 (R$634 on December 31, 2023).

The Company and its subsidiaries are defendants in lawsuits rated as possible defeats by our legal advisers in the consolidated amount of R$253 on June 30, 2024 (R$2,525 on December 31, 2023), for which no provisions were recorded.

(In thousands of Reais)

18. Equity

a. Capital stock

The ownership structure is as follows:

	June 30, 2024 and December 31, 2023		
	Capital - R$	No. of shares	Interest
Shareholder			
GranInvestimentos S/A	377,662	93,038,165	86%
BNDES Participações S/A	600,000	15,094,340	14%
Total	977,662	108,132,505	100%

b. Advances for Future Capital Increase (AFCI)

The shareholder GranInvestimentos S.A. resolved, in a private instrument of advance for future capital increase, to transfer to the AFCI the total amount of R$363,780, which it held receivable from its direct subsidiary GranBio Investimentos S.A. referring to the amounts sent to supply cash from operating activities which will be converted into registered common shares. The Company expects to pay in capital by the end of FY 2024.

c. Capital reserve

In a Shareholders' Agreement signed on April 30, 2013 between BNDESPAR and GranInvestimentos S.A. (shareholders), it was stipulated that the shares were initially issued at R$39.75 each. The capital contributions made after the signing of this Agreement had their share price updated by the Extended National Consumer Prices Index (IPCA). The variation in the share price between the date of the Shareholders' Agreement and the date of the effective receipt of the capital contribution was multiplied by the total number of paid-in shares, with this variation being recorded as a Capital Reserve.

d. Assets and liabilities valuation adjustments

The asset and liability valuation adjustments item includes accumulated adjustments for foreign currency differences resulting from the translation of the individual and consolidated interim financial statements of overseas operations. In the 6-month period ended June 30, 2024, a translation of R$73,594 was recognized. On June 30,2024, the balance of the item is R$227,466.

19. Revenue from services rendered

The table below breaks down the company's gross revenue in accordance with CPC 47- item 112A.

	Consolidated			
	04/01/2024 to 06/30/2024	01/01/2024 to 06/30/2024	04/01/2023 to 06/30/2023	01/01/2023 to 06/30/2023
Revenue from collaboration agreement (i)	-	-	1,486	3,044
Revenue from services rendered	-	-	1,486	3,044

(i) Revenue of R$3,044 (US$600) due to recognition of revenue from the contract with Nextchem in the indirect subsidiary American Green + LLC.

For further information on operating revenue see Note 26 - Segment Reporting.

(In thousands of Reais)

20. Costs of services rendered and idleness

	Consolidated			
	04/01/2024 to 06/30/2024	01/01/2024 to 06/030/2024	04/01/2023 to 06/30/2023	01/01/2023 to 06/30/2023
Cost from collaboration agreement and services rendered (i)	(440)	(2,196)	(1,230)	(4,231)
Shared costs of projects (ii)	2,671	5,358	975	1,231
Idleness costs (iii)	(9,546)	(19,297)	(10,198)	(20,594)
Provision for inventory loss (iv)	(4,753)	(4,753)	-	-
	(12,068)	(20,888)	(10,453)	(23,594)

(i) Operating cost of USA indirect subsidiaries.
(ii) Reimbursements granted by the US Department of Energy (D.O.E.) in projects to develop new technologies, which have shared costs with AVAPCO, a direct subsidiary of GranBio LLC.
(iii) Cost mainly related to depreciation of the 2G ethanol industrial plant of the indirect subsidiary BioFlex, on June 30, 2024 was R$17,941 (R$19,380 on June 30,2023).
(iv) Provision for loss of enzyme stock stored in the possession of third parties. For further details, see Note 8.

(In thousands of Reais)

