



AGRO GALAXY

Earnings Release | **2024**

Earnings Release | 2Q24, 1H24 e LTM 2Q24

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2024 Second Quarter and First Half Results

São Paulo, August 14, 2024 - AgroGalaxy Participações S.A. ("AgroGalaxy" or "Company") (B3: AGXY3) releases its results for 2Q24 and 1H24. The comments included here refer to the consolidated results that were prepared in accordance with the standards issued by the Securities and Exchange Commission (CVM) and the pronouncements, interpretations and guidelines issued by the Accounting Pronouncements Committee (CPC) and are in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). Financial information, unless otherwise indicated, is presented in thousands of reais, and comparisons are relative to 2Q23, 1H23 and LTM 2Q23. Due to rounding figures, sums of accounts may differ.

AgroGalaxy Highlights



30% growth in the order portfolio within the periods of June and July 2024 compared to the same period of 2023.



Record in Barter operations – Company's strategy of prioritizing the sale of package traded in grains. Significant growth in Barter orders; 377 thousand tons (2Q24) vs. 105 thousand tons (2Q23). **Currently, Barter operations represent 42% of AgroGalaxy's business.**



Net revenue: R\$ 1.1 billion (-42%) in 2Q24: mainly due to the **drop in the volume of inputs (-48%)** and **fertilizer cut-off** of around R\$90 million greater than 2Q23.



Expansion of 2.9 p.p. in gross margin from inputs in 2Q24 (19.5%) and 1.1 p.p. in 1H24 (16.5%).



Sales mix improvement: greater share in Specialties (17.0% of the mix, +7.5 p.p.) in 2Q24.



SG&A (ex-D&A and PDD): reduction of 17% (-R\$26 million) in 2Q24 vs. 2Q23 and 22% (-R\$182 million) in LTM2Q24 vs. LTM2Q23, in line with the new organizational model, aiming to face market volatility.



Videoconference

August 15, 2024 (Thursday)

11AM (Brazil Time)|10AM (EST)

Portuguese with simultaneous translation into English

Click [here](#) to sign up to the videoconference.

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Message from the CEO

In another cycle of results, I come here to present some impressions of the market and how we are operating. We continue to go through a challenging time in the agribusiness sector and our performance reflects the difficulties faced by the entire market. The effects of the changes we made in recent months, in search for more efficiency and agility, have become more evident, demonstrating that they were timely and necessary decisions to continue supporting farmers in this still adverse scenario.

Even in historically less favorable conditions, we had a 30% growth in the order portfolio between June and July 2024 compared to the same period in 2023, which gives us good insights for the coming periods.

Additionally, we achieved a record in barter operations, a crucial priority for our Company, with a significant increase in orders. Barter operations now represent 42% of AgroGalaxy's business, totaling 377 thousand tons in the quarter, compared to 105 thousand tons in the same period last year. This is a healthy sign for agribusiness, because farmers are locking operational costs, bringing more security to the entire chain in the next harvest.

Our input gross margin expanded significantly, reaching 19.5% in the second quarter, an increase of 2.9 percentage points. This expansion demonstrates the effectiveness of our strategy in focusing on the mix of specialties, which traditionally bring greater gross margin.

We remain strong in our commitment to reducing general and administrative expenses to maintain our operational efficiency, recording a 17% reduction in the period. These measures are essential to face market volatility.

The drop in production of the 2024 interim harvest, impacted by adverse weather conditions in some

States, the fluctuation in the price of inputs in general and the still present effects of the turn of the cycle in the 22/23 harvest, translate into farmers investing in a selective and prudent way. These factors, naturally, impacted our performance in the period.

Our results are in line with the natural seasonality of agribusiness and do not reflect some promising signs already visible in the 24/25 harvest overview. From the middle of the 2nd quarter onwards, we noticed a substantial increase in the pace of orders for the 24/25 Harvest, even higher than the average for the previous harvest. This acceleration in order portfolio and the increase in barter business, the greater probability of a favorable climate for crop development and a more stable exchange ratio, in line with historical averages, are clear signs of recovery that fuel our optimism.

We will continue leveraging our strengths, such as our broad geographic coverage, focus on growth in key segments such as specialties and seeds, synergy with the grain origination business, partnership with the best suppliers in the market and discipline in seeking greater operational efficiency.

Here at AgroGalaxy, we are dedicated and prepared to transform current challenges into opportunities, to grow with value and thrive with our customers.

Axel Labourt, AgroGalaxy CEO

Seasonality (Input)

The agribusiness industry is subject to significant seasonality over the year, especially given the crop cycles that depend on specific climate conditions. Brazil has unique climate conditions compared to other countries producing agricultural commodities, contributing to the plantation of two to three crops in the same area per year.

Thus, considering that the activities of the Company's customers are directly related to the cycles of the crops, which are subject to seasonality issues, revenues from input are also subject to significant seasonality.

The seasonality of the crops also implies the seasonality of the gross profit, calculated at different basis for the fiscal year, which may cause a significant seasonal effect on the operating results calculated during the separate quarters of the fiscal year.

