

FS LUXEMBOURG S.À R.L. ANNOUNCES EARLY RESULTS OF CASH TENDER OFFER AND CONSENT SOLICITATION

NEWS PROVIDED BY

FS Luxembourg S.à r.l. →

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SÃO PAULO, Feb. 7, 2024 /PRNewswire/ -- FS Luxembourg S.à r.l. (the "Issuer"), a wholly-owned finance subsidiary of FS Indústria de Biocombustíveis Ltda. ("FS Ltda."), announces the early results of the cash tender offer (the "Tender Offer") conducted by Morgan Stanley & Co. LLC (the "Offeror") for any and all of the outstanding US\$446,317,000 aggregate principal amount of 10.00% senior secured notes due 2025 (the "Notes") issued by the Issuer and guaranteed by FS Ltda. and FS I Indústria de Etanol S.A. (together with FS Ltda., the "Guarantors").

Concurrently with the Tender Offer, the Offeror, with the consent of the Issuer, solicited consents from holders of the Notes (the "Consent Solicitation") for the adoption of proposed amendments (the "Proposed Amendments") to the indenture governing the Notes (the "Indenture"), which Proposed Amendments would (i) eliminate the collateral package under the Indenture; (ii) eliminate substantially all of the restrictive covenants, as well as various events of default and related provisions contained in the Indenture; and (iii) reduce the minimum notice period to Holders (as defined in the Indenture) in the case of an optional redemption pursuant to Section 3.05 of the Indenture from 30 days to three Business Days (as defined in the Indenture).

As of 5:00 p.m., New York time, on February 7, 2024 (the "Early Tender Deadline"), holders of 70.68%, or US\$315,456,000, of the aggregate principal amount outstanding of the Notes had tendered their Notes and validly delivered and not validly revoked their Consents (as defined in the Offer to Purchase), upon the terms and conditions described in the Offer to Purchase and Consent Solicitation Statement, dated January 25, 2024 (the "Offer to Purchase").



Because the Two-Thirds Consent (as defined in the Offer to Purchase) was obtained, the Issuer and the Guarantors, among others, will execute a supplemental indenture to the Indenture (the "Supplemental Indenture") containing the Proposed Amendments; however, the Supplemental Indenture and the Proposed Amendments will not be effective and operative until the Final Settlement Date (as defined below) and consummation of the Exchange (as defined below). Adoption of the Proposed Amendments will have adverse consequences for holders who elect not to tender Notes in the Tender Offer.

Certain information regarding the Notes and the results of the Tender Offer and the Consent Solicitation, as determined as of the Early Tender Deadline, is summarized in the following table:

Description of Notes	CUSIP/ISIN	Principal						Total Consideration ⁽³⁾	
		Outstanding	Amount	Tender Offer Deadline	Early Tender Deadline	Following the Exchange	Tender Offer Consideration ⁽¹⁾ + Early Tender Payment ⁽²⁾		
		Principal	of Notes						
		Amount of Notes Prior	Tendered as of the						
		Notes Prior	of the						
		to the	Early Tender						
10.00%	144A: 30315X AB0 / Senior Secured Notes Reg S: L40756 AB1 / due 2025	US\$446,317,000	US\$315,456,000	US\$130,861,000	US\$996.25	US\$50.00	US\$1,046.25	US\$1,046.25	
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- (1) The amount to be paid for each US\$1,000 principal amount of Notes validly tendered (and not withdrawn) and accepted for purchase, not including accrued and unpaid interest on the principal amount of Notes accepted for purchase from the most recent interest payment date on the Notes to, but not including, the Settlement Date for the Notes accepted for purchase ("Accrued Interest").
- (2) The additional amount to be paid for each US\$1,000 principal amount of Notes validly tendered (and not withdrawn) at or prior to the Early Tender Deadline and accepted for purchase, not including Accrued Interest.
- (3) For each US\$1,000 principal amount of Notes validly tendered (and not withdrawn) and accepted for purchase, the Total Consideration equals the Tender Offer Consideration *plus* the Early Tender Payment, not including Accrued Interest.

The Tender Offer and the Consent Solicitation will expire at 5:00 p.m. (New York City time) on February 23, 2024, unless extended by the Offeror (such time and date, as the same may be modified, the "Expiration Time"). Holders validly tendering Notes and delivering Consents in the Tender Offer and the Consent Solicitation after the Early Tender Deadline and at or prior to the Expiration Time will only be eligible to receive payment of the Tender Offer Consideration, which equals the Total Consideration *less* the Early Tender Payment. Tendered Notes could be withdrawn and delivered Consents could be revoked at any time prior to the Early Tender Deadline (such time and date, the "Withdrawal Deadline"), but not thereafter, unless required by applicable law. The Offeror will not extend the Withdrawal Deadline.