21. Administrative and general expenses

	Parent Company				Consolidated			
	04/01/2024 to 06/30/2024	01/01/2024 to 06/30/2024	04/01/2023 to 06/30/2023	01/01/2023 to 06/30/2023	04/01/2024 to 06/30/2024	01/01/2024 to 06/30/2024	04/01/2023 to 06/30/2023	01/01/2023 to 06/30/2023
Taxes and fees	(574)	(596)	(369)	(474)	(4,593)	(14,352)	(1,220)	(2,104)
Depreciation and amortization (i)	(51)	(102)	(50)	(102)	(4,633)	(9,305)	(4,426)	(9,256)
Services taken (ii)	(1,222)	(2,042)	(1,044)	(2,626)	(3,487)	(6,253)	(3,907)	(7,897)
Personnel expenses	(37)	(136)	(39)	(82)	(1,316)	(2,968)	(1,309)	(2,856)
Insurance	(47)	(93)	(46)	(92)	(950)	(1,877)	(1,051)	(1,992)
General expenses (iii)	-	-	(9)	(10)	(188)	(812)	(1,188)	(1,727)
Occupation expenses	(50)	(128)	(60)	(128)	(116)	(201)	(77)	(163)
Travel	(2)	(4)	(18)	(19)	(13)	(55)	(168)	(217)
Vehicle expenses	-	-	-	-	(18)	(34)	-	(13)
Selling expenses	(5)	(7)	-	(4)	(59)	(69)	(2)	(10)
Reimbursement – government grant (iv)	-	-	-	-	1,360	1,360	-	-
Total	(1,988)	(3,108)	(1,635)	(3,537)	(14,013)	(34,566)	(13,348)	(26,235)

(i) Depreciation of other assets such as furniture, vehicles and IT equipment are recognized as an administrative and general expense. In the individual and consolidated interim financial statement, the depreciation expense on June 30, 2024 was R$932 (R$670 on June 30, 2023) and the amortization expense for intangible assets on June 30, 2024 was R$8,373 (R$8,586 on June 30, 2023);
(ii) Denotes expenses on third-party services provided such as audit, tax and legal;
(iii) General expenses with maintenance, mail, fuel, materials for use and consumables, costs with legal proceedings, property security and others
(iv) Refers to reimbursement received from D.O.E. corresponding to indirect expenses with the project, see Note 5.n.

(In thousands of Reais)

22. Other operating result

	Consolidated			
	04/01/2024 to 06/30/2024	01/01/2024 to 06/30/2024	04/01/2023 to 06/30/2023	01/01/2023 to 06/30/2023
Proceeds from sale of property, plant and equipment (i)	447	447	-	55
Other operating income (ii)	279	5,316	-	-
Total other income	726	5,763	-	55
Other operating income	-	-	(645)	(685)
Total other expenses	-	-	(645)	(685)
Total	726	5,763	(645)	(630)

(i) On June 30, 2024, it represents the result of the sale of six tractors that were no longer in use by the Company. On June 30, 2023, in represents the sale of one vehicle, authorized by the Company's management to be used as payment of a supplier. This transaction did not generate cash;

(ii) Write-off of municipal taxes payable no longer owed by the companies Alpena Biorefinery INC, Alpena Protoype Biorefenery LLC and Alternative Bioprod Investments LLC after the corporate closure of these indirect subsidiaries. The outstanding balance of taxes, by mutual agreement, was transferred to the owner of the land where the industrial plant was located.

23. Net financial result

	Parent Company				Consolidated			
Financial expenses	04/01/2024 to 06/30/2024	01/01/2024 to 06/30/2024	04/01/2023 to 06/30/2023	01/01/2023 to 06/30/2023	04/01/2024 to 06/30/2024	01/01/2024 to 06/30/2024	04/01/2023 to 06/30/2023	01/01/2023 to 06/30/2023
Interest from loans, borrowings, and debentures	(2,157)	(4,286)	(3,429)	(7,082)	(7,967)	(15,933)	(10,798)	(22,626)
Exchange variation	(3,564)	(4,574)	-	-	(5,499)	(6,936)	-	-
Interest expenses (i)	(61)	(116)	(140)	(194)	(1,477)	(2,981)	(2,586)	(4,988)
Bank expenses	(158)	(235)	(506)	(883)	(160)	(239)	(508)	(887)
IOF (tax on financial operation)	(13)	(43)	(20)	(41)	(13)	(43)	(19)	(40)
	(5,953)	(9,254)	(4,095)	(8,200)	(15,116)	(26,132)	(13,911)	(28,541)
Financial revenues								
Interest received	-	-	-	-	377	759	421	849
Financial discount obtained	-	-	-	-	-	6	14	135
Earnings from investments	-	-	3,439	6,086	-	-	1,282	3,255
Exchange variation	-	-	1,656	2,525	-	-	3,264	4,979
	-	-	5,095	8,611	377	765	4,981	9,218
Net financial result	(5,953)	(9,254)	1,000	411	(14,739)	(25,367)	(8,930)	(19,323)

Interest arising mainly from financial charges on loan guarantees obtained from financial institutions and interest and late payment fines on trade payables and taxes.

