

Results of the 2nd quarter of the 2023/24 Harvest

Video conference in Portuguese

10/11/2023 – Friday – 14:00 BRT | 12:00 pm (US EDT)

[Link to video conference](#)

Or by phone: Brazil +55 (11) 4680-6788 | USA +1 (346) 248-7799

Passcode : 831542

Jalles

Financial Director
ri.jalles.com


August 11, 2023


IMPORTANT WARNING

The information contained in this document related to business prospects and projections about operational and financial results are merely estimates and, as such, are based mainly on management's beliefs and assumptions, and do not constitute a promise of performance. These estimates are subject to various risks and uncertainties and are made considering currently available information, which takes into account the existence of usual financing lines for this type of business. Therefore, these estimates depend substantially on market conditions, the performance of the Brazilian economy, the business sectors in which the Company operates and international markets, and are therefore subject to changes without prior notice. Due to these uncertainties, the investor should not make any investment decision based solely on these estimates and statements about future operations. Any change in perception or in the aforementioned factors may cause actual results to differ from the projections made and disclosed.


Highlights


J11

 In 2Q24, Jalles processed 3,246.8 thousand tons of sugarcane, an amount 40.5% higher than 2Q23, due to the addition of crushing at the Santa Vitória Unit;

 Total ATR production per hectare of 13.7 thousand t/ha, 16.2% higher than the same period in the previous harvest;

 Increase of 16.8% and 10.4% in sugar production and sales in 6M24, respectively, but with an increase of 31.4% in ATR stock

 Increase of 6.0 pp . of sugar in the production mix (6M24 x 6M23P) From 31.7% to 37.7%;

 Capital increase of R\$57.0 million and issuance of debentures of R\$300.0 million, subsequent to 2Q24.



2Q24

JII

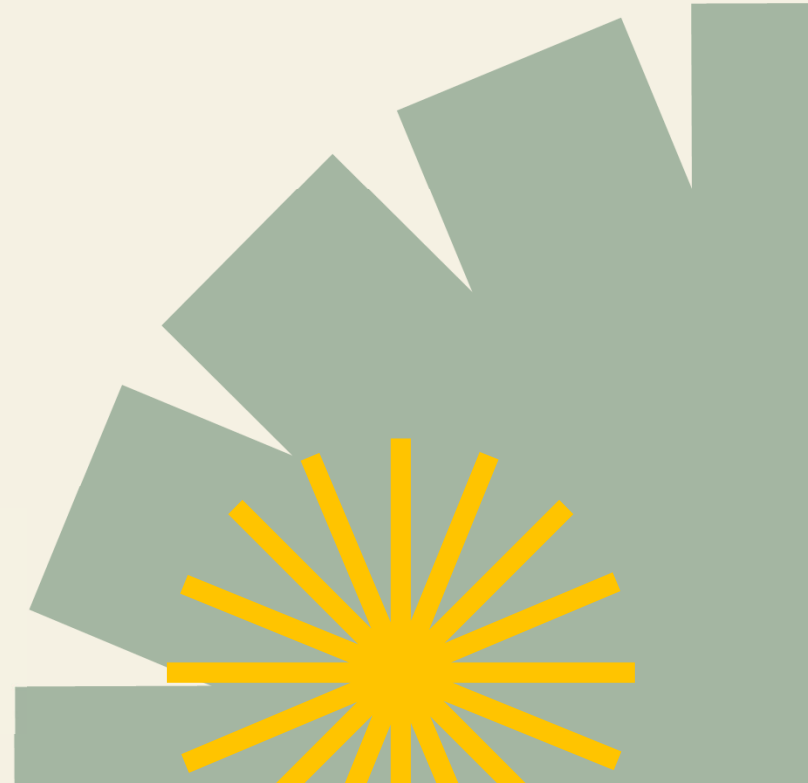
Operational Highlights

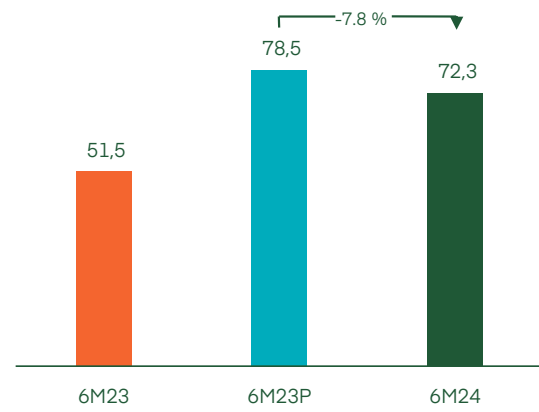
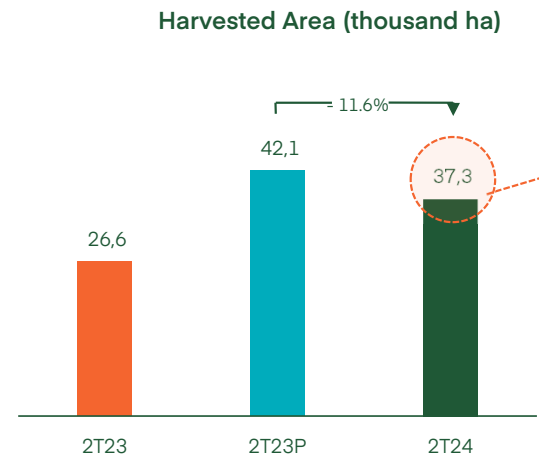
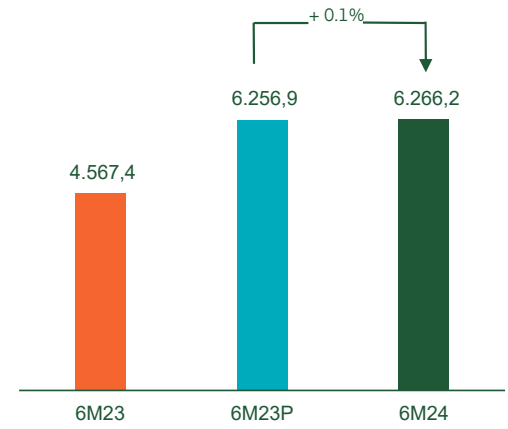
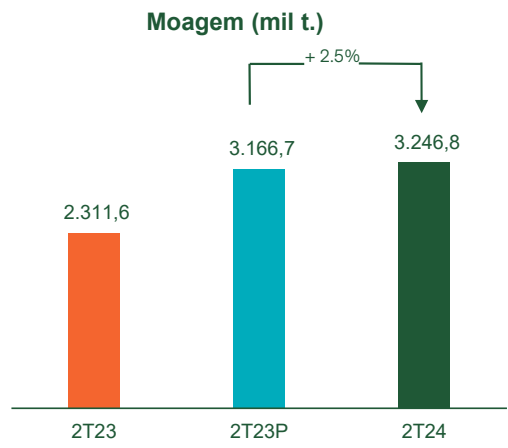
Grinding, Harvested Area, Productivity and Average Age of the Sugarcane Field

