



AGRIBRASIL

GRAO

B3 LISTED

2023 Results

Comments on Performance

São Paulo, March 27, 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 at December 31, 2023. Non-financial and non-accounting data, including forecasts and estimates, have not been audited.

Message from Management



We are very pleased to share the results achieved by Agribrasil throughout 2023.

The year was marked by record-breaking grain exports. According to data from the National Association of Cereal Exporters (ANEC), Brazil exported a total of 101.3 million tons of soybeans in 2023, a 30.2% increase compared to 2022, and 55.9 million tons of corn, setting a historic record and consolidating the nation as the world's largest corn exporter.

For Agribrasil, in particular, 2023 was positive in several ways:

The most significant milestone of the year was the successful launch of the grain operation at Terminal Santa Catarina S.A. (TESC), which rapidly demonstrated its exceptional potential.

The Agribrasil–TESC partnership in grain operations (with 1.4 million metric tons of corn shipped in the second semester of the year) and the good performance of the terminal in other activities allowed results and volumes to exceed expectations each month of the second semester.

TESC closed out the year with an EBITDA of R\$ 89 million; in the last months of the year, the monthly EBITDA was around R\$ 11.4 million. This performance, if annualized, would indicate an EBITDA of R\$ 137 million, i.e., a rate of results much higher than initially planned, which will lead to a faster deleveraging process for the port.

For Agribrasil, this result represents the first step in the transition from an Asset Light company to one that understands and has control over the logistics of shipping grains overseas from Brazil. It was also evidence of Agribrasil's and its partners' capability to carry out challenging plans.

The nation's logistics infrastructure was not prepared for the momentum of grain production, and bulk ports faced long waits for vessels. Demurrage costs accumulated as a result of long queues for docking.

Aware of these challenges, Agribrasil opted for a more conservative logistical positioning in the first semester, confident that the operational bottlenecks at the ports would become a competitive advantage for Agribrasil, by operating with no wait at TESC.

Our wagers on TESC and growth in corn exports proved to be the right decisions. In the fourth quarter, Agribrasil obtained a net income of R\$ 20 million, which contributed to an adjusted EBITDA of R\$ 60 million and an adjusted gross profit of R\$ 89 million for the year.

Message from Management

It is worth highlighting that this adjusted EBITDA of R\$ 60 million does not consolidate TESC's EBITDA, despite the 51% stake. If we considered the hypothetical EBITDA, incorporating the portion of TESC's EBITDA proportional to our stake in the port, Agribrasil would present an EBITDA of R\$ 105 million.

We achieved a net income of R\$ 1.2 million for the year, offsetting the results from the first semester. It is also noteworthy that this result includes non-cash accounting effects from Good Will amortization on the acquisition of TESC, amounting to R\$ 18.8 million. Excluding this effect, the net income would have been R\$ 20 million.

Another highlight includes the extension of the debt for the acquisition of TESC, aligning the debt repayment schedule more closely with the port's dividend flow. We have also invested in enhancements to our control structures and in strengthening our personnel in these functions.

We are proud of the results achieved in 2023 and remain optimistic about Agribrasil's future. We are committed to excellence and to our mission of feeding the world.



Operationalized volume was 797 thousand tons² in **4Q23** and 2.3 million tons² in **12M23**



In **4Q23**, net revenue reached R\$ 423 million ~US\$ 87 million. In **12M23**, revenue totaled R\$ 2.1 billion ~US\$ 432 million.



In **4Q23**, adjusted gross profit¹ totaled R\$ 28 million ~US\$ 6 million, with a margin of 6.5%. In **12M23**, it totaled R\$ 89 million¹ ~US\$ 18 million¹, with a margin of 4.2%



Adjusted EBITDA¹ reached R\$ 19 million ~US\$ 4 million, with an adjusted EBITDA margin of 4.4% in **4Q23**. In **12M23**, it reached R\$ 60 million ~USD 12 million, with a margin of 2.8%

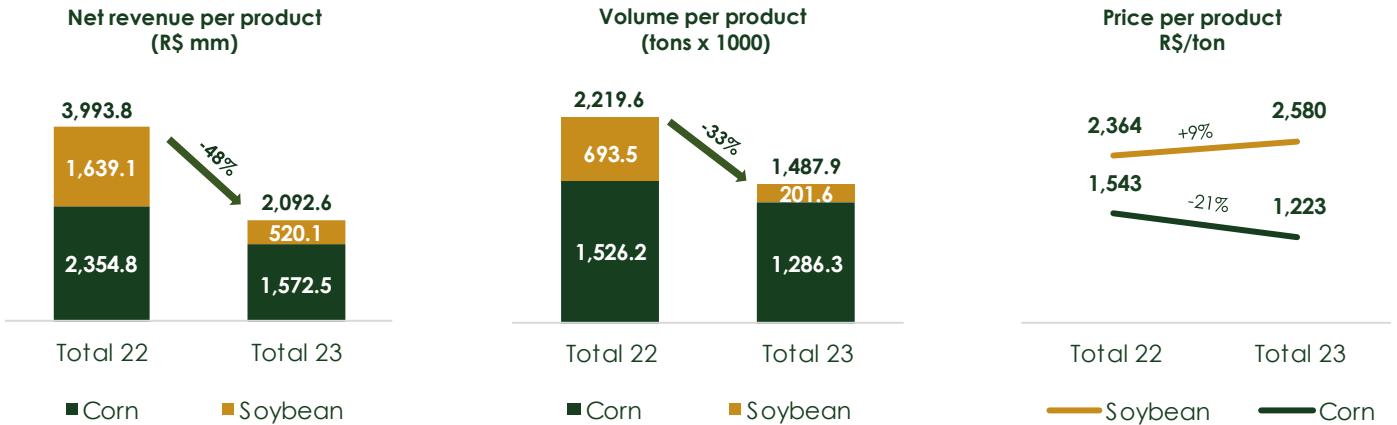
¹ Considers exchange-rate changes and expenses associated with the recovery of PIS and Cofins credits (which are operational in nature).

² Part of this volume with no effect on net revenue only in gross profit.

Net revenue

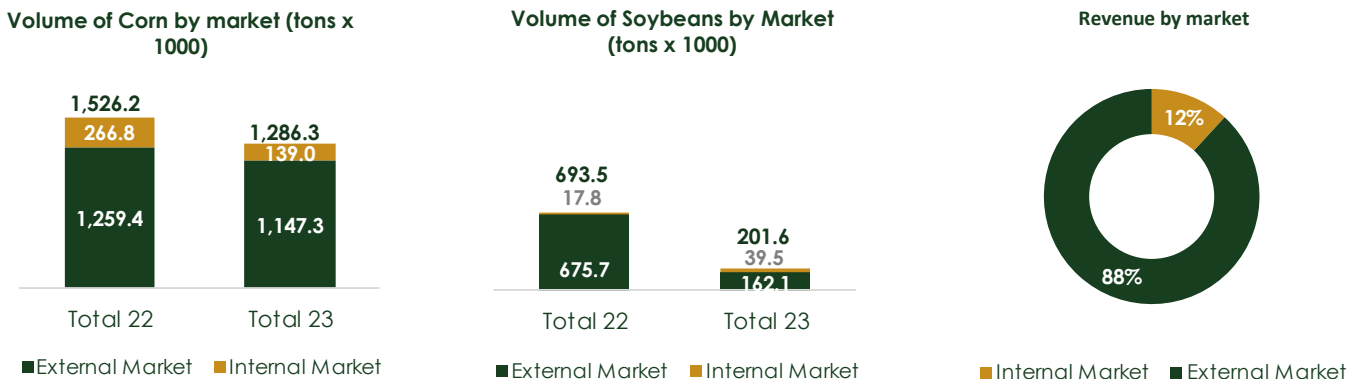
In 2023, our revenue reached R\$ 2.1 billion ~US\$ 432 million, resulting from the sale of 1.3 million tons of corn and 0.2 million tons of soybeans.

The reduction in volume, changes in the mix of products sold, and the downturn in corn prices led to a significant decrease in our revenue. However, as we will see in the following pages, we achieved higher margins than in previous years.



With sales totaling 1,286.3 thousand metric tons, corn remains our main product, with 1,147.3 thousand metric tons earmarked for export.

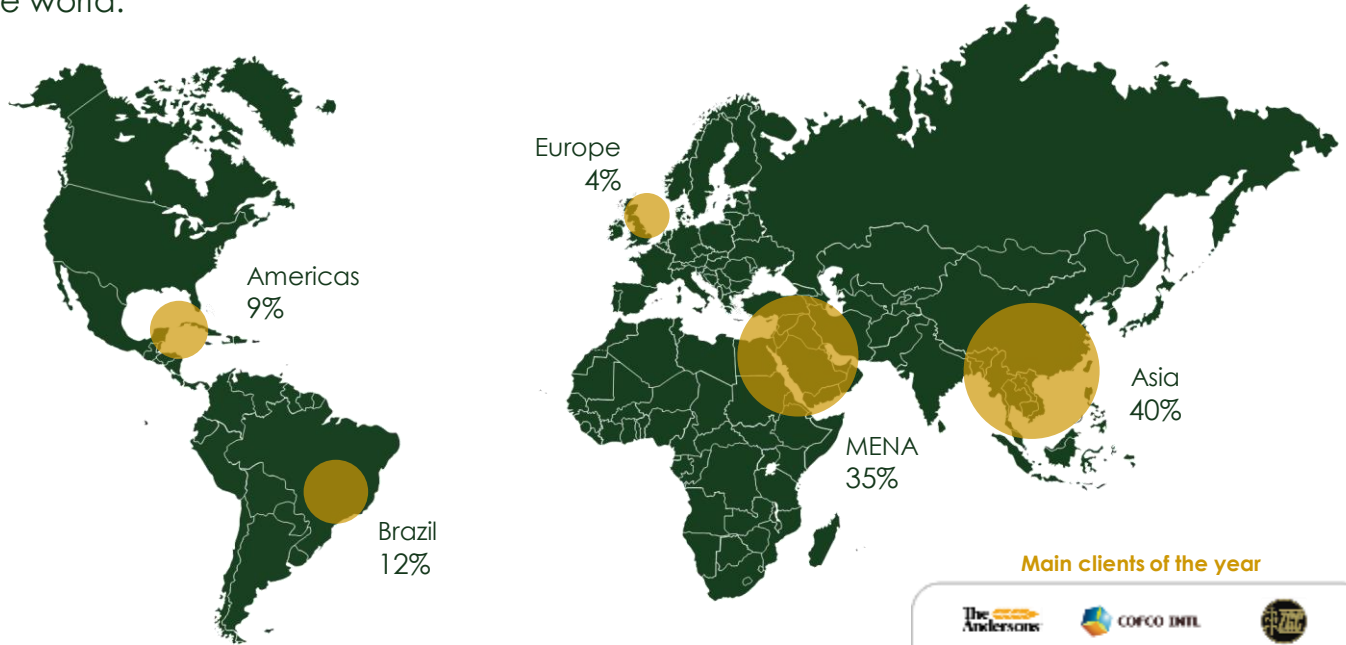
During 2023, the foreign market accounted for 88% of our total revenue, a slight increase from 2022 when it constituted 87%



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

Destination of Sales 2023

In 2023, 88% of our total revenue resulted from exports, thus fulfilling our mission to feed the world.

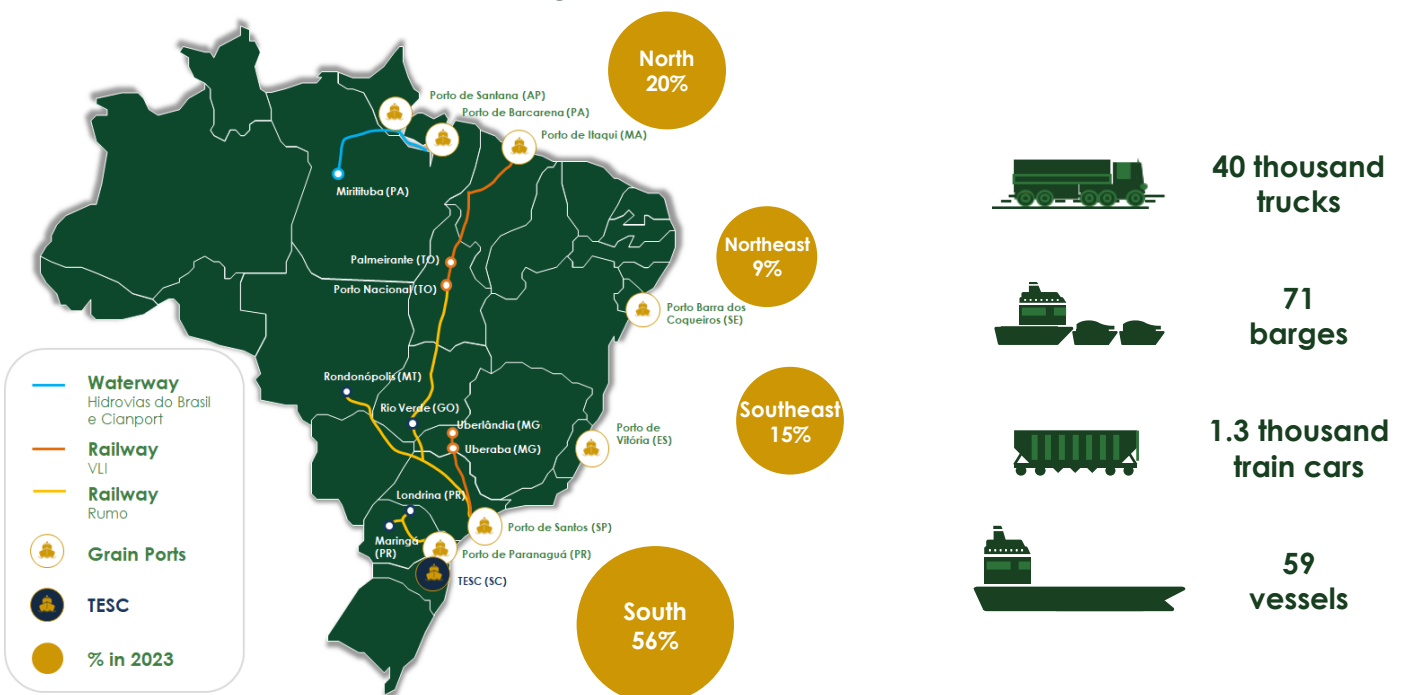


Main clients of the year



Logistics 2023

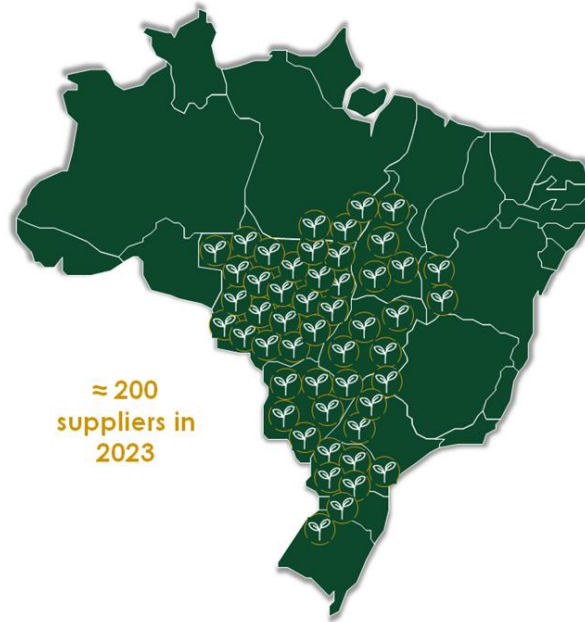
We operate in the main export logistics corridors.



Sourcing Coverage in 2023

We continue to source grains from suppliers, distributed across key growing areas of Brazil, and operating in the foremost export logistics corridors:

Origination Area



≈ 200
suppliers in
2023

Awards in 2023



1ST PLACE:

Champion in Foreign Trade

TOP 10 IN FINANCIAL INDICATORS

- 1 - Growth in Net Revenue
- 2 - Return on Equity (ROE)
- 3 - Asset Turnover
- 4 - Growth in Assets
- 5 - Net Income Margin
- 6 - Total Assets
- 7 - Operating Margin
- 10 - Net revenue



Adjusted gross profit and EBITDA

2023

+R\$ 89 million in adjusted gross profit¹



+R\$ 60 million in adjusted EBITDA¹

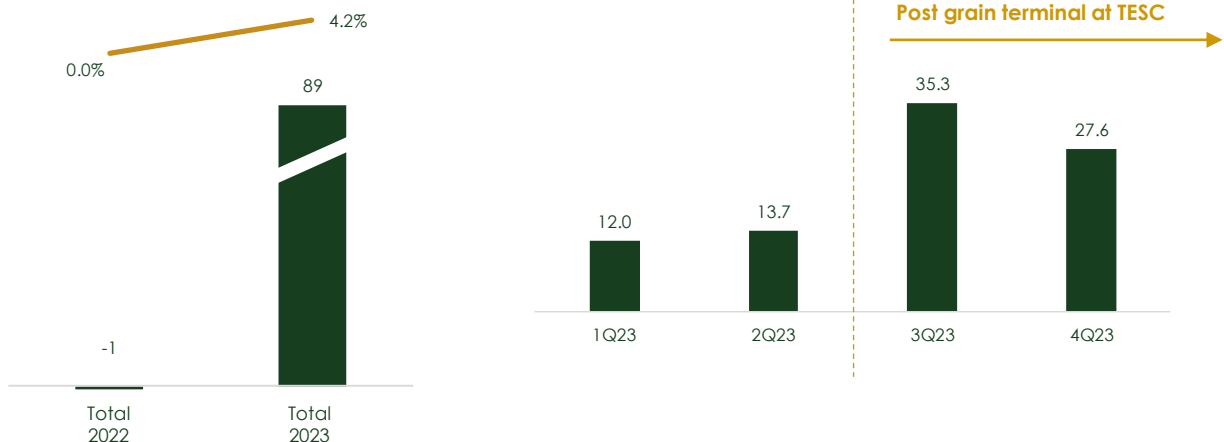


+R\$ 105 million in EBITDA¹ combined with TESC

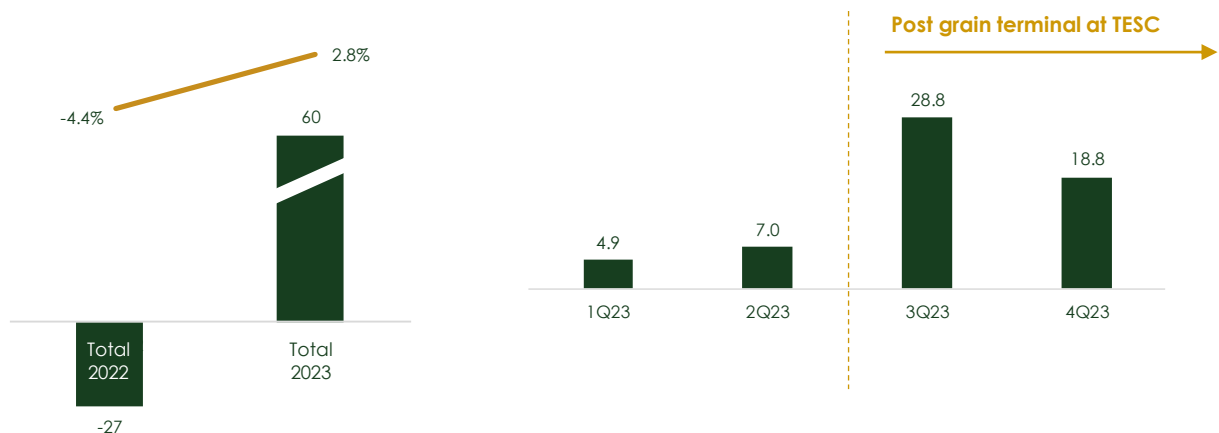
In 2023, our adjusted gross profit¹ reached R\$ 89 MM, and adjusted EBITDA¹ reached R\$ 60 MM. Compared to 2022, when these numbers were -R\$ 1 MM and R\$ -27 MM, respectively, the significant improvement in our results is clear.