(In thousands of Reais)

24. Accrued tax losses

a. Amounts recognized in profit or loss in the period – Consolidated:

	Consolidated 06/30/2024	Consolidated 06/30/2023
Current income tax and social contribution expense		
Current year expense	-	(362)
Total	-	(362)
Deferred income tax and social contribution expense		
Temporary difference:		
Realization through amortization of intangible assets	2,374	2,369
	2,374	2,369

b. Deferred tax asset not recognized – Consolidated

The Group did not generate taxable profit in previous years and, therefore, there is increased doubt about whether future taxable profit will be available in the foreseeable future to realize deferred tax assets. As a result, deferred tax assets were not recognized on June 30, 2024.

For Brazilian companies, accumulated tax losses and the negative base of social contribution do not expire, however, they can be offset only up to the limit of 30% of annual taxable earnings. The total income tax loss and negative base of social contribution is R$917,091 on June 30,2024 (R$850,426 on December 31, 2023).

For North American companies, tax losses accrued prior to December 31, 2017 can be used within 20 years and there is no taxable income limit for using these losses. Tax losses carried forward after December 31, 2017 can be used indefinitely and can be used to offset only 80% of current year's taxable income. The total tax loss is R$205,257 on June 30, 2024 (R$203,422 on December 31, 2023).

The tax returns of all Group companies are subject to tax inspections and revisions by the tax authorities for varying periods. As a result of these inspections and reviews, authorities may question the methodologies, criteria and interpretations of the legislation, and consequently, change the amounts recognized by the Company in the quarterly information and/or result in legal challenges.

c. Changes on deferred tax balance

	Consolidated
Opening net balance as of December 31, 2022	48,493
Realization through amortization of intangible assets	(2,369)
Exchange variation on translating taxes from the functional currency to the presentation currency	(3,585)
Closing net balance as of June 30, 2023	42,539
Opening net balance as of December 31,2023	40,474
Realization through amortization of intangible assets	(2,376)
Exchange variation on translating taxes from the functional currency to the presentation currency	5,780
Closing net balance as of June 30,2024	43,878

d. Tax benefit

The indirect subsidiary BioFlex Agroindustrial S.A. has benefits from the Brazilian Internal Revenue Service and Superintendence of Development of the Northeast Region (SUDENE) and has the right to a 75% reduction in Income Tax and Additional Non-Refundable Taxes during the period from 01/01/2015 to 12/31/2024.

25. Financial instruments and risk management

Operations with financial instruments are fully recognized in the accounts and restricted to cash and cash equivalents, accounts receivable, other accounts receivable and payable from related parties, loans, financing, trade payable and other accounts payable.

The Group and its direct and indirect subsidiaries do not invest in derivatives or any other risky assets on a speculative basis.

The Group and its direct and indirect subsidiaries assessed their financial assets and liabilities in relation to market values, using available information and appropriate assessment methodologies. However, the interpretation of market data and selection of assessment methodologies requires considerable judgments and estimates to calculate the most appropriate realizable value. As a result, the estimates presented do not necessarily indicate the amounts that could be realized in the current market.

The activities of the Company and its direct and indirect subsidiaries expose them to various financial risks: credit risk, liquidity risk and market risk (including interest rate risk), as described below:

a. Credit risk

Credit risk is the risk of financial loss to the Company if a client or counterparty to a financial instrument fails to meet its contractual obligations. This risk is primarily posed by accounts receivables.

The carrying amount of financial assets represents the maximum credit exposure.

The Company has a credit policy that aims to establish procedures for granting loans in business transactions that are in line with the required levels of quality, agility and security.

The limit is determined through credit analysis, considering: (i) registration information (ii) economic and financial information, and (iii) historical purchases and payments.

b. Liquidity risk

The cautious management of liquidity risk implies keeping enough cash, securities and other financial assets, funding available through bank credit lines and the ability to liquidate market positions. Due to the dynamic nature of their businesses, the Group and its direct and indirect subsidiaries maintains flexibility in raising funds by maintaining bank credit lines.

