



AGRIBRASIL

GRAO

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Q2 24 Results

Comments on Performance

São Paulo, August 23, 2024 In fulfillment of legal and statutory provisions, the Management of Humberg Agribrasil Comércio e Exportação de Grãos S.A. ("Agribrasil" or "Company") below presents its comments on performance and the Consolidated Financial Statements prepared in accordance with the International Financial Reporting Standards (IFRS) and also based on accounting practices generally accepted in Brazil as well as standards issued by Brazil's Securities and Exchange Commission (CVM). The Company adopted all standards, revisions of standards, and interpretations issued by the Accounting Pronouncements Committee (CPC) that are effective for the financial statements on June 30, 2024. Non-financial and non-accounting data, including forecasts and estimates, have not been audited.

In the second quarter of 2024, we continued with our commitment to a defensive risk management approach, based on logistics, focused on profitability and efficient management, prepared to face market fluctuations.

Agribrasil handled 711.7 thousand tons of grains in Q2 24, a growth of 785% compared to the 80,4 thousand tons in Q2 23. In YTD 24, the volume was 1.293,4 thousand tons, an increase of 193% compared to the YTD 23 volume of 440,9 thousand tons. These increases were driven by a higher volume of corn operations in the domestic market, combined with the benefit of PIS/COFINS credits, and the rise in soybean operations in the external market facilitated by TESC, which had not handled soybeans in Q2 23.

Revenue for 2Q 24, excluding the effects of the accounting treatment of partner operations—which requires recognizing only the net gains as revenue rather than the values corresponding to the sales made—was R\$ 1,5 billion in Q2 24 and R\$ 2,6 billion in YTD 24, representing growth of 751% and 242%, respectively, compared to the same periods in 2023.

Adjusted gross profit increased by 67%, from R\$ 13,7 million in Q2 23 to R\$ 22,8 million in Q2 24. For the semester, growth was 62%, totaling R\$ 41,6 million. The gross margin percentage in the second quarter remained the same as the previous quarter, at 5.5%.

Agribrasil achieved an adjusted EBITDA¹ of R\$ 16,3 million in Q2 24 and R\$ 29,4 million in YTD 24, a growth of 131% and 147%, respectively, compared to the same periods in 2023. Over the last 12 months, the accumulated EBITDA reached R\$ 77 million.

The quarter ended with a net result of R\$ 2,0 million. This result includes non-cash effects, such as the amortization of the goodwill associated with the acquisition and accounting of our participation in TESC, equity pickup, and deferred taxes. Excluding these effects, the "cash effect" net profit would have been R\$ 14,7 million in Q2 24 and R\$ 17,7 million in YTD 24.

In Q2 24, we observed the continuation of the trend from the first quarter, with the grain market in Brazil maintaining significant producer reluctance to sell soybeans, a phenomenon known as "Slow Farm Selling." This slowdown resulted in a substantial reduction in waiting times at several ports across the country. For example, the port of Paranaguá even operated for a few days without vessels waiting lines, a rare occurrence in a long time. We discussed this phenomenon in more detail in the Q1 24 release.

As reported in the previous quarter, Agribrasil adopted a conservative position in preparation for the described scenario, minimizing its obligations to operate with soybeans during this period, often choosing to work with partners. This allowed Agribrasil to ensure a minimum flow of ships at TESC while operating only in regions where a positive margin was achievable, as occurred, for example, in operations in the Barcarena.

¹ Considera a variação cambial e despesas associadas à recuperação de créditos de PIS e Cofins (que possuem natureza operacional).

² Volume considera as transações de parceiros movimentadas no TESC através da Agribrasil.

TESC successfully completed the second semester of operation for its grain terminal, handling over 1 million tons of corn and soybeans. In the first 12 months of the terminal's operation, the grain volume surpassed 2,4 million tons, contributing decisively to an accumulated EBITDA of R\$ 113,4 million during this period.

Facing a less favorable environment for grain port operations in the first half of the year compared to previous years, TESC utilized its versatile capabilities to expand into different types of cargo. With 763,8 thousand tons of steel processed in Q2 24, a 66% increase compared to Q2 23, TESC set a record for steel discharge.

The quarter ended with a gross profit of R\$ 28,9 million for TESC in Q2 24 and R\$ 58,8 million in YTD 24, increases of 130% and 85% over 2023, respectively. EBITDA reached R\$ 23,7 million in Q2 24, representing a leap of 188% compared to Q2 23. For the semester, TESC's EBITDA totaled R\$ 48,7 million, a growth of 107% compared to the same period in 2023. Despite the challenges faced, an increase in grain market activity is expected in the second half of 2024, driven by the expected production of a second corn crop ("Safrinha") exceeding 100 million tons and the recent devaluation of the Brazilian Real.