This evolution is largely due to lower-risk logistics operations, especially with the start of operations at TESC in the second semester of 2023, in addition to the identification and exploitation of opportunities.

Adjusted gross profit¹ - Annual and Quarterly (R\$ mm)



Adjusted EBITDA^{1,2} - Annual and Quarterly (R\$ mm)

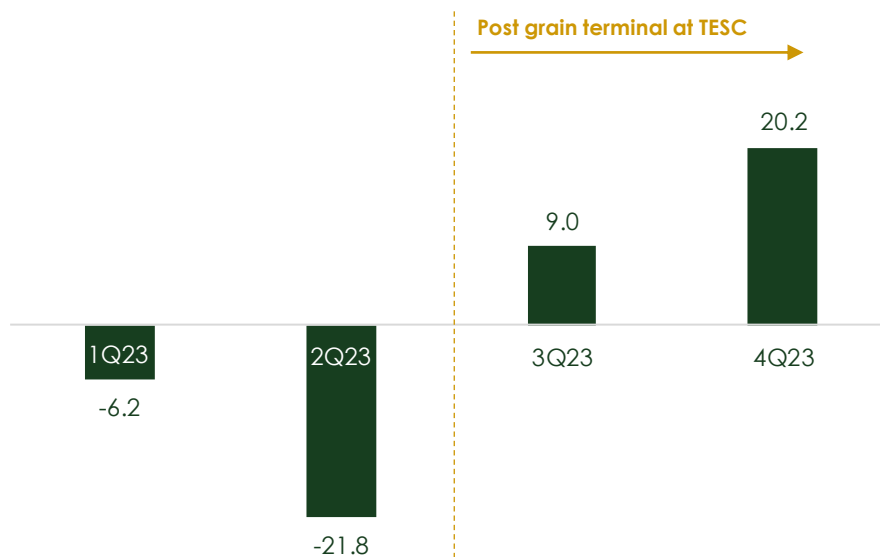


¹ Considers exchange rate changes and expenses associated with the recovery of PIS and Cofins credits (which are operational in nature).

² Adjusted EBITDA does not consider the capital gain in 2022 for comparative purposes.

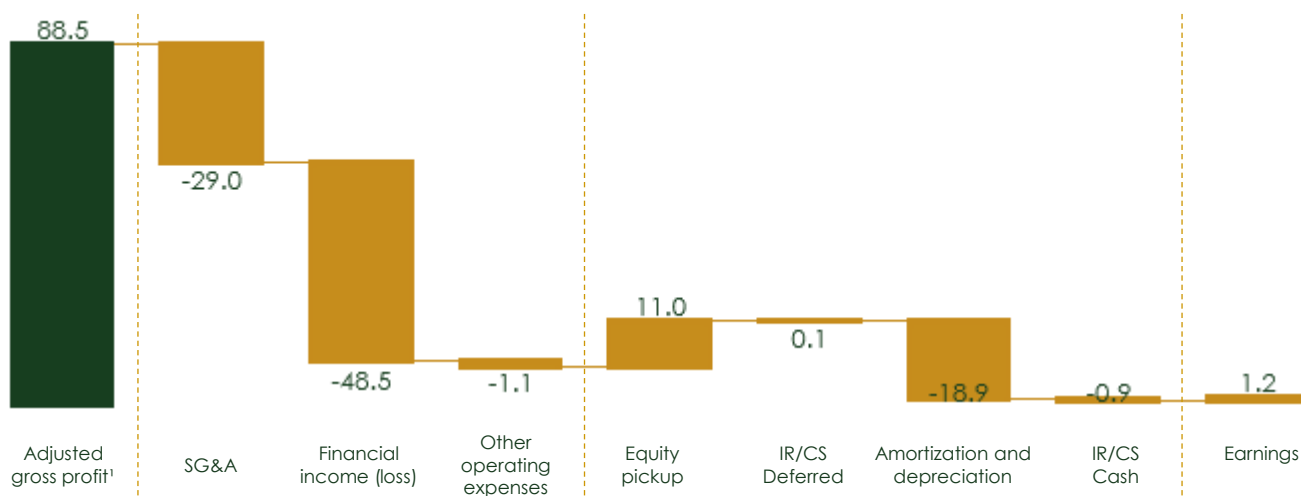
In Q4 2023, we achieved earnings of R\$ 20 million, continuing the improvement seen in the previous quarter, driven by the competitive advantage provided by the Agribrasil-TESC relationship.

Earnings - Quarter over Quarter in 2023 (R\$'000)



The year ended with an accumulated R\$ 1 million net profit, as reported below.:

Composition of Earnings in 2023 (R\$'000)



¹ Considers exchange-rate changes 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)	1T23	2T23	3T23	4T23	2023
Net Revenue	577.155	172.716	919.363	423.452	2.092.686
Cost of Goods Sold (COGS)	(497.619)	(149.991)	(817.202)	(338.887)	(1.803.699)
Logistic Costs	(56.277)	(25.942)	(78.013)	(64.981)	(225.212)
Contracts to Market	(20.650)	11.733	7.622	13.788	12.492
Exchange Variation	9.355	5.189	3.494	(5.801)	12.237
Gross Profit	11.965	13.706	35.264	27.570	88.504
Gross Profit %	2,1%	7,9%	3,8%	6,5%	4,2%
SG&A	(7.102)	(6.661)	(6.442)	(8.784)	(28.988)
People Cost	(3.436)	(3.706)	(3.900)	(4.295)	(15.337)
Third Parties	(1.463)	(1.882)	(1.221)	(823)	(5.388)
Administrative	(2.203)	(1.073)	(1.321)	(1.312)	(5.909)
Bonus provision	-	-	-	(2.354)	(2.354)
EBITDA	4.863	7.044	28.822	18.786	59.516
Adjusted EBITDA %	0,8%	4,1%	3,1%	4,4%	2,8%
Depreciation and Amortization	(4.730)	(4.732)	(4.733)	(4.734)	(18.929)
Finance Results	(6.654)	(20.470)	(6.490)	(14.871)	(48.484)
Finance Expense (Recurring)	406	1.191	834	1.563	3.994
Finance Income (Recurring)	(9.177)	(10.220)	(6.077)	(6.355)	(31.829)
Finance Expense TESC Acquisition	(5.610)	(4.975)	(4.881)	(4.387)	(19.853)
Finance Income/Expense (Non Recurring)	7.727	(6.466)	3.634	(5.692)	(796)
Other operating income and expenses	(154)	(2.447)	(3.404)	4.879	(1.126)
Equity pickup	1.442	(1.239)	4.621	6.223	11.047
EBT	(5.233)	(21.843)	18.817	10.283	2.024
Current Tax	(3)	(906)	3	(4)	(910)
Deferred Tax	(985)	975	(9.864)	9.965	92
Earnings	(6.221)	(21.774)	8.956	20.244	1.206

For a better understanding of Agribrazil 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.).

In 2020, we acquired a 51% stake in TESC, a port located in São Francisco do Sul, which is 100 km south of Paranaguá in Santa Catarina, Brazil, with the vision of implementing a grain exporting operation.



Below is a breakdown of TESC's port infrastructure:

Berth 301

Length: 384 meters LOA and Max Beam: 245m/40.9m Draft: 12.8m (E/K)
Air draft: 21 m
Maximum DWT: 125,000 MT
Operations: Shipment of plant-based and multipurpose bulk.

Shiploader

30 meter mobile (retractable) boom;
Charging rate up to 2,000 tons/hour;
Spout trimming system.

Berth 300

LOA and Max Beam: 184m/40.9m
Draft 12.4 m (stern) x 12.2 m (bow)
Air draft: Not applicable
Operations: Multipurpose

Silos

With 3 (three) silos available, our total storage capacity reaches 90,000 metric tons - each silo supporting 30,000 metric tons individually.



Berth 302

Length: 264 meters LOA and Max Beam: 200 m/ 40 m Draft: 12 m (stern) x 11 m (bow) Air draft: Multipurpose with an emphasis on steel mills (AMV cabotage).

Warehouses

10,000 m² of bonded covered area with continuous monitoring (CCTV). Efficient LED lighting and use of natural light

Tipper Trucks

Handling up to 600 metric tons/hour (Approx. 15 vehicles/hour);
Chassis lock for trailers up to 30 m;
Lifting up to 100 metric tons.

Gates

Eight (8) two-way gates;
Reinforced security through automated controls (OCR/RFID/Biometrics).

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)	100% Agribrasil	100% TESC	51% TESC	Consolidated
Net Revenue	2.092.686	198.165	101.064	2.193.750
Costs	(2.004.182)	(92.628)	(47.240)	(2.051.422)
Adjusted Gross Margin	88.504	105.536	53.824	142.328
SG&A	(28.988)	(17.265)	(8.805)	(37.793)
Adjusted EBITDA	59.516	88.272	45.019	104.535
Adjusted EBITDA %	2,8%	44,5%	44,5%	4,8%
Depreciation and Amortization	(18.929)	(16.250)	(8.287)	(27.217)
Finance Results	(48.484)	(37.874)	(19.316)	(67.800)
Other operating income and expenses	(1.126)	(6.035)	(3.078)	(4.204)
Equity pickup	11.048	-	-	11.048
Profit Before Tax	2.024	28.112	14.337	16.362
IR/CSLL Current Tax	(910)	(4.370)	(2.229)	(3.139)
Deferred Tax	92	(6.124)	(3.123)	(3.031)
Net Income	1.206	17.619	8.986	10.191

Details of TESC results

Consolidated Income Statement (BRL 000)	1T23	2T23	3T23	4T23	2023
Net Revenue	41.601	28.972	62.803	64.789	198.165
Fixed expenses	(4.216)	(4.096)	(6.302)	(5.403)	(20.017)
Variable expenses	(18.138)	(12.325)	(21.490)	(20.659)	(72.612)
Gross Margin	19.247	12.551	35.011	38.727	105.536
SG&A	(3.969)	(4.291)	(4.486)	(4.519)	(17.265)
EBITDA	15.278	8.260	30.525	34.208	88.272
Margem EBITDA %	36,7%	28,5%	48,6%	52,8%	44,5%
Depreciation and Amortization	(2.147)	(2.143)	(5.207)	(6.753)	(16.250)
Operational Results	13.132	6.118	25.317	27.455	72.022
Other operating income and expenses	(1.143)	(2.009)	(3.116)	233	(6.035)
Finance Results	(8.242)	(5.652)	(10.959)	(13.021)	(37.874)
Profit Before Tax	3.746	(1.543)	11.242	14.667	28.112
IR/CSLL Current Tax	-	-	(1.603)	(2.767)	(4.370)
Deferred Tax	(1.442)	(408)	(2.266)	(2.009)	(6.124)
Net Income	2.304	(1.951)	7.374	9.892	17.619

1 – Breakdown of Adjusted EBITDA

Composition of Adjusted EBITDA (BRL 000)	2023
Earnings	1,206
(+) Tax	(818)
Profit Before Tax	2,024
(+) Depreciation and Amortization	18,928
(-) Equity pickup	11,047
(-) Other operating income and expenses	4,879
(-) Finance Results	(38,479)
EBITDA	43,505
(+) SG&A Non recurring	6,007
(+) Other Expenses	62
(+) Exchange Variation	12,237
(-) Provisions for financial expenses related to the operation	(2,296)
Adjusted EBITDA	59,516

2 – Breakdown of Adjusted gross profit

Composition of Adjusted Gross Profit (BRL 000)	2023
Net Revenue	2,092,686
COGS	(2,006,787)
Gross Margin	85,899
(+) Exchange Variation	12,237
(-) Legal expenses related to PIS&COFINS	(7,218)
(-) Provisions for financial expenses related to the operation	(2,296)
(-) Brokers fee	(118)
Adjusted Gross Margin	88,504

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 December 31, 2023. 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 December 31, 2023, 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 December 31, 2023.

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.

Individual and Consolidated Financial Statements

Humberg Agribrasil Comércio e Exportação de Grãos S.A.

December 31, 2023
with Independent Auditor's Report



Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Individual and consolidated financial statements

December 31, 2023

Contents

Independent auditor's report on individual and consolidated financial statements.....	1
Individual and consolidated financial statements	
Statements of financial position.....	7
Statements of profit or loss	9
Statements of comprehensive income	10
Statements of changes in equity	11
Statements of cash flows	12
Statements of value added	13
Notes to the individual and consolidated financial statements.....	14



A free translation from Portuguese into English of Independent Auditor's Report on Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB)

Independent auditor's report on individual and consolidated financial statements

To the
Shareholders, Board of Directors and Officers of
Humberg AgriBrasil Comércio e Exportação de Grãos S.A.

Opinion

We have audited the individual and consolidated financial statements of Humberg AgriBrasil Comércio e Exportação de Grãos S.A. (the "Company"), identified as Individual and Consolidated, respectively, which comprise the statement of financial position as at December 31, 2023, and the statements of profit or loss, of comprehensive income, of changes in equity, and of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the individual and consolidated financial position of the Company as at December 31, 2023, and its individual and consolidated financial performance and cash flows for the year then ended, in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with the Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the individual and consolidated financial statements" section of our report. We are independent of the Company and its subsidiaries in accordance with the relevant ethical principles set forth in the Code of Professional Ethics for Accountants and the professional standards issued by Brazil's National Association of State Boards of Accountancy (CFC), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Key audit matters

Key audit matters are those that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the individual and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter, including any commentary on the findings or outcome of our procedures, is provided in that context.

We have fulfilled the responsibilities described in the “Auditor’s responsibilities for the audit of the individual and consolidated financial statements” section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial statements.

Derivative financial instruments

As described in Note 2, the Company’s sales revenues are mainly from the sale of agricultural commodities, represented mainly by soybeans and corn, whose prices are quoted in the international market and in US dollars, resulting in foreign currency and price exposure for the Company.

In order to reduce exposures to the price and currency risks, the Company enters into commodity purchase and sale contracts at fixed prices, based on futures contracts priced on the Chicago Mercantile Exchange (CME) plus a spread for additional costs considering the location of the origin and transshipment of commodities, which may be settled in physical volume or financially. In addition to the natural hedge for the exposure referred to above, the Company also enters into derivative financial instruments, as mentioned in Note 20, but it does not adopt hedge accounting.

We consider this matter a key audit matter due to the Company’s exposure to the commodity price and currency risks, which may substantially impact its financial position and operating income (expenses) in the event of a significant change in one or both situations, which may result in significant impacts on the Company’s individual and consolidated financial statements.

How our audit addressed this matter

Our audit procedures included, among others: (i) involvement of professionals specialized in valuing and assessing the adequacy of derivative financial instruments in relation to the Company’s exposures, as well as in analyzing the accounting effects; (ii) tests of existence and valuation of commodity purchase and sale contracts, on a sample basis; (iii) test, on a sample basis, of derivative instruments of currency and futures, by sending confirmation letters to financial institutions; (iv) analysis of the nature and integrity of accounting records; (v) analysis of reconciliations of financial instrument balances to the amounts recognized in the Company’s financial position and statement of profit or loss; and (vi) analysis of the adequacy of disclosures made in Notes 2 and 20 to the individual and consolidated financial statements as at December 31, 2023.



Based on the results of the above-mentioned audit procedures performed on the Company's financial position and operations, which are consistent with management's assessment, we consider the criteria and assumptions adopted by management, as well as the respective disclosures in Notes 2 and 20, acceptable in the context of the individual and consolidated financial statements taken as a whole.

Recoverable amount of deferred tax assets

As at December 31, 2023, according to Note 12, the Company has recorded gross deferred tax assets amounting to R\$85,649 thousand in the Individual, and R\$96,125 thousand in the Consolidated financial statements, whose recognition and recoverability are based on a study prepared internally by management on generation of future taxable profits.

The monitoring of this matter was considered significant for our audit due to the materiality of the amounts involved, the effects on P&L for the year as well as the degree of judgment used in the future taxable profit projections, their estimates and assumptions, and the potential impact that any changes in these assumptions and estimates could have on the amount of deferred tax assets recorded in the Company's individual and consolidated financial statements.

How our audit addressed this matter

Our audit procedures included, among others, the use of tax experts for the analysis of the tax bases pursuant to prevailing tax legislation. We analyzed and assessed the assumptions and methodology used by management in future taxable profit projections, such as the progress of sales, costs and taxable profit, as well as tax rates and arithmetic and mathematical calculations, in addition to crosschecking certain data from the projections, when available, against other external sources, aligning these assumptions with the Company's approved business plans. As a result of these procedures, we identified an audit adjustment indicating the need to write-off a portion of deferred tax recorded on income tax losses. This adjustment was not recorded by management in view of its immateriality in relation to the financial statements taken as a whole. In addition, we analyzed the adequacy of the disclosures made in Note 12 to the individual and consolidated financial statements.

Based on the results of the audit procedures performed on the recognition, measurement and recoverability of deferred income tax assets through the availability of future taxable profits, which is consistent with management's assessment, we consider that the criteria and assumptions of the recoverable amount of the deferred income tax assets adopted by management, as well as the respective disclosures in Note 12 are acceptable in the context of the individual and consolidated financial statements taken as a whole.