Earnings Release | 2Q24, 1H24 e LTM2Q24

Highlights

Financial Highlights (R\$ million)	2Q23	2Q24	%	1H23	1H24	%	LTM 2Q23	LTM 2Q24	%
Total Net revenue	1,832.0	1,056.1	-42.4%	4,617.3	2,652.5	-42.6%	11,097.5	7,434.3	-33.0%
Input revenue	478.6	200.9	-58.0%	2,055.9	892.3	-56.6%	7,245.0	4,165.6	-42.5%
Grain revenue	1,353.4	855.3	-36.8%	2,561.4	1,760.2	-31.3%	3,852.5	3,268.7	-15.2%
Volume variation	8.0%	-47.9%	n.m.	8.0%	-35.8%	n.m.	1.2%	-10.8%	n.m.
Price variation	-46.7%	-10.1%	+36.6 p.p.	-46.7%	-20.8%	+25.9 p.p.	-18.4%	-31.7%	-13.3 p.p.
Adjusted Gross Profit¹	93.3	50.9	-45.4%	350.7	150.5	-57.1%	1,392.6	802.8	-42.4%
% net revenue	5.1%	4.8%	-0.3 p.p.	7.6%	5.7%	-1.9 p.p.	12.5%	10.8%	-1.8 p.p.
Input margin	16.6%	19.5%	+2.9 p.p.	15.4%	16.5%	+1.1 p.p.	18.3%	19.2%	+0.9 p.p.
Grain margin	1.0%	1.4%	+0.4 p.p.	1.3%	0.2%	-1.1 p.p.	1.7%	0.1%	-1.6 p.p.
Adjusted EBITDA²	-72.5	-83.4	15.0%	-13.9	-178.5	n.m.	504.0	177.6	-64.8%
Adjusted EBITDA Margin	-4.0%	-7.9%	-3.9 p.p.	-0.3%	-6.7%	-6.4 p.p.	4.5%	2.4%	-2.2 p.p.
Adjusted Net Profit (Loss)²	-257.1	-362.4	40.9%	-353.8	-612.1	73.0%	-147.5	-592.8	302.0%
Adjusted Profit (loss) Margin	-14.0%	-34.3%	-20.3 p.p.	-7.7%	-23.1%	-15.4 p.p.	-1.3%	-8.0%	-6.6 p.p.
Net Debt	-	-	-	-	-	-	1,677.6	1,512.4	-9.8%

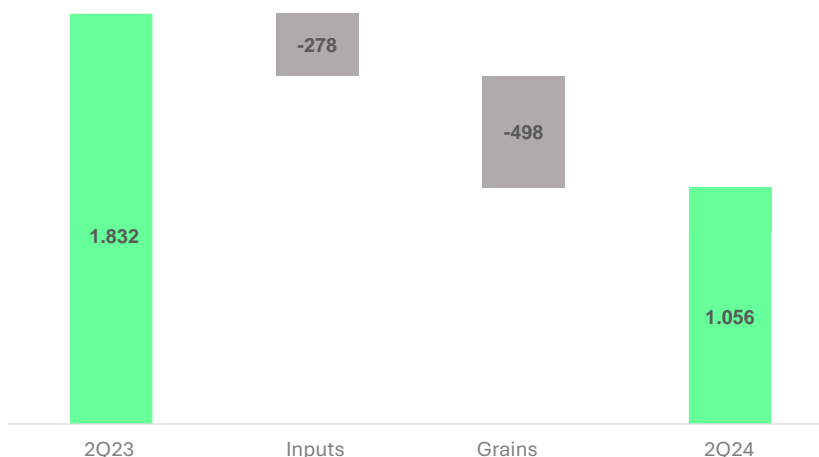
¹ Adjusted Gross Profit: it considers: (a) gains or losses from changes in the fair value of commodities; (b) exchange rate gains or losses; (c) negative impact of the cash effect related to rent payments; and (c) reversal of the effect of unusual expenses. ² Adjusted EBITDA and Profit: Exhibit II table presents the adjustments made.

Earnings Release | 2Q24, 1H24 e LTM2Q24

2Q24 vs. 2Q23 Results

Net Revenue

Net Revenue Evolution (R\$ million)



In 2Q24, net revenue totaled R\$1.1 billion, a 42% drop compared to 2Q23. The reduction in grain revenue is mainly due to the drop in price (-27%) and volume (-13%), consistent with the market, which ended the period with production below estimates (corn and soybeans) and loss of productivity driven by unfavorable weather, according to CONAB's data.

The reduction in input revenue is due to (i) the drop in volume (-48%) affected by the greater fertilizer cut-off* - R\$ 170 million in 2Q24, compared to -R\$ 76 million in 2Q23; and (ii) the drop in price (-10%).

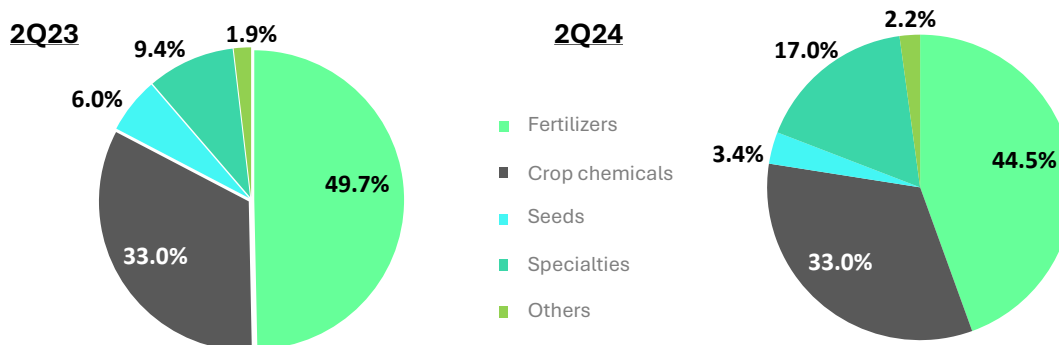
The increase of about R\$90 million that could have been recorded as revenue in 2Q24, resulting from the greater cut-off, was postponed to the next quarter. If we exclude the cut-off that occurred in the quarter, the impact of the drop in volume would be -25% compared to the -48% recorded in 2Q24.