Despite a challenging market, Agribrazil continues to demonstrate resilience and readiness to face different scenarios, maintaining our firm commitment to our mission of feeding the world.

Highlights

- 712K² tons were handled by Agribrazil in Q2 24, a growth of 785% compared to Q2 23. In YTD 24, we reached 1.293K tons, a growth of 193% compared to YTD 23.
- Adjusted gross profit¹ was R\$ 22,8M in Q2 24, an increase of 67% compared to Q2 23. In YTD 24, it totaled R\$ 41,6M¹, a growth of 62% compared to YTD 23.
- Adjusted EBITDA¹ reached R\$ 16,3M in Q2 24, a jump of 131% compared to Q2 23. In YTD 24, it reached R\$ 29,4M, a growth of 147% compared to YTD 23.
- The adjusted EBITDA margin remained stable at 4,0% in Q2 24 and 3,9% in YTD 24, an increase of 2,3 percentage points compared to YTD 23.
- TESC achieved EBITDA of R\$ 23,7M in Q2 24, an increase of 188% compared to Q2 23, and R\$ 48,7M in YTD 24, a growth of 103% compared to YTD 23.

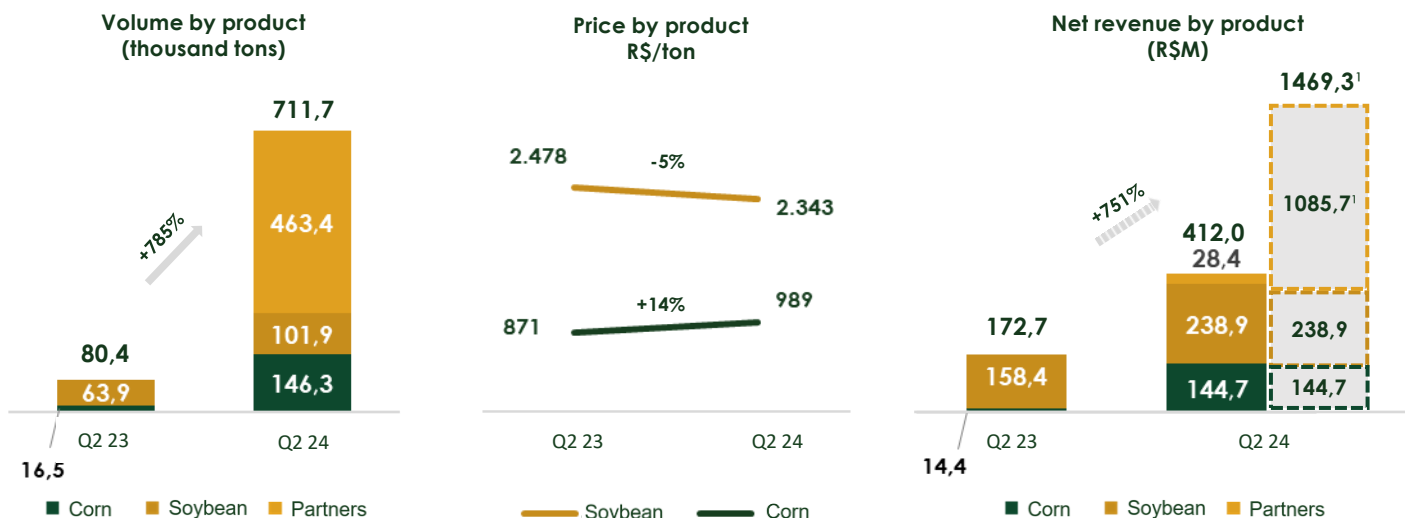
¹ Net revenue if there were a separation of the sold and purchased values between revenue and cost in operations with partners.

² Part of this volume are from transactions of partners handled at TESC through Agribrazil.