Other matters

Statements of value added

The individual and consolidated statements of value added (SVA) for year ended December 31, 2023, prepared under the responsibility of Company's executive board, and presented as supplementary information for purposes of IFRS, were submitted to audit procedures conducted together with the audit of the Company's financial statements. To form our opinion, we evaluated if these statements are reconciled to the financial statements and accounting records, as applicable, and if their form and content comply with the criteria defined by NBC TG 09 - Statement of Value Added. In our opinion, these individual and consolidated statements of value added were prepared fairly, in all material respects, in accordance with the criteria defined in the abovementioned accounting pronouncement, and are consistent in relation to the individual and consolidated financial statements taken as a whole.

Other information accompanying the individual and consolidated financial statements and the auditor's report

The executive board is responsible for such other information, which comprises the Management Report.

Our opinion on the individual and consolidated financial statements does not cover the Management Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the individual and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether this report is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the Management Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the executive board and those charged with governance for the individual and consolidated financial statements

The executive board is responsible for the preparation and fair presentation of the individual and consolidated financial statements in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and for such internal control as the executive board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the individual and consolidated financial statements, the executive board is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the executive board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and its subsidiaries' financial reporting process.

Auditor's responsibilities for the audit of the individual and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the individual and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Brazilian and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identified and assessed the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve override of internal controls, collusion, forgery, intentional omissions or misrepresentations.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company and its subsidiaries' internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the executive board.
- Concluded on the appropriateness of executive board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the individual and consolidated financial statements of the prudential conglomerate. We are responsible for the direction, supervision and performance of the group's audit and, consequently, for the audit opinion.


We communicate with those charged with governance regarding, among other matters, the scope and timing of the planned audit procedures and significant audit findings, including deficiencies in internal control that may have been identified during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements, including applicable independence requirements, and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

São Paulo, March 26, 2024.

ERNST & YOUNG
Auditores Independentes S/S Ltda.
CRC-SP-034519/O



Ronaldo Aoki
Accountant CRC-SP244601/O

A free translation from Portuguese into English of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB)

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Statements of financial position
December 31, 2023 and 2022
(In thousands of reais)

	Note	Individual		Consolidated	
		12/31/2023	12/31/2022	12/31/2023	12/31/2022
Assets					
Current assets					
Cash and cash equivalents	3	51,638	131,553	58,725	141,603
Trade accounts receivable	4	89,470	196,429	140,409	211,097
Transactions with related parties	19	-	73,767	280	314
Inventories	5	87,131	134,915	92,518	135,965
Derivative financial instruments	20	44,564	43,704	56,146	89,189
Taxes recoverable	6	58,636	77,463	58,680	77,495
Expenses to be allocated		2,838	5,168	2,838	5,168
Other current assets		32	50	32	50
Total current assets		334,309	663,049	409,628	660,881
Noncurrent assets					
Derivative financial instruments	20	-	-	4,812	-
Deferred income and social contribution taxes	12	-	-	10,476	16,781
Judicial deposits		-	629	-	629
Investments	7	337,733	312,825	375,818	383,537
Property and equipment	7.c	-	-	1,500	-
Right of use	11	1,472	1,963	1,472	1,963
Other noncurrent assets		982	798	1,353	1,619
Total noncurrent assets		340,187	316,215	395,431	404,529
Total assets		674,496	979,264	805,059	1,065,410

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Statements of financial position
December 31, 2023 and 2022
(In thousands of reais)

	Note	Individual		Consolidated	
		12/31/2023	12/31/2022	12/31/2023	12/31/2022
Liabilities and equity					
Current liabilities					
Trade accounts payable	8	174,635	301,684	183,963	304,917
Loans and financing	9	147,215	329,026	147,215	329,026
Transactions with related parties	19	80,435	-	-	-
Tax obligations		621	1,200	621	1,200
Labor obligations		3,715	1,002	3,715	1,002
Derivative financial instruments	20	8,775	57,627	10,708	75,293
Advances from customers	10	7,598	-	96,439	63
Lease liabilities	11	570	548	570	548
Total current liabilities		423,564	691,087	443,231	712,049
Noncurrent liabilities					
Lease liabilities	11	902	1,415	902	1,415
Loans and financing	9	106,169	123,429	106,169	123,429
Advances from customers	10	-	-	39,721	-
Deferred income and social contribution taxes	12	6,250	12,649	6,518	12,917
Provision for investment losses	7	-	7,479	-	-
Provision for contingencies		-	726	-	726
Total noncurrent liabilities		113,321	145,698	153,310	138,487
Equity					
Capital	13	69,136	69,106	69,136	69,106
(-) Treasury shares	13	(9,571)	(2,649)	(9,571)	(2,649)
Legal reserve	13	13,107	13,821	13,107	13,821
Granted shares reserve	13	6,030	5,986	6,030	5,986
Tax incentive reserve	13	58,909	56,215	58,909	56,215
		137,611	142,479	137,611	142,479
Noncontrolling interests		-	-	70,907	72,395
Total equity		137,611	142,479	208,518	214,874
Total liabilities and equity		674,496	979,264	805,059	1,065,410

See accompanying notes.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Statements of profit or loss

December 31, 2023 and 2022

(In thousands of reais, except earnings per share - in reais)

	Note	Individual		Consolidated	
		12/31/2023	12/31/2022	12/31/2023	12/31/2022
Sales revenue, net	14	1,458,962	3,222,956	2,092,686	3,993,829
Cost of products sold	15	(1,427,820)	(3,145,478)	(2,006,787)	(4,030,310)
Gross profit (loss)		31,142	77,478	85,899	(36,481)
Operating expenses (income)					
General and administrative expenses	16	(56,552)	(37,913)	(61,322)	(41,482)
Equity pickup	7	47,516	(93,603)	11,047	12,893
Other operating income	17	4,879	212,052	4,879	212,052
Income before finance income (costs) and income and social contribution taxes		26,985	158,014	40,503	146,982
Finance income		20,056	4,026	20,714	4,704
Finance costs		(67,325)	(58,535)	(71,430)	(61,856)
Foreign exchange gains (losses), net		17,490	37,957	12,237	35,639
Finance income (costs), net	18	(29,779)	(16,552)	(38,479)	(21,513)
Income (loss) before income and social contribution taxes		(2,794)	141,462	2,024	125,469
Current income and social contribution taxes	12	(910)	-	(910)	-
Deferred income and social contribution taxes	12	6,398	(23,502)	92	(6,989)
		5,488	(23,502)	(818)	(6,989)
Net income for the year		2,694	117,960	1,206	118,480
Basic and diluted earnings per share - in R\$	13	0.03	1.36	0.03	1.36
Attributable to:					
Controlling interests		2,694	117,960	2,694	117,960
Noncontrolling interests		-	-	(1,488)	520

See accompanying notes.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Statements of comprehensive income
December 31, 2023 and 2022
(In thousands of reais)

	Individual and Consolidated			
	12/31/2023	12/31/2022	12/31/2022	12/31/2022
Net income for the year	2,694	117,960	1,206	118,480
Total comprehensive income for the year, net of taxes	2,694	117,960	1,206	118,480
Attributable to:				
Controlling interests	2,694	117,960	2,694	117,960
Noncontrolling interests	-	-	(1,488)	520

See accompanying notes.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Statements of changes in equity
December 31, 2023 and 2022
(In thousands of reais)

	Capital	Treasury shares	Options granted	Legal reserve	Income reserve		Retained earnings (accumulated losses)	Total	Noncontrolling interests	Total
					Tax incentive reserve	Income reserve				
Balances at December 31, 2021	15,400	(100)	5,267	854	-	6,218	-	27,639	-	27,639
Net income for the year	-	-	-	-	-	-	117,960	117,960	-	117,960
Additional dividends paid out (Note 13.b)	-	-	-	-	-	(1,290)	-	(1,290)	-	(1,290)
Share options granted (Note 13.b)	-	-	719	-	-	-	-	719	-	719
Granted share buyback (Note 13.b)	-	(3,124)	-	-	-	-	-	(3,124)	-	(3,124)
Concession of granted shares (Note 13.b)	-	575	-	-	-	-	-	575	-	575
						(53,706)				
Capital increase with income reserve (Note 13.a)	53,706	-	-	-	-	6	-	-	-	-
Setup of legal reserve (Note 13b)	-	-	-	12,967	-	-	(12,967)	-	-	-
Tax incentive reserve	-	-	-	-	56,215	-	(56,215)	-	-	-
Setup of income reserve (Note 13b)	-	-	-	-	-	48,778	(48,778)	-	-	-
Addition of noncontrolling shareholder due to acquisition of interest (Note 7)	-	-	-	-	-	-	-	-	72,395	72,395
Balances at December 31, 2022	69,106	(2,649)	5,986	13,821	56,215	-	-	142,479	72,395	214,874
Net income for the year (Note 13.b)	-	-	-	-	-	-	2,694	2,694	(1,488)	1,206
Capital increase	30	-	-	-	-	-	(30)	-	-	-
Reversal of legal reserve (Note 13.b)	-	-	-	(714)	-	-	714	-	-	-
Mandatory minimum dividends	-	-	-	-	-	-	(684)	(684)	-	(684)
Granted share buyback (Note 13.b)	-	(6,922)	-	-	-	-	-	(6,922)	-	(6,922)
Share options granted (Note 13.b)	-	-	44	-	-	-	-	44	-	44
Tax incentive reserve	-	-	-	-	2,694	-	(2,694)	-	-	-
Balances at December 31, 2023	69,136	(9,571)	6,030	13,107	58,909	-	-	137,611	70,907	208,518

See accompanying notes.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Statements of cash flows December 31, 2023 and 2022 (In thousands of reais)

	Individual		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Cash flows from operating activities				
Net income for the year	2,694	117,960	1,206	118,480
Adjustment to reconcile income to cash flow from (used in) operating activities				
Depreciation and amortization	677	691	677	691
Depreciation and amortization - surplus value	15,200	12,667	18,765	12,667
Provision for inventory breakage	(21,125)	17,864	(21,125)	17,864
Allowance for expected credit losses	853	-	853	-
Equity pickup	(47,516)	93,603	(11,047)	(12,893)
Unrealized foreign exchange differences	(9,315)	(4,305)	(9,315)	(4,305)
Accrued interest	41,767	43,089	41,767	43,089
Lease liability interest	-	614	-	614
MtM of inventories	24,328	(14,914)	24,328	(14,914)
Share options granted	44	719	44	719
Derivative financial instruments, net	(49,712)	3,192	(36,354)	21,105
Provisions for tax, civil and labor contingencies	(726)	103	(726)	103
Net gains (losses) on bargain purchase (Note 7)	-	(212,052)	-	(212,052)
Deferred income and social contribution taxes	(6,398)	23,502	(92)	6,989
Other provisions	-	265	-	989
	(49,229)	82,998	8,981	(20,854)
Decrease (increase) in operating assets				
Trade accounts receivable (Note 4)	106,106	(96,464)	69,835	63,514
Transactions with related parties (Note 19)	154,202	150,227	34	(314)
Inventories	44,581	90,024	40,244	88,974
Taxes recoverable (Note 6)	18,827	(29,114)	18,815	(28,726)
Expenses to be allocated	2,330	3,414	2,330	3,414
Judicial deposits	629	(42)	629	(42)
Other assets	(167)	767	280	(190)
	326,508	118,782	132,167	126,630
Increase (decrease) in operating liabilities				
Trade accounts payable	(127,049)	(32,864)	(120,954)	(52,191)
Tax obligations	(579)	(1,870)	(579)	(12,095)
Salaries and social charges	2,713	(517)	2,713	(517)
Advances from customers	7,598	-	136,100	63
	(117,317)	(32,251)	17,280	(64,740)
Net cash from operating activities	159,962	166,529	158,428	41,036
Cash flows from investing activities				
Additions to property and equipment and intangible assets	(186)	(817)	(1,686)	(1,541)
Payment for acquisition of investments (Note 7.d)	-	(100,418)	-	(100,418)
Increase in capital of investees (Note 7)	(71)	(3,018)	-	-
Cash of acquiree (Note 7.d)	-	-	-	984
Net cash used in investing activities	(257)	(104,253)	(1,686)	(100,975)
Cash flows from financing activities				
Borrowings	321,689	579,061	321,689	579,061
Repayment of loans	(503,796)	(614,309)	(503,796)	(614,309)
Interest on loans repaid (*)	(49,416)	(38,182)	(49,416)	(38,182)
Lease payment	(491)	(519)	(491)	(519)
(-) Treasury shares	(6,922)	(2,649)	(6,922)	(2,649)
Dividends paid out	(684)	(2,090)	(684)	(2,090)
Net cash used in financing activities	(239,620)	(78,688)	(239,620)	(78,688)
Net decrease in cash and cash equivalents	(79,915)	(16,412)	(82,878)	(138,627)
Cash and cash equivalents at beginning of year	131,553	147,965	141,603	280,230
Cash and cash equivalents at end of year	51,638	131,553	58,725	141,603
Net decrease in cash and cash equivalents	(79,915)	(16,412)	(82,878)	(138,627)

(*) Interest on loans repaid was classified as cash flows from financing activities as it refers to costs to obtain financial resources.

See accompanying notes.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Statements of value added
December 31, 2023 and 2022
(In thousands of reais)

	Individual		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Revenues				
Sales of goods, products and services	1,465,341	3,225,924	2,099,065	3,996,797
	1,465,341	3,225,924	2,099,065	3,996,797
Inputs acquired from third parties				
Cost of products sold	(1,274,298)	(2,783,598)	(1,790,079)	(3,640,269)
Materials, power, services from suppliers and other	(23,400)	(12,111)	(24,577)	(15,525)
Logistics and port costs	(153,515)	(361,823)	(216,701)	(389,983)
Other	-	-	-	-
	(1,451,213)	(3,157,532)	(2,031,357)	(4,045,777)
Gross value added	14,128	68,392	67,708	(48,980)
Depreciation and amortization	(677)	(691)	(677)	(691)
Depreciation and amortization - surplus value	(15,200)	(12,667)	(18,765)	(12,667)
Net value added produced by the Company	(1,749)	55,034	48,266	(62,338)
Equity pickup	47,516	(93,603)	11,047	12,893
Foreign exchange gain	58,788	129,972	53,535	127,654
Finance income	20,056	4,025	20,714	4,703
Other revenues	4,879	212,052	4,879	212,052
Value added received in transfer	131,239	252,446	90,175	357,302
Total value added to be distributed	129,490	307,480	138,441	294,964
Distribution of value added				
Salaries	10,742	8,212	10,742	8,212
Benefits	1,740	1,185	1,740	1,185
Social Security Tax (INSS)	1,920	1,959	1,920	1,959
Unemployment Compensation Fund (FGTS)	536	477	536	477
Personnel	14,938	11,833	14,938	11,833
Federal	(5,443)	25,651	859	9,211
State	8,098	966	8,128	966
Local	288	242	289	324
Taxes, charges and contributions	2,943	26,859	9,276	10,501
Foreign exchange expenses	41,297	92,015	41,297	92,015
Interest	58,258	46,523	60,427	47,583
Other finance costs	9,067	12,013	11,004	14,275
Rents	293	277	293	277
Debt remuneration	108,915	150,828	113,021	154,150
Noncontrolling shareholders	-	-	(1,488)	520
Net income for the year	2,694	117,276	2,694	117,276
Dividends	-	684	-	684
Equity remuneration	2,694	117,960	1,206	118,480
Value added distributed	129,490	307,480	138,441	294,964

See accompanying notes.

Humberg Agribrasil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements

December 31, 2023

(In thousands of reais, unless otherwise stated)

1. Operations

Humberg Agribrasil Comércio e Exportação de Grãos S.A., formerly known as Humberg Agribrasil Comércio e Exportação de Grãos Ltda. (the “Company” or “Humberg Agribrasil”), which began its activities on July 15, 2013, originally as a limited liability company organized to operate for an indefinite period, with articles of organization registered with the São Paulo State Commercial Registry (JUCESP) under the identification number NIRE 3.522.770.580-6, enrolled with the Brazilian IRS Registry of Legal Entities of the Ministry of Finance (CNPJ/MF) under No. 18.483.666/0001-03, and with head office in the city and state of São Paulo, at Rua Joaquim Floriano no. 960, 3rd floor, Itaim Bibi, CEP 04534-002.

The Company’s current activities are the following: export, distribute, buy, sell, resell, market and transport, on its own account or through third parties, food products in general, including, but not limited to, grains, flours, fibers and seeds; (ii) import, export, distribute, buy, sell, resell, market and transport, on its own account or through third parties, agricultural products; (iii) sell, buy and resell *commodities*; (iv) hold interest in other civil or commercial companies, either domestic or foreign, as a partner, shareholder or member; and (v) represent domestic or foreign companies, on its own account or through third parties.

On May 31, 2020, the members approved the transformation of the Company’s legal nature from a limited liability company into a corporation. The purpose of this transformation is to better serve the interests of the Company.

In 2020, Frederico José Humberg, the Company’s controlling shareholder, increased the Company’s capital with the transfer of the 40% investment in Portoeste -Terminal Portuário de Ilhéus S.A., which he held since 2011 at acquisition cost. Portoeste is controlled by its majority shareholder and current operator of the Ilhéus terminal that owns the other 60%, Intermarítima Terminais Ltda. Portoeste was created in 2009 with the specific purpose of participating in the privatization program of the port of Ilhéus (PROAP). The port of Ilhéus specializes in shipments of *Hand size* vessels, a niche market targeted by the Company that already operates grains from the state of Bahia. See Note 7.

On June 14, 2021, the Company’s Board of Directors approved the following corporate governance documents of the Company: (a) the execution, terms and conditions of the initial public offering for the distribution of common shares (“IPO”) issued by the Company, pursuant to CVM Ruling No. 400 of December 29, 2003, as amended (“CVM Ruling No. 400”); (b) to replace the assignment of the position of Chairman of the Board of Directors; (c) establishment of the Company’s Audit and Risk Management Committee, election of the first members and appointment of the Coordinator, as well as the approval of the Internal Regulations of the Audit and Risk Management Committee; (d) approval of the Company’s new Code of Ethics and Conduct; (e) approval of the Company’s Securities Trading Policy; (f) alteration of the current Tax Advisory Committees and the Financial Advisory Committee, and election of members; (g) approval of the Company’s Board of Directors’ Internal Regulations; and (h) authorization for the Executive Board to carry out the acts required for the implementation of the resolutions made in relation to the previous items.

Humberg AgriBrasil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2023

(In thousands of reais, unless otherwise stated)

1. Operations (Continued)

The Company had its listing request granted on Bovespa Mais exchange on June 15, 2021, Bolsa, Balcão (“B3”), under the ticker “GRAO3”.

On October 20, 2021, the Company filed a request with the Brazilian Securities and Exchange Commission (“CVM”) to withdraw from the IPO application, given that, for business and market reasons, the Company decided to verify the feasibility of implementing other capitalization structures.