(In thousands of Reais)

Management monitors the level of the Company and its direct and indirect subsidiaries' liquidity, considering the expected cash flow and cash and cash equivalents. Furthermore, the liquidity management policy of the Company and its direct and indirect subsidiaries entails projecting cash flows and considering the level of net assets required to achieve these projections and maintain the debt financing plans.

Management continues to seek alternatives to guarantee a balanced capital structure. See further information in Note 1.

The contractual maturities of financial liabilities are shown below, excluding the impact of netting agreements:

	Parent Company				
Non-derivative financial liabilities	Carrying amount	6 months or less	6 to 12 months	1 to 3 years	More than 3 years
Loans and borrowings*	78,536	898	949	68,337	48,211
Trade payables	815	815	-	-	-
Related-party loans	53,334	53,334	-	-	-
Accounts payable	1,838	29	58	1,751	-
	134,523	55,076	1,007	70,088	48,211

	Consolidated				
Non-derivative financial liabilities	Carrying amount	6 months or less	6 to 12 months	1 to 3 years	More than 3 years
Loans and borrowings*	291,216	30,402	32,100	256,166	84,738
Trade payables	48,791	48,791	-	-	-
Related-party loans	18,129	18,129	-	-	-
Accounts payable	4,071	350	700	3,021	-
	362,207	97,672	32,800	259,187	84,738

(*) Amounts in each age range have projected interest to be incurred.

The maturity analyses of the Group do not project cash flows that could occur significantly earlier or at significantly different amounts.

- Market risk

The Group is exposed to interest-rate changes, charged on its loans and borrowings and exchange variation on the assets and liabilities of the overseas-based direct and indirect subsidiaries. To minimize possible impacts triggered by these changes, the Group adopts the policy of diversifying these contracts.

The Group is primarily exposed to changes in CDI and TJLP interest rates, which are applied to its loans and borrowings.

On the individual and consolidated interim financial statements reporting date, the profile of the Company's financial instruments yielding interest was:

	Carrying amount			
	Parent Company		Consolidated	
Variable-income instruments	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Liabilities				
Loans and borrowings (CDI)	-	-	(212,680)	(201,034)
Loans and borrowings (TJLP)	(78,536)	(76,973)	(78,536)	(76,973)
Total	(78,536)	(76,973)	(291,216)	(278,007)

(In thousands of Reais)

The profile of the assets and liabilities resulting from the consolidation of the direct and indirect subsidiaries in USD as the functional currency has been summarized below, which are exposed to exchange rate variations:

	Consolidated	
Instruments exposed to exchange variation	06/30/2024	12/31/2023
Assets		
Cash and cash equivalents	1,074	198
Accounts receivable	892	237
Other financial assets	36,981	32,419
	38,947	32,854
Liabilities		
Trade payables	(15,645)	(7,145)
Other accounts payable	(2,233)	(5,194)
Accounts payable	(8,336)	(11,431)
	(26,214)	(23,770)

Cash flow sensitivity analysis for variable-rate instruments and exchange variation.

The sensitivity analysis considered the loans and borrowings that are restated by the CDI and TJLP indexes.

The sensitivity analysis on interest rates for loans and borrowings considers an increase and reduction of 25% and 50% in interest rates and how this would impact equity and results. This analysis considers the amounts presented in the individual and consolidated interim financial statements as of June 30, 2024. Except for the previously mentioned 25% and 50% variation, no other changes were projected:

						06/30/2024
Interest rate exposure	Balance	Probable	25%	50%	-25%	-50%
Loans and borrowings						
TJLP	(78,536)	(5,238)	(6,548)	(7,858)	(3,929)	(2,619)
CDI	(212,680)	(22,119)	(27,648)	(33,178)	(16,589)	(11,059)
Loss for the period	(291,216)	(27,357)	(34,196)	(41,036)	(20,518)	(13,678)

The interest rates the Company is subject to, based on projections of these rates in a probable scenario and the sensitivity analysis, are the following:

					06/30/2024
	Probable	25%	50%	-25%	-50%
TJLP (i)	6.67%	8.34%	10.01%	5.00%	3.34%
CDI (ii)	10.40%	13.00%	15.60%	7.80%	5.20%

(i) Interest rates based on information available at FINEP. Source: FINEP;
(ii) Interest rates based on information available at CETIP.