*Cut-off: products were invoiced, but there was not enough time for delivery.

Inputs Mix

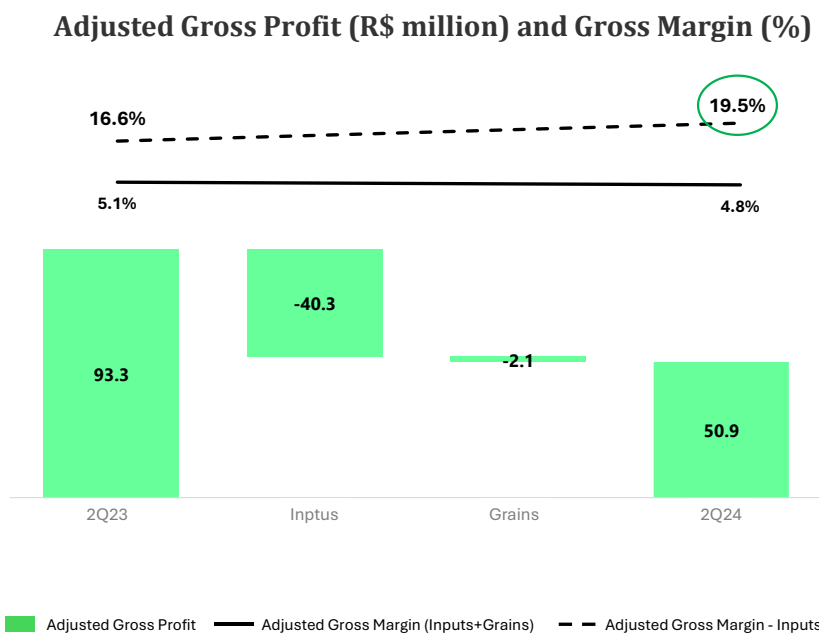
The specialties segment, which represents the highest margin, gained share in the input mix in 2Q24, reaching 17.0% of the mix (+7.5 p.p.), a large part of this mix gain came from the reduction in the share of fertilizers, going from 49.7% in 2Q23 to 44.5% in 2Q24 (-5.2 p.p.). Sustainable solutions, which include biological and organomineral products, represented 46.8% of the specialties segment in 2Q24.

Inputs Net Revenue Mix (%)



Earnings Release | 2Q24, 1H24 e LTM2Q24

Adjusted Gross Profit and Margin*



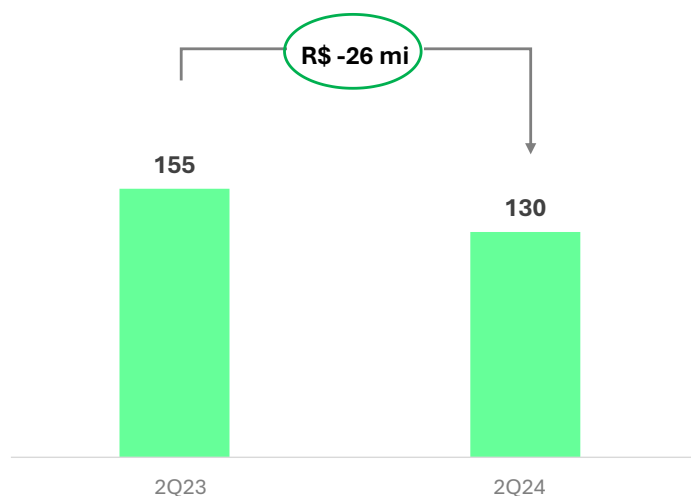
The adjusted gross margin on inputs stands out at 19.5%, an increase of 2.9 p.p. compared to 2Q23. The increase in the mix of specialties, a segment with the highest gross margin that reached 17.0% in 2Q24 vs. 9.4% in 2Q23, and the reduction in sales in the fertilizer segment, which is traditionally less profitable, contributed to the expansion of the adjusted gross margin for inputs.

Adjusted gross profit reached R\$51 million in 2Q24 vs. R\$93 million in 2Q23, with a margin of 4.8%, almost flat in relation to 2Q23 (-0.3 p.p.).