On February 18, 2022, the Company completed the conditions precedent for acquisition of 81% of the shares of Nityam Empreendimentos e Participações S.A., holder of direct interest in Porto de São Francisco do Sul, through interest held in Terminal Santa Catarina S.A. (“TESC”) and in WRC Operadores Portuários S.A. (“WRC”), and indirect interest through interest held in associate Porto Novo Participações S.A., based on understanding expressed by the Brazilian Antitrust Agency (CADE), approvals by the National Waterway Transportation Agency (ANTAQ), and overcoming of conditions precedent set forth in the purchase and sale agreement and other covenants (see Note 7).

At December 31, 2023, the Parent Company’s net working capital amounts to R\$89,255 (negative by R\$28,038 at December 31, 2022). It should be noticed that the Company controls its operations on a consolidated basis, whereby net working capital deficit amounts to R\$33,603 (R\$51,168 at December 31, 2022).

The Company considers that the effects of net working capital deficit are temporary and continuously monitors liquidity needs to ensure that there is sufficient cash to meet short-term obligations. Accordingly, it has enough credit lines available to meet its financial commitments, in addition to the opportunity for refinancing and monetization of tax credits and expects to record positive net working capital as well as cash generation in the short term. The Company also seeks to improve the quality of its indebtedness in the search for longer-term credit lines and opportunities for new partnerships that improve and leverage future business and improvements in the Company’s margin. It should also be stressed that the Company continues to settle all obligations at the original maturity date.

The operation of the grain terminal presented a high and consistent operational performance during the period, bringing confidence that, without new investments, it will be able to go through the next few years at full operational capacity. This perspective validates the assumptions underlying TESC’s business plan, including a) the ability to progressively reduce TESC’s indebtedness, and b) the generation of sufficient cash and results to meet AgriBrasil’s recently extended debt with Banco do Brasil (Note 9). Currently, the Company is working to contribute, together with TESC’s management and other partners, to ensure the full use, in all segments, of TESC’s installed capacity in the coming six-month periods.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2023

(In thousands of reais, unless otherwise stated)

1. Operations (Continued)

A good performance in the grains segment at TESC will consistently contribute to the Company's results. Management considers this prospect as highly likely, due to the competitive advantage that the terminal offers to the Company, mainly because there is no waiting for ships to dock, while other ports face queues of approximately 40 days.

In addition, Agribrazil is engaged in conversations with investment banks, infrastructure investment funds and other companies, aiming at solutions that can improve its capital structure. Management assessed the scenario and concluded that the Company maintains the necessary conditions to continue its operations and honor its obligations in accordance with the contracted maturities.

The Company's financial information is subject to seasonal variations arising from the crop period, which occurs at different times throughout the year. Furthermore, climate factors and market financial constraints may change the working capital needs over the period, as well as directly impacting current levels of inventories, advances from customers, loans, trade accounts payable and sales volume.

In management's judgment, the Company's operations are not impacted by these events in a way that requires disclosures or additional information to the explanatory notes.

Russia-Ukraine War

The war between Russia and Ukraine intensified at the beginning of 2022 caused global uncertainties and instabilities regarding commodities and inputs at the global level, in particular with regard to commodity prices, in addition to the global impact on freight prices. Although the Company and its financial statements have been affected by the impacts of increased logistical costs and unfavorable commercial negotiations due to the volatility of premiums as a result of the War, there is no way to predict impacts or estimate the occurrence of future impacts arising therefrom. Accordingly, the Company continues to monitor the macroeconomic scenario.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2023

(In thousands of reais, unless otherwise stated)

2. Material accounting policy information

The individual and consolidated financial statements have been prepared and are presented in accordance with the accounting practices adopted in Brazil, which comprise the rules issued by the Brazilian Securities and Exchange Commission (CVM) and the pronouncements issued by Brazil's Financial Accounting Standards Board - FASB (CPC), and in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

The individual and consolidated financial statements have been prepared on a historical cost basis, except for certain derivative financial instruments and inventories that have been measured at fair value, and under the going concern assumption.

The individual and consolidated financial statements provide comparative information in relation to the prior year.

Additionally, the Company considered the Accounting Guidance OCPC 07 issued by CPC in November 2014 in preparing its financial statements. Accordingly, significant information inherent in the financial statements is being disclosed and corresponds to that used by management to manage the Company's operations.

Interest on loans and leases paid were classified as cash flows from financing activities in the statements of cash flows as they are considered by the Company as costs to obtain financial resources.

The financial statements are presented in thousands of Brazilian reais (R\$), which is the functional and presentation currency of the Company and its subsidiaries.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2023

(In thousands of reais, unless otherwise stated)

2. Material accounting policy information (Continued)

Foreign currency transactions are initially recorded at the exchange rate of the functional currency effective at the transaction date. Foreign currency-denominated monetary assets and liabilities are translated into the functional currency at the exchange rate prevailing at the reporting date. All foreign exchange differences are recognized in the statement of profit or loss.

The individual and consolidated financial statements of the Company and its subsidiaries for the year ended December 31, 2023 were authorized for issue on March 26, 2024.

Estimates

These individual and consolidated financial statements have been prepared under various measurement bases used in accounting estimates. Accounting estimates involved in the preparation of these financial statements were based on both objective and subjective factors, in line with management's judgment in determining the appropriate amounts to be recorded in the financial statements.

Settlement of transactions involving these estimates may result in amounts significantly different from those recorded in the financial statements due to the uncertainty inherent in their estimate process. The Company reviews its estimates and assumptions at least once a year or whenever there is evidence of the need for an interim review.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Allowance for expected credit losses on accounts receivable

Management uses a provision matrix to determine the Company's allowance for expected credit losses ("ECL") on accounts receivable. The provision rates applied are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type, credit risk, among others).

The provision matrix is initially based on the Company's historical observed default rates. Management reviews the matrix prospectively to adjust it according to the historical credit loss experience. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2023

(In thousands of reais, unless otherwise stated)

2. Material accounting policy information (Continued)

Allowance for expected credit losses on accounts receivable (Continued)

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. Until 2022, the Company had no history of losses on accounts receivable.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing the related fair values.

Judgements include assessment of liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. See Note 20 for further disclosures.

Taxes

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies. See Note 12 for further disclosures.

Provisions for tax, civil and labor contingencies

The Company recognizes a provision for civil and labor contingencies. Assessment of the likelihood of loss includes analysis of available evidence, the hierarchy of laws, available case law, the most recent court decisions and their relevance in the legal system, as well as the opinion of outside legal advisors. The provisions are reviewed and adjusted to take into consideration changes in circumstances, such as the applicable statute of limitations, outcomes of tax audits or additional exposures identified based on new matters or court decisions.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2023

(In thousands of reais, unless otherwise stated)

2. Material accounting policy information (Continued)

Share-based payment transactions

Estimated fair value of share-based payments requires determination of the most appropriate valuation model for equity instrument granting purposes, which depends on the granting terms and conditions. It also requires the determination of the most adequate data for the valuation model, including the option's estimate life, volatility and yield from dividends, as well as the related assumptions. The Company measures the cost of equity-settled transactions with employees based on the fair value of equity instruments at the grant date.

For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Company uses a Monte-Carlo model for the Stock Option Plan of certain executives (Note 13).

Significant accounting policies adopted by the Company and its subsidiaries

Significant accounting policies adopted in preparing these financial statements are as follows:

a) *Basis of consolidation*

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (Note 7) as at December 31, 2023, and 2022.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the controlling shareholders. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Company's accounting policies. All assets and liabilities, profit or loss, income, expenses and cash flows relating to transactions between the Company and its subsidiaries are eliminated in full on consolidation.

In the individual financial statements, the Company's investments in its subsidiaries are accounted for using the equity method.

b) *Determination of profit or loss (P&L)*

Profit or loss from transactions is recorded on an accrual basis. Net revenue is measured at the fair value of the consideration received, less sales discounts, rebates and taxes.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2023

(In thousands of reais, unless otherwise stated)

2. Material accounting policy information (Continued)

Significant accounting policies adopted by the Company and its subsidiaries (Continued)

b) *Determination of profit or loss (P&L) - Continued*

Sales revenue is recognized in profit or loss when its amount can be measured reliably, all risks and rewards underlying the product are transferred to the buyer, the Company no longer controls or is responsible for the goods sold and economic benefits are likely to flow to the Company. Revenue is not recognized when there is significant uncertainty about realization thereof. Interest income and expenses are recognized in net finance charges using the effective interest method.

c) *Cash and cash equivalents*

Cash and cash equivalents include highly liquid positive bank account balances redeemable within 90 days from the investment dates, involving an insignificant risk of changes in their market value.

The Company considers cash equivalents a short-term investment readily convertible into a known cash amount and subject to an insignificant risk of change in value. Accordingly, an investment normally qualifies as cash equivalent when it is redeemable in the short term, for instance, within three months or less as from the investment date.

d) *Trade accounts receivable*

Trade accounts receivable are measured at their original amount at revenue recognition, less allowance for expected credit losses, if any. The allowance for expected credit losses is determined when there is evidence that management may not receive all receivables on their original due dates. The assumptions are presented in Note 2, under "Estimates".

e) *Inventories*

Agricultural products (commodities) are marked to market (MTM) and are valued based on the benchmark prices prevailing on the respective commodity exchanges where such products are usually traded, less costs to sell, in view of the location of origination and transshipment of these commodities, which may be settled financially or in physical volume.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2023

(In thousands of reais, unless otherwise stated)

2. Material accounting policy information (Continued)

Significant accounting policies adopted by the Company and its subsidiaries (Continued)

e) *Inventories (Continued)*

The breakage provision is calculated based on percentages estimated and agreed with the suppliers in the sections from origin to the final destination of the product, applied to the delivered volume of these inventories and valued according to the prices of the handled contract. Unrealized gains and losses under forward contracts are recorded in the statement of profit or loss and classified under "Cost of commodities sold".

f) *Property and equipment*

Property and equipment items are measured at cost less depreciation and accumulated impairment loss. Depreciation is calculated using the straight-line method based on the estimated useful lives of depreciable assets. Repair expenses are generally charged to profit or loss as incurred. However, they are capitalized when the expected future economic benefits of the property and equipment item increase.

Assets under construction are not depreciated until they are completed and ready for their intended use. Interest on loans is capitalized when referring to a qualifying asset. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of such an asset. Other borrowing costs must be recognized as an expense.

Property and equipment items are substantially represented by improvements in leased properties and electronic data processing equipment, with an estimated useful life of three and five years, respectively. The residual values and useful lives of assets, as well as depreciation methods, are reviewed annually, and adjusted prospectively, as applicable.

g) *Investments*

Investments in subsidiaries are valued based on the equity method for purposes of the Parent Company's financial statements. Other investments that do not fall under the above category are valued at acquisition cost, less provision for impairment, when applicable.

An affiliate is an entity over which the Company exercises significant influence without controlling it. Significant influence is the power to participate in the financial and operating decisions of the investee, but is not control or joint control over those policies.

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2023

(In thousands of reais, unless otherwise stated)

2. Material accounting policy information (Continued)

Material accounting policies adopted by the Company and its subsidiaries (Continued)

g) *Investments* (Continued)

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Company's investment in its associate and joint venture are accounted for using the equity method.

Under the equity method, the investment in an associate (CPC 18 (R2).26-29) or a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Company's share of equity of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment, however, it is not amortized or separately tested for impairment purposes.

The statement of profit or loss reflects the Company's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Company's OCI. In addition, when there has been a change recognized directly in the equity of the associate or joint venture, the Company recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Company and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Company's share of profit or loss of an associate or joint venture is shown in the statement of profit or loss and represents profit or loss after taxes and noncontrolling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Company. When necessary, adjustments are made to bring the accounting policies in line with those of the Company.

After application of the equity method, the Company determines whether it is necessary to recognize an additional impairment loss on its investment in its associate or joint venture. At each reporting date, the Company determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying amount, and then recognizes the loss within 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2023

(In thousands of reais, unless otherwise stated)

2. Material accounting policy information (Continued)

Material accounting policies adopted by the Company and its subsidiaries (Continued)

g) Investments (Continued)

Upon loss of significant influence over the associate or joint control over the joint venture, the Company measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

h) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the consideration transferred after measurement of the fair value of the acquiree's equity, and the amount of any noncontrolling interests in the acquiree. Acquisition-related costs are expensed as incurred.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration to be considered as an asset or liability shall be recognized in accordance with CPC 48 in the statement of profit or loss.

Goodwill is initially measured at cost (being the excess of the consideration transferred and the amount recognized for noncontrolling interests on assets acquired and liabilities assumed). If this payment is less than the fair value of the net assets of the acquired subsidiary, the difference is recognized in P&L as gain on bargain purchase.

After initial recognition, goodwill is measured at cost, less any impairment losses. For impairment test purposes, goodwill acquired in a business combination is, as of acquisition date, allocated to each of the Company's cash-generating units (CGU) expected to benefit from the business combination, regardless of other assets or liabilities of the acquiree being attributed to such CGUs, considering the business segments defined by management.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)
December 31, 2023
(In thousands of reais, unless otherwise stated)

2. Material accounting policy information (Continued)

Material accounting policies adopted by the Company and its subsidiaries (Continued)

i) *Taxation*

i) Sales taxes

The Company's revenues are subject to the following taxes and contributions, at the corresponding statutory rates, on services provided in the domestic market:

	<u>Rates</u>
State VAT (ICMS) - São Paulo	
State	18%
ICMS (other states)	5% to 12%
Service Tax (ISS)	5%
PIS	1.65%
COFINS	7.60%

These charges are presented as sales deductions in the statements of profit or loss. Tax credits arising out of noncumulative PIS/COFINS taxation are recorded as a deduction from cost of goods sold in the statements of profit or loss.

ii) Income and social contribution taxes (IRPJ and CSLL)

Current income and social contribution taxes

The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted at the reporting date. In Brazil, income taxes comprise both the Corporate Income Tax (IRPJ) and Social Contribution Tax on Net Profit (CSLL). Income tax computed under the taxable profit based on accounting records regime uses a rate of 15%, plus a 10% surtax on income exceeding R\$240 over 12 months, whereas social contribution tax is computed at a rate of 9% on taxable profit, both recognized on an accrual basis; therefore, additions to book income of temporarily nondeductible expenses or exclusions of temporarily nontaxable income upon determination of current taxable profit generate deferred tax assets or liabilities. In Switzerland, income tax is calculated at the rate of 14% on accounting profit before income tax.

Current tax assets and liabilities referring to the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities using the tax rates that have been approved at the end of the reporting year in the countries where the Company operates and generates taxable profit.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2023

(In thousands of reais, unless otherwise stated)

2. Material accounting policy information (Continued)

Significant accounting policies adopted by the Company and its subsidiaries (Continued)

i) *Taxation* (Continued)

ii) *Income and social contribution taxes (IRPJ and CSLL)* - Continued

Current income and social contribution taxes relating to items recognized directly in equity are recognized in equity. From time to time, management reviews the tax position in situations in which interpretation of tax regulation is required, and records provisions as appropriate.

Deferred income and social contribution taxes

Deferred taxes arise from temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts. Deferred tax liabilities are recognized for all taxable temporary differences.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit (or taxable loss); and
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will be reversed in the foreseeable future and taxable profit will be available against which the temporary differences can be used.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that taxable profit will be available to allow all or part of the deferred tax asset to be used. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2023

(In thousands of reais, unless otherwise stated)

2. Material accounting policy information (Continued)

Material accounting policies adopted by the Company and its subsidiaries (Continued)

i) *Taxation* (Continued)

ii) *Income and social contribution taxes (IRPJ and CSLL)* - Continued

Deferred income and social contribution taxes (Continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted at the reporting date.

The Company accounts for current tax assets and liabilities on a net basis if and only if the referred to entities have a legally enforceable right to make or receive one single net payment and the entities intend to make or receive such net payment or recover the asset and settle the liability simultaneously.

Net deferred tax assets and liabilities, in turn, are accounted for by the Company and its subsidiaries if and only if the entity has the legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority: (i) on the same taxable entity; or (ii) on different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

j) *Uncertainty over Income Tax Treatments - ICPC 22/ITG 22/IFRIC 23*

The Interpretation referring to Uncertainty over Income Tax Treatments - ICPC 22/ITG 22/IFRIC 23 addresses the accounting of income taxes in cases where tax treatments involve uncertainty that affects the application of IAS 12 (CPC 32/NBC TG 32 (R4) - Income Taxes) and neither applies to taxes outside the scope of IAS 12 nor specifically includes the requirements regarding interest and fines associated with uncertain tax treatments.

Based on its study of tax compliance, the Company has determined that it is likely that its tax treatments (including those applied to subsidiaries) will be accepted by tax authorities. This interpretation had no impact on the Company's individual and consolidated financial statements.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2023

(In thousands of reais, unless otherwise stated)

2. Material accounting policy information (Continued)

Material accounting policies adopted by the Company and its subsidiaries (Continued)

k) *Financial instruments - initial recognition and subsequent measurement*

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost or at fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's and its subsidiaries' business model for managing them. The Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortized cost or fair value through profit or loss, it needs to give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is performed at an instrument level.

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company and its subsidiaries commit to purchase or sell the asset.

Significant financial instruments recognized by the Company include cash and cash equivalents, trade accounts receivable, derivative financial instruments and transactions with related parties. These financial assets are classified in the following categories: financial assets at fair value through profit or loss and receivables.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2023

(In thousands of reais, unless otherwise stated)

2. Material accounting policy information (Continued)

Material accounting policies adopted by the Company and its subsidiaries (Continued)

k) *Financial instruments - initial recognition and subsequent measurement* (Continued)

Financial assets (Continued)

Subsequent measurement

For purposes of subsequent measurement, financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss. This category includes derivative instruments.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control over the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control over the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of: (i) the carrying amount of the asset; and (ii) the maximum amount of consideration that the entity could be required to repay (amount of the guarantee).

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2023

(In thousands of reais, unless otherwise stated)

2. Material accounting policy information (Continued)

Material accounting policies adopted by the Company and its subsidiaries (Continued)

k) *Financial instruments - initial recognition and subsequent measurement (Continued)*

Financial assets (Continued)

Impairment of financial assets

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. For trade accounts receivable, the assumptions are presented in Note 2, under “Estimates”.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, financial liabilities at amortized cost, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are measured initially at fair value and, in the case of a financial liability not at fair value through profit or loss, plus or less transaction costs directly attributable to the issue of the financial liability.

The Company’s financial liabilities include trade accounts payable and other accounts payable, loans and financing, and derivative financial instruments.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss; and
- Financial liabilities at amortized cost.