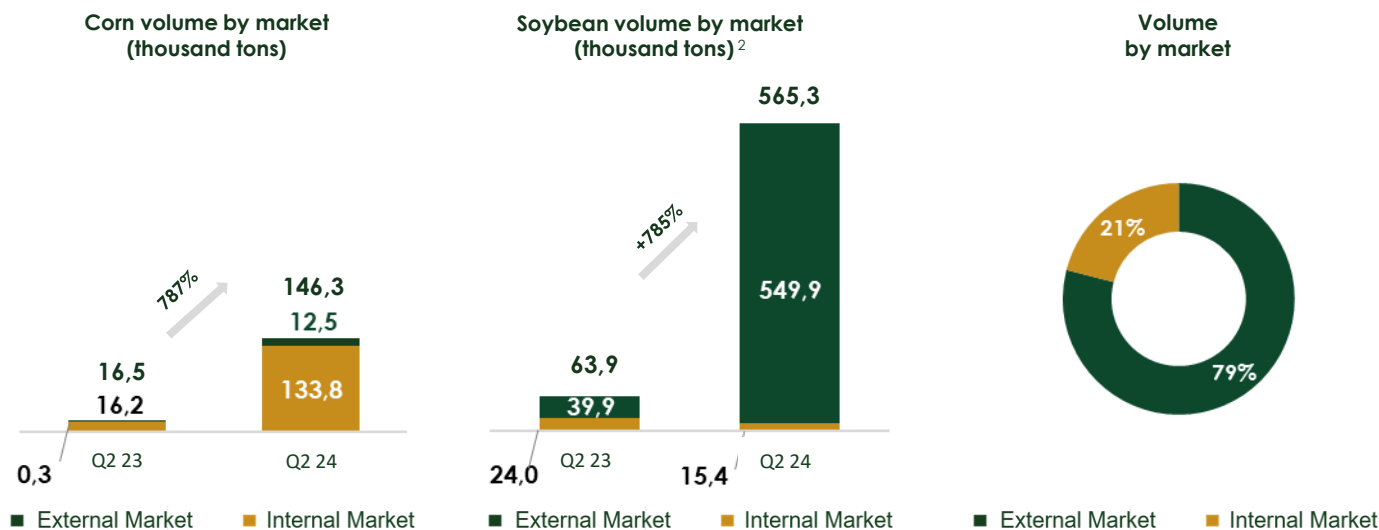
Operational Results Q2 24

In Q2 24, revenue reached R\$ 412,0M, with 146,3K tons of corn, 101,9K tons of soybeans. Our operations with partners at TESC reached 463,4K tons.

The operations with partners have only the net gain recorded as revenue. If the values of sales and purchases were separated between revenue and cost, Q2 24 revenue would have reached R\$ 1,5Bi.



This quarter, we significantly increased the volume of corn and soybeans. The external market remains the primary destination, representing for 79% of the total volume.