** Adjusted gross profit: disregards gains or losses from changes in the fair value of commodities and considers gains or losses from exchange rate variations adjusted in EBITDA for margin calculation purposes.*

SG&A – Sales, General and Administrative Expenses

Total Expenses Reduction (ex-D&A and PDD) (R\$ million)

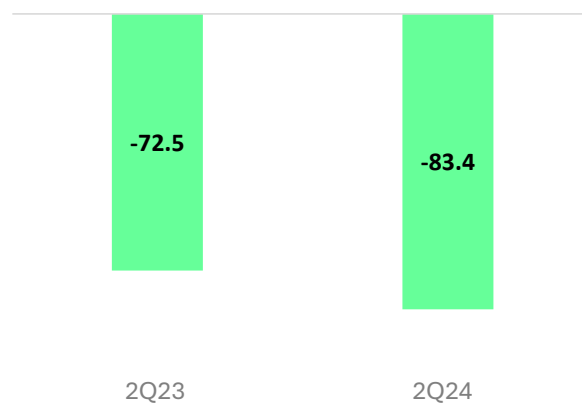


Total expenses (ex-depreciation, amortization and PDD) totaled R\$ 130 million in 2Q24, a reduction of R\$ 26 million compared to 2Q23. The reduction in expenses is part of a set of actions that have been taken by the Company to reflect the new business model, having in 2Q24 vs. 2Q23 reported (i) 50% reduction in fixed expenses, and (ii) 50% reduction in commission, logistics and variable expenses.

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Adjusted EBITDA

Adjusted EBITDA (R\$ million)



Adjusted EBITDA was negative at R\$83 million in 2Q24. Adjusted EBITDA margin was negative at 7.9%. The drop in EBITDA is due to the reduction in revenue and, consequently, lower adjusted gross profit.

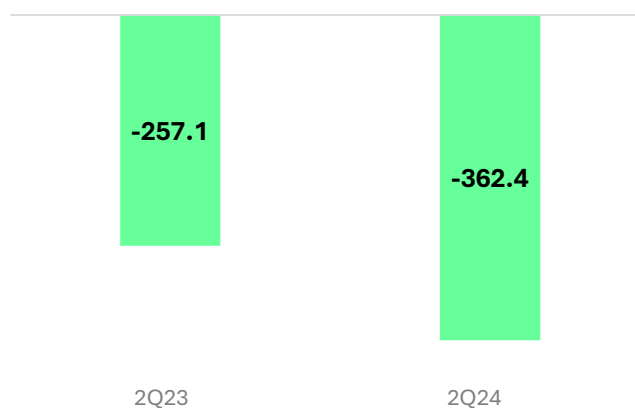
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Financial Results

Adjusted Net Financial Results (R\$ million)	2Q23	2Q24	(%)
Adjustment to present value - expenses	-142.3	-79.4	-37.0%
Interest on loans and financing	-67.3	-58.2	-7.0%
Interest liabilities (CRA, interest on renegotiation or delay)	-66.9	-153.0	20.2%
Discounts granted to customers and other expenses	-43.3	-57.0	-48.6%
Sub-total financial expenses	-319.8	-347.6	8.7%
Adjustment at the present value - revenue	102.9	55.9	-33.1%
Interest income	20.7	19.4	13.7%
Discounts for advance payments	13.2	4.0	-77.6%
Income from investments and other financial revenues	15.6	16.6	20.9%
Sub-total financial revenue	152.3	95.9	-37.1%
Exchange variation	27.1	-39.3	-172.2%
Fair value forward contract - agricultural commodities	10.4	-15.4	-192.6%
Derivatives financial instruments/IFRS 16/Others	-36.0	68.7	-211.4%
Exchange variation and fair value, net	1.5	14.0	n.m.
Adjusted financial results, net	-166.0	-237.8	43.2%

Adjusted Net (Loss) Profit

Adjusted Net (Loss) Profit (R\$ million)



In 2Q24, the adjusted loss was R\$362 million, a reduction due to the company's operating result,

Earnings Release | 2Q24, 1H24 e LTM2Q24

1H24 vs. 1H23 and LTM2Q24 vs. LTM2Q23 Results

Net Revenue

(R\$ million)	1H23	1H24	%	LTM2Q23	LTM2Q24	%
Total Net Revenue	4,617.3	2,652.5	-42.6%	11,097.5	7,434.3	-33.0%
Total input net revenue	2,055.9	892.3	-56.6%	7,245.0	4,165.6	-42.5%
Total grain net revenue	2,561.4	1,760.2	-31.3%	3,852.5	3,268.7	-15.2%

Mix of Inputs Revenue

	1H23	1H24	%	LTM2Q23	LTM2Q24	%
Fertilizers	34.1%	27.4%	-6.7 p.p.	32.8%	34.9%	+2.1 p.p.
Crop Chemicals	39.8%	39.6%	-0.3 p.p.	37.2%	32.8%	-4.4 p.p.
Seeds	16.5%	19.9%	+3.3 p.p.	22.0%	20.6%	-1.5 p.p.
Specialties	8.5%	12.2%	+3.7 p.p.	6.8%	11.1%	+4.2 p.p.
Others	1.0%	1.0%	+0.0 p.p.	1.2%	0.7%	-0.5 p.p.

Adjusted Gross Profit*

(R\$ million)	1H23	1H24	%	LTM2Q23	LTM2Q24	%
Adjusted Gross Profit	350.7	150.5	-57.1%	1,392.6	802.8	-42.4%
% net revenue	7.6%	5.7%	-1.9 p.p.	12.5%	10.8%	-1.8 p.p.
Input margin	15.4%	16.5%	+1.1 p.p.	18.3%	19.2%	+0.9 p.p.
Grain margin	1.3%	0.2%	-1.1 p.p.	1.7%	0.1%	-1.6 p.p.

* Adjusted gross profit excludes gains or losses from changes in the fair value of commodities and considers gains or losses from exchange rate changes adjusted to EBITDA for margin calculation purpose.