The measurement of financial liabilities depends on their classification, as described below:

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2023

(In thousands of reais, unless otherwise stated)

2. Material accounting policy information (Continued)

Material accounting policies adopted by the Company and its subsidiaries (Continued)

k) *Financial instruments - initial recognition and subsequent measurement* (Continued)

Financial liabilities (Continued)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by CPC 48. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in CPC 48 are satisfied.

Financial liabilities at amortized cost (loans and financing and trade accounts payable)

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and financing are subsequently measured at amortized cost using the effective interest (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)
December 31, 2023
(In thousands of reais, unless otherwise stated)

2. Material accounting policy information (Continued)

Material accounting policies adopted by the Company and its subsidiaries (Continued)

k) *Financial instruments - initial recognition and subsequent measurement (Continued)*

Financial liabilities (Continued)

Financial liabilities at amortized cost (loans and financing and trade accounts payable) -
Continued

This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial liability is derecognized when the obligation under the liability is terminated, i.e. when the obligation specified in contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the individual and consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; and
- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or most advantageous market must be accessible by the Company.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2023

(In thousands of reais, unless otherwise stated)

2. Material accounting policy information (Continued)

Material accounting policies adopted by the Company and its subsidiaries (Continued)

k) *Financial instruments - initial recognition and subsequent measurement* (Continued)

Financial liabilities (Continued)

Fair value measurement (Continued)

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing an asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;
- Level 2 - valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 - valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)
December 31, 2023
(In thousands of reais, unless otherwise stated)

2. Material accounting policy information (Continued)

Material accounting policies adopted by the Company and its subsidiaries (Continued)

k) *Financial instruments - initial recognition and subsequent measurement (Continued)*

Financial liabilities (Continued)

Fair value measurement (Continued)

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above. Fair-value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed are summarized in the respective notes.

The Company conducts transactions involving derivative financial instruments in order to minimize the risks stemming from fluctuations in the market prices of soybean and corn, as well as to minimize the impacts on Company's profit or loss arising from fluctuations in the US dollar against the Brazilian real.

The Company hedges its exposure to the US dollar by means of Non-Deliverable Forwards (NDF).

The Company uses derivative financial instruments, such as forward currency contracts and forward commodity contracts, to hedge its foreign currency risks and commodity price risks (CBOT), respectively. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The commodity futures market transactions are adjusted on a daily basis and are valued at market value up to the expiration of trading contracts. Gains and losses are allocated to profit or loss for the year, and the Company does not adopt any hedge accounting policy.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2023

(In thousands of reais, unless otherwise stated)

2. Material accounting policy information (Continued)

Material accounting policies adopted by the Company and its subsidiaries (Continued)

l) *Segment reporting*

The Company has one single operating segment (the grains segment) that is used by management for analysis and decision-making purposes.

m) *Employee benefits*

The Company's employee and management benefits include, in addition to fixed compensation (salaries and social security contributions (INSS), vacation pay and 13th monthly salary), healthcare plan and variable compensation, such as profit sharing. These benefits are recorded in profit or loss for the year, under "General and administrative expenses", as incurred.

Share-based payment transactions

Certain Company executives receive share-based payments, whereby they render services as consideration for equity instruments ("equity-settled transactions"). These executives are rewarded with the right to acquire Company shares held by the main shareholder. The Company does not have cash-settled transactions.

The costs of equity-settled transactions are measured based on the fair value at the date when the grant is made. To determine the fair value, the Company resorts to an outside valuation specialist, who uses an appropriate valuation method. See Note 13. d)

That cost is recognized in employee benefits expense, together with a corresponding increase in equity (other capital reserves), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognized for equity-settled transactions at each reporting date until the *vesting date* reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for the period represents the movement in cumulative expense recognized as at the beginning and end of that period.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)
December 31, 2023
(In thousands of reais, unless otherwise stated)

2. Material accounting policy information (Continued)

Material accounting policies adopted by the Company and its subsidiaries (Continued)

m) *Employee benefits (Continued)*

Share-based payment transactions (Continued)

Service and non-market performance conditions are not taken into account when determining the fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market-related performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognized for awards that do not ultimately vest because performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified (e.g., due to plan modifications), the minimum expense recognized is the grant date fair value, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

There are no dilutive effects of outstanding options since the option is related to existing equity instruments and not to new issues.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)
December 31, 2023
(In thousands of reais, unless otherwise stated)

2. Material accounting policy information (Continued)

Material accounting policies adopted by the Company and its subsidiaries (Continued)

n) *New or revised pronouncements applied for the first time in 2023*

The Company applied for the first time certain standards and amendments that are effective for annual reporting periods beginning on or after January 1, 2023 (unless otherwise stated). The Company elected not to early adopt any other standard, interpretation or amendment that has been issued, but is not yet effective.

Definition of Accounting Estimates - Amendments to IAS 8

Amendments to IAS 8 (equivalent to CPC 23 - Accounting policies, changes in accounting estimates and errors) clarify the difference between changes in accounting estimates, changes in accounting policies and errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

These amendments had no impact on the Company's financial statements.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

The amendments to IAS 1 (equivalent to CPC 26 (R1) - Presentation of financial statements) and IFRS Practice Statement 2 provide guidance and examples to help entities to apply materiality judgments to accounting policy disclosures. The amendments aim to help entities to provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their "significant" accounting policies with a requirement to disclose their "material" accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

These amendments had an impact on the Company's accounting policy disclosures, but not on the measurement, recognition or presentation of items in the financial statements.

Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction - Amendments to IAS 12

The amendments to IAS 12 - Income taxes (equivalent to CPC 32 - Income taxes) narrow the scope of the initial recognition exception so that it no longer applies to transactions that generate equal taxable and deductible temporary differences, such as leases and decommissioning liabilities. These amendments had no impact on the Company's financial statements.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)
December 31, 2023
(In thousands of reais, unless otherwise stated)

2. Material accounting policy information (Continued)

Material accounting policies adopted by the Company and its subsidiaries (Continued)

n) *New or revised pronouncements applied for the first time in 2023 (Continued)*

International Tax Reform - Pillar Two Model Rules - Amendments to IAS 12

The amendments to IAS 12 (equivalent to CPC 32 - Income Taxes) were introduced in response to the OECD Pillar Two Model Rules on BEPS and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the legal implementation of the Pillar Two model rules; and
- Disclosure requirements for entities impacted to help users of financial statements better understand an entity's exposure to Pillar Two income taxes arising from this legislation, especially prior to the effective date.

The mandatory temporary exception - the use of which must be disclosed - takes effect immediately. The other disclosure requirements apply to annual reporting periods beginning on or after January 1, 2023, but not to any interim period ending on or before December 31, 2023.

These amendments had no impact on the Company's financial statements, as the Company is not subject to the Pillar Two model rules, since its revenue is less than 750 million euros per year.

3. Cash and cash equivalents

	Individual		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Cash	8	11	8	11
Banks - local currency	12,998	10,869	12,999	10,872
Cash equivalents - short-term investments	37,720	108,361	38,512	109,309
Total local currency	50,726	119,241	51,519	120,192
Banks - foreign currency	9	239	6,200	8,491
Margin deposit - futures broker (*)	903	12,073	1,006	12,920
Total foreign currency	912	12,312	7,206	21,411
Total	51,638	131,553	58,725	141,603

(*) Margin deposits at a futures broker refer to margin remittances made on the Chicago Board of Trade (CBOT); the deposited amount guarantees short-term financial market transactions already measured at market value, which have immediate liquidity with no significant changes in value.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2023

(In thousands of reais, unless otherwise stated)

3. Cash and cash equivalents (Continued)

Short-term investments refer substantially to Repurchase Agreements and Bank Deposit Certificates (CBD) bearing interest of 91% to 105% based on the Interbank Deposit Certificate (CDI) held with daily liquidity and subject to negligible risk of change in value. The consolidated bank balances denominated in foreign currency are represented by USD1,488 at December 31, 2023 and USD4,104 at December 31, 2022.

4. Trade accounts receivable

	Individual		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Trade accounts receivable - domestic customers	8,652	4,334	8,652	4,334
Trade accounts receivable - foreign customers	81,671	192,095	132,610	206,763
Allowance for expected credit losses	(853)	-	(853)	-
Total	89,470	196,429	140,409	211,097

As of December 31, 2023, the Company has a balance of accounts receivable, which are presented net of allowance for expected credit losses of R\$853, overdue for 494 days (R\$0 as of December 31, 2022), and all the remaining balance is falling due. The Company uses a provision matrix to calculate the expected credit loss on accounts receivable. The allowance rates applied are based on days of delay for groupings of various customer segments.

The provision matrix is initially based on the historical loss rates observed by the Company until write-off. The Company reviews the matrix prospectively to adjust it according to the historical experience of credit loss. The allowance was recorded for falling due accounts, since credit deterioration was detected for certain customers. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

Changes in expected credit losses

	Individual	Consolidated
Balance at December 31, 2022	-	-
Set up of allowance	(853)	(853)
Balance at December 31, 2023	(853)	(853)

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2023

(In thousands of reais, unless otherwise stated)

5. Inventories

	Individual		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Finished products				
Corn	63,081	116,658	63,081	116,658
Soybean	-	4,955	-	4,955
Advances to suppliers (*)	22,004	8,054	27,391	9,104
Provision for inventory breakage	(2,260)	(23,386)	(2,260)	(23,386)
Total	82,825	106,281	88,212	107,331
Mark to market (MtM)				
Corn (MtM)	4,306	29,022	4,306	29,022
Soybean (MtM)	-	(388)	-	(388)
Total mark to market	4,306	28,634	4,306	28,634
Grand total	87,131	134,915	92,518	135,965

(*) Advances made to grain producers to ensure the purchase of goods are classified in Current assets, according to expected realization.

6. Taxes recoverable

	Individual		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
PIS	8,885	13,004	8,885	13,004
COFINS	47,195	61,254	47,195	61,254
ICMS	1,499	1,422	1,499	1,422
IRRF	1,053	584	1,057	588
CSLL	4	3	4	3
Prepayment of IRPJ	-	885	37	913
Prepayment of CSLL	-	311	3	311
Total current	58,636	77,463	58,680	77,495

The taxes recoverable balances originated mainly in the PIS/COFINS recoverable items on the purchase of commodities for resale and land transportation of goods, which were in turn exported with no PIS/COFINS taxation. Management has already filed a request for refund and/or offset of the entire PIS/COFINS recoverable balance.

The ICMS tax recoverable balance stems from tax credits on purchase of goods used for resale, as per prevailing legislation. Management has several alternatives for using the balance in the coming months.

Humberg Agribrasil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2023

(In thousands of reais, unless otherwise stated)

7. Investments

	Type of interest	Control	Equity interest (%)	
			12/31/2023	12/31/2022
Subsidiaries				
Agribrasil Global Markets S.A. (i)	Direct	Subsidiary	100%	100%
Humberg Agribrasil Bioenergia S.A. (iii)	Direct	Subsidiary	100%	100%
Nityam Empreendimentos e Participações S.A. (iv)	Direct	Subsidiary	81%	81%
Other				
Portoeste Terminal Portuário de Ilhéus S.A. (ii)	Direct	Associate	40%	40%
TESC Terminal Santa Catarina S/A (iv)	Indirect	Joint control	50%	50%
WRC Operadores Portuários S/A. (iv)	Indirect	Joint control	50%	50%
Porto Novo Participações S/A	Indirect	Associate	26%	26%
			Individual	Consolidated
			12/31/2023	12/31/2022
			12/31/2022	12/31/2022
Investments in subsidiaries			32,543	13,022
Investments in associates			121,005	100,418
Surplus value arising from tangible assets			-	-
Surplus value arising from intangible assets			-	-
Surplus value of assets			212,052	212,052
Depreciation and amortization - surplus value			(27,867)	(12,667)
Investment			337,733	312,825
Investments in subsidiaries			-	(7,479)
Provision for loss on investments			-	(7,479)
Net investment			337,733	305,346
			375,818	383,537

Changes in investments are shown below:

	Individual		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Previous balance	305,346	96,128	383,537	470
Amount paid for acquisition of investments	-	100,418	-	-
Capital contribution	71	3,018	-	-
Net assets acquired - acquisition of Nityam	-	-	-	38,362
Gain on bargain purchase (Note 17)	-	212,052	-	-
Depreciation and amortization - surplus value	(15,200)	(12,667)	(18,766)	(12,667)
Equity pickup - Nityam	8,856	11,730	11,047	12,893
Equity pickup - Bioenergia	(74)	(2,196)	-	-
Equity pickup - AGM	38,734	(103,137)	-	-
Surplus value arising from tangible assets	-	-	-	30,696
Surplus value arising from intangible assets	-	-	-	313,783
Closing balance	337,733	305,346	375,818	383,537

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2023

(In thousands of reais, unless otherwise stated)

7. Investments (Continued)

Companies included in the consolidated financial statements of the Company and jointly-controlled entities:

a) Agribrazil Global Markets (i)

The functional currency of the subsidiary abroad is the Brazilian real, the same functional currency of its parent company since it is an extension of the Company's operations. Assets and liabilities are recorded in US dollar and translated into reais at the exchange rate prevailing at the transaction date. At year end, the effects in reais of changes in exchange rates on monetary assets and liabilities, in a currency other than the functional currency, are recorded in finance costs.

	<u>12/31/2023</u>	<u>12/31/2022</u>		<u>12/31/2023</u>	<u>12/31/2022</u>
Assets			Liabilities and equity		
Current assets			Current liabilities		
Cash and cash equivalents	6,294	9,099	Trade accounts payable	9,316	3,292
Trade accounts receivable	50,939	14,668	Transactions with related parties	-	72,562
Transactions with related parties	81,575	-	Derivative financial instruments	29,148	58,650
Inventories	5,387	70	Advances from customers	88,843	63
Derivative financial instruments	43,611	86,469	Total current liabilities	127,307	134,567
Total current assets	187,806	110,306			
			Noncurrent liabilities		
Noncurrent assets			Advances from customers	39,721	-
Deferred income and social contribution taxes	10,476	16,781	Total noncurrent liabilities	39,721	-
Total noncurrent assets	10,476	16,781			
			Equity		
Total assets	198,282	127,087	Capital	30,482	30,482
			Retained earnings (accumulated losses)	772	(37,962)
			Total equity	31,254	(7,480)
			Total liabilities and equity	198,282	127,087
				<u>12/31/2023</u>	<u>12/31/2022</u>
Sales revenue, net				1,393,509	3,029,426
Cost of products sold				(1,338,752)	(3,143,385)
Gross profit (loss)				54,757	(113,959)
Operating expenses (income)					
General and administrative expenses				(916)	(817)
Income (loss) before finance income (costs) and income and social contribution taxes				53,841	(114,776)
Finance income				558	551
Finance costs				(4,103)	(3,561)
Foreign exchange gains (losses), net				(5,256)	(2,079)
Finance income (costs), net				(8,801)	(5,089)
Income (loss) before income and social contribution taxes				45,040	(119,865)
Current income and social contribution taxes				-	-
Deferred income and social contribution taxes				(6,306)	16,781
Income and social contribution taxes				(6,306)	16,781
Net income (loss) for the period				38,734	(103,084)

7. Investments (Continued)

Humberg Agribrasil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2023

(In thousands of reais, unless otherwise stated)

b) Portoeste Terminal Portuário de Ilheus S.A. (ii)

	(%) Equity interest	Units of interest	Equity	Equity pickup	Total
<u>Portoeste Terminal Portuário de Ilheus S.A.</u>					
12/31/2022	40%	113,904	470	-	470
12/31/2023	40%	113,904	470	-	470

On July 28, 2020, 113,904 registered common shares with no par value, fully subscribed and paid in, totaling R\$470, were paid up through transfer of the shares held by Frederico José Humberg in Portoeste - Terminal Portuário de Ilhéus S.A., a company based in the city of Ilhéus, state of Bahia, at Avenida Soares Lopes, no. 1.698, Centro, CEP 45.653-005, CNPJ/ME No. 11.086.111/0001-89, with its Articles of Incorporation duly amended and filed with the Bahia State Commercial Registry (JUCEB) on April 28, 2021, under the identification number NIRE 29.300.029.921 ("Portoeste"). Portoeste was created in 2009 with the specific purpose of participating in the privatization program of the port of Ilhéus (PROAP) and has no significant assets or changes in P&L. The Company has no control over it and the amount recorded was the amount paid by the Company's shareholder, and no gain or loss was computed in the transaction.

c) Humberg Agribrasil Bioenergia S.A. (iii)

On February 2, 2022, Humberg Agribrasil contributed R\$2,000 to start operations of Humberg Agribrasil Bioenergia S.A. ("Agribrasil Bioenergia").

On March 8, 2022, the Company executed an equipment and engineering purchase agreement with ICM, Inc. ("ICM"), making progress in the project concerning subsidiary Humberg Agribrasil Bioenergia S.A. ("Agribrasil Bioenergia").

ICM is a North American company that provides complete engineering, manufacturing, implementation and support projects and services for biofuel plants, a global leader in that segment.

The Company is set on starting construction of a modern industrial complex in Mato Grosso (MT) state capable of crushing up to 1,700 tons of corn per day, which would allow the production of up to 260 million liters of anhydroporan ethanol.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2023

(In thousands of reais, unless otherwise stated)

7. Investments (Continued)

c) Humberg Agribrazil Bioenergia S.A. (iii)--Continued

	<u>Agribrazil Bioenergia</u>		<u>Agribrazil Bioenergia</u>	
	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>12/31/2023</u>	<u>12/31/2022</u>
Assets				
Current assets				
Cash and cash equivalents	-	2		
Inventories	7	1,050		
Taxes recoverable	4	4		
Total current assets	11	1,056		
Noncurrent assets				
Other noncurrent assets	371	821		
Total noncurrent assets	371	821		
Property and equipment	1,500	-		
Total permanent assets	1,500	-		
Total assets	1,882	1,877		
Liabilities and equity				
Current liabilities				
Trade accounts payable			8	-
Transactions with related parties			1,055	1,055
Total current liabilities			1,063	1,055
Noncurrent liabilities			-	-
Total noncurrent liabilities			-	-
Equity				
Capital			3,089	3,018
Retained earnings (accumulated losses)			(2,270)	(2,196)
Total equity			819	822
Total liabilities and equity			1,882	1,877
			<u>Agribrazil Bioenergia</u>	
			<u>12/31/2023</u>	<u>12/31/2022</u>
Operating expenses (income)				
General and administrative expenses			(72)	(2,210)
Loss before finance income (costs) and income and social contribution taxes			(72)	(2,210)
Finance income (costs), net			(2)	14
Loss before income and social contribution taxes			(74)	(2,196)
Deferred income and social contribution taxes			-	-
Loss for the period			(74)	(2,196)

As part of the industrial complex project, on February 9, 2023, the Company executed the contract for the purchase of the plot of land in the municipality of Canarana/MT for future installation of the subsidiary, in the amount of R\$1,500.

d) Nityam Empreendimentos e Participações S.A. (iv)

On February 18, 2022, the Company completed the conditions precedent for acquisition of majority interest in Terminal Santa Catarina S.A. ("TESC") and in WRC Operadores Portuários S.A. ("WRC"), based on understanding expressed by the Brazilian Antitrust Agency (CADE), approvals by the National Waterway Transportation Agency (ANTAQ), and overcoming of conditions precedent set forth in the purchase and sale agreement and other covenants.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2023

(In thousands of reais, unless otherwise stated)

7. Investments (Continued)

d) Nityam Empreendimentos e Participações S.A. (iv)--Continued

The Term for Completion of the Purchase of 100% of Nityam was signed on this date, with payment of the Acquisition Price in the total amount of R\$124,649, as follows: (i) R\$18,000 corresponding to the Guarantee; and (ii) R\$106,649, already considering the amount corresponding to the Company's cash, pursuant to the Agreement provisions. The amount of assets acquired and liabilities assumed at fair value was R\$312,470, with a gain on bargain purchase of R\$212,052, recorded in P&L for the year under Other operating income (expenses), as per Note 17.