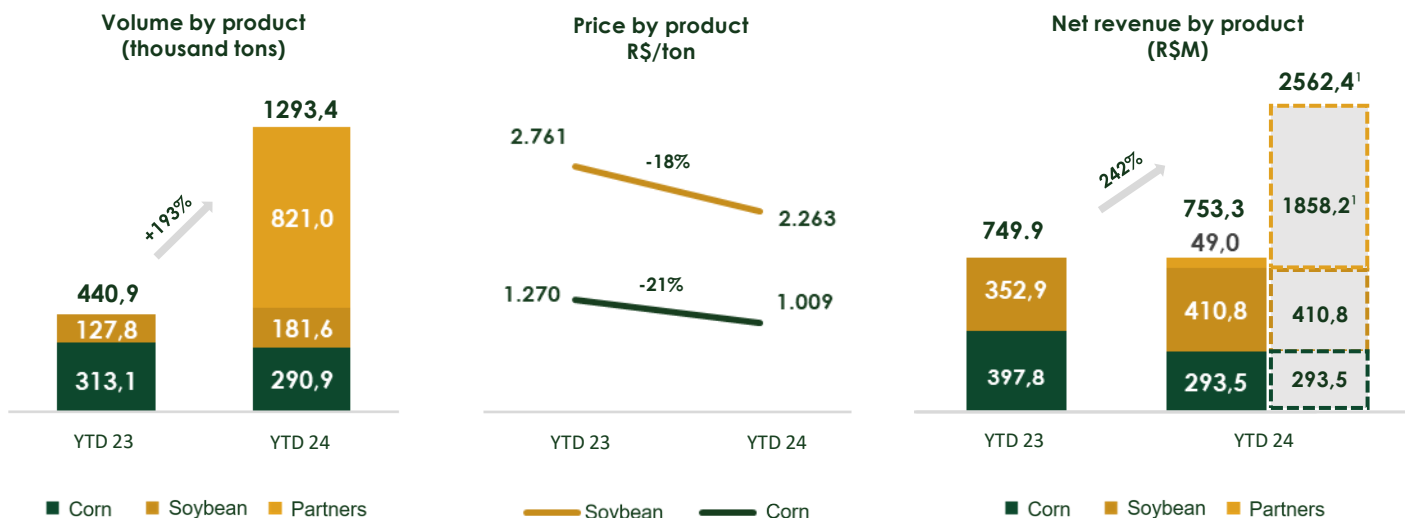
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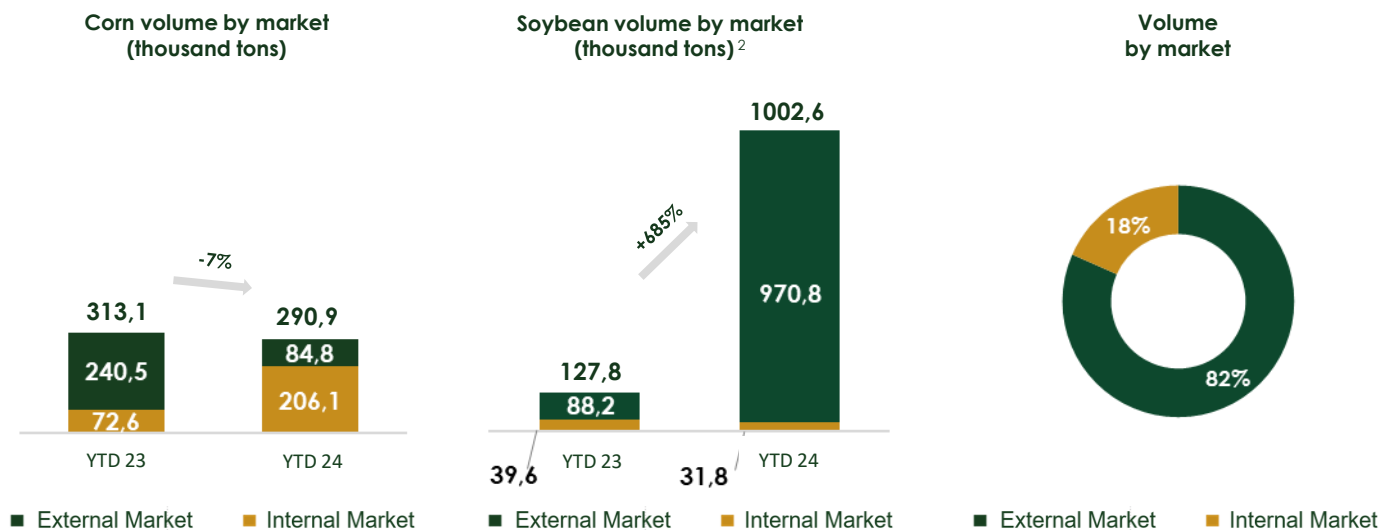
Operational Results YTD 24

In YTD 24, revenue reached R\$ 753,3M, with 290,9K tons of corn, 181,6K tons of soybeans. Our operations with partners at TESC reached 821,0K tons.

The operations with partners have only the net gain recorded as revenue. If the values of sales and purchases were separated between revenue and cost, YTD 24 revenue would have reached R\$ 2,6 billion.



We increased the volume of soybeans by 685% in YTD 24 compared to YTD 23. The external market continues to be the main market, representing 82% of the volume.