Adjusted SG&A – Sales, General and Administrative Expenses

(R\$ million)	1H23	1H24	%	LTM2Q23	LTM2Q24	%
SG&A (ex-DA+PDD) adjusted	349	284	-18.9%	827	644	-22.0%
SG&A/ROL	7.6%	10.7%	+3.1 p.p.	7,4%	8,7%	+1.2 p.p.

Adjusted EBITDA*

(R\$ million)	1H23	1H24	%	LTM2Q23	LTM2Q24	%
Adjusted EBITDA	-13.9	-178.5	n.m.	504.0	177.6	-64.8%
Adjusted EBITDA margin	-0.3%	-6.7%	-6.4 p.p.	4.5%	2.4%	-2.2 p.p.

* Adjusted EBITDA and Profit: The Exhibit II table shows the adjustments made.

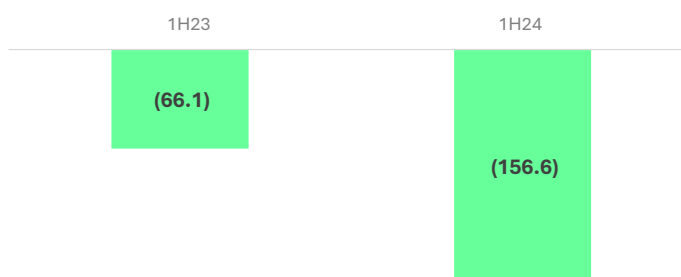
Adjusted Net Profit (Loss)*

(R\$ million)	1H23	1H24	%	LTM2Q23	LTM2Q24	%
Adjusted net profit (loss)	-353.8	-612.1	73.0%	-147.5	-592.8	n.m.
Adjusted net profit (loss) margin	-7.7%	-23.1%	-15.4 p.p.	-1.3%	-8.0%	-6.6 p.p.

* Adjusted EBITDA and Profit: The Exhibit II table shows the adjustments made.

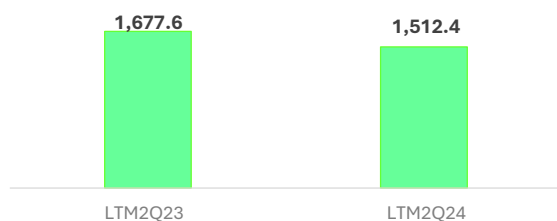
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Operating Cash Generation (Consumption) (R\$ million)



Working capital variation - Total (in days)	LTM2Q23	LTM2Q24	Δ
Asset			
Average term of receipt	177	104	73
Average term of storage	48	58	-10
Operating Cycle	225	161	63
Liabilities			
Average term of payment	211	161	51
Working Capital Days	13	1	13

Net Debt (R\$ million)



Net debt* totaled R\$1.5 billion in June 2024, a reduction of 9.8% vs. June 2023.

**Net debt considers loans and financing, deducted from cash and cash equivalents and financial assets, vehicle/other leasing liabilities, as well as obligations with CRA securitized titles - Agribusiness Receivables Certificates - which entered as debt in Current liabilities and refer to operations involving bonds from clients placed on the market to finance rural producers.*

ESG

In the second quarter of 2024, AgroGalaxy's Officers, supported by the Sustainability Committee in its advisory role to the Board of Directors, dedicated themselves to remodeling the company's ESG structure. The discussions are based on improving ESG governance in line with the operational and financial challenges of the business. Thus, the model adopted to continue the ESG journey was as described below:



AgroGalaxy's ESG structure was redefined with the aim of improving the synergy of internal initiatives with market demands, as well as with the current business situation, specially creating greater awareness and engagement of the internal public with themes covered by the three dimensions that make up ESG, and thus, in order to allow this audience to incorporate ESG concepts, policies, commitments and practices into the day-to-day business.

The initial idea is to develop an ESG culture for the business and by the business. This remodeling created the opportunity to implement a transversal structure, where the dimensions worked on are addressed by professionals with diverse skills and experiences, allowing us to think of ESG as a tool for sustaining and growing the Company's business, where employees can multiply their knowledge and initiatives which will certainly provide positive impacts for the Company and its stakeholders, through strengthening culture, achieving goals, converging interests and strengthening relationships.

Focusing on ESG goals and initiatives for 2024

In order to maintain a balance between the demands of the business and the demands of society, for 2024, initiatives directly connected with the company's core business, clearly identified in the environmental goals, are being prioritized.

As an example of this, the company reported ESG goal 1, in the latest Annual Report, in which AgroGalaxy commits to increasing the share of sustainable solutions in the mix of products sold, compared to the year 2023, to achieve:

10% share in revenue from organomineral fertilizers in relation to total fertilizers.

30% share of specialty sales in relation to the total of agricultural crop chemicals.

This goal directly contributes to the objective of strengthening AgroGalaxy as a partner for Brazilian farmers with an offer of products and services that support them in their transition to regenerative agriculture. This is because organomineral fertilizers are considered more sustainable compared to common fertilizers, as they combine mineral nutrients with organic matter, improving the efficiency of nutrient absorption by plants. Furthermore, they release nutrients gradually, reducing leaching and avoiding possible water contamination. Organomineral fertilizers help to improve soil structure and, in general, in their production chain they reduce dependence on non-renewable resources and the various environmental impacts associated with mining and the manufacture of conventional mineral fertilizers.