Nityam is a holding company that holds direct and indirect interest (through Porto Novo Participações) of 62.96% in TESC and WRC. Based on TESC and WRC shareholders' agreements, management concluded that it has shared control over such investees. Accordingly, the indirect equity interests held in TESC and WRC were classified as joint venture and accounted for at cost value plus equity pickup effects.

Additionally, on March 30, 2022, the Company received the financial settlement in return referring to the disposal of 19% interest held by certain shareholders of Porto Novo in Nityam, who had preemptive rights over the shares. As a result, the Company's interest in Nityam fell from 100% to 81%. The sale resulted in a loss of interest of R\$49,064 corresponding to 19%, and such shareholders now hold noncontrolling interest in this subsidiary. The total cash disbursement net of the receipt of 19% equity interest, amounting to R\$24,231, was R\$100,418.

The fair value of the identifiable net assets acquired and liabilities assumed of the investees on the acquisition date, based on the closing statement of financial position as of January 31, 2022, considering the final result of the transaction, is presented below:

Acquisition of Nityam	
Equity interest acquired	81%
Net assets acquired - carrying amount	74,488
Fair value adjustment – property and equipment WRC (i)	24,864
Present value adjustment - intangible asset of the lease agreement of the port (ii)	213,118
Total fair value of net assets acquired	312,470
(-) Total consideration transferred	(100,418)
Gain on bargain purchase (Note 17)	212,052
Deferred tax liabilities (Note 12)	(72,098)
Net gain on bargain purchase	139,954

(i) Adjustment of surplus value of property and equipment of WRC on the acquisition date, pursuant to valuation report prepared by an expert engaged by the Company. Property and equipment items refer substantially to real estate, cranes and machinery and equipment.

(ii) Adjustment of surplus value of the lease of the port area located in the city of São Francisco do Sul, state of Santa Catarina.. This agreement is effective until 2046.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)
December 31, 2023
(In thousands of reais, unless otherwise stated)

7. Investments (Continued)

d) Nityam Empreendimentos e Participações S.A. (iv)--Continued

The bargain purchase gain resulted mainly from the improved performance of the investees between the contract execution date (October 28, 2021, when the purchase price was defined) and the transaction closing date (February 17, 2022). In this interval, the main factors that contributed to the increase in the fair value of net assets and operating performance, without a corresponding increase in the purchase price of the equity interest that was already locked on a previous date, were as follows: (i) correction of fees for take or pay contracts with customers; (ii) increase in average rates for pulp, solid bulk and steel cargoes; (iii) new take or pay contracts signed in the period; and (iv) significant civil claims granted. All these factors impacted the fair value assessment of the port lease agreement.

	Nityam		Porto Novo		TESC		WRC	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Assets								
Total current assets	1,026	1,141	59	44	45,276	221,353	13,106	13,887
Noncurrent assets	116,360	105,312	52,259	31,570	470,236	180,017	55,414	48,991
Total assets	117,386	106,453	52,318	31,614	515,512	401,370	68,520	62,878
Total current liabilities	10	11	3	385	33,233	5,568	4,795	2,544
Total noncurrent liabilities	-	-	3,571	-	411,628	367,540	29,858	25,456
Total liabilities	10	11	3,574	385	444,861	373,108	34,653	28,000
Equity	117,376	106,442	48,744	31,229	70,651	28,262	33,867	34,878
	Nityam		Porto Novo		TESC		WRC	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022	12/31/2023	2/31/2022	12/31/2023	12/31/2022
P&L								
Service revenue, net	-	-	-	-	186,647	172,579	15,176	21,130
Cost of services	-	-	-	-	(97,733)	(109,074)	(13,784)	(18,737)
Gross profit	-	-	-	-	88,914	63,505	1,392	2,393
Operating expenses (income)								
General and administrative expenses	(217)	(541)	(173)	(188)	(16,719)	(13,864)	(1,565)	(813)
Equity pickup	11,048	10,328	8,809	8,241	-	-	-	-
Other operating income (expenses)	-	-	-	-	(2,820)	(5,230)	(3,215)	(4,379)
Income before finance income (costs) and income and social contribution taxes	10,831	9,787	8,636	8,053	69,375	44,411	(3,388)	(2,799)
Finance income	100	111	1	-	2,413	7,767	183	340
Finance costs	-	-	(2)	(2)	(39,349)	(22,155)	(628)	(1,678)
Foreign exchange gains (losses), net	3	2	-	-	(494)	-	-	-
Finance income (costs)	103	113	(1)	(2)	(37,430)	(14,388)	(445)	(1,338)
Income before income and social contribution taxes	10,934	9,900	8,635	8,051	31,945	30,023	(3,833)	(4,137)
Current income and social contribution taxes	-	-	-	-	(4,370)	29	-	(679)
Deferred income and social contribution taxes	-	-	-	-	(6,408)	(10,406)	284	1,653
Net income (loss) for the period	10,934	9,900	8,635	8,051	21,167	19,646	(3,549)	(3,163)

On October 23, 2023, the Company incorporated Humberg Agribrazil Fertilizantes Ltda., a company engaged in the wholesale trade, import and export of agrochemicals. As of December 31, 2023, the company is inoperative and without any change **in these statements.**

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2023

(In thousands of reais, unless otherwise stated)

8. Trade accounts payable

Trade accounts payable refer to supply of commodities for resale and services that do not bear interest and are usually settled from 30 to 90 days.

	Individual		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Trade accounts payable - domestic market	174,635	301,684	174,647	301,625
Trade accounts payable - foreign market	-	-	9,316	3,292
Total	174,635	301,684	183,963	304,917

9. Loans and financing

a) Breakdown of loans and financing

Type	Interest	Maturity	Collaterals	Individual and Consolidated	
				12/31/2023	12/31/2022
ACC	3.5% - 10.0% p.a.	Jan/23	Surety	-	61,624
ACC	4.5% - 5.0% p.a.	Feb/23	Surety	-	16,055
ACC	8.5% - 10.0% p.a.	Mar/23	Surety	-	13,198
ACC	5.0% - 8.5% p.a.	Apr/23	Surety	-	50,108
ACC	4.0% - 10.0% p.a.	May/23	Surety	-	38,926
ACC	5.5% - 10.0% p.a.	June/23	Surety	-	34,451
ACC	7.0% - 9.0% p.a.	Aug/23	Surety	-	39,333
ACC	7.0% - 9.0% p.a.	Sept/23	Surety	-	12,489
ACC	7.0% - 8.5% p.a.	Oct/23	Surety	-	15,894
ACC	8.0% - 8.5% p.a.	Jan/24	Surety	9,726	-
PPE	9.0% - 9.5% p.a.	Mar/24	Surety	3,510	-
PPE	9.0% - 9.5% p.a.	June/24	Surety	3,510	-
ACC	8.5% - 9.0% p.a.	July/24	Surety	9,836	-
ACC	9.0% - 9.5% p.a.	Aug/24	Surety	31,897	-
ACC	10.5% - 11.0% p.a.	Sept/24	Surety	7,506	-
ACC	9.0% - 9.5% p.a.	Oct/24	Surety	4,776	-
ACC	8.0% - 8.5% p.a.	Dec/24	Surety	19,412	-
Total foreign currency				90,173	282,078
NCE	CDI + 0.19% p.m.	Aug/23	Surety	-	6,731
NCE	CDI + 0.19% p.m.	Aug/24	Surety	6,707	5,000
NCE	CDI + 0.27% p.m.	Jan/23 - Dec/23	Surety	-	5,486
NCE	CDI + 0.27% p.m.	Jan/24 - June/24	Surety	2,733	2,727
NCE	CDI + 0.28% p.m.	Jan/23 - Dec/23	Surety	-	12,332
CCE	CDI + 4.30% p.a.	Jan/24 - Dec/24	Surety+ shares	8,623	7,561
CCE	CDI + 4.30% p.a.	Jan/25 - Apr/27	Surety+ shares	106,169	113,334
FNO	11.72% p.a.	Jan/23 - Dec/23	Surety	-	2,658
FNO	11.72% p.a.	Jan/24 - Sept/24	Surety	2,379	2,368
CCB	18.02% p.a.	Jan/23	Invol. + Cust. auto.	-	12,180
CCE	19.99% p.a.	Jan/24	Surety	4,663	-
FIDC	26.4% p.a.	Jan/24	Surety + Inventory	19,751	-
CCB	20.27% p.a.	Jan/24	Surety	12,151	-
Revolving credit facility	3% p.m.	Jan/24		35	-
Total local currency				163,211	170,377
Grand total				253,384	452,455
Total loans (current)				147,215	329,026
Total loans (noncurrent)				106,169	123,429
Total loans				253,384	452,455

Surety on Advances on Exchange Contract (ACC) is given by the Company's administrator. Part of the Company's inventories is pledged as collateral for borrowings.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2023

(In thousands of reais, unless otherwise stated)

9. Loans and financing (Continued)

b) Changes in loans

	12/31/2022	Funds raised	Interest allocation	Payment of principal	Interest payment	Foreign exchange difference	12/31/2023
ACC	282,078	150,717	14,033	(335,302)	(19,055)	(9,318)	83,153
PPE	-	7,020	-	-	-	-	7,020
CCB	12,180	12,434	1,698	(12,055)	(2,106)	-	12,151
CCE	120,895	12,082	15,243	(8,931)	(19,834)	-	119,455
FNO	5,026	-	429	(2,631)	(445)	-	2,379
NCE	32,276	37,172	7,653	(61,176)	(6,485)	-	9,440
FIDC	-	101,202	2,285	(82,379)	(1,357)	-	19,751
Revolving credit facility	-	1,067	424	(1,321)	(135)	-	35
Balance at December 31, 2023	452,455	321,694	41,765	(503,795)	(49,417)	(9,318)	253,384

c) Scheduled repayments

Set out below are the scheduled loan repayments as per books:

Type	Individual and Consolidated				12/31/2023
	2024	2025	2026	2027	Total
ACC	83,153	-	-	-	83,153
PPE	7,020	-	-	-	7,020
Financing	19,751	-	-	-	19,751
CCB	12,151	-	-	-	12,151
CCE	13,285	48,000	48,000	10,169	119,454
FNO	2,379	-	-	-	2,379
NCE	9,441	-	-	-	9,441
Revolving credit facility	35	-	-	-	35
Total Consolidated	147,215	48,000	48,000	10,169	253,384

Type	Individual and Consolidated				12/31/2022
	2023	2024	2025	2026	Total
ACC	282,078	-	-	-	282,078
NCE	32,110	47,728	40,000	33,333	153,171
FNO	2,658	2,368	-	-	5,026
CCB	12,180	-	-	-	12,180
Total Consolidated	329,026	50,096	40,000	33,333	452,455

Scheduled loan repayments considering interest through maturity:

Type	Individual and Consolidated				12/31/2023
	2024	2025	2026	2027	Total
ACC	88,076	-	-	-	88,076
PPE	7,265	-	-	-	7,265
Financing	20,000	-	-	-	20,000
CCB	12,314	-	-	-	12,314
CCE	29,906	60,639	53,384	10,396	154,325
FNO	2,485	-	-	-	2,485
NCE	10,101	-	-	-	10,101
Revolving credit facility	35	-	-	-	35
Total Consolidated	170,182	60,639	53,384	10,396	294,601

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)
December 31, 2023
(In thousands of reais, unless otherwise stated)

9. Loans and financing (Continued)

c) Scheduled repayments (Continued)

Type	Individual and Consolidated				12/31/2022
	2023	2024	2025	2026	Total
ACC	290,645	-	-	-	290,645
NCE	35,728	64,503	49,217	35,863	185,311
FNO	3,001	2,485	-	-	5,486
CCB	12,307	-	-	-	12,307
Total Consolidated	341,681	66,988	49,217	35,863	493,749

d) Covenants

Based on the provisions of the contracts in force, the Company must comply with the following financial covenants, which are measured annually at December 31, as shown below:

- Maintenance of the ratio between Net Debt (comprising loans plus or minus the balance of derivative financial instruments, less the balance of cash and cash equivalents, inventories) and Adjusted EBITDA (comprising EBITDA minus nonoperating results, defined as sale of assets, provisions/reversals of contingencies, provision for *impairment* of assets and restructuring expenses), at a level equal to or less than 4.5 times, which will be calculated annually on the consolidated financial statements. For this calculation, the adjusted EBITDA of the last 12 (twelve) months at the end of each year is considered.

The Company periodically monitors the financial ratios that may impact the covenants and, at December 31, 2023, the ratios in relation to the covenants had been met. The restrictions imposed are usual in operations of this nature and do not limit the Company's ability to conduct its business to date.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)
December 31, 2023
(In thousands of reais, unless otherwise stated)

10. Advances from customers

At December 31, 2023, the Company had an outstanding balance of advances from customers, as follows:

	<u>Individual</u>	<u>Consolidated</u>
Customer		
CJ International Asia PTE LTD	-	36,307
BTG Pactual Commodities (CH) S.A.	-	52,534
Vilela & Machado Ltda	3,128	3,128
Industria e Comercio de Alimentos Supremo LTDA.	2,423	2,423
Cofco Resources S/A	2,040	2,040
Solae do Brasil Industria e Comercio de Alimentos	7	7
Total current	7,598	96,439
CJ International Asia PTE LTD	-	39,721
Total noncurrent	-	39,721
Total advances from customers	7,598	136,160

Advances refer to futures contracts sold and received as collateral for their future delivery and not yet delivered. These advances are not subject to interest. The increase in advances from customers as of December 31, 2023 is mainly due to shipments/invoicing not yet performed to date. The Company's flow of shipments and invoicing follows the normal schedule and these advances will soon be offset.

11. Lease agreement

On August 31, 2021, the Company applied the practical expedient of CPC 26 - IFRS16 in relation to the definition of a lease agreement, adopting the criteria for the right to control and obtain benefits from the identifiable asset, contract term exceeding 12 months, expectation of contractual renewal term, fixed consideration and significance of the value of the leased asset. The Company's lease agreement refers to the lease of the property of the administrative headquarters, with a remaining term of 5 years.

The Company arrived at its incremental interest rates based on the risk-free interest rates observed in the Brazilian market, for the terms of its contracts, adjusted to the Company's reality ("credit spread").

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)
December 31, 2023
(In thousands of reais, unless otherwise stated)

11. Lease agreement (Continued)

a) Changes in balances of right-of-use assets and lease liabilities (Individual and Consolidated)

	<u>Lease</u>	<u>Lease liabilities</u>
Balance at December 31, 2022	1,963	(1,963)
Amortization	(557)	-
Finance charges	-	557
Measurement (rate adjustment)	66	(66)
Balance at December 31, 2023	1,472	(1,472)
Current liabilities	-	(570)
Noncurrent liabilities	-	(902)

12. Current and deferred income and social contribution taxes

a) Current income and social contribution taxes

The reconciliation to the effective result of the effective rate for the periods from January 1, 2023 to December 31, 2023 and January 1, 2022 to December 31, 2022 is as under for individual and consolidated:

	<u>Individual</u>		<u>Consolidated</u>	
	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>12/31/2023</u>	<u>12/31/2022</u>
Income before income and social contribution taxes	(2,794)	141,462	2,024	124,681
Statutory rate - 34%	950	(48,097)	(688)	(42,392)
Permanent differences in the calculation:				
Share options granted	(15)	(440)	(15)	(440)
Depreciation and amortization - surplus value	(5,168)	(4,307)	(6,380)	(4,307)
Exclusion of ICMS grants (*)	8,028	19,113	8,028	19,113
Equity pickup	2,986	3,242	2,986	3,242
Profit for tax purposes - foreign subsidiaries	-	5,705	(6,306)	16,781
Other permanent exclusions (additions)	(1,293)	1,282	1,557	1,014
	5,488	(23,502)	(818)	(6,989)
Effective rate	-196%	-17%	-40%	-5%
Current tax expenses	(910)	-	(910)	-
Deferred tax expenses	6,398	(23,502)	92	(6,989)

(*) The Company, supported by the legal opinion of its external legal advisors who assessed the risk of loss as possible, excluded from the income tax base the amount of R\$23,611 at December 31, 2023 (R\$56,215 at December 31, 2022) in ICMS grants pursuant to Supplementary Law 160.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2023

(In thousands of reais, unless otherwise stated)

12. Current and deferred income and social contribution taxes (Continued)

b) Deferred income and social contribution taxes

Deferred income and social contribution taxes are recorded to reflect future tax effects attributable to temporary differences between the tax base of assets and liabilities and their corresponding carrying amount.

At December 31, 2023 and 2022, deferred income and social contribution taxes derive from:

	Individual		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Derivative financial instruments	2,984	19,593	2,984	19,593
Provision for inventory breakage	769	7,951	769	7,951
Provision for bonus and profit sharing	800	-	800	-
Provision for port costs	3,075	984	3,075	984
Provision for contingencies	-	247	-	247
Allowance for expected credit losses	290	-	290	-
Sundry provisions	3,067	1,723	3,067	1,723
Accumulated IRPJ tax loss	38,649	2,218	38,649	2,218
Tax loss in foreign subsidiary	25,441	40,754	35,917	57,535
Effect on foreign subsidiary	10,574	10,574	10,574	10,574
Deferred tax assets	85,649	84,044	96,125	100,825
Derivative financial instruments and other MtM	(15,152)	(14,859)	(15,152)	(14,859)
Inventories MtM	(1,464)	(9,736)	(1,464)	(9,736)
Gain on bargain purchase	(72,098)	(72,098)	(72,098)	(72,098)
Other temporary differences	(3,185)	-	(3,453)	(268)
Deferred tax liabilities	(91,899)	(96,693)	(92,167)	(96,961)
Deferred tax assets	-	-	10,476	16,781
Deferred tax liabilities	(6,250)	(12,649)	(6,518)	(12,917)
Deferred income tax assets (liabilities), net	(6,250)	(12,649)	3,958	3,864
Income (expenses) from deferred taxes	6,398	(23,502)	92	(6,989)

13. Equity

a) Capital

On February 22, 2022, the Company's controlling shareholder entered into terms of repurchase and settlement of vested and unvested options with one of its executives in an amicable manner for the acquisition of 1,100,000 shares for the amount of R\$3,124.