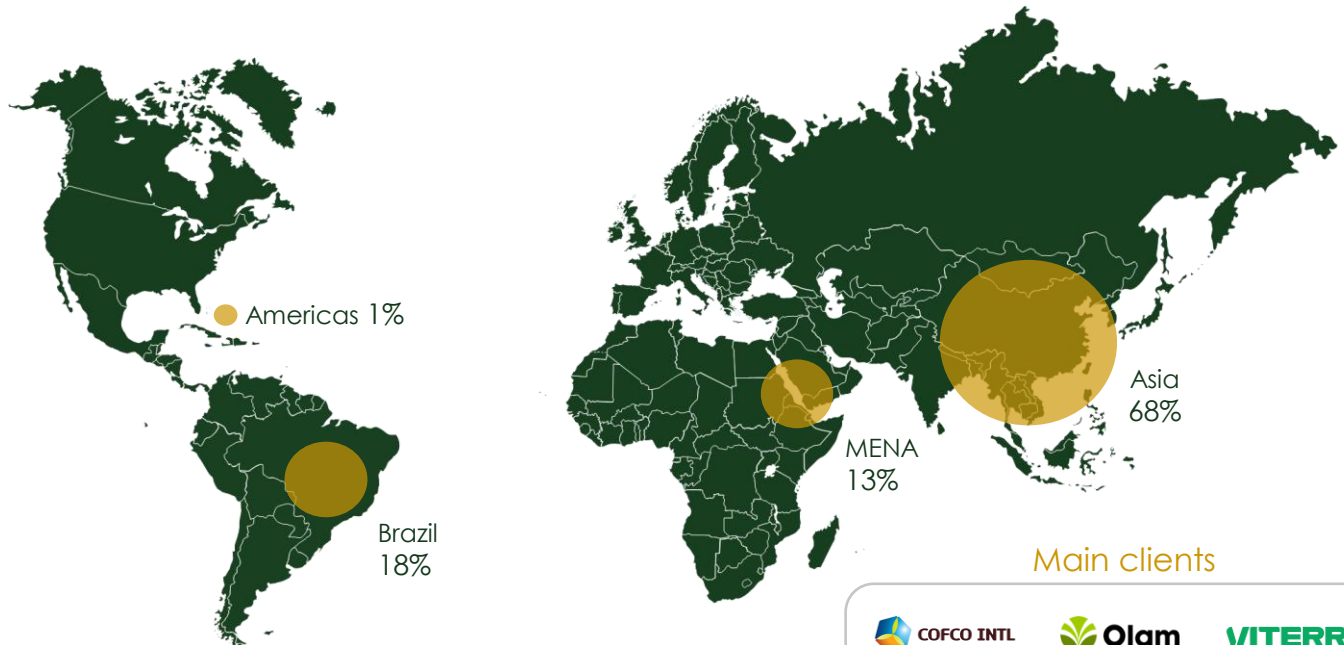


¹ Net revenue if there were a separation of the sold and purchased values between revenue and cost in operations with partners.

² Part of this volume are from transactions of partners handled at TESC through Agribrasil.

Destination of Sales YTD 24

In YTD 24, 82% of our total volume resulted from exports.

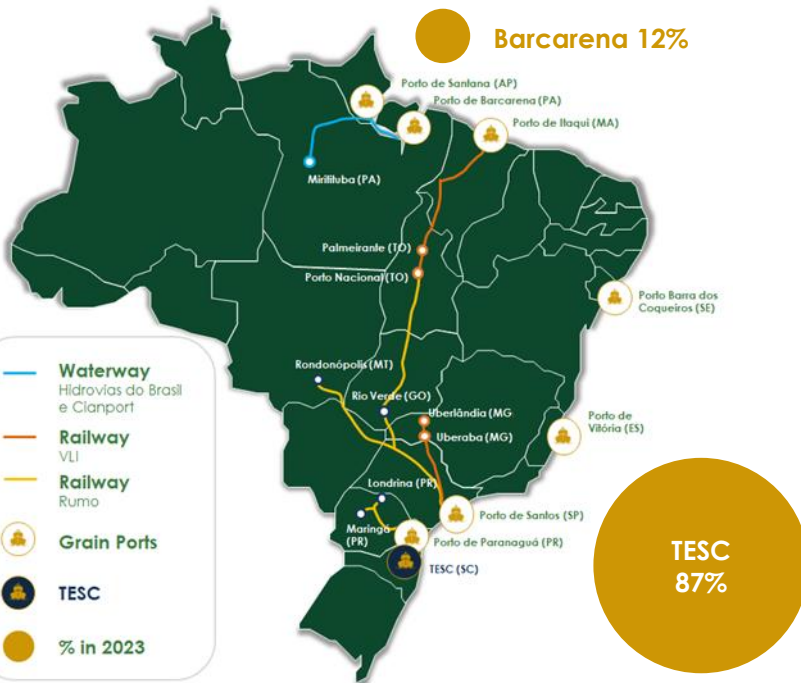


Main clients



Logistics YTD 24

We operate in the main export logistics corridors.