The sensitivity analysis on exchange rates with an increase and reduction of 25% and 50% of the consolidated amount is as follows, considering the variation in the USD exchange rate for translation on June 30, 2024. On June 30, 2024, the USD exchange rate was R$5,5589 to the US$1.00:

Exposure to exchange rates	Carrying amount in R$	In – USD	25%	50%	-25%	-50%
Assets	38,947	7,006	9,737	19,474	(9,737)	(19,474)
Liabilities	(26,214)	(4,716)	(6,553)	(13,107)	6,553	13,107
Profit or loss exposure in the period		2,290	3,184	6,367	(3,184)	(6,367)

(In thousands of Reais)

For the effects of the investments in overseas subsidiaries, see below the sensitivity analysis with the probable scenario for the future exchange rate:

					06/30/2024
	Probable	25%	50%	-25%	-50%
USD	5.5589	6.9486	8.3384	4.1692	2.7795

Capital management

The objective of the Company's capital management is to ensure that it maintains its strong credit rating with the financial institutions and its excellent capital ratio, to support the Company's business and maximize shareholder value. The Group and its direct and indirect subsidiaries control their capital structure by making adjustments and adapting to current economic conditions. The Group includes within its net debt structure: loans and borrowings, less cash and cash equivalents and short-term investments.

	Parent Company		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Cash and cash equivalents	1	1	1,687	200
(-) Loans and borrowings	(78,536)	(76,973)	(291,216)	(278,007)
Net debt	(78,535)	(76,972)	(289,529)	(277,807)
Equity	845,718	844,627	847,543	846,633
Equity and net debt	767,183	767,655	558,014	568,826

Classification of financial instruments

The table below shows the main financial instruments by category.

Parent Company

	Amortized cost	
Financial assets	06/30/2024	12/31/2023
Cash and cash equivalents	1	1
Related-party loans	4,190	2,429
Total	4,191	2,430
Liabilities		
Trade payables	815	176
Related-party loans	53,334	30,660
Loans and borrowings	78,536	76,973
Accounts payable	1,838	1,879
Total	134,523	109,688

Consolidated

	Amortized cost	
Financial assets	06/30/2024	06/30/2024
Cash and cash equivalents	1,687	200
Accounts receivable	892	237
Total	2,579	437
Liabilities		
Trade payables	48,791	35,291
Loans and borrowings	291,216	278,007
Related-party loans	18,129	-
Other accounts payable to related parties	45,427	43,172
Other accounts payable	4,071	3,646
Total	407,634	360,116

The fair values of the financial instruments presented do not significantly vary from the balances presented in the statement of financial position.

26. Segment reporting

Basis for segmentation

The Group has the following three strategic divisions, which are its reportable segments. These divisions offer different products and services and are managed separately. The following summary describes the operations of each reportable segment of the Company:

Reportable segment	Operation
BioEdge	Develops, executes and operates GranBio's flexible biomass biorefineries. As a developer, BioEdge also carries out logistical, technological and financial feasibility studies integrating the entire biomass production chain. Holds the intellectual property and knowledge to develop and execute agricultural harvesting, biomass development and logistics solutions.
BioPlus	Develops and licenses nanocellulose technologies. Nanocellulose is widely used in materials such as rubber, cardboard, plastic and resins. BioPlus®' commercial development strategy is based on technological alliances for manufacturing and testing pre-commercial prototypes in the areas of packaging, tires, cosmetics and healthcare.
GranBioTech	Based at the Research and Development Center in Thomaston (USA), it brings together systematized knowledge, process engineering and biotechnology patents. The structure includes an integrated pilot and demonstration plant, which has already demonstrated the production of cellulosic sugar from 18 varieties of biomass, including wood, energy cane, agricultural and industrial waste.

Information about the reportable segments

The performance is assessed based on final net income, as Management believes that this information is the most important for assessing the results of the respective segments:

(In thousands of Reais)

	June 30, 2024				
	BioEdge	BioPlus	GranBioTech	Others	Total
Revenue from goods sold and services rendered	-	-	-	-	-
Cost of goods sold and services rendered	(24,050)	388	2,774	-	(20,888)
Gross (loss) profit	(24,050)	388	2,774	-	(20,888)
Operating revenue (expenses)					
G&A expenses	(18,653)	(1,540)	(10,995)	-	(31,188)
Other revenues (expenses)	514	645	4,604	-	5,763
	(18,139)	(895)	(6,391)	-	(25,425)
Net (loss) before financial revenues and expenses	(42,189)	(507)	(3,617)	-	(46,313)
Financial revenues	5,232	-	-	-	5,232
Financial expenses	(21,260)	(10)	(75)	-	(21,345)
Net financial result	(16,028)	(10)	(75)	-	(16,113)
Deferred income tax and social contribution	-	292	2,082	-	2,374
Net (loss) for the period – Subtotal	(58,217)	(225)	(1,610)	-	(60,052)
Others	-			(12,632)	(12,632)
Net (loss) for the period	(58,217)	(225)	(1,610)	(12,632)	(72,684)