Jalles

JALL

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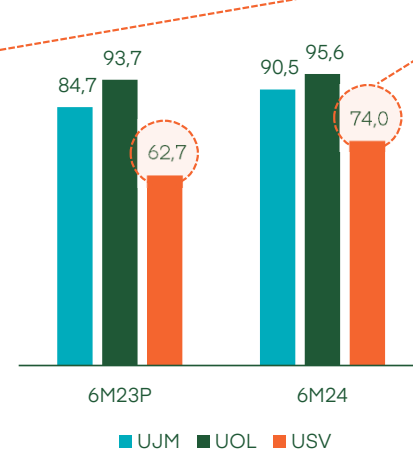
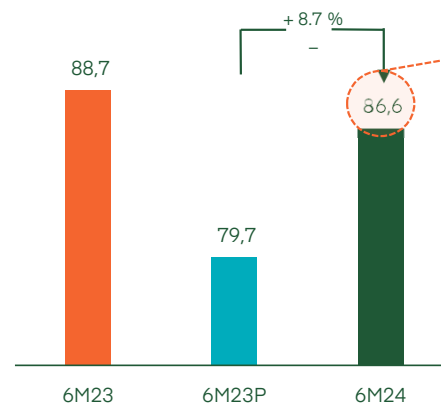
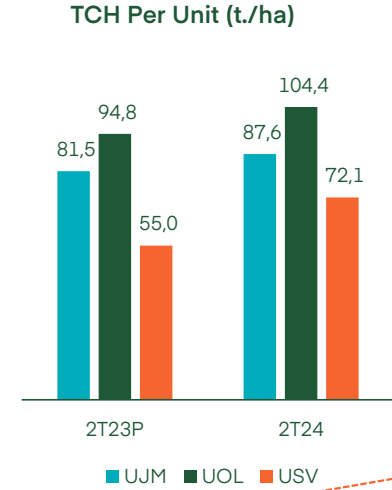
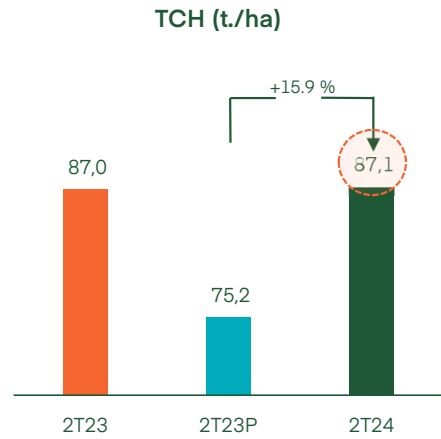




grinding for the period, but with a smaller harvested area

Increased productivity and harvest within plan

No change in *guidance*

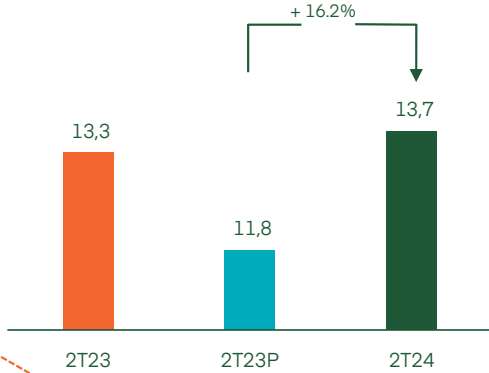


Greater **productivity** as a result of Jalles USV's agricultural management evidenced at TCH

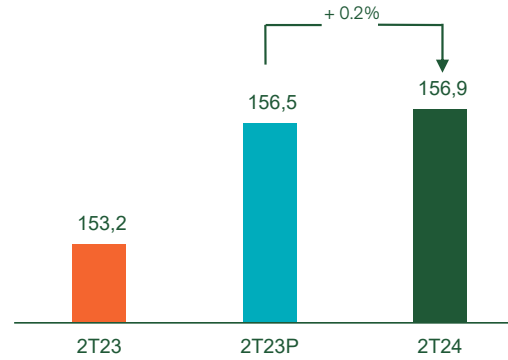
Resumption of **productivity** at UOL and UJM.



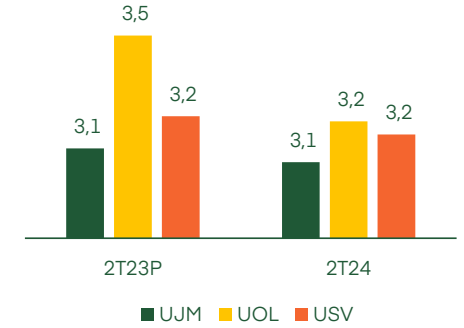
Total ATR per Hectare -TAH
(mi t/ha)



ATR Médio (kg/ton)



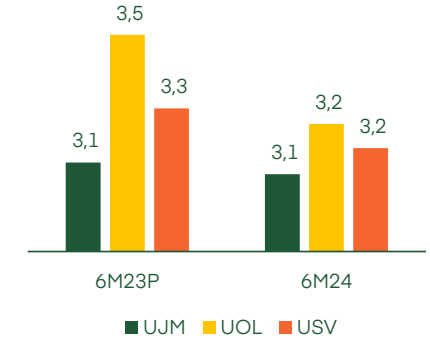
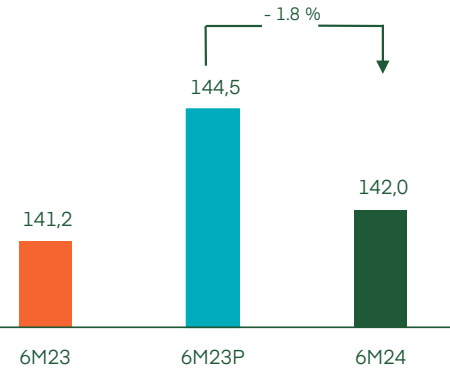
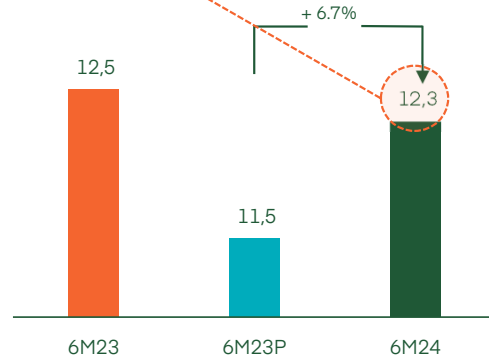
Average age of the sugarcane field (years)