9,9K trucks



52 barges

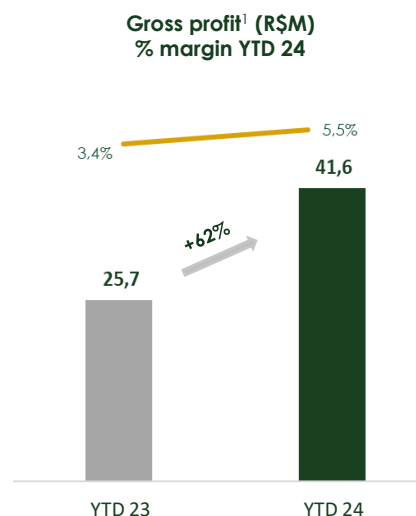
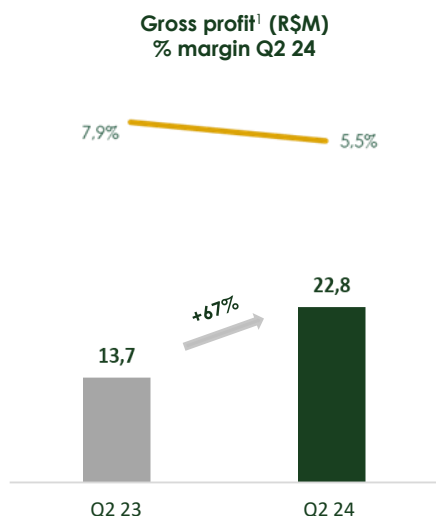


17 vessels

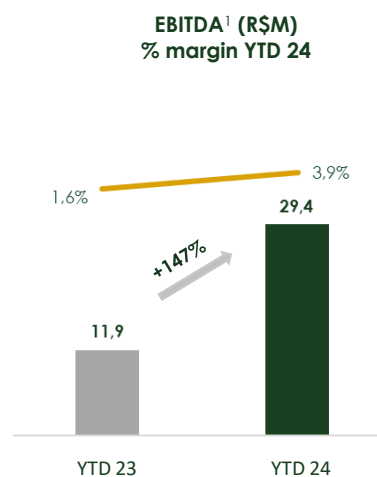
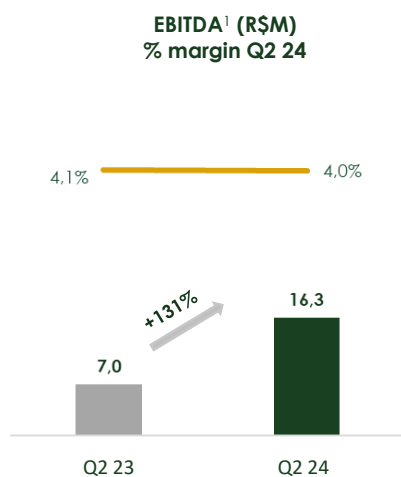
¹ Data from ports exports in volume including operations with partners in TESC.

Adjusted gross profit and EBITDA

In Q2 24, our adjusted gross profit¹ reached R\$22.8M, a 67% increase compared to Q2 23. We reached R\$41.6M in YTD 24, representing a 62% growth compared to the same period last year.



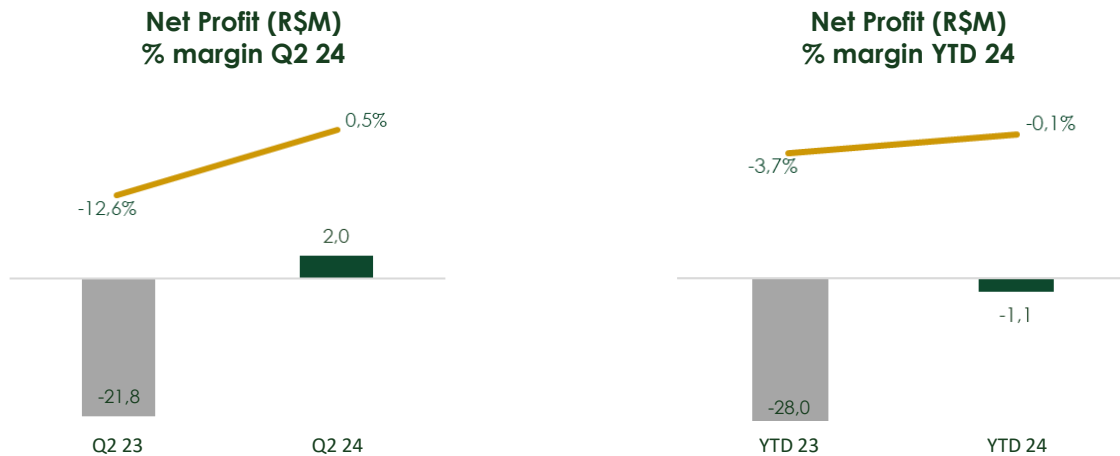
Our adjusted EBITDA¹ was R\$16.3M, a 131% growth compared to Q2 23. In YTD 24, it reached R\$29.4M, a 147% increase compared to YTD 23.



¹ Considers exchange rate change and expenses associated with the recovery of PIS and Cofins credits (which are operational in nature).

