AGRIBRASIL

GRAO

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1Q24 Results

Comments on Performance

São Paulo, May 21, 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 March 31, 2023. Non-financial and non-accounting data, including forecasts and estimates, have not been audited.

Message from Management

We started the year 2024 firmly committed to a conservative risk management approach, focusing on profitability, cost-cutting, and efficiently addressing market fluctuations.

In the first quarter of 2024, the grain market in Brazil was affected by a significant reduction in producers' willingness to sell the first soybean harvests. Many producers chose to hold their product and offer it at prices higher than those set by the international market, in addition to the costs of operationalizing exports.

This retention generated significant tensions in the trading companies, which had contracted logistics space in ports, railways, and waterways. Producers were not feeling pressured to sell due to their storage availability and ability to meet their financial obligations, many areas faced what is known as a contra margin situation, where operating meant incurring losses.

As a backdrop to the producers' positioning, there is an expectation of a decline in soybean production due to adverse climatic effects in the second half of last year and a decrease in international soybean prices. At the port of Paranaguá, for example, the average price in reais per sack of soybeans in the first quarter of 2024 was about 30% lower than the average price in 1Q23. This significant price drop was not "accepted" by producers, who opted to hold their grains in anticipation of more favorable market conditions. The effect described above, known as "Slow Farm Selling," led to a reduction in waiting times at various ports across the country. The port of Paranaguá, for instance, operated without a waiting line, something that hadn't happened in quite some time.

Anticipating this scenario, as was the case in 2023, Agribrasil adopted a conservative stance in preparation for the first quarter of 2024, minimizing its obligations to operate with soybeans during this period. This allowed Agribrasil to ensure a minimum flow of ships at TESC and to operate only in regions where a positive margin was achievable, as occurred in some operations in the Barcarena.

As a result, we achieved moderate revenue, but we attained an adjusted Gross Profit[1] of R$19 million (56% above 1Q23) and an adjusted EBITDA[1] of R$13 million, a growth of 170% compared to the same period in 2023.

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

Message from Management

The improvement in adjusted EBITDA[1] was also contributed by the expense-cutting efforts initiated last year. The adjusted SG&A for 1Q24 was R$5.6 million, representing a reduction of 21% compared to 1Q23.

This outcome enabled Agribrasil to finish the first quarter with a profit before taxes of R$1.2 million and a net result of R$-3.1 million. The first quarter is seasonally the lowest-performing period of the year, and the result achieved was better than our projections to meet annual goals.

It is also worth noting that this figure includes the impacts caused by the amortization of Goodwill associated with the acquisition of TESC, amounting to R$-4.7 million, which has no cash effect. Excluding this impact, the profit before taxes would have been R$5.9 million and the net result R$1.6 million.

The volume operated by Agribrasil in 1Q24 was 582 thousand tons, considering both its own operations and those conducted in partnership with third parties at TESC. This volume represents a growth of 164% compared to the first quarter of 2023. The accounting treatment given to operations where Agribrasil partners with third parties requires only the gains earned to be recorded as revenue, rather than the amounts corresponding to sales made. This accounting criterion creates distortions in the direct comparison of revenues between the two periods. If these operations had been separated into revenue and cost, 1Q24 would have reached R$1.1 billion, representing a growth of 85% compared to the same quarter of the previous year.

This effect also leads to an increase in the percentage of gross margin achieved. This contributed to the improvement in adjusted EBITDA, which reached 3.8%, an advance from the 0.8% recorded in the previous year.

The impacts of Slow Farm Selling on TESC operations were largely mitigated by take-or-pay contracts and the substitution of some grain ships with ships importing steel products. The terminal showed significant growth of 61% in EBITDA for 1Q24 compared to the same period in 2023 and is also on track to exceed the goals set for the year.

We are satisfied with the results achieved at the start of 2024 and remain committed to seeking growth and efficiency opportunities in all our operations, fulfilling our mission to feed the world.