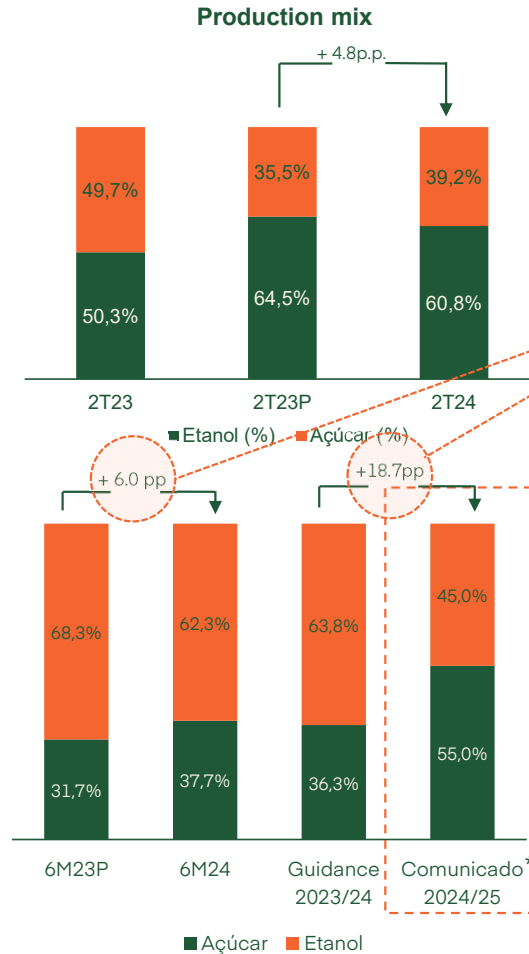


Highlight for TAH

Greater amount of Sugar Recovered per Area

Lower Average Harvest ATR due to better rainfall





adjustments at the Otávio Lage Unit to **increase** the **sugar** production mix during the 2023/24 Harvest

Max mix sugar 1.4 % **above** *current* guidance

Potential mix of **55%** sugar with the announced **investments**

*Communication to the market released on October 3, 2023. It is not a production *guidance for the next harvest*. This value corresponds to the potential production capacity of the Company's Units after the disclosed investments.

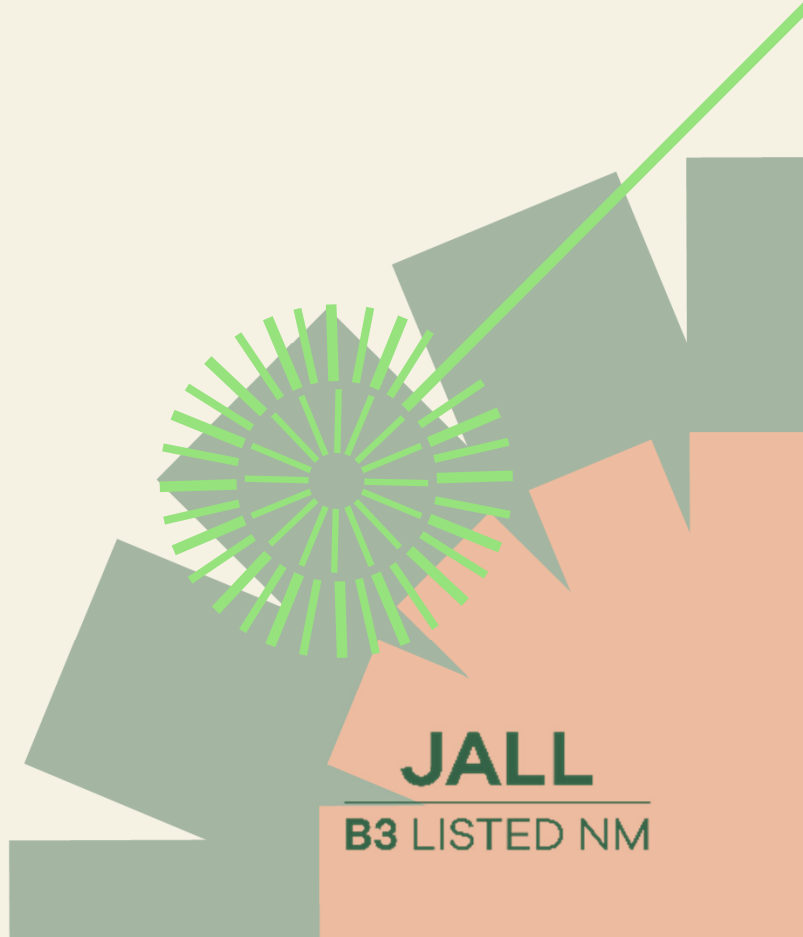
2Q24

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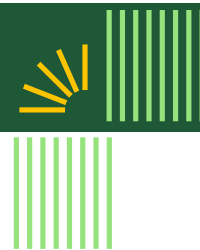
Marketing