Net Profit

In Q2 24, our net profit was R\$ 2.0M, reversing a loss from the same period last year. In YTD 24, we reported a result of R\$ -1.1M.



The net profit, excluding non-cash effects, would have been R\$ 14.7M in Q2 24 and R\$ 17.7M in YTD 24.



¹ Considers exchange rate change and expenses associated with the recovery of PIS and Cofins credits (which are operational in nature).

Agribrazil Managerial Result



The table below reports the company's managerial results, broken down by quarter and cumulative for the year:

Consolidated Income Statement (BRL 000)	Q1 24	Q2 24	Q3 24	Q4 24	YTD 24
Net Revenue	341.270	411.981	-	-	753.251
Cost of Goods Sold (COGS)	(251.883)	(350.224)	-	-	(602.106)
Logistic Costs	(54.860)	(38.281)	-	-	(93.142)
Contracts to Market	(12.650)	14.230	-	-	1.580
Exchange Variation	(3.154)	(14.856)	-	-	(18.010)
Gross Profit	18.723	22.849	-	-	41.572
Gross Margin %	5,5%	5,5%	-	-	5,5%
SG&A	(5.612)	(6.555)	-	-	(12.167)
People Cost	(3.912)	(3.213)	-	-	(7.125)
Third Parties	(1.123)	(2.251)	-	-	(3.374)
Administrative	(1.038)	(1.091)	-	-	(2.129)
Bonus & PPLR / SOP / Others	462	-	-	-	462
EBITDA	13.111	16.295	-	-	29.406
Adjusted EBITDA %	3,8%	4,0%	-	-	3,9%
Depreciation and Amortization	(4.748)	(4.759)	-	-	(9.507)
Finance Results	(8.897)	(11.541)	-	-	(20.437)
Finance Expense TESC Acquisition	(4.147)	(4.079)	-	-	(8.225)
Finance Income (Recurring)	559	1.039	-	-	1.598
Finance Expense (Recurring)	(6.506)	(7.098)	-	-	(13.605)
Finance Income/Expense (Non Recurring)	1.197	661	-	-	1.859
Finance expense - Suppliers	-	(2.064)	-	-	(2.064)
Other operating income and expenses	(3)	8.817	-	-	8.815
Equity Pick-Up	1.779	438	-	-	2.217
EBT	1.243	9.250	-	-	10.493
Current Tax	(1.160)	1.126	-	-	(34)
Deferred Tax	(3.143)	(8.413)	-	-	(11.556)
Net profit	(3.060)	1.963	-	-	(1.096)
Net profit %	-0,9%	0,5%	-	-	-0,1%

For a better understanding of Agribrazil results, three adjustments within lines are important. They are:

- Foreign Exchange Variation – According to accounting rules, is included in the financial result group. However, since we always hedge our foreign exchange exposure, the hedge result is part of the operational result. It is not possible to understand the operational margins without considering the hedge results. Therefore, in our managerial reports, we move the variation result above the gross margin. This adjustment does not change the final result; it is merely a rearrangement between lines. The difference between the financial result in accounting and the managerial financial result is the foreign exchange variation moved above the gross profit.
- Legal expenses related to PIS/COFINS tax recovery - In many domestic market operations (where the buyer is a national company/entity), the PIS/COFINS credit is an important component in evaluating the economic viability of the operation. Some operations only become viable because there is confidence that the credit will actually be used/recovered. Accountably, we attribute the effect of the credit as an integral part of the gross margin. However, often, the legal expenses related to the recovery of this PIS/COFINS are accounted for, in SG&A. We understand that these expenses reduce the benefit of the PIS/COFINS credit and should also be considered in the gross margin. Therefore, managerially, we move these expenses from SG&A to COGS.
- Depreciation/Amortization expenses outside of SG&A - Accountably, all depreciation/amortization expenses are within the Administrative Expenses group. Managerially, we highlight these expenses and place them below EBITDA, calculating EBITDA within the result and not starting from the result and returning the relevant items (I., T., D., and A.).

In Q2 24, we started to consider financial expenses related to supplier financing, associated with the possibility of payment beyond the delivery period of the goods, applied to the company's average financial cost.

The table below reports the company's managerial results, considering Agribrasil's 51% participation in TESC, followed by the detailed results of TESC.