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

Highlights

- We recorded an adjusted gross profit[1] of R$19 million in 1Q24, an increase of 56% compared to 1Q23;
- Our adjusted EBITDA[1] was R$13 million, a growth of 170% compared to 1Q23;
- The adjusted EBITDA margin reached 3.8%, a significant increase compared to 0.8% in 1Q23;
- There was a 21% reduction in administrative expenses in 1Q24 compared to 1Q23, improving our operational and financial efficiency;
- We operated 422 thousand tons at TESC and 160 thousand tons in other ports and the domestic market.

The volume operated was 582 thousand tons[2] in **1Q24**.

The net revenue was R$ 341 MM in **1Q24**.

In **1Q24**, the adjusted gross profit[1] was R$19 million, a margin of 5.5%.

Adjusted EBITDA[1] was R$13.3 million, with an adjusted EBITDA margin of 3.8% in **1Q24**.

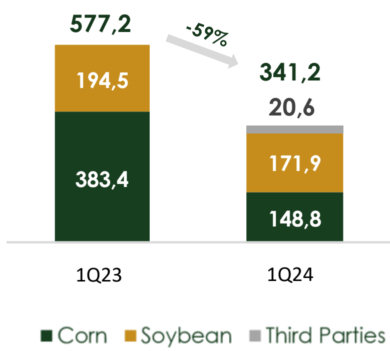
[1] Considers the exchange variation and expenses associated with the recovery of PIS and Cofins credits (which are operational in nature).
[2] Part of this volume has only a net effect, with gains recorded in revenue without impacting costs.

Highlights

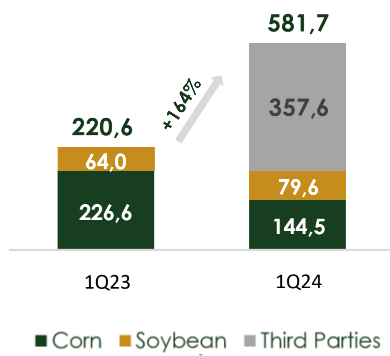
In 1Q24, our revenue reached R$341.2 million, resulting from the sale of 144.5 thousand tons of corn, 79.6 thousand tons of soybeans, and the operationalization of partnerships at TESC amounting to 357.6 thousand tons.

For partner operations, only the net gain earned is recorded as revenue. If the values of sales and purchases were separated between revenue and cost, as done in direct operations, the revenue for 1Q24 would have reached R$1.1 billion.

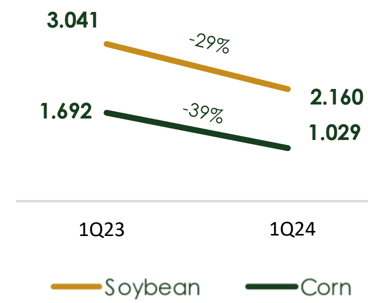
Net revenue by product (BRL million)



Volume by product (thousand tons)

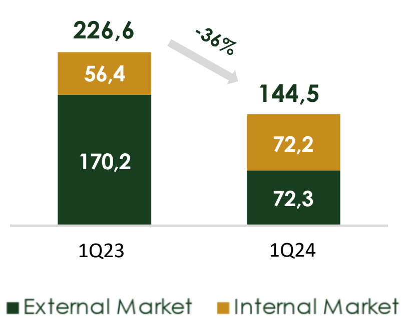


Price by product R$/ton

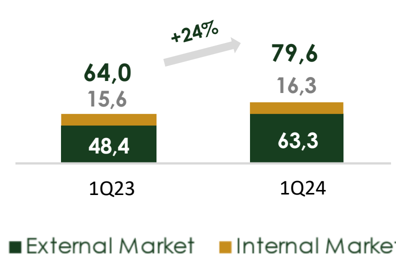


This quarter, we increased the volume of invoiced soybeans by 24%, and the external market remains our flagship with 70% of share.