Ethanol, Sugar, Sanitizers, CBIO and Yeast

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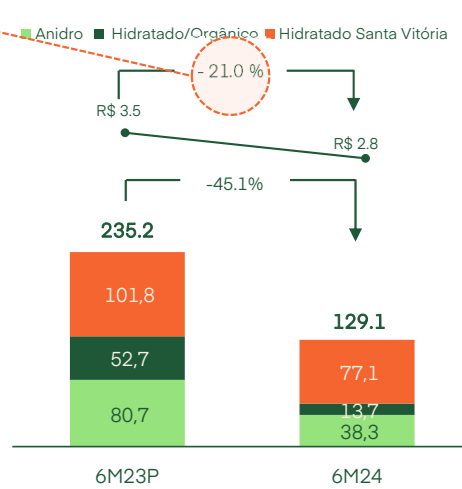
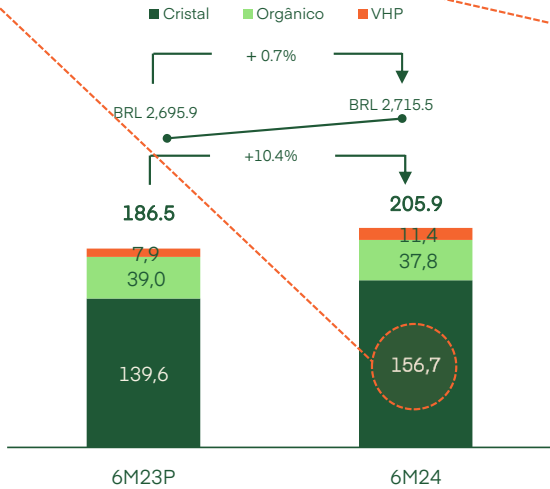
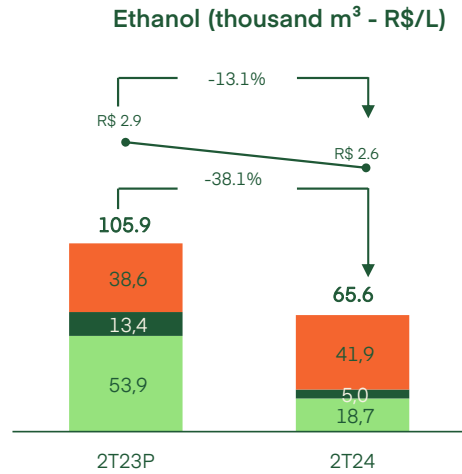
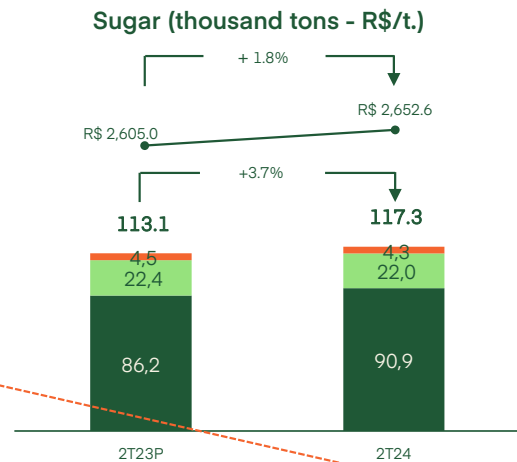


Ethanol prices **fell** in the harvest comparison

Difficult comparative **basis** due to the acceleration of commercialization in 2022/23 and a **reduction** strategy in 2023/24 due to market **opportunities**

Crystal **sugar growing** (domestic market)

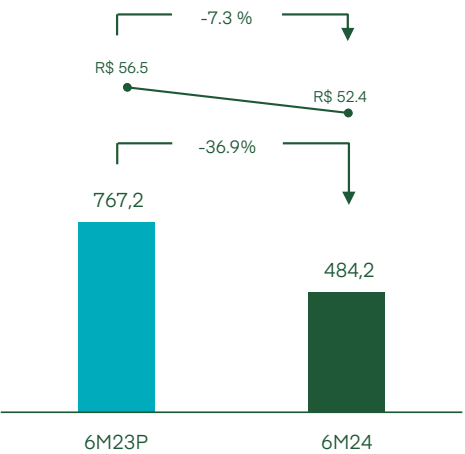
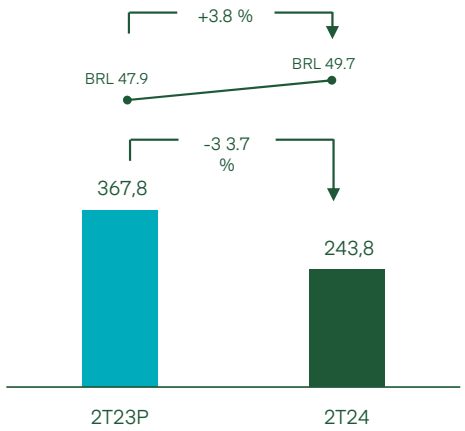
Delay in **sugar exports organic offset** in 2Q24 in relation to 1Q24



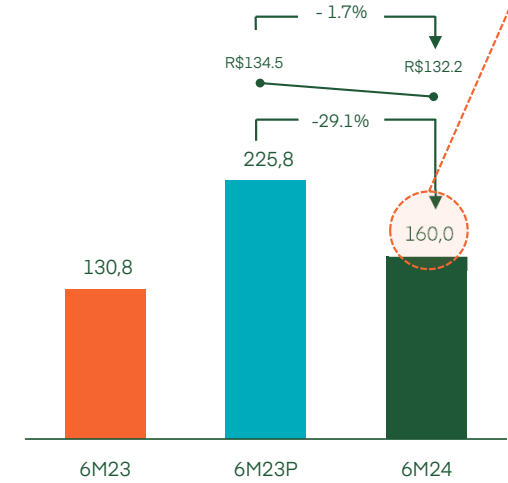
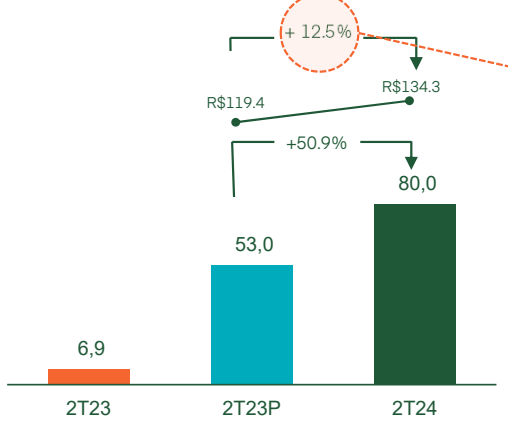
■ Cristal ■ Orgânico ■ VHP
■ Anidro ■ Hidratado/Orgânico ■ Hidratado Santa Vitória



Saneantes (mil caixas - R\$/cx)



CBIOS (mil - R\$/CBIO)