Consolidated Income Statement (BRL 000)	YTD 24			
	100% Agribrasil	100% TESC	51% TESC	Consolidated
Net Revenue	753.251	118.849	60.613	813.864
Costs	(711.678)	(60.020)	(30.610)	(742.288)
Adjusted Gross Margin	41.572	58.829	30.003	71.575
SG&A	(12.167)	(10.128)	(5.165)	(17.332)
Adjusted EBITDA	29.406	48.701	24.838	54.244
<i>Adjusted EBITDA %</i>	3,9%	41,0%	41,0%	6,7%
Depreciation and Amortization	(9.507)	(14.311)	(7.299)	(16.805)
Finance Results	(20.437)	(26.729)	(13.632)	(34.069)
Other operating income and expenses	8.815	751	383	9.198
Equity pickup	421	-	-	421
Profit Before Tax	8.697	8.412	4.290	12.987
IR/CSLL Current Tax	(34)	(395)	(202)	(235)
Deferred Tax	(11.556)	(4.789)	(2.442)	(13.998)
Net Profit	(2.892)	3.228	1.646	(1.246)

Details of TESC results

Consolidated Income Statement (BRL 000)	Q1 24	Q2 24	Q3 24	Q4 24	YTD 24
Net Revenue	58.782	60.067			118.849
Fixed expenses	(6.224)	(7.096)			(13.320)
Variable expenses	(22.645)	(24.056)			(46.700)
Gross Margin	29.914	28.915			58.829
SG&A	(4.961)	(5.166)			(10.128)
EBITDA	24.952	23.749			48.701
<i>Margem EBITDA %</i>	42,4%	39,5%			41,0%
Depreciation and Amortization	(7.185)	(7.126)			(14.311)
Operational Results	17.767	16.623			34.390
Other operating income and expenses	929	(178)			751
Finance Results	(14.420)	(12.309)			(26.729)
Profit Before Tax	4.276	4.136			8.412
IR/CSLL Current Tax	-	(395)			(395)
Deferred Tax	(1.436)	(3.353)			(4.789)
Net profit	2.840	388			3.228

1 – Breakdown of Adjusted EBITDA

Composition of Adjusted EBITDA (BRL 000)	Q2 24	YTD 24
Earnings	1.963	(1.096)
(+) Tax	(7.287)	(11.590)
Profit Before Tax	9.250	10.493
(-) Depreciation and Amortization	(4.759)	(9.507)
(-) Equity pickup	438	2.217
(-) Other operating income and expenses	8.870	8.870
(-) Finance Accounting Results	(11.541)	(17.831)
(-) SG&A Non recurring	(53)	(55)
EBITDA	16.295	26.799
(+) Other operating income and expenses	8.999	9.128
(+) Equity pickup	438	2.217
(+) SG&A Non recurring	(53)	(55)
Adjusted Accounting EBITDA	25.679	38.088

2 – Breakdown of Adjusted gross profit

Composition of Adjusted Gross Profit (BRL 000)	Q2 24	YTD 24
Net Revenue	432.540	753.251
COGS	(394.522)	(695.490)
Accounting gross profit	38.018	57.761
(+) Exchange Variation	(14.856)	(18.010)
(-) Legal expenses related to PIS&COFINS	(312)	(785)
(-) Provisions for financial expenses related to the operation	-	2.607
Adjusted grossProfit	22.849	41.573

Relationship with the independent auditors

In accordance with CVM Instruction 381/03, the Company informs that Ernst & Young Auditores Independentes S.S. audited its financial statements for the year ending June 30, 2024. The Company and its subsidiaries manage the engagement of independent auditors to ensure no conflicts of interest or compromises to independence or objectivity, adhering to principles that safeguard auditor independence.

As per the requirements of CVM Instruction 381/03, Article 2, item III, it's important to note that the Company and its subsidiaries consult with independent auditors before contracting additional professional services unrelated to external accounting audits. This is to ensure such services do not impede the auditors' independence and objectivity required for independent audit tasks and to secure the necessary approval from the Executive Committee.

Throughout the fiscal year concluding on June 30, 2024, the auditors provided no services other than the external audit

Statement of the Executive Board

In compliance with the provisions contained in CVM Instruction 480/2009, the board of directors declares that it discussed and reviewed the opinions expressed in the independent auditors' report, with which it fully agreed, and approved the financial statements for the fiscal year ended June 30, 2024.

Disclaimer

To facilitate presentation, certain percentages and amounts in this document have been rounded. Consequently, total figures in some tables might not equal the sum of their components and may vary from those in the financial statements. Additionally, quarterly and operational (non-financial and non-accounting) data are not audited or reviewed by independent auditors, as they are metrics not recognized under IFRS or other accounting standards.