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Specialties, in general, are considered more sustainable than agricultural crop chemicals, mainly because they have a lower environmental impact and lower toxicity for humans, animals and non-target organisms. They are formulated to be dissolved more quickly in the environment, have more targeted use and often require less quantity to achieve the same results. This contributes to food safety, reduces possible toxic residues in food, as well as improving the health of workers who are directly linked to handling the products.

Adjustments to the results

Adjusted EBITDA is impacted by cash generated from payments made for the real estate leasing (stores) during the period and disregards: (i) MTM commodities: gains or losses with changes in the fair value of commodities, since the fair value marking in closing of each year does not affect cash and does not represent the results of purchases and sales; (ii) exchange rate variation from hedging operations carried out with the purpose of protecting revenue or the cost of products; (iii) non-recurring items (e.g. extemporaneous credits, strategic consultancy and personnel restructuring expenses); and (iv) commercial finance: passive interest, active interest, discounts granted and discounts obtained.

In addition to items (i), (ii) and (iii) mentioned above, **adjusted net profit** excludes from the calculation: (v) the amortization of the surplus value in the business combination; (vi) unsettled exchange variation (accrual and MTM); (vii) the effects of CPC 06/IFRS 16 and others; and (viii) the impacts of deferred IR/CS.

Check the [IR website](#) for further details on the adjustments.

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Exhibit I – Financial Statements

Adjusted Income Statement (In R\$ thousands)

	2Q23	2Q24	Change	1H23	1H24	Change	LTM 2Q23	LTM 2Q24	Change
Net revenue for the period	1,832,007	1,056,118	-42.4%	4,617,297	2,652,485	-42.6%	11,097,486	7,434,285	-33.0%
Input	478,597	200,856	-58.0%	2,055,892	892,253	-56.6%	7,244,985	4,165,610	-42.5%
Grain	1,353,410	855,262	-36.8%	2,561,405	1,760,232	-31.3%	3,852,501	3,268,675	-15.2%
(-) Cost of products sold	-1,738,746	-1,005,215	-42.2%	-4,266,629	-2,502,026	-41.4%	-9,704,841	-6,631,487	-31.7%
Input	-399,212	-161,746	-59.5%	-1,738,775	-744,964	-57.2%	-5,916,163	-3,364,744	-43.1%
Grain	-1,339,534	-843,468	-37.0%	-2,527,854	-1,757,062	-30.5%	-3,788,679	-3,266,743	-13.8%
Gross profit for the year	93,261	50,903	-45.4%	350,668	150,459	-57.1%	1,392,645	802,798	-42.4%
% net revenue	5.1%	4.8%	-0.3 p.p.	7.6%	5.7%	-1.9 p.p.	12.5%	10.8%	-1.8 p.p.
% net revenue Input	16.6%	19.5%	+2.9 p.p.	15.4%	16.5%	+1.1 p.p.	18.3%	19.2%	+0.9 p.p.
% net revenue Grain	1.0%	1.4%	+0.4 p.p.	1.3%	0.2%	-1.1 p.p.	1.7%	0.1%	-1.6 p.p.
(-) sales expenses	-99,557	-53,059	-46.7%	-226,607	-165,554	-26.9%	-511,695	-270,703	-47.1%
(-) administrative expenses	-64,334	-76,686	19.2%	-146,613	-163,411	11.5%	-394,470	-379,550	-3.8%
(-) other operating revenues and expenses	-1,888	-4,569	142.0%	8,640	0	-100.0%	17,507	25,072	43.2%
(-) Depreciation and amortization (b)	-17,833	-31,760	78.1%	-35,777	-54,880	53.4%	-65,808	-114,387	73.8%
Total expenses (SG&A)	-183,612	-166,073	-9.6%	-400,357	-383,845	-4.1%	-954,465	-739,567	-22.5%
Profit before financial income (a)	-90,351	-115,170	27.5%	-49,689	-233,386	369.7%	438,179	63,230	-85.6%
% net revenue	-4.9%	-10.9%	-6.0 p.p.	-1.1%	-8.8%	-7.7 p.p.	3.9%	0.9%	-3.1 p.p.
(-) Financial result	-165,985	-237,761	43.2%	-293,584	-378,500	28.9%	-564,863	-687,108	21.6%
(-) Income tax and social contribution	-784	-9,465	1107.0%	-10,487	-167	-98.4%	-20,791	31,040	249.3%
(=) Adjusted net result for the period	-257,120	-362,396	40.9%	-353,760	-612,053	73.0%	-147,474	-592,837	302.0%
% net revenue	-14.0%	-34.3%	-20.3 p.p.	-7.7%	-23.1%	-15.4 p.p.	-1.3%	-8.0%	-6.6 p.p.
Depreciation and Amortization (b);	17,833	31,760	78.1%	35,777	54,880	53.4%	65,808	114,387	73.8%
Adjusted EBITDA (a) + (b)	-72,518	-83,410	15.0%	-13,912	-178,507	1183.2%	503,987	177,618	-64.8%
% net revenue	-4.0%	-7.9%	-3.9 p.p.	-0.3%	-6.7%	-6.4 p.p.	4.5%	2.4%	-2.2 p.p.

