



AGRIBRASIL

GRAO

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Q3 24 Results

Comments on Performance

São Paulo, November 14, 2024 In fulfillment of legal and statutory provisions, the Management of Humberg Agribrasil Comércio e Exportação de Grãos S.A. ("Agribrasil" or "Company") below presents its comments on performance and the Consolidated Financial Statements prepared in accordance with the International Financial Reporting Standards (IFRS) and also based on accounting practices generally accepted in Brazil as well as standards issued by Brazil's Securities and Exchange Commission (CVM). The Company adopted all standards, revisions of standards, and interpretations issued by the Accounting Pronouncements Committee (CPC) that are effective for the financial statements on September 30, 2024. Non-financial and non-accounting data, including forecasts and estimates, have not been audited.

The third quarter of 2024 marks the continuation of our defensive risk management strategy, with operations predominantly supported by logistics, which has proven resilient to varying market conditions.

The market remained challenging in Q3 24, as it was in the first half of the year. Persistently low soybean and corn prices offset the effects of the Brazilian real's depreciation, generating challenges for the entire supply chain. The phenomenon known as "Slow Farmer Selling" persisted, affecting export operations and resulting in low vessel queues throughout the year. While Agribrazil achieved rapid growth (ramp-up) of grain operations at TESC last year, operations in 2024 had to be conducted with more caution and low exposure to maintain positive margins. This pragmatic approach resulted in a reduction in transaction volumes in Q3 24 compared to 2023. The company traded 564.6 thousand tons in Q3 24, a 23% decrease compared to the same period last year, when it handled 734.3 thousand tons. Revenue also declined, falling from R\$919.4M million in Q3 23 to R\$641.1 million in Q3 24, a 30% reduction.

The year-to-date volume comparison highlights substantial progress in 2024 compared to 2023. In YTD 24, the total operated volume reached 1,858.0 thousand tons, up from 1,105.3 thousand tons in YTD 23, a 68% increase, primarily driven by third-party soybean operations at TESC.

Net revenue was R\$1.4 billion, a 16% decrease compared to R\$1.7 billion in YTD 23. The decline in revenue, despite a higher volume, is due to the accounting treatment applied to third-party operations at TESC, which requires only the net gains to be recorded, not the total value of the sales. If the same accounting treatment had been applied, revenue would have grown by 117% in the period.

Agribrazil achieved an adjusted gross profit¹ of R\$18.6 million in Q3 24, a 47% decrease compared to R\$35.3 million in Q3 23. However, on a year-to-date basis, there was stability, with adjusted gross profit¹ reaching R\$60.2 million in Q3 24, along with a 0.7 percentage point increase in margin, which reached 4.3%.

Adjusted EBITDA¹ for the quarter was R\$12.2 million, a 58% decrease compared to R\$28.8 million in Q3 23. YTD 24 showed a slight increase of 2%, reaching R\$41.6 million compared to R\$40.7 million in YTD 23, with an increase in margin from 2.4% to 3.0%. Adjusted EBITDA¹ for the quarter was R\$12.2 million, a 58% decrease compared to R\$28.8 million in Q3 23. YTD 24 showed a slight increase of 2%, reaching R\$41.6 million compared to R\$40.7 million in YTD 23, with an increase in margin from 2.4% to 3.0%. On year-to-date, the net loss decreased from R\$19.1 million in YTD 23 to R\$0.2 million in 2024. Excluding non-cash effects, net income would have been R\$14.8 million.

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

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

Q3 24 represented the consolidation of TESC as a multi-purpose, resilient, and versatile terminal. The terminal successfully mitigated the lower grain availability by handling other cargoes, such as steel coils, reaching new records in YTD 24, with 2.4 million tons traded.

Just over a year after the start of grain terminal operations, TESC has demonstrated its viability and competitiveness in the grain export market. During this period, approximately 1.4 million tons of soybeans and corn were exported, with more than 400K tons just in Q3 24.

TESC achieved a gross profit of R\$36.7 million in Q3 24, a 5% increase compared to Q3 23, and R\$95.6 million in YTD 24, representing a 48% growth compared to YTD 23.

TESC recorded R\$31.5 million EBITDA in Q3 24 and R\$80.2 million in YTD 24, showing increases of 3% and 48%, respectively.