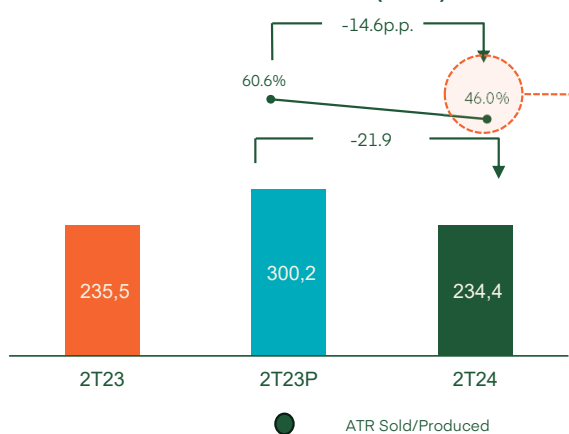
Capturing good CBIO prices

Lower commercialization of CBIO due to the **strategy of storing ethanol** and taking advantage of the **best carbon credit prices**

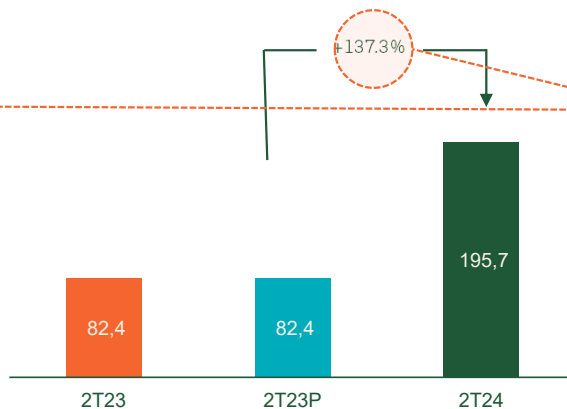




ATR comercializado (mil t.)



Ethanol Stocks (thousand m³)



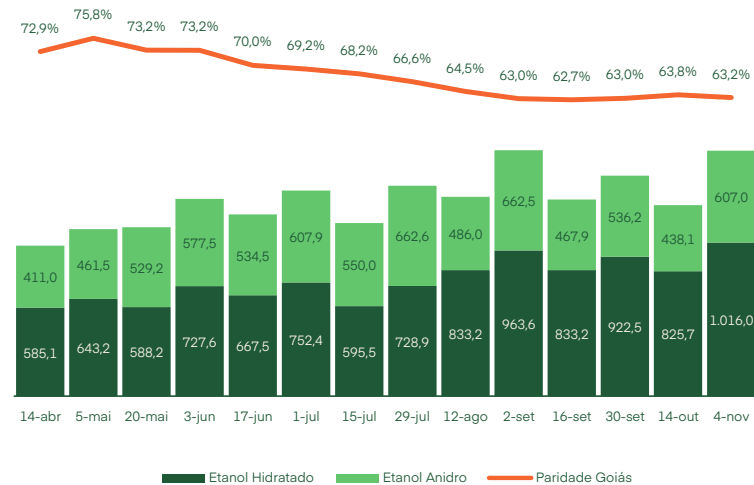
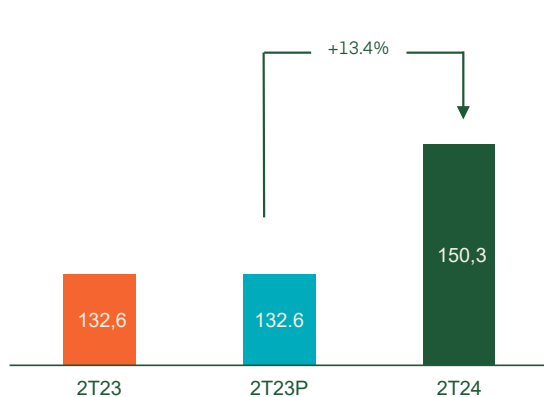
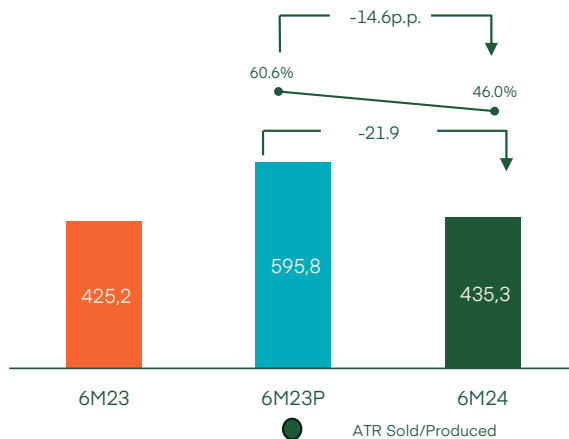
Greater ethanol **stocks** and lower ATR sold as a Jalles strategy

Take advantage of the potential improvement in **parity** with the higher volumes of ethanol sales in recent months

Greater sales expected in the coming periods

Anhydrous and Hydrated Ethanol

Sugar Stocks (thousand t.)



2Q24

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Financial Highlights

ROB, EBIT, EBITDA, Net Profit and others

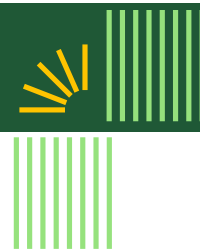
Jalles



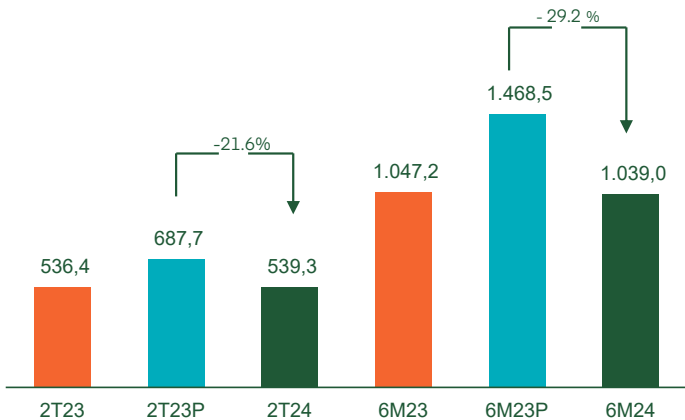
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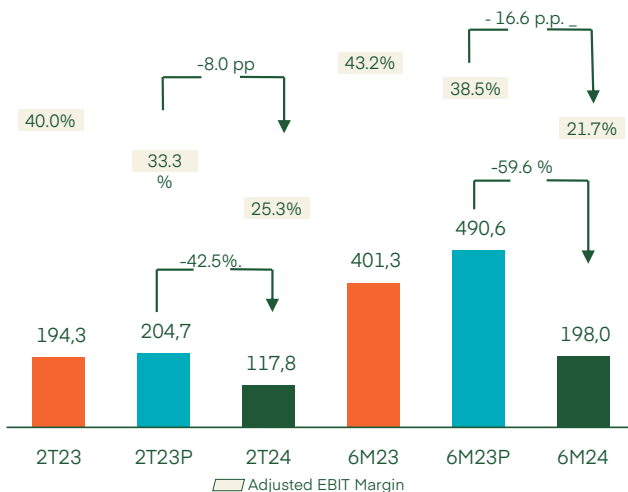
4. Financial Highlights