Earnings Release | 2Q24, 1H24 e LTM2Q24

Balance Sheets (In R\$ thousands)

Asset	December 31, 2023	June 30, 2024
Current		
Cash and cash equivalents	738,306	393,261
Financial Assets	309,105	78,480
Accounts receivable from customers	3,327,372	2,308,665
Inventories	839,835	1,080,616
Taxes recoverable	67,658	64,848
Income tax and social contribution to be recovered	47,187	48,945
Financial instruments derivatives	34,687	108,101
Other receivables	189,317	165,291
Total current assets	5,553,467	4,248,207
Non-current		
Financial Assets	125,476	268,636
Accounts receivable from customers	237,432	208,207
Financial instruments derivatives	209	138
Taxes recoverable	93,990	96,402
Income tax and social contribution to be recovered	1,184	4,931
Judicial Deposits	6,242	6,231
Deferred income tax and social contribution	188,874	208,197
Other receivables	41,736	50,089
	695,143	842,831
Other investments	1,320	2,366
Fixed assets	219,657	215,567
Intangible assets	1,071,336	1,054,234
Asset of right of use	173,093	149,624
Total non-current assets	2,160,549	2,264,622
Total assets	7,714,016	6,513,329

Earnings Release | 2Q24, 1H24 e LTM2Q24

Liability and Net Equity	December 31, 2023	June 30, 2024
Current		
Suppliers	3,053,457	2,783,809
Loans and financings	1,473,969	741,289
Lease liabilities	69,918	65,644
Financial instruments derivatives	21,202	2,805
Obligations on credit assignment	946,816	451,029
Advances from customers	362,204	376,526
Related Party Transactions	0	91,031
Others	219,620	177,946
Total liability current	6,147,186	4,690,079
Non-current		
Suppliers	256	271
Loans and financings	0	559,356
Lease liabilities	96,115	75,723
Financial instruments derivatives	0	703
Obligations on credit assignment	0	361,398
Contingency provisions	8,304	7,780
Related Party Transactions	38,017	0
Income tax and social contributions deferred	70,001	64,702
Advance for future capital increase	150,000	0
Others	67,475	29,285
Total liability non-current	430,168	1,099,218
Total liability	6,577,354	5,789,297
Net Equity		
Capital stock	789,221	951,632
Capital reserves	490,944	490,944
Treasury shares	-34,037	-34,037
Valuation Adjustments	21,985	22,689
Accumulated losses	-154,727	-726,092
Equity attributable to controlling shareholders	1,113,386	705,136
Equity attributable to non-controlling shareholders	23,276	18,896
Total net equity	1,136,662	724,032
Total liability and net equity	7,714,016	6,513,329

Earnings Release | 2Q24, 1H24 e LTM2Q24

Cash Flow Statements – Indirect Method (In R\$ thousands)

	Jun/23	Jun/24
OPERATING ACTIVITIES		
INCOME BEFORE INCOME TAX AND SOCIAL CONTRIBUTION	(373,366)	(600,199)
Adjustments to:		
Depreciation and amortization	68,088	77,179
Adjustment at present value	32,334	125,051
Appropriation of lease financial charges	16,201	15,230
Result on the sale and write-off of fixed assets, net	2,125	(2,441)
Provision for inventory losses, net	(9,451)	(10,471)
Loss/(gain) in the fair value of forward contracts due to mark-to-market - agricultural commodities	(204,495)	442
(Gain)/loss in fair value of forward contracts upon realization - agricultural commodities	19,064	(68,330)
(Gain)/loss on derivative financial instruments, net	74,289	(76,428)
Expenses with interest on loans and financings, net	141,395	117,993
Exchange rate variations on loans and financings	10,178	(4,602)
Share-based payment	2,489	704
Provision for estimated losses with doubtful credit settlement	15,138	45,429
	1,211	2,533
Decrease (increase) in asset		
Related parties	15,601	(3,053)
Accounts receivable from customers	1,447,205	990,101
Inventories	85,007	(160,714)
Advances to suppliers	10,681	21,065
Taxes recoverable	(7,629)	(5,107)
Other assets	22,292	(6,427)
Increase (decrease) in liabilities		
Related parties	923	45,456
Suppliers and Other payables	(1,250,380)	(425,312)
Taxes recoverable	(16,370)	(2,107)
Salary and social charges	(5,510)	(2,853)
Advance from customers and other liabilities	126,164	(19,846)
Cash generated from operations	223,184	53,293
Expenses on Income Tax and Social Contribution	(12,214)	(147)
Payment of interest	(277,072)	(209,701)
Net cash generated by operating activities	(66,102)	(156,555)
INVESTMENT ACTIVITIES		
Additions of Fixed assets	(28,075)	(18,998)
Additions of Intangible Assets	(44,134)	(15,743)
Receipts from sale of fixed assets	0	11,072
Acquisition of investment, incorporated net	(330,177)	86,966
Net Cash Used in Investing Activities	(402,386)	63,296

Earnings Release | 2Q24, 1H24 e LTM2Q24

FINANCING ACTIVITIES		
Loans financings funded	998,242	383,413
Loans and financing – secured resources	402,240	278,626
Loans and financing – related parties	1,810	53,014
Payment of loans and financings	(956,453)	(526,755)
Payment of secured resources	(138,443)	(406,662)
Payment of lease agreements	(43,633)	(45,833)
Capital increase	0	12,411
Net cash from financing activities	263.763	(251.786)
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At the beginning of the year	1,077,875	738,306
At the end of the year	873,150	393,261
Increase (reduction) net of cash and cash equivalents	(204,725)	(345,045)