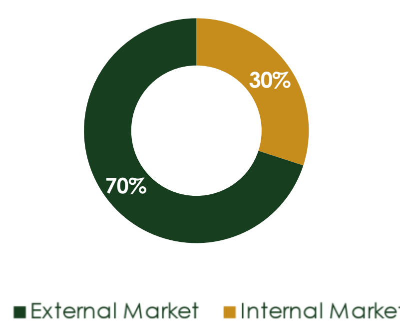
Corn Volume by Market (thousand tons)



Soybean volume by market (thousand tons)

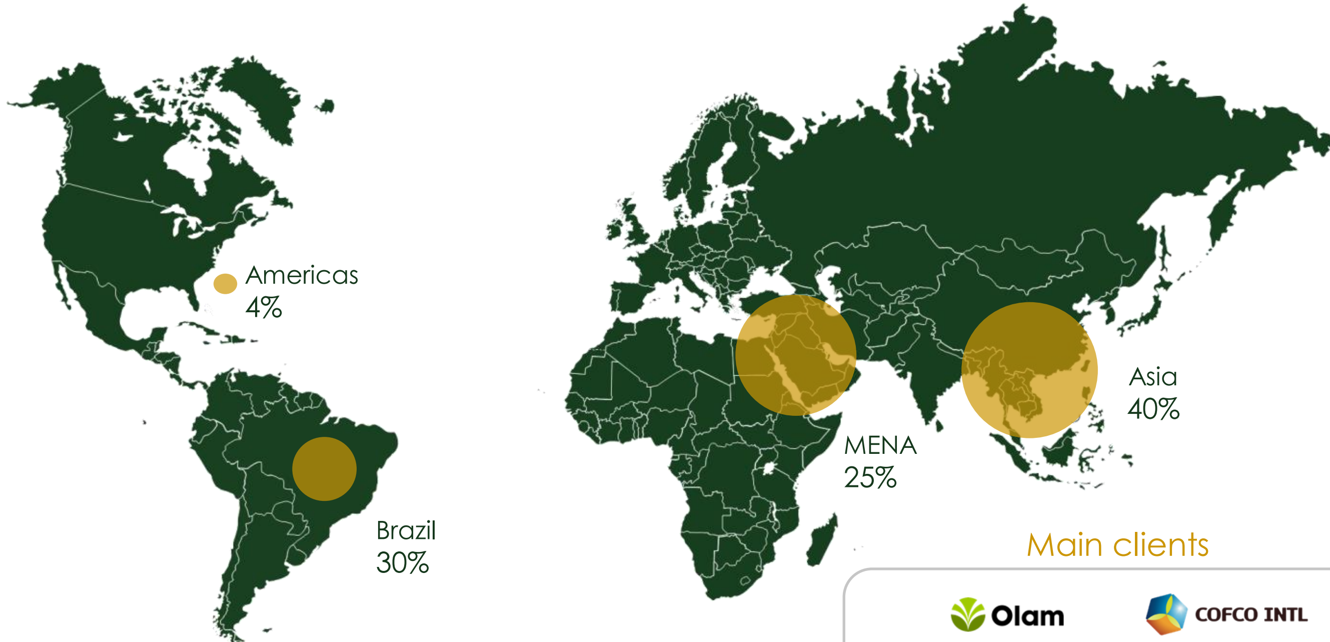


Revenue by market



Destination of Sales 1Q24

In 1Q24, 88% of our total revenue resulted from exports.