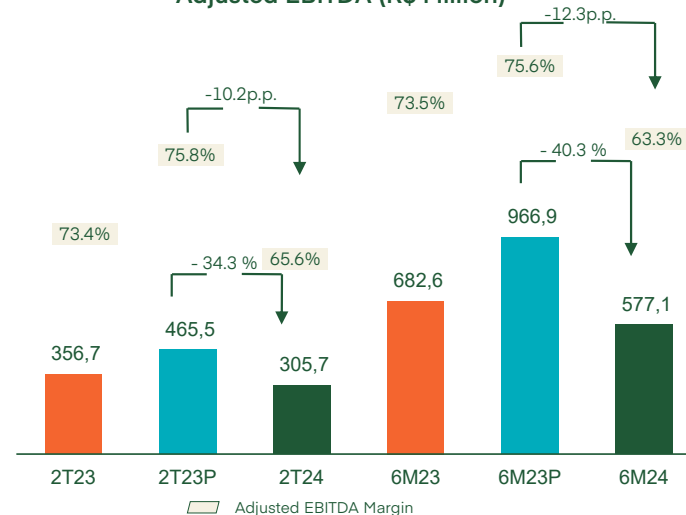
Gross Operating Revenue (R\$ Million)



Adjusted EBIT (R\$ Million)

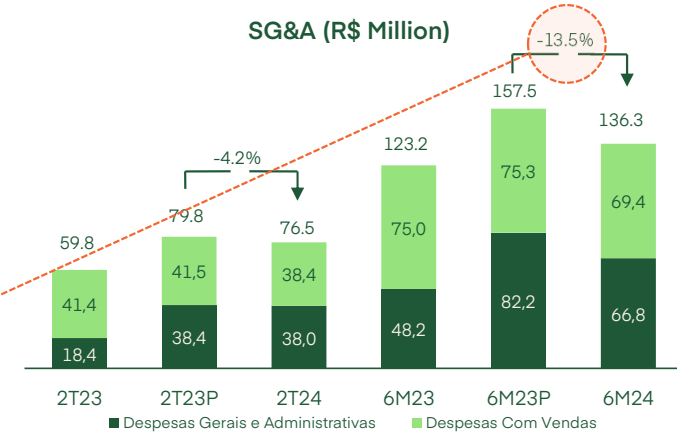
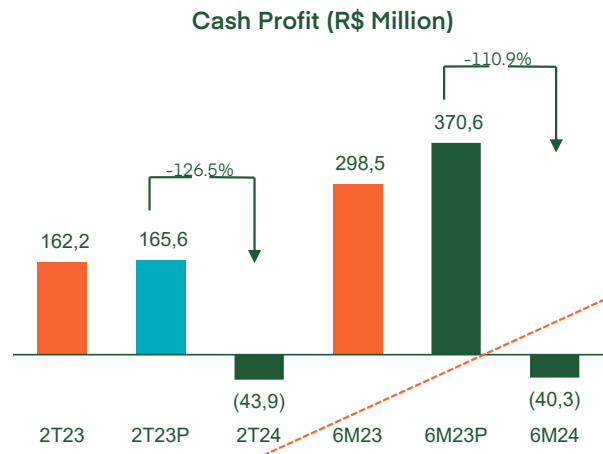
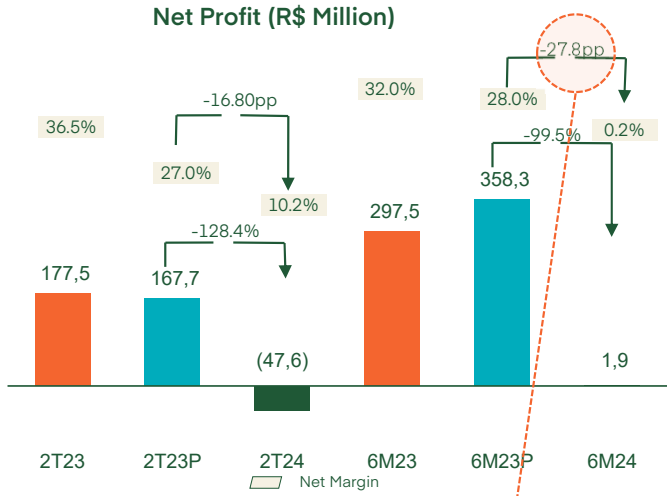


Adjusted EBITDA (R\$ Million)



Lower **revenue** as a result of lower sales and lower ethanol **prices** in the period

4. Financial Highlights

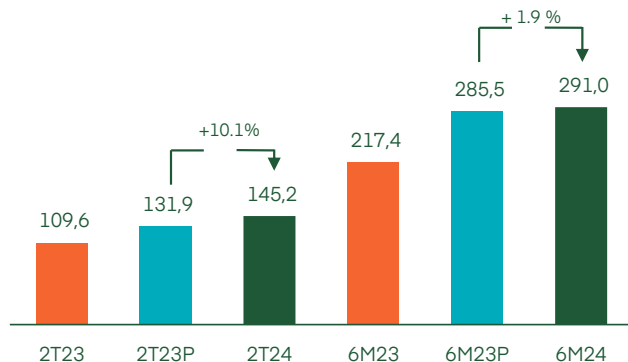


Sugar *MTM* adjustment negatively influenced accumulated profit 6M24

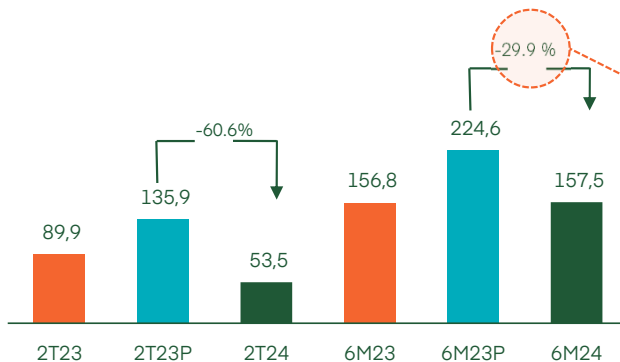
Significant gains from synergies in the administrative area with USV and other units