The Offeror has accepted for purchase all Notes validly tendered (and not validly withdrawn) in the Tender Offer at or prior to the Early Tender Deadline and intends to make payment in cash of an amount equal to the Total Consideration *plus* Accrued Interest for all such Notes on February 8, 2024 or as promptly as practicable thereafter (the "Early Settlement Date"). Assuming acceptance by the Offeror of all Notes validly tendered (and not validly withdrawn) after the Early Tender Deadline, but at or prior to the Expiration Time, the Offeror intends to accept such Notes for purchase and the Issuer expects to directly make payment in cash of an amount equal to the Tender Offer Consideration *plus* Accrued Interest for such accepted Notes on the final settlement date, which is expected to be one business day after the Expiration Time or as promptly as practicable thereafter (the "Final Settlement Date").

On January 30, 2024, the Issuer priced an offering of US\$500,000,000 aggregate principal amount of 8.875% senior unsecured notes due 2031 (the "New Notes") and it is intended that the Notes purchased by the Offeror in the Tender Offer will be exchanged by the Offeror with the Issuer (the "Exchange") for a portion of the New Notes to be issued on February 12, 2024. When issued, the New Notes will not have been registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act and applicable state securities laws. This press release does not constitute an offer to sell or the solicitation of an offer to buy the New Notes or any other securities and shall not constitute an offer, solicitation or sale in any jurisdiction in which, or to any person to whom, such an offer, solicitation or sale is unlawful. Any offers of the New Notes were made only by means of a private offering memorandum.

The Offeror has the right to amend or terminate the Tender Offer and the Consent Solicitation at any time, subject to applicable law.

Morgan Stanley & Co. LLC is acting as dealer manager in the Tender Offer and as solicitation agent in the Consent Solicitation and can be contacted at its telephone numbers set forth on the back cover page of the Offer to Purchase with questions regarding the Tender Offer and the Consent Solicitation.

Copies of the Offer to Purchase are available to holders of Notes from D.F. King & Co., Inc., the information agent and the tender agent for the Tender Offer and the Consent Solicitation. Requests for copies of the Offer to Purchase should be directed to D.F. King at +1 (800) 283-9185 (toll-free), +1 (212) 269-5550 (collect) or fs@dfking.com.

Neither the Offer to Purchase nor any related documents have been filed with the U.S. Securities and Exchange Commission, nor have any such documents been filed with or reviewed by any federal or state securities commission or regulatory authority of any country. No authority has passed upon the 

accuracy or adequacy of the Offer to Purchase or any related documents, and it is unlawful and may be a criminal offense to make any representation to the contrary.

Under no circumstances shall this press release constitute an offer to buy or the solicitation of an offer to sell the Notes or any other securities of the Issuer, the Guarantors or any of their affiliates. The Tender Offer and the Consent Solicitation are not being made to, nor will the Offeror accept tenders of Notes or deliveries of Consents from, holders in any jurisdiction in which the Tender Offer and the Consent Solicitation or the acceptance thereof would not be in compliance with the securities or blue sky laws of such jurisdiction. This press release also is not a solicitation of Consents.

Important Notice Regarding Forward-Looking Statements

This press release contains forward-looking statements. Forward-looking statements are information of a non-historical nature or that relate to future events and are subject to risks and uncertainties. No assurance can be given that the transactions described in this press release will be consummated or as to the ultimate terms of any such transactions. None of the Offeror, the Issuer nor the Guarantors undertakes any obligation to publicly update or revise any forward-looking statements, whether as a result of new information or future events or for any other reason.

DISCLAIMER

This press release must be read in conjunction with the Offer to Purchase. This press release and the Offer to Purchase contain important information that must be read carefully before any decision is made with respect to the Tender Offer and the Consent Solicitation. If any holder of Notes is in any doubt as to the action it should take, it is recommended to seek its own legal, tax, accounting and financial advice, including as to any tax consequences, immediately from its stockbroker, bank manager, attorney, accountant or other independent financial or legal adviser. Any individual or company whose Notes are held on its behalf by a broker, dealer, bank, custodian, trust company or other nominee or intermediary must contact such entity if it wishes to participate in the Tender Offer and the Consent Solicitation. None of the Offeror, the Issuer, the Guarantors, the dealer manager, the solicitation agent, the information and tender agent or any person who controls, or is a director, officer, employee or agent of such persons, or any affiliate of such persons, makes any recommendation as to whether holders of Notes should participate in the Tender Offer and the Consent Solicitation.

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