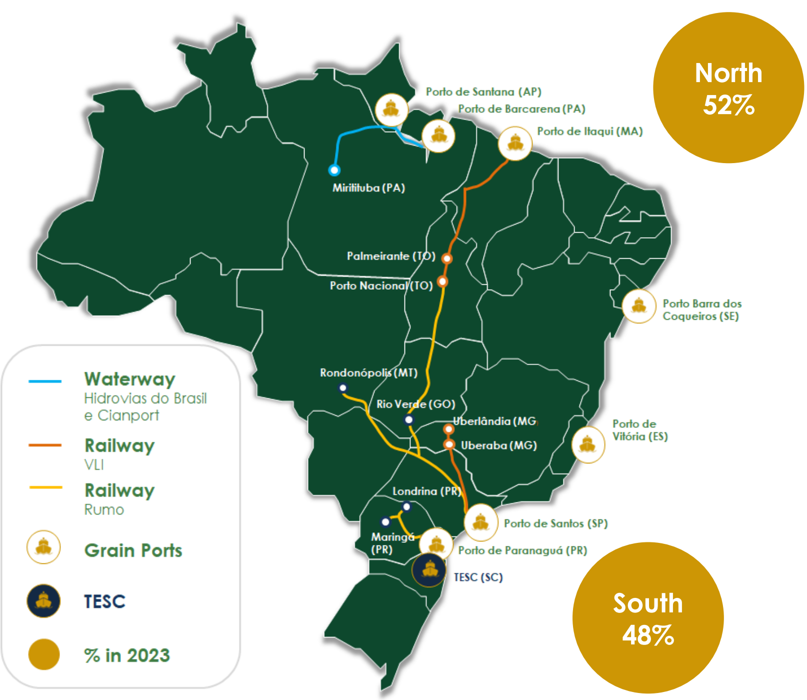


Main clients

Olam, COFCO INTL, brf, VITERRA, Frísia

Logistics 1Q24

We operate in the main export logistics corridors.



3,2 mil trucks

28 barges

14 vessels

Adjusted gross profit and EBITDA

AGRIBRASIL

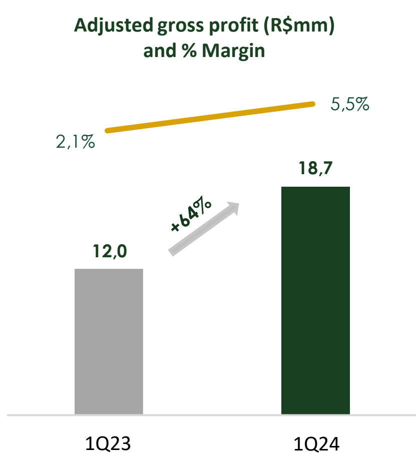
1Q24

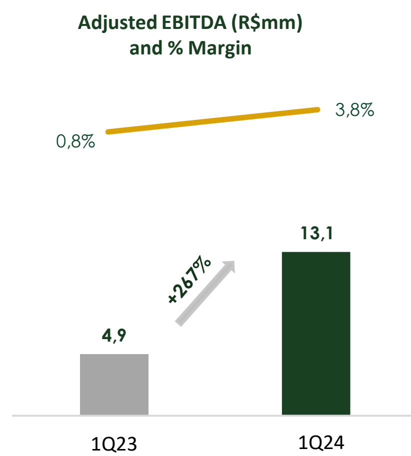
+ R$18,7 milion in adjusted gross profit[1]

+ R$13,1 million in adjusted EBITDA [1]

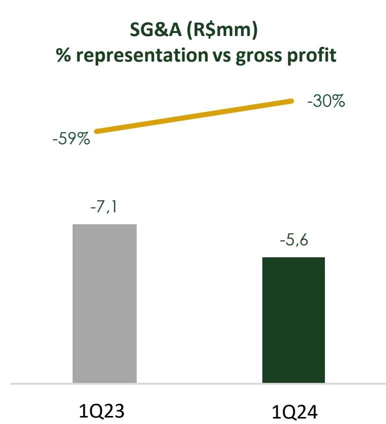
+R$26 million in EBITDA[1] combined withTESC

In 1Q24, our adjusted gross profit[1] reached R$ 19 MM , increase of 64% compared to the same quarter in 2023 and adjusted EBITDA[1] reached R$ 13 MM, 267% higher than 1Q23.





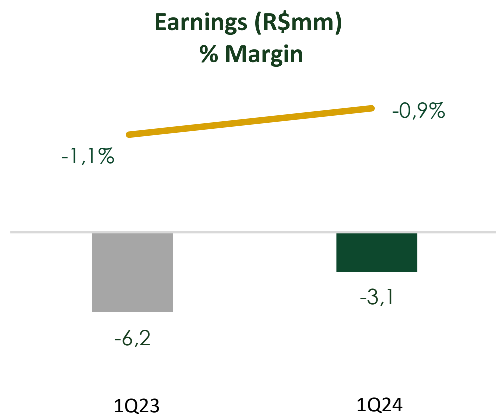
We saved R$ 1.5 million in SG&A compared to 1Q23, with a decrease in the proportion of SG&A relative to gross profit:



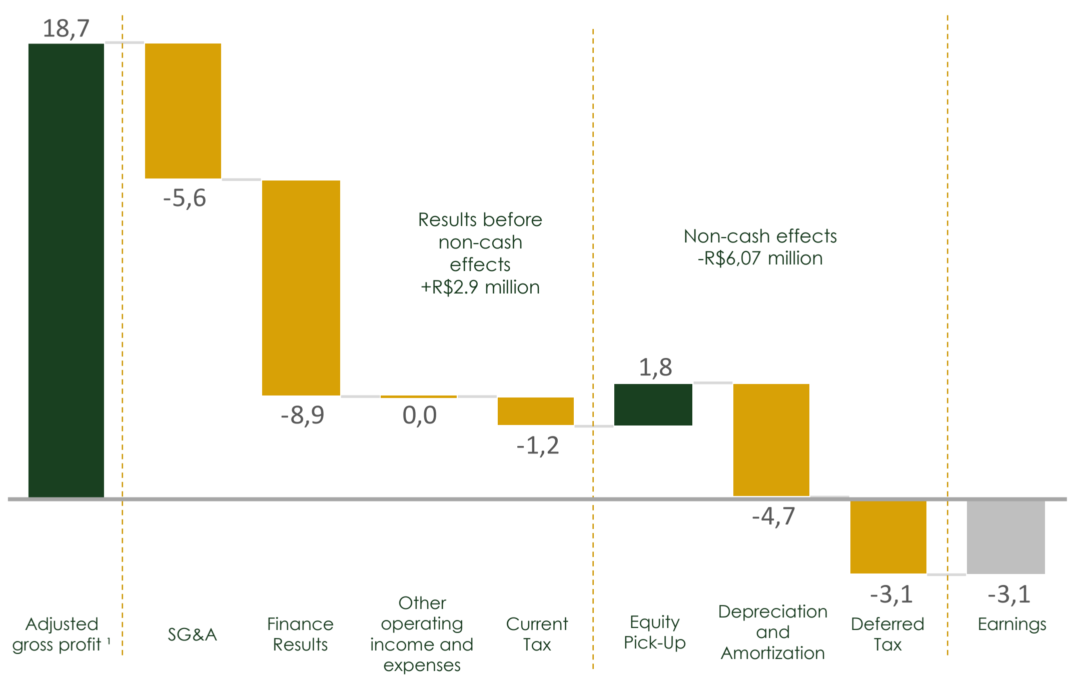
[1] Considers the exchange variation and expenses associated with the recovery of PIS and Cofins credits (which are operational in nature).

Earnings

In 1Q24, our net profit was -R$3.1 million, R$3 million better than in the same period of the previous year.



The composition of the net profit shows a positive result of R$3 million when non-cash effects such as amortization of goodwill, deferred tax, and equity equivalence are excluded.



Agribrasil 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)	1Q24	2Q24	3Q24	4Q24	2024 - YTD
Net Revenue	**341.270**	-	-	-	**341.270**
Cost of Goods Sold (COGS)	**(251.883)**	-	-	-	**(251.883)**
Logistic Costs	**(54.860)**	-	-	-	**(54.860)**
Contracts to Market	**(12.650)**	-	-	-	**(12.650)**
Exchange Variation	**(3.154)**	-	-	-	**(3.154)**
Gross Profit	**18.723**	-	-	-	**18.723**
Gross Margin %	*5,5%*	-	-	-	*5,5%*
SG&A	**(5.612)**	-	-	-	**(5.612)**
People Cost	(3.912)	-	-	-	(3.912)
Third Parties	(1.123)	-	-	-	(1.123)
Administrative	(1.038)	-	-	-	(1.038)
Bonus & PPLR / SOP / Others	**462**	-	-	-	462
EBITDA	**13.111**	-	-	-	**13.111**
Adjusted EBITDA %	*3,8%*	-	-	-	*3,8%*
Depreciation and Amortization	**(4.748)**	-	-	-	**(4.748)**
Finance Results[1]	**(8.897)**	-	-	-	**(8.897)**
Finance Expense TESC Acquisition	(4.147)	-	-	-	(4.147)
Finance Income (Recurring)	559	-	-	-	559
Finance Expense (Recurring)	(6.506)	-	-	-	(6.506)
Finance Income/Expense (Non Recurring)	1.197	-	-	-	1.197
Other operating income and expenses	**(3)**	-	-	-	**(3)**
Equity Pick-Up[2]	**1.779**	-	-	-	**1.779**
EBT	**1.243**	-	-	-	**1.243**
Current Tax	**(1.160)**	-	-	-	**(1.160)**
Deferred Tax	**(3.143)**	-	-	-	**(3.143)**
Earnings	**(3.060)**	-	-	-	**(3.060)**
Earnings %	*-0,9%*	-	-	-	*-0,9%*