Capex (R\$ Million)



Deals Cultural (R\$ Million)



Reduction in spending on cultural treatments due to the drop in the **price of fertilizers and fuels**

Acceleration in the **renovation** of the Santa Vitória and Otávio Lage Units

Capex	Consolidado	Jalles ex USV	
R\$ milhões	2T24	2T23	Δ%
Capex Recorrente	77,2	53,6	43,9%
Plantio de Renovação	69,7	45,1	54,4%
Manutenção de Entressafra	7,5	8,5	-11,7%
Capex Expansão	27,2	19,2	41,6%
Ampliação IPO	24,1	15,9	625,6%
Plantio de Expansão	3,1	3,3	-91,6%
Capex Ampliação/Melhoria	40,9	36,8	10,9%
Indústria	5,2	5,5	-4,4%
Agrícola	32,4	29,5	9,8%
Fábrica Açúcar VHP - USV	0,5	n/d	n/d
Outros	2,7	1,9	44,7%
Capex Total ex Tratos Consolidado	145,2	109,6	32,4%
Tratos Culturais Totais	53,5	89,9	-40,4%
Tratos Cana Planta Expansão	2,2	2,3	-8,4%
Tratos Renovação / Soqueira	51,4	87,5	-41,3%
Total Capex + Tratos	198,7	199,5	-0,4%

Proforma	Consolidado	Jalles ex USV	Proforma
2T23P	6M24	6M23	6M23P
58,3	160,1	105,0	121,2
49,8	144,1	84,7	100,9
8,5	16,0	20,3	20,3
28,7	71,4	56,8	94,1
15,9	49,4	46,5	46,5
12,8	22,0	10,3	47,6
44,9	59,5	55,6	70,2
6,6	10,0	8,4	14,1
36,3	43,6	42,2	49,8
n/d	0,5	n/d	n/d
2,0	5,4	4,9	6,3
131,9	291,0	217,4	285,5
135,9	157,5	156,8	224,6
2,3	6,8	5,7	5,7
133,6	150,7	151,1	218,9
267,8	448,5	374,3	510,1

-29.9%

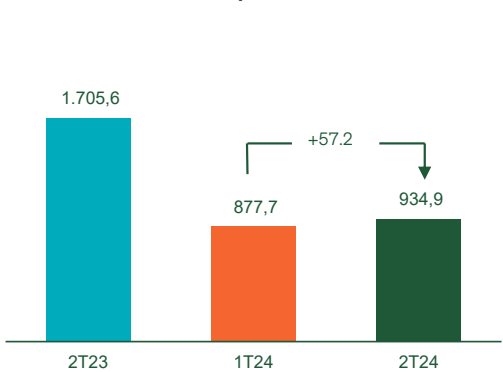
32,1%

-42,9%

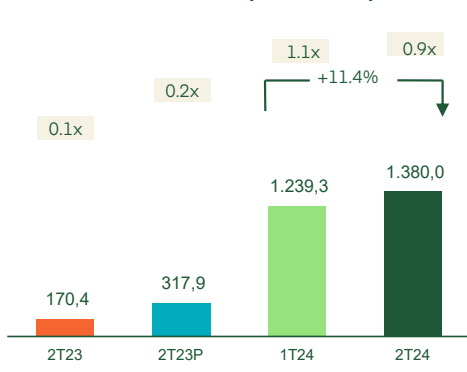
4. Cash and debt



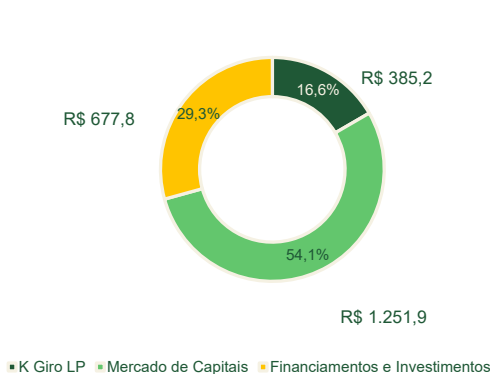
Cash and cash equivalents (R\$ million)



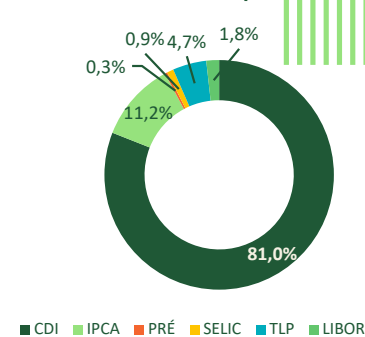
Net debt (R\$ million)



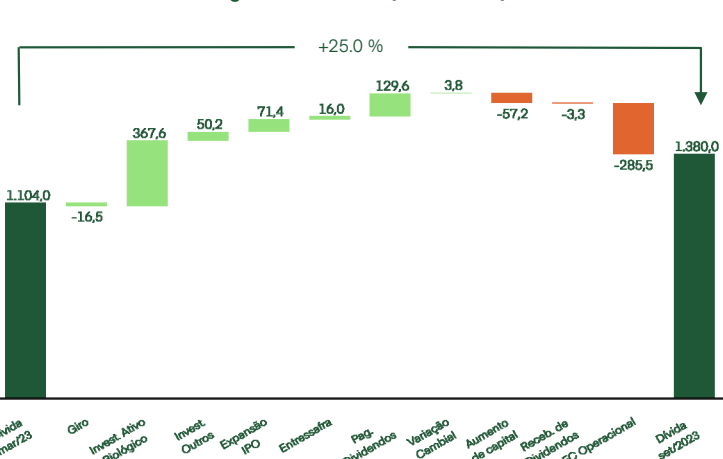
Debt by modality (R\$ million)