Net income reached R\$8.0 million in Q3 24, compared to R\$7.4 million in Q3 23. On a year-to-date, TESC totaled R\$11.2 million in net income, a 45% increase compared to the same period last year.

Regardless of the market conditions, Agribrasil has shown resilience in the face of different contexts. As a result of a conservative approach, Agribrasil has increasingly established itself as a versatile logistics platform, capable of facing and adapting to the challenges of the market.

Highlights

- 565K tons traded² in Q3 24 by Agribrasil. In YTD 24, we reached 1.822K tons.
- Adjusted gross profit¹ of R\$18,6M in Q3 24 and R\$60,2M in YTD 24.
- Adjusted EBITDA¹ reached R\$12,2M in Q3 24 and R\$41,6M in YTD 24.
- Net income of R\$0,9M in Q3 24 and a loss of R\$0,2M in YTD 24.
- TESC achieved an EBITDA of R\$31,5M in Q3 24 and R\$80,2M YTD 24, a 48% increase compared to YTD 23.
- TESC posted a net income of R\$8,0M in Q3 24 and R\$11,2M YTD 24.

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

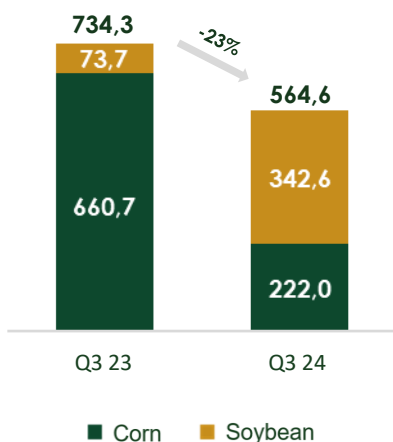
² Part of this volume is from transactions of partners handled at TESC through Agribrasil.

Operational Results Q3 24

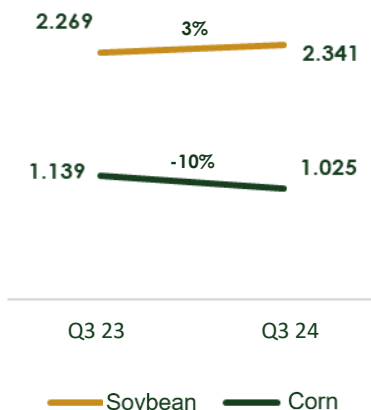
In Q3 24, revenue reached R\$ 641,1M, with 222,0K tons of corn and 101,9K tons of soybeans, including operations with partners at TESC.

The operations with partners have only the net gain recorded as revenue. If the values of sales and purchases were separated between revenue and cost, Q3 24 revenue would have reached R\$ 1,0Bi.

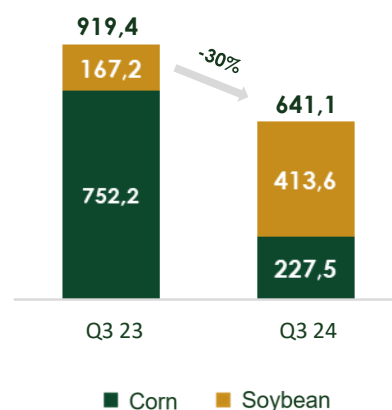
Volume by product
(thousand tons)²



Price by product
R\$/ton

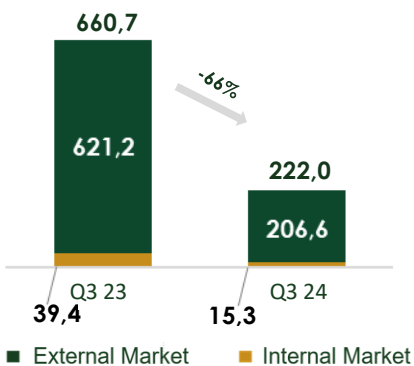


Net revenue by product
(R\$M)

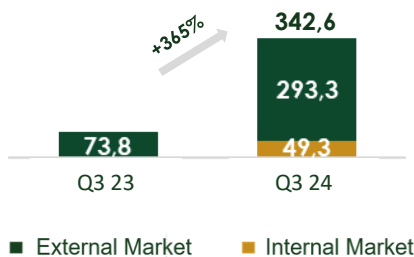