On March 1, 2022, the Company assigned 202,400 treasury shares for R\$575 to some of its executives.

On December 14, 2022, the Company received the return of 44,000 shares and, on December 26, 2022, received the return of 35,200 shares that were allocated as Treasury shares.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)
December 31, 2023
(In thousands of reais, unless otherwise stated)

13. Equity (Continued)

a) Capital (Continued)

At the Annual General Meeting held on July 7, 2023, the shareholders approved the distribution of profits for the year ended December 31, 2022. The impacts from the Meeting resulted in an additional increase in Capital of R\$30, and an increase in the Company's capital was approved, in the amount of R\$30, without a new issue of common shares.

On October 6, 2023, the Company repurchased 1,056 shares for R\$1,648.

On October 25, 2023, the Company repurchased 2,630,833 shares for R\$3,587.

At December 31, 2023, the Company holds a total of 5,544,000 treasury shares amounting to R\$3,998.

The Company's capital, at December 31, 2023 and 2022, in Brazilian reais (R\$) and in number of shares, distributed among its shareholders, is as follows:

Shareholders	12/31/2023			12/31/2022		
	Shares	Equity interest	R\$	Shares	Equity interest	R\$
Frederico José Humberg	89,647,845	93.52%	64,653	81,628,800	92.76%	64,103
Ações em tesouraria	4,874,833	5.09%	3,516	1,012,000	1.15%	795
Acauã Sena Mahfuz	669,167	0.70%	483	3,300,000	3.75%	2,591
Pedro Lunardeli Salles	440,000	0.46%	317	440,000	0.50%	346
Jonatas Brito do Nascimento Souza	135,012	0.14%	97	123,200	0.14%	97
Raphael Blanc Costa Schuwartz Vieira	77,150	0.08%	56	70,400	0.08%	55
Fernando Souza de Andrade	9,644	0.01%	7	8,800	0.01%	7
Larissa Nascimento Mendes	9,644	0.01%	7	8,800	0.01%	7
Ney Nelson Machado de Sousa	0	0.00%	0	1,056,000	1.20%	829
Paulo Guilherme Rache Humberg	0	0.00%	0	176,000	0.20%	138
Stephane Frappat	0	0.00%	0	176,000	0.20%	138
	95,863,295	100.00%	69,136	88,000,000	100.00%	69,106

d) Allocation of income for the year and dividends

On April 24, 2022, through the Annual and Special General Meeting (AGM and SGM), the Company decided to distribute dividends of the balance of its income reserve referring to the year ended December 31, 2021, after deducting the legal reserve, in proportion to its shareholders in local currency, to be paid during the fiscal year in the total amount of R\$3,737, of which R\$2,447 had already been paid up to December 31, 2021, and the remaining R\$1,290 were fully paid on December 29, 2022.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)
December 31, 2023
(In thousands of reais, unless otherwise stated)

13. Equity (Continued)

b) Allocation of income for the year and dividends (Continued)

At December 31, 2023, the legal reserve was established in the amount of R\$12,967 up to the limit of 20% of the capital. The balance at the end of the year amounts to R\$13,821.

At December 31, 2022, considering the authorized capital for increase, contained in the Articles of Incorporation approved on May 3, 2022, in the amount of R\$700 million, management decided to increase the capital, in order to comply with the legal requirement that the balance of income reserves may not exceed the Company's capital, provided for in article 199 of Law 6.404/76, through an increase proposal, already reflected in the financial statements in the amount of R\$53,706, through capitalization of total income reserves in relation to the capital, after setting up the legal reserve and the tax incentive reserve, based on articles 199 and 169, paragraph 1 of Law No. 6.404/76.

Tax incentive reserve

Tax incentives granted by the States or the Federal District are now considered investment grants, deductible for calculating income and social contribution taxes. Accordingly, the Company calculated the ICMS grant in the calculation of income and social contribution taxes in the total amount of R\$23,611 at December 31, 2023. For this reason, the total income for the year of R\$2,694 was allocated to the tax incentive reserve, and the remaining amount of R\$20,917 shall be allocated at the time the Company starts to record additional profits (R\$56,215 at December 31, 2022).

c) Earnings per share

Basic and diluted earnings per share is calculated by dividing the Company's net income, attributable to controlling and noncontrolling shareholders, by the weighted average number of shares existing in the year. The calculations of basic and diluted earnings per share, already considering the effect of the stock split, are as follows:

	<u>Individual</u>		<u>Consolidated</u>	
	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>12/31/2023</u>	<u>12/31/2022</u>
Net income for the year	2,694	117,960	1,206	118,480
Weighted average number of shares in the period (in thousand)	90,988	87,193	90,988	87,193
Earnings per share - basic and diluted (after the split)	0.03	1.35	0.01	1.35

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2023

(In thousands of reais, unless otherwise stated)

13. Equity (Continued)

d) Share-based payment

In order to attract and retain talent, in 2020 and 2021 some executives and members of the Company's management were granted options to acquire shares owned by controlling shareholder Frederico José Humberg at an exercise price equivalent to the estimated price of share market on the grant date. Although these shares are acquired directly from the controlling shareholder, with no direct effects on the Company, the Company records a share-based payment reserve to recognize the amount of compensation paid in shares based on shares offered to the grantees, since the Company is the beneficiary of the services provided in accordance with CPC 10 (R1).

The options will be exercisable after a liquidity event and after the 5-year grace period during which the beneficiary must remain employed, and also: (i) the liquidity event in which the controlling shareholder has at least 10% of its shares in the Company; (ii) filing with the CVM the registration of an initial public offering of the Company's shares on B3-Brasil, Bolsa, Balcão S.A. (except if the Company's shares are traded on BOVESPA MAIS), or in the absence of a liquidity event, after the 10th anniversary of the aforementioned agreement, the grantee shall have the right to exercise for 10 years the right to sell all the shares invested (Put Option) for an amount equal to 90% of the Company's equity value on the date of exercise; likewise, the grantor will have the right to buy (Call Option) for 110% of the equity value at the time of the exercise. This agreement will be effective for a period of 20 years from the date of its signature.

The fair value of options is estimated at the date of grant using a Monte-Carlo simulation model, which considers simulations of the Company's potential results (EBITDA, Operating Value, Debt and Business Value), as well as the terms and conditions under which the instruments were granted. There are no other employee stock option plans.

The expected period of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. Expected volatility reflects the assumption that comparable market volatility - given that the Company does not have historical market data to date - is indicative of future trends, which may not correspond to the actual scenario.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2023

(In thousands of reais, unless otherwise stated)

13. Equity (Continued)

d) Share-based payment (Continued)

The Company's stock option grants by the controlling shareholder, as at December 31, 2023 and 2022, were distributed considering the total balance of outstanding stock options granted, as under:

December 31, 2023

Key management members	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V	Total
Board member	-	-	-	-	-	-
Statutory officers	-	-	-	-	-	-
Non-statutory officers	-	440,000	-	-	-	440,000
Other officers	-	88,000	88,000	88,000	88,000	352,000
Total options outstanding	-	528,000	88,000	88,000	88,000	792,000
Total vested/exercisable	-	528,000	88,000	-	-	616,000

December 31, 2022

Key management members	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V	Total
Board member	-	-	176,000	176,000	176,000	528,000
Statutory officers	-	-	-	-	-	-
Non-statutory officers	-	440,000	440,000	440,000	440,000	1,760,000
Other officers	-	-	616,000	88,000	176,000	880,000
Total options outstanding	-	440,000	1,232,000	704,000	792,000	3,168,000
Total vested/exercisable	-	440,000	1,232,000	-	-	-

Humberg Agribrasil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2023

(In thousands of reais, unless otherwise stated)

13. Equity (Continued)

d) Share-based payment (Continued)

The Options must be exercised within a maximum period of 10 (ten) years, observing the grace period and permanence of the executive and/or managing officer of the Company. Options not exercised within the maximum term will cease to exist.

Exercise of options (*)	Anniversary	1st Grant			2 nd Grant			Total		
		Options granted	Options accounted for	Amount accounted for	Options granted	Options accounted for	Amount accounted for	Options granted	Options accounted for	Amount accounted for
20%	First	1,355,200	2,749,120	1,069	176,000	352,000	196	1,531,200	3,101,120	1,265
20%	Second	1,443,200	1,284,324	909	176,000	176,000	120	1,619,200	1,460,324	1,029
20%	Third	1,443,200	1,044,011	763	176,000	143,407	103	1,619,200	1,187,418	866
20%	Fourth	1,443,200	739,985	521	176,000	99,282	75	1,619,200	839,267	596
20%	Fifth	1,531,200	44,721	32	176,000	-	-	1,707,200	44,721	32
		<u>7,216,000</u>	<u>5,862,161</u>	<u>3,294</u>	<u>880,000</u>	<u>770,689</u>	<u>494</u>	<u>8,096,000</u>	<u>6,632,850</u>	<u>3,788</u>

(*) Exercisable after liquidity event or after 10 years via PUT/CALL option instrument.

The provisions governing the Stock Option Plan are set out individually in contracts executed between the controlling shareholder and the executives and members of the Company's management.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)
December 31, 2023
(In thousands of reais, unless otherwise stated)

13. Equity (Continued)

d) Share-based payment (Continued)

Below are the changes in options of the two grants in the year:

	1st Grant					Total
	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V	
Position of options at 12/31/2022	-	440,000	1,056,000	528,000	616,000	2,640,000
Options canceled	-	-	(528,000)	(528,000)	(616,000)	(1,672,000)
Repurchased stock option	-	-	(528,000)	-	-	(528,000)
Options exercised	-	-	-	-	-	-
Options balance at 12/31/2023	-	440,000	-	-	-	440,000
Options exercisable at 12/31/2023	-	440,000	-	-	-	440,000

	2nd Grant					Total
	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V	
Position of options at 12/31/2022	-	88,000	176,000	176,000	176,000	616,000
Options canceled	-	-	-	-	-	-
Repurchased stock option	-	-	(88,000)	(88,000)	(88,000)	(264,000)
Options exercised	-	-	-	-	-	-
Options balance at 12/31/2023	-	88,000	88,000	88,000	88,000	352,000
Options exercisable at 12/31/2023	-	88,000	88,000	-	-	176,000

	Total grants					Total
	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V	
Position of options at 12/31/2022	-	528,000	1,232,000	704,000	792,000	3,256,000
Options canceled	-	-	(528,000)	(528,000)	(616,000)	(1,672,000)
Repurchased stock option	-	-	(616,000)	(88,000)	(88,000)	(792,000)
Options exercised	-	-	-	-	-	-
Options balance at 12/31/2023	-	528,000	88,000	88,000	88,000	792,000
Options exercisable at 12/31/2023	-	528,000	88,000	-	-	616,000

Below is the reconciliation of the options granted thus far:

Event description	12/31/2022	Changes	12/31/2023
Value calculated from the options granted reserve	4,717	44	4,761
Reversal of reserve for repurchase	(929)	-	(929)
Reserve amount recorded	3,788	44	3,832
Additional amount paid to shareholder for repurchase	2,198	-	2,198
Total recorded	5,986	44	6,030

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2023

(In thousands of reais, unless otherwise stated)

14. Sales revenue, net

	Individual		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Gross operating revenue	1,466,194	3,225,924	2,099,918	3,996,797
Sales taxes	(7,232)	(2,968)	(7,232)	(2,968)
Total	1,458,962	3,222,956	2,092,686	3,993,829
Foreign market	1,243,090	2,884,731	1,876,814	3,655,604
Domestic market	215,872	338,225	215,872	338,225
Total	1,458,962	3,222,956	2,092,686	3,993,829

15. Cost of products sold

	Individual		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Cost				
Cost of commodities	(1,318,184)	(2,821,827)	(1,821,072)	(3,678,499)
Logistics costs	(153,515)	(361,822)	(216,701)	(389,982)
Provision for inventory losses	21,125	(17,864)	21,125	(17,864)
	(1,450,574)	(3,201,513)	(2,016,648)	(4,086,345)
MtM				
Gains (losses) - futures contracts	47,082	41,121	34,189	41,121
Inventories MtM	(24,328)	14,914	(24,328)	14,914
	22,754	56,035	9,861	56,035
	(1,427,820)	(3,145,478)	(2,006,787)	(4,030,310)

The Company's statement of profit or loss is presented based on the classification of expenses according to its functions, thus the Company classifies as costs any gains and losses on commodity futures contracts, as well as NDF contracts used to hedge its commodities contracts.

16. General, administrative and selling expenses

	Individual		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Salaries, social contributions and employee benefits	14,939	11,832	14,939	13,313
Third-party services	21,152	9,554	22,299	11,484
Lease and maintenance expenses	352	365	352	365
Travel and telecommunication expenses	1,088	840	1,088	845
Depreciation and amortization	677	691	677	691
Depreciation and amortization - surplus value	15,200	12,667	18,765	12,667
Vehicle expenses	240	211	240	211
Maintenance and license expenses	1,201	833	1,220	833
Lawsuit expenses	(726)	103	(726)	103
Taxes, charges and contributions	1,053	181	1,079	334
Allowance for expected credit losses	853	-	853	
Other	523	636	536	636
	56,552	37,913	61,322	41,482

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2023

(In thousands of reais, unless otherwise stated)

17. Other operating income (expenses)

	Individual		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Other operating income (expenses) (Note 7.d)	4,879	212,052	4,879	212,052
	4,879	212,052	4,879	212,052

On February 18, 2022, the Company completed the conditions precedent for acquisition of majority interest in Terminal Santa Catarina S.A. (“TESC”) and in WRC Operadores Portuários S.A. (“WRC”), based on understanding expressed by the Brazilian Antitrust Agency (CADE), approvals by the National Waterway Transportation Agency (ANTAQ), and overcoming of conditions precedent set forth in the purchase and sale agreement and other covenants.

The Term for Completion of the Purchase of 100% of Nityam was signed on this date, with payment of the Acquisition Price in the total amount of R\$124,649, as follows: (i) R\$18,000 corresponding to the Guarantee; and (ii) R\$106,649, already considering the amount corresponding to the Company’s cash, pursuant to the Agreement provisions. The amount of assets acquired and liabilities assumed at fair value was R\$312,470, with a gain on bargain purchase of R\$212,052, recorded in P&L for the year under Other operating income (expenses).

On November 24, 2023, contingent proceedings registered with TESC and linked to the Escrow Account were classified as probable and, as agreed in the Port Purchase agreement, the Company received the amount of R\$4,879 referring to the proceedings mentioned above.

18. Finance income (costs)

	Individual		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Finance income				
Financial investment yield	1,508	3,544	1,796	4,214
Discounts obtained	5	14	5	14
Interest income	18,543	468	18,913	476
	20,056	4,026	20,714	4,704
Finance costs				
Interest - factoring transactions	(19,719)	(2,033)	(19,719)	(2,033)
Interest on loans and financing	(39,726)	(43,089)	(41,730)	(43,863)
Financial commissions	(3,495)	(751)	(3,875)	(751)
Other finance costs	(4,385)	(12,662)	(6,106)	(15,209)
	(67,325)	(58,535)	(71,430)	(61,856)
Foreign exchange gains (losses), net	17,490	37,957	12,237	35,639
	(29,779)	(16,552)	(38,479)	(21,513)
Finance income (costs), net	(47,269)	(54,509)	(50,716)	(57,152)
Foreign exchange differences	17,490	37,957	12,237	35,639

Foreign exchange gains (losses) are presented net for comparison purposes and basically arise from transactions in US dollars, in export, accounts receivable and loans in foreign currency.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)
December 31, 2023
(In thousands of reais, unless otherwise stated)

19. Transactions with related parties

a) Commodities

The following balances are held between the Company, its subsidiary and other related parties:

	<u>Individual</u>	
	<u>12/31/2023</u>	<u>12/31/2022</u>
Accounts receivable		
Agribrazil Global Markets	(81,575)	72,627
Humberg Bioenergia	1,055	1,055
Distribution of profits in advance	85	85
	<u>(80,435)</u>	<u>73,767</u>
	<u>Individual</u>	
	<u>12/31/2023</u>	<u>12/31/2022</u>
Revenues		
Agribrazil Global Markets	759,785	2,275,696
	<u>759,785</u>	<u>2,275,696</u>

Transactions between group companies refer to sales of commodities. The main related-party transactions that affected profit or loss for the years were conducted based on specific prices agreed between the companies.

a) Key management personnel compensation

	<u>12/31/2023</u>	<u>12/31/2022</u>
Board member		
Fixed compensation	-	142
Share-based payment	-	5
	-	137
Statutory officers	<u>1,670</u>	<u>2,052</u>
Fixed compensation	1,486	758
Variable compensation	-	1,018
Share-based payment	-	235
Benefits	184	41
Non-statutory officers	<u>1,374</u>	<u>1,580</u>
Fixed compensation	1,300	453
Variable compensation	-	876
Share-based payment	-	199
Benefits	74	52
Other officers	<u>358</u>	<u>523</u>
Fixed compensation	324	312
Variable compensation	-	133
Share-based payment	24	63
Benefits	10	15
Total	<u>3,402</u>	<u>4,297</u>

Some of the Company's executives are also included in the Share-Based Payment Plan (Stock Options), described in Note 13.d and are presented under General and administrative expenses in the statement of profit or loss.

The Board of Directors is formed by Paulo Guilherme Rache Humberg, a related party of shareholder Frederico José Humberg.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2023

(In thousands of reais, unless otherwise stated)

20. Financial instruments and risk management

At December 31, 2023 and 2022, the fair value of derivative financial instruments is equivalent to the amount recorded under Level 2, in accordance with the criteria determined by the fair value hierarchy.

NDFs are measured at present value, at the market rate as of the reporting date, through the future flow determined by applying contractual rates until maturity, based on the US dollar projections observed in futures contracts registered at B3 Brasil, Bolsa, Balcão.