Segment reporting – Assets	BioFlex	BioPlus	GranBioTech	Others	Total
Inventories	3,851	-	-	-	3,851
Property, plant and equipment	671,366	3,804	24,114	2,190	701,474
Intangible	11,890	71,314	509,236	5,674	598,114

Segment reporting – Liabilities	BioFlex	BioPlus	GranBioTech	Others	Total
Loans and borrowings	(212,680)	-	-	(78,536)	(291,216)
Other accounts payable	-	(274)	(1,959)	(1,838)	(4,071)

(In thousands of Reais)

	June 30, 2023				
	BioFlex	BioPlus	GranBioTech	Others	Total
Revenue from goods sold and services rendered	-	374	2,670	-	3,044
Cost of goods sold and services rendered	(20,595)	(368)	(2,631)	-	(23,594)
Gross (loss) profit	(20,595)	6	39	-	(20,550)
Operating revenue (expenses)					
G&A expenses	(6,830)	(1,903)	(13,587)	-	(22,320)
Other revenues (expenses)	(135)	(61)	(434)	-	(630)
	(6,965)	(1,964)	(14,021)	-	(22,950)
Net (loss) before financial revenues and expenses	(27,560)	(1,958)	(13,982)		(43,500)
Financial revenues	3,316	15	106	-	3,437
Financial expenses	(24,632)	(2)	(14)	-	(24,648)
Net financial result	(21,316)	13	92	-	(21,211)
Deferred income tax and social contribution	-	291	2,078	-	2,369
Net (loss) for the period – Subtotal	(48,876)	(1,654)	(11,812)	-	(62,342)
Others					(2,389)
Net (loss) for the period	(48,876)	(1,654)	(11,812)	-	(64,731)

Segment reporting – Assets	BioFlex	BioPlus	GranBioTech	Others	Total
Inventories	8,609	-	-	-	8,609
Property, plant and equipment	721,286	3,474	1,713	2,379	728,852
Intangible	11,890	63,653	454,527	6,214	536,284

Segment reporting – Liabilities	BioFlex	BioPlus	GranBioTech	Others	Total
Loans and borrowings	(225,421)	-	-	(128,435)	(353,856)
Other accounts payable	(756)	(226)	(1,616)	(1,916)	(4,514)

(In thousands of Reais)

Until the end of the 2023 fiscal year, the Company disclosed the business segments between BioFlex, Biotech and BioVertis. As of 2024, the Company reassessed the structure of the segments as presented in the previous table. In order to maintain comparability of the information, the results corresponding to the same structure in 2023 are presented below.

	June 30, 2024			
	BioFlex	Biotech	Others	Total
Revenue from goods sold and services rendered	-	-	-	-
Cost of goods sold and services rendered	(24,050)	3,162	-	(20,888)
Gross (loss) profit	(24,050)	3,162	-	(20,888)
Operating revenues (expenses)				
Administrative expenses	(18,194)	(4,061)	-	(22,255)
Depreciation and amortization	(459)	(8,474)	-	(8,933)
Other revenues (expenses)	514	5,249	-	5,763
	(18,139)	(7,286)	-	(25,425)
Net (loss) before financial revenues and expenses	(42,189)	(4,124)	-	(46,313)
Financial revenues	5,232	-	-	5,232
Financial expenses	(21,260)	(85)	-	(21,345)
Net financial result	(16,028)	(85)	-	(16,113)
Deferred income tax and social contribution	-	2,374	-	2,374
Net (loss) for the period – Subtotal	(58,217)	(1,835)	-	(60,052)
Others	-	-	(12,632)	(12,632)
Net (loss) for the period	(58,217)	(1,835)	(12,632)	(72,684)