Earnings Release | 2Q24, 1H24 e LTM2Q24

Exhibit II – Reconciliation to Adjusted EBITDA, Net Profit and Gross Profit

Gross profit (in thousands of R\$)	2Q23	2Q24	%	1H23	1H24	%	LTM2Q23	LTM2Q24	%
Gross profit for the period	-24,920	24,902	n.m.	381,496	98,090	-74.3%	1,374,150	685,462	-50.1%
(+/-) Fair value commodities and surplus ⁽¹⁾	95,870	33,607	-64.9%	-43,492	39,688	n.m.	10,418	95,155	813.4%
(+/-) Operating exchange variation ⁽³⁾	11	0	-100.0%	0	0	n.m.	-22,887	0	-100.0%
(+/-) IFRS16 Silos and other Revenue/Expenses	34,257	-7,605	n.m.	24,621	12,680	-48.5%	42,921	10,223	-76.2%
Adjusted Gross Margin	105,218	50,904	-51.6%	362,625	150,459	-58.5%	1,404,602	790,840	-43.7%
% Adjusted Gross Margin	5.7%	4.8%	-0.9 p.p.	7.9%	5.7%	-2.2 p.p.	12.7%	10.6%	-2.0 p.p.

EBITDA (in thousands of R\$)	2Q23	2Q24	%	1H23	1H24	%	LTM2Q23	LTM2Q24	%
Accounting EBITDA (a) + (b)	-159,888	-115,689	-27.6%	42,235	-210,590	-598.6%	541,789	99,951	-81.6%
% net revenue	-8.7%	-11.0%	-2.2 p.p.	0.9%	-7.9%	-8.9 p.p.	4.9%	1.3%	-3.5 p.p.
(+/-) Fair value commodities ⁽¹⁾	95,870	33,607	-64.9%	-43,492	39,688	n.m.	10,418	95,155	813.4%
(-) CPC 06(R2)/IFRS 16 properties ⁽²⁾	-14,292	-13,024	-8.9%	-26,422	-27,012	2.2%	-51,511	-53,204	3.3%
(+/-) Operating exchange variation ⁽³⁾	11	0	n.m.	0	0	n.m.	-22,887	0	n.m.
(+/-) Non-recurring revenue and expenses ⁽⁴⁾	5,781	11,696	102.3%	13,767	19,407	41.0%	26,178	35,716	36.4%
Adjusted EBITDA for the period	-72,518	-83,410	15.0%	-13,912	-178,507	1183.2%	503,987	177,617	-64.8%
% Adjusted EBITDA Margin	-4.0%	-7.9%	-3.9 p.p.	-0.3%	-6.7%	-6.4 p.p.	4.5%	2.4%	-2.2 p.p.

Net Profit (in thousands of R\$)	2Q23	2Q24	%	1H23	1H24	%	LTM2Q23	LTM2Q24	%
Net profit for the period (loss)	-388,663	-300,273	-22.7%	-424,888	-575,745	35.5%	-187,401	-518,149	176.5%
(+/-) Fair value commodities	134,282	-79,083	n.m.	-15,701	-47,865	204.8%	20,933	19,905	-4.9%
(-) CPC 06(R2)/IFRS 16 properties	-292	1,829	n.m.	0	3,472	n.m.	6,914	6,832	-1.2%
(+/-) Unrealized exchange variation	10,605	9,243	-12.8%	28,300	6,223	-78.0%	2,001	13,182	559%
(-) Amortization of the surplus value business combination	3,175	4,566	43.8%	9,132	9,132	0.0%	601	19,451	n.m.
(+/-) Non-recurring revenue and expenses	376	10,814	n.m.	8,362	17,352	107.5%	21,347	32,075	50.3%
(+/-) IR/CS - non-recurring and deferred	-16,603	-9,492	-42.8%	41,035	-24,621	n.m.	-11,869	-166,134	n.m.
Adjusted Net Profit (loss) for the period	-257,120	-362,396	40.9%	-353,760	-612,053	73.0%	-147,474	-592,838	302.0%
% Adjusted Profit Margin	-14.0%	-34.3%	-20.3 p.p.	-7.7%	-23.1%	-15.4 p.p.	-1.3%	-8.0%	-6.6 p.p.

¹ Adjusted according to:

(1) Variation of the fair value of commodities, classified as revenue or operating cost, but without the actual sale or purchase of inventories,

(2) The impact of CPC06(R2)/IFRS16, which refers to real estate rental payments, which, as of the initial adoption in 2019, are no longer accounted for as operating expenses in the form of rent and are now part of the result through the depreciation/amortization of the right to use and the financial cost of interest accrued over the term of the contract,

(3) Exchange rate variations refer to settled values classified in the financial results and originate from operating gain or loss,

(4) Income and/or expenses considered to be of an unusual or occasional nature related to extemporaneous credit, restructuring fee and costs with M&A/public offering, payment in shares of subsidiaries,

² Excludes gains or losses from changes in the fair value of commodities and forward contracts, unsettled exchange rate changes (accrual and MTM), amortization of surplus from business combinations, effects of CPC 06/IFRS 16 properties and as non-recurring expenses and revenues, in addition to the impacts of deferred IR/CS and/or extemporaneous credits.