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

- Foreign Exchange Variation – According to accounting rules, foreign exchange variation 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.).

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

Agribrasil + TESC

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)	2024			
	100% Agribrasil	100% TESC	51% TESC	Consolidated
Net Revenue	**341.270**	**58.782**	**29.979**	**371.249**
Costs	(322.547)	(28.879)	(14.728)	(337.275)
Adjusted Gross Margin	**18.723**	**29.904**	**15.251**	**33.974**
SG&A	(5.612)	(4.951)	(2.525)	(8.137)
Adjusted EBITDA	**13.111**	**24.952**	**12.726**	**25.837**
Adjusted EBITDA %	*3,8%*	*44,5%*	*22,7%*	*7,0%*
Depreciation and Amortization	(4.748)	(7.185)	(3.665)	(8.412)
Finance Results	(8.897)	(14.420)	(7.354)	(16.251)
Other operating income and expenses	(3)	929	474	471
Equity pickup	1.779	-	-	1.779
Profit Before Tax	**1.243**	**4.276**	**2.181**	**3.423**
IR/CSLL Current Tax	(1.160)	-	-	(1.160)
Deferred Tax	(3.143)	(1.436)	(732)	(3.875)
Net Income	**(3.060)**	**2.840**	**1.448**	**(1.611)**

Details of TESC results

Consolidated Income Statement (BRL 000)	1Q24	2Q24	3Q24	4Q24	2024 - YTD
Net Revenue	**58.782**				**58.782**
Fixed expenses	(6.234)				(6.234)
Variable expenses	(22.645)				(22.645)
Gross Margin	**29.904**				**29.904**
SG&A	**(4.951)**				**(4.951)**
EBITDA	**24.952**				**24.952**
Margem EBITDA %	*42,4%*				*42,4%*
Depreciation and Amortization	**(7.185)**				**(7.185)**
Operational Results	**17.767**				**17.767**
Other operating income and expenses	**929**				**929**
Finance Results	**(14.420)**				**(14.420)**
Profit Before Tax	**4.276**				**4.276**
IR/CSLL Current Tax	-				-
Deferred Tax	**(1.436)**				**(1.436)**
Net Income	**2.840**				**2.840**

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

1 – Breakdown of Adjusted EBITDA

Composition of Adjusted EBITDA (BRL 000)	1Q24
Earnings	**(3.060)**
(+) Tax	(4.303)
Profit Before Tax	**1.243**
(+) Depreciation and Amortization	(4.748)
(-) Equity pickup	1.779
(-) Other operating income and expenses	(3)
(-) Finance Results	(9.444)
EBITDA	**13.658**
(+) Exchange Variation	3.154
(-) Provisions for financial expenses related to the operation	(2.607)
(+) Exchange Variation	**13.111**

2 – Breakdown of Adjusted gross profit

Composition of Adjusted EBITDA (BRL 000)	1Q24
Net Revenue	341.270
COGS	(321.527)
Gross Margin	**19.744**
(+) Exchange Variation	(3.154)
(-) Legal expenses related to PIS&COFINS	(472)
(-) Provisions for financial expenses related to the operation	2.607
Adjusted Gross Margin	**18.723**

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 March 31, 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 March 31, 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 March 31, 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.