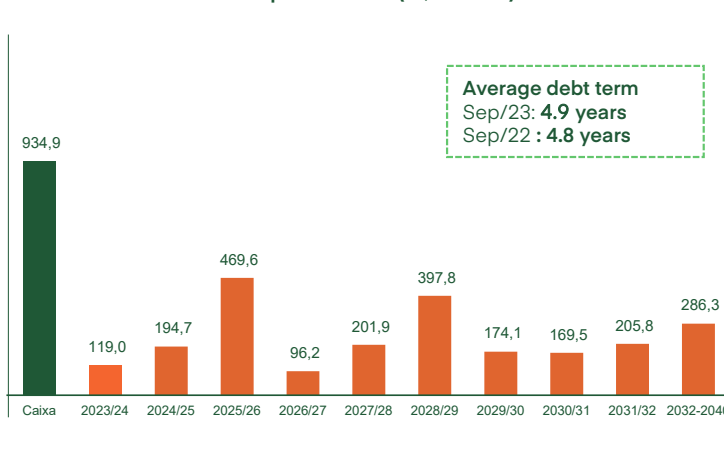
Debt with Swap (%)



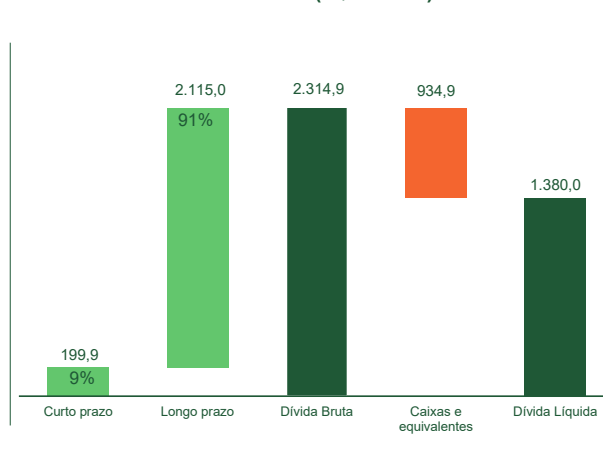
Changes in net debt (R\$ million)



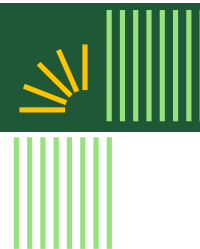
Debt per Harvest (R\$ million)



Breakdown of Net Debt (R\$ million)



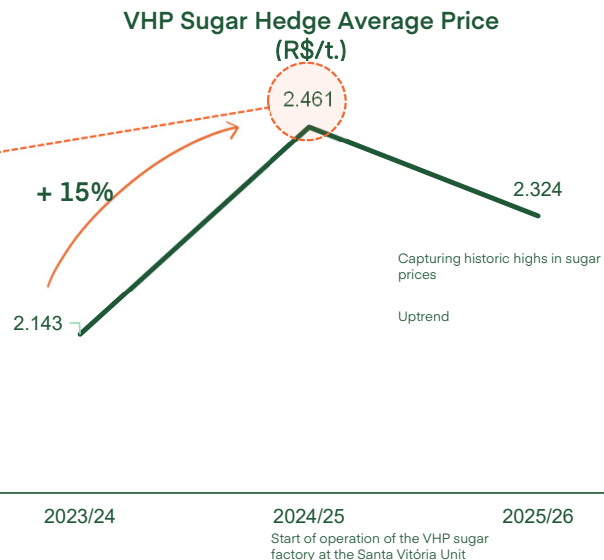
J|| 4. Hedge and foreign exchange exposure



Capture of approximately Δ 15% in the value of VHP sugar for the next harvest

Bigger sugar mix , bigger volume fixed

VHP/Crystal Conventional sugar production capacity of more than 500 thousand tons



Hedge Position on September 30, 2023				
Harvest	Fixed volume (t)	Average Price (R\$/t)	Equivalent White Sugar (R\$/t) ¹	Equivalent Hydrated Ethanol (R\$/m ³)
2023/24	50,701	2,143	2,464	3,701
2024/25	385,185	2,461	2,830	4,278
2025/26	252,488	2,324	2,673	4,029

¹Considers historic premium of 15% on the NY#11 screen

Jalles has historically sought to protect itself from possible variations in the US dollar and fluctuations in commodity prices , using sugar fixings. The results of hedging operations are fully recognized in profit or loss. Jalles does not use Hedge Accounting .

2Q24

Investments and New Certification

Jalles



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J|| Completed Investments and New Certification



Inauguration of the Biogas Plant in partnership with Albioma
September 29, 2023



ISO 45001:2018 Certification – Occupational health and safety management
August 16, 2023

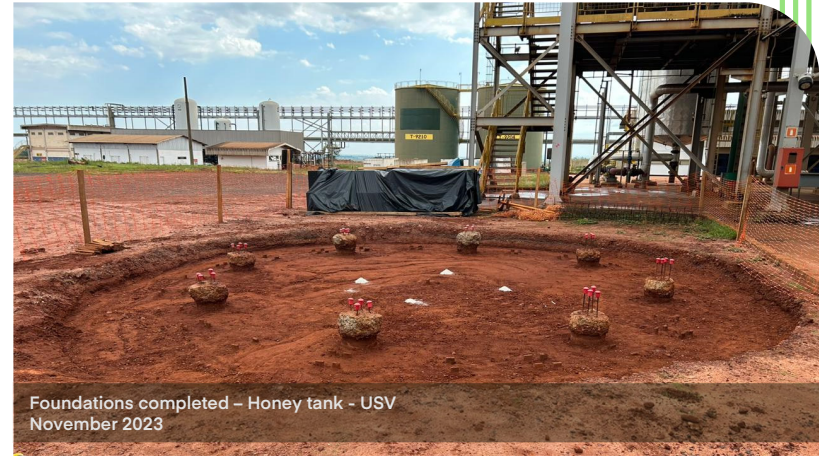


Inauguration of the new high-efficiency boiler at the Otávio Lage Unit
September 29, 2023

VHP Sugar Factory – USV – Monitoring of works



Aerial view of the foundation works of the VHP - USV sugar factory
November 2023



Foundations completed – Honey tank - USV
November 2023



Aerial view of the foundation works of the VHP - USV sugar factory
November 2023



Foundations completed – Sugar Factory - USV
November 2023



Q&A

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