Segment reporting – Assets	BioFlex	Biotech	Others	Total
Inventory	3,851	-	-	3,851
Property, plant and equipment	671,366	27,918	2,190	701,474
Intangible	11,890	580,550	5,674	598,114

Segment reporting – Liabilities	BioFlex	Biotech	Others	Total
Loans and borrowings	(212,680)	-	(78,536)	(291,216)
Other accounts payable	-	(2,233)	(1,838)	(4,071)

(In thousands of Reais)

	June 30, 2023			
	BioFlex	Biotech	Others	Total
Revenue from goods sold and services rendered	-	3,044	-	3,044
Cost of goods sold and services rendered	(20,595)	(2,999)	-	(23,594)
Gross (loss) profit	(20,595)	45		(20,550)
Operating revenues (expenses)				
Administrative expenses	(6,264)	(7,172)	-	(13,436)
Depreciation and amortization	(566)	(8,318)	-	(8,884)
Other revenues (expenses)	(135)	(495)	-	(630)
	(6,965)	(15,985)	-	(22,950)
Net (loss) before financial revenues and expenses	(27,560)	(15,940)		(43,500)
Financial revenues	3,316	121	-	3,437
Financial expenses	(24,632)	(16)	-	(24,648)
Net financial result	(21,316)	105	-	(21,211)
Deferred income tax and social contribution	-	2,369	-	2,369
Net (loss) for the period – Subtotal	(48,876)	(13,466)	-	(62,342)
Others	-	-	(2,389)	(2,389)
Net (loss) for the period	(48,876)	(13,466)	(2,389)	(64,731)

Segment reporting – Assets	BioFlex	Biotech	Others	Total
Inventory	8,609	-	-	8,609
Property, plant and equipment	721,286	5,187	2,379	728,852
Intangible	11,890	518,180	6,214	536,284

Segment reporting – Liabilities	BioFlex	Biotech	Others	Total
Loans and borrowings	(225,421)	-	(128,435)	(356,856)
Other accounts payable	(756)	(1,842)	(1,916)	(4,514)

(In thousands of Reais)

27. Earnings per share

In compliance with technical pronouncement CPC 41 (IAS 33) - Earnings per share, approved by CVM Resolution 636, the Company presents the following information on earnings per share for the period ended June 30, 2024 and 2023.

Basic: the basic calculation of earnings per share is done by dividing the profit (loss) for the period, attributed to the holders of the Parent Company's common shares, by the weighted average number of common shares available during the period (denominator).

Diluted: the calculation of diluted earnings per share has been based on the following profit or loss attributable to the holders of the Company's common shares and weighted-average number of common shares for the effects of all dilutive potential common shares. The Company does not have any potential common shares.

The table below provides data on earnings and the shares used in calculating basic and diluted earnings per share, which are identical because the Company does not have potential common shares.

	04/01/2024 to 06/30/2024	01/01/2024 to 06/30/2024	04/01/2023 to 06/30/2023	01/01/2023 to 06/30/2023
Loss for the period	(38,682)	(702,503)	(30,480)	(64,393)
Weighted average number of common shares ('000)	108,133	108,133	108,133	108,133
Basic and diluted loss per share (in R$)	(0.3577)	(0.6705)	(0.2819)	(0.5955)

28. Insurance

On June 30, 2024, the Company and its subsidiaries have the following insurance contracts and amounts considered compatible by management with the risks involved:

PP&E and inventory (approximate coverage – R$86,648).

- Civil liability: coverage for material and personal damages caused involuntarily to third parties as a result of the production, facilities and assembly operations taking place on the insured site.

Administrative (approximate coverage - R$ 314,722).

- Administrative head office: fire, lightning, explosion, theft, qualified theft, civil liability, and others.

Given their specific nature and features, the risk assumptions made and their respective coverages are not covered by an audit of the individual and consolidated interim financial statements, and, therefore, were not reviewed by our independent auditors.

29. Subsequent events

On July 25, 2024, AVAPCO LLC secured a US$20 million government grant from a U.S. government entity to build a 2G SAF (Sustainable Aviation Fuel) integrated demonstration biorefinery. With this additional funding, AVAPCO has raised a total of US$100 million for this project.

Bernardo Afonso de Almeida Gradin
Chief Executive Officer

Guilherme Mottin Refinetti
Chief Financial Officer

Dejair Adão Guerro de Oliveira
Controller
CRC PR-052741/O-4-T-CE