Fair value of financial instruments is the amount for which an asset or a liability may be exchanged or settled, between known parties willing to carry out a fair market transaction, rather than in a sale or distressed liquidation. The amounts of the key financial assets and liabilities at fair value approximate their carrying amounts, as follows:

Fair value measurement

Fair value measurement of a nonfinancial asset takes into consideration the capacity of a market participant to generate economic benefits through the best possible use of the asset, or selling it to other market participant that would also make best use of the asset.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;
- Level 2 - valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 - valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the interim financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)
December 31, 2023
(In thousands of reais, unless otherwise stated)

20. Financial instruments and risk management (Continued)

Fair value measurement (Continued)

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above. Fair-value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed are summarized in the respective notes.

Financial instruments

At December 31, 2023 and 2022, the Company did not use hedge accounting.

	Individual		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
<u>Assets</u>				
Outstanding contract position (a) - assets	36,767	25,833	53,161	71,318
NDF transactions (b) - assets	7,797	17,871	7,797	17,871
	44,564	43,704	60,958	89,189
<u>Liabilities</u>				
Outstanding contract position (a) - liabilities	5,844	52,043	7,777	69,709
NDF transactions (b) - liabilities	2,931	5,584	2,931	5,584
	8,775	57,627	10,708	75,293

(a) Refers to mark-to-market of contracts for (physical) purchase and sale of commodities.

(b) Represent market values of outstanding positions of NDFs assigned to hedge the effects of exchange rate fluctuations (in conformity with CPC 48 and CPC 39).

Financial instruments fair value calculation methodology

Summary of NDFs

	Individual and Consolidated					
	Notional value			Fair value (MtM)		
	Currency	12/31/2023	12/31/2022	Currency	12/31/2023	12/31/2022
NDF:						
Short position	In thousands of USD	(291,617)	(8,709)	BRL	4,576	1,705
Long position	In thousands of USD	210,363	(16,886)	BRL	290	10,581
Total		(81,254)	(25,595)		4,866	12,286

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)
December 31, 2023
(In thousands of reais, unless otherwise stated)

20. Financial instruments and risk management (Continued)

Financial instruments fair value calculation methodology (Continued)

Summary of financial instruments - assets and liabilities (carrying amount)

The table below shows a comparison, by class, of the carrying amount and the fair value of the Company's financial instruments presented in the financial statements:

	Fair value hierarchy level	Individual			
		Carrying amount		Fair value	
		12/31/2023	12/31/2022	12/31/2023	12/31/2022
Assets					
Cash and cash equivalents	1	51,638	131,553	51,638	131,553
Trade accounts receivable	1	89,470	196,429	89,470	196,429
Transactions with related parties	1	-	73,767	-	73,767
Derivative financial instruments	2	44,564	43,704	44,564	43,704
		185,672	445,453	185,672	445,453
Liabilities					
Trade accounts payable	1	174,635	301,684	174,635	301,684
Loans and financing	2	253,384	452,455	268,891	468,930
Derivative financial instruments	2	8,775	57,627	8,775	57,627
		436,794	811,766	452,301	828,241
Consolidated					
	Fair value hierarchy level	Consolidated			
		Carrying amount		Fair value	
		12/31/2023	12/31/2022	12/31/2023	12/31/2022
Assets					
Cash and cash equivalents	1	58,725	141,603	58,725	141,603
Trade accounts receivable	1	140,409	211,097	140,409	211,097
Derivative financial instruments	2	60,958	89,189	60,958	89,189
		260,092	441,889	260,092	441,889
Liabilities					
Trade accounts payable	1	183,963	304,917	183,963	304,917
Loans and financing	2	253,384	452,455	268,891	468,930
Derivative financial instruments	2	10,708	75,293	10,708	75,293
		448,055	832,665	463,562	849,140

The Company's sales revenues derive mainly from the sale of agricultural commodities, such as soybean and corn. The prices of these products are quoted in US dollar with reference to futures contracts traded on international exchanges. Thus, the international price of the commodity and the exchange rate are market risks to which the Company is exposed.

Furthermore, the Company enters into loans in the financial market at fixed rates in US dollars. Therefore, the Company is exposed to the risk of changes in exchange rates, but not to interest rate risks.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2023

(In thousands of reais, unless otherwise stated)

20. Financial instruments and risk management (Continued)

Financial instruments fair value calculation methodology (Continued)

Summary of financial instruments - assets and liabilities (book value) - Continued

As a commodity trader, the Company assumes commitments classified as derivative financial instruments measured at fair value through profit or loss, such as:

- Purchase and sale contracts for transfer of commodities at a future date and at a fixed price. These contracts are priced based on the futures contract price traded on the CME (Chicago Mercantile Exchange), another differential defined by the location of the commodity called Basis. These contracts are usually settled through the physical transfer of the commodity, however they can also be settled financially.
- Futures commodities contracts: these are standard derivative contracts traded on the stock exchange, which are entered into by the Company in order to hedge commodity purchase and sale contract positions. Usually these contracts are settled financially through payment or receipt of the difference between the contract price and the market price on the date of their settlement. Changes in the fair value of these instruments is debited or credited daily to a margin deposit account.
- Currency term contracts: these are non-standard derivative contracts entered into with financial institutions, under which it is possible to negotiate future exchange rates, thus allowing to determine in advance the amount in reais corresponding to an amount in foreign currency that will be settled in the future. Similarly to futures contracts, NDFs are settled financially through payment or receipt of the difference between the contract exchange rate and the market exchange rate at the date of their settlement.

These statements present information on the Company's exposure to each risk, the Company's objectives, policies and processes for measurement, risk management and capital management. Further quantitative disclosures are included throughout these financial statements.

The Company has no interest rate risks with its financial instruments since its contracts follow prefixed interest terms.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)
December 31, 2023
(In thousands of reais, unless otherwise stated)

20. Financial instruments and risk management (Continued)

Financial instruments fair value calculation methodology (Continued)

Summary of financial instruments - assets and liabilities (book value) - Continued

The Company is exposed to the following risks arising from the use of financial instruments:

a) Credit risk

Credit risk is the risk of financial losses for the Company in the event a customer or a counterparty to a financial instrument fails to comply with its contractual obligations arising from the Company's receivables, represented mainly by cash and cash equivalents, trade accounts receivable and other receivables.

The book value of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	Individual		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Cash and cash equivalents	51,638	131,553	58,725	141,603
Trade accounts receivable	89,470	196,429	140,409	211,097
Transactions with related parties	-	73,767	-	-
Derivative financial instruments	44,564	43,704	60,958	89,189
	185,672	445,453	260,092	441,889

The corporate risk management policy requires the Company to regularly assess the risk associated with its cash flow, as well as risk mitigation proposals. Risk mitigation strategies are implemented with the purpose of reducing risks in relation to the fulfillment of commitments assumed by the Company, both with third parties and with its shareholders. The Company has highly liquid short-term investments that are readily convertible into a known amount of cash.

With respect to financial institutions, the Company makes investments in fixed-income securities only with low risk financial institutions evaluated by credit rating agencies.

The Company did not record allowance for doubtful accounts for the years ended December 31, 2023 and 2022.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2023

(In thousands of reais, unless otherwise stated)

20. Financial instruments and risk management (Continued)

Financial instruments fair value calculation methodology (Continued)

Summary of financial instruments - assets and liabilities (book value) - Continued

c) Commodity price risk

It arises from the possibility of fluctuation in market prices of the products traded by the Company. These fluctuations in prices may cause substantial changes in Company's revenues and costs. In order to hedge against price fluctuations, the Company also conducts commodity futures transactions on CBOT.

The Company has outstanding commodity contracts at December 31, 2023 and 2022 that were measured at fair value, and the difference between the contract value and fair value is recorded in the financial statements. The Company also has commodity futures transactions on the Chicago stock exchange in the United States of America intended to hedge against fluctuations in commodity prices. These transactions were recorded at fair value at the reporting date.

Sensitivity analysis - Commodities

The table below shows the possible impacts on profit or loss arising from the hypothesis of the scenarios presented. The probable scenario used the book values, the other scenarios considered the impacts on profit or loss arising from changes in commodity market prices. The shocks are applied on the future price of commodities and the basis value.

	Consolidated				
	12/31/2023				
	Scenarios				
	I - Probable	II - 25%	III - 50%	IV - (25%)	V - (50%)
Outstanding contract position					
Purchase contracts	(1,902)	29,593	63,144	(37,509)	(71,060)
Sales contracts	5,817	(4,024)	(13,864)	15,657	25,498
Inventories	4,306	21,795	39,284	(13,182)	(30,671)
Futures	331	3,647	6,962	(2,985)	(6,301)
	8,552	51,011	95,526	(38,019)	(82,534)
	Consolidated				
	12/31/2022				
	Scenarios				
	I - Probable	II - 25%	III - 50%	IV - (25%)	V - (50%)
Outstanding contract position					
Purchase contracts	24,493	80,654	136,815	(31,669)	(87,830)
Sales contracts	(67,117)	(162,067)	(257,016)	27,832	122,781
Inventories	28,454	68,844	107,736	(8,940)	(47,832)
Futures	(9,663)	(14,239)	(28,478)	14,239	28,478
	(23,833)	(26,808)	(40,943)	1,462	15,597

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)
December 31, 2023
(In thousands of reais, unless otherwise stated)

20. Financial instruments and risk management (Continued)

Financial instruments fair value calculation methodology (Continued)

Summary of financial instruments - assets and liabilities (book value) - Continued

d) Liquidity risk

Liquidity risk is the risk that the Company will face difficulties in fulfilling obligations associated with financial liabilities that are settled with cash payments or another financial asset. The Company's liquidity management approach is to ensure, as much as possible, that there will always be sufficient liquidity to meet its obligations upon maturity, under normal and stress conditions, without experiencing unacceptable losses or damaging its reputation.

The Company manages liquidity risk by maintaining adequate reserves, lines of credit with banks and group companies, loans and financing, as well as by continuously monitoring the estimated and actual cash flow, and observing the maturity profiles of financial assets and liabilities.

The following are the contractual maturities of loans and financing arrangements, including estimated interest payments.

	Individual and Consolidated	
	12/31/2023	12/31/2022
ACC (6 months or less)	17,043	214,362
CCB (6 months or less)	12,314	12,180
FNO (6 to 12 months)	2,485	2,658
ACC (6 to 12 months)	78,298	67,716
NCE (6 to 12 months)	10,101	32,110
CCE (6 to 12 months)	29,906	-
CCE (above 12 months)	124,419	121,061
FIDC (6 months or less)	20,000	-
FNO (above 12 months)	-	2,368
Revolving credit facility (6 months or less)	35	-
	294,601	452,455

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2023

(In thousands of reais, unless otherwise stated)

20. Financial instruments and risk management (Continued)

Financial instruments fair value calculation methodology (Continued)

Summary of financial instruments - assets and liabilities (book value) - Continued

e) Performance risk

Performance risk is the possibility of noncompliance with the terms of the commercial agreement in the delivery or execution of a product, service, program or project, whether in terms of volume, value, deadlines, or any other terms defined in the negotiation or contract. Examples of performance risk, failure or default:

- When a rural producer fails to deliver grain due to market appreciation and decides to sell their most valued product on the spot market;
- When there is a strike by truck drivers, impacting the flow of grain at the port, causing delays in the loading of ships and, consequently, demurrage fines;
- Droughts or excessive rains impact the quality of the grains of a rural producer, who is unable to deliver their product in the minimum quality conditions required, not performing their contract in part.

f) Operational risk

Operational risk relates to direct or indirect losses arising from a variety of causes associated with the Company's processes, personnel, technology and infrastructure and from external factors, except credit, market and liquidity risks, such as those arising from legal and regulatory requirements and generally accepted corporate behavior standards. Operational risks arise from all of the Company's operations.

The Company's objective is to manage operational risk in order to avoid financial losses and damage to its reputation while seeking cost effectiveness.

This responsibility is supported by the development of the Company's general standards to manage operational risks in the following areas:

- Requirements for proper segregation of duties, including independent authorization of operations.
- Requirements for reconciliation and monitoring of operations.
- Compliance with regulatory and legal requirements.
- Requirements to report operating losses and proposed corrective actions.
- Development of contingency plans.
- Professional training and development.
- Ethical and commercial standards.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)
December 31, 2023
(In thousands of reais, unless otherwise stated)

20. Financial instruments and risk management (Continued)

Financial instruments fair value calculation methodology (Continued)

Summary of financial instruments - assets and liabilities (book value) - Continued

g) Capital management

Management adopts the policy of keeping a sound capital base to preserve investor, creditor and market confidence, and the future development of its business. Management monitors returns on capital, which the Company defines as the results of operating activities divided by total equity. Management seeks to strike a balance between highest possible returns and most adequate levels of loans, and the advantages and security provided by a healthy capital position.

The Company's debt ratio at year end is as follows:

	Individual		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Loans and financing - current	147,215	329,026	147,215	329,026
Loans and financing - noncurrent	106,169	123,429	106,169	123,429
NDF (net)	(4,866)	(12,287)	(4,866)	(12,287)
Cash and cash equivalents	(51,638)	(131,553)	(58,725)	(141,603)
Inventory	(103,934)	(134,915)	(109,321)	(135,965)
Net debt (A)	92,946	173,700	80,472	162,600
Total equity (B) (*)	137,611	142,479	208,518	214,874
(=) Debt ratio (A/B)	0.68	1.22	0.39	0.76

(*) Assets are stated in negative balances and liabilities in positive balances.

21. Commitments

- a) The Company and its subsidiaries are parties to purchase and sale agreements for future delivery, as follows:

Product	Type	Contract	Delivery	Individual (12/31/2023)			
				Quantity (ton)	Currency	Unit	Price
Soybean in grain	Physical	Purchase	2023	60,849	BRL	MT	108,109
Soybean in grain	Physical	Sale	2023	(162)	BRL	MT	(366)
Soybean in grain	Physical	Purchase	2024	-	BRL	MT	-
Soybean in grain	Futures	Sale	2024	(9,117)	BRL	MT	750
				51,570			108,493

Management seeks to equalize long and short positions; the difference between Purchases and Sales is currently in the Company's inventories.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2023

(In thousands of reais, unless otherwise stated)

21. Commitments (Continued)

Individual (12/31/2023)							
Product	Type	Contract	Delivery	Quantity (ton)	Currency	Unit	Price
Corn in grain	Physical	Purchase	2023	24,207	BRL	MT	26,095
Corn in grain	Physical	Sale	2023	(36,142)	BRL	MT	(38,997)
				<u>(11,935)</u>			<u>(12,902)</u>

Consolidated (12/31/2023)							
Product	Type	Contract	Delivery	Quantity (ton)	Currency	Unit	Price
Soybean in grain	Physical	Purchase	2023	60,849	BRL	MT	108,109
Soybean in grain	Physical	Sale	2023	(162)	BRL	MT	(366)
Soybean in grain	Physical	Purchase	2024	-	BRL	MT	-
Soybean in grain	Futures	Sale	2024	(9,117)	BRL	MT	750
				<u>51,570</u>			<u>108,493</u>

Consolidated (12/31/2023)							
Product	Type	Contract	Delivery	Quantity (ton)	Currency	Unit	Price
Corn in grain	Physical	Purchase	2023	24,207	BRL	MT	26,095
Corn in grain	Physical	Sale	2023	(36,142)	BRL	MT	(38,997)
				<u>(11,935)</u>			<u>(12,902)</u>

Individual (12/31/2022)							
Product	Type	Contract	Delivery	Quantity (ton)	Currency	Unit	Price
Corn in grain	Physical	Purchase	2023	2,196	BRL	MT	655
Corn in grain	Physical	Sale	2023	(81)	BRL	MT	(24)
Corn in grain	Physical	Purchase	2024	29,451	BRL	MT	8,158
Corn in grain	Physical	Sale	2024	(11,000)	BRL	MT	(3,252)
Corn in grain	Futures	Purchase	2024	2,921	BRL	MT	3,762
Corn in grain	Futures	Sale	2024	(33,401)	BRL	MT	(46,322)
				<u>(9,914)</u>			<u>(37,023)</u>

Consolidated (12/31/2022)							
Product	Type	Contract	Delivery	Quantity (ton)	Currency	Unit	Price
Soybean in grain	Physical	Purchase	2023	426	BRL	MT	278
Soybean in grain	Physical	Sale	2023	(1,887)	BRL	MT	(1,232)
Soybean in grain	Physical	Purchase	2024	54,479	BRL	MT	78,581
Soybean in grain	Physical	Sale	2024	(16,140)	BRL	MT	36,020
Soybean in grain	Futures	Purchase	2024	12,110	BRL	MT	35,424
Soybean in grain	Futures	Sale	2024	(11,294)	BRL	MT	(33,130)
				<u>37,694</u>			<u>115,941</u>

Consolidated (12/31/2022)							
Product	Type	Contract	Delivery	Quantity (ton)	Currency	Unit	Price
Corn in grain	Physical	Purchase	2023	2,221	BRL	MT	8,120
Corn in grain	Physical	Sale	2023	(171)	BRL	MT	(27,005)
Corn in grain	Physical	Purchase	2024	29,451	BRL	MT	8,158
Corn in grain	Physical	Sale	2024	(11,060)	BRL	MT	(12,801)
Corn in grain	Futures	Purchase	2024	2,921	BRL	MT	3,762
Corn in grain	Futures	Sale	2024	(33,401)	BRL	MT	(46,322)
				<u>(10,039)</u>			<u>(66,088)</u>

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2023

(In thousands of reais, unless otherwise stated)

22. Insurance coverage

The Company has a risk management program in place designed to limit risks, seeking coverage in the market consistent with its size and operations. The insurance coverage was taken out at the amounts below, which are considered sufficient by management to cover any losses, given the nature of the Company's activity, the risks involved in its operations and the guidance from its insurance advisors.

The Company has the following major insurance policies entered into with third parties.

<u>Insurance line</u>	<u>Coverage - R\$</u>
General and Professional Civil liability	510
Fire/Lightning/Explosion/Electrical Damage	4,920

23. Events after the reporting period

Receipt of PIS/COFINS credits

The Company informs that, in January 2024, it successfully refunded a total of R\$6,266 in PIS and COFINS credits. This financial refund was obtained through a strategic partnership, reflecting the Company's commitment to optimizing its financial position and ensuring efficiency in the management of its resources. This event is relevant to the Company, demonstrating an inflow of funds that positively impacts operating cash flow.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2023

(In thousands of reais, unless otherwise stated)

Board of Directors

Frederico José Humberg

Chairman

Paulo Guilherme Rache Humberg

Independent Director

Cristian de Lima Ramos

Independent Director

Stephane Frappat

Independent Director

Executive Board

Frederico José Humberg

CEO

Leonardo Pestana Henriques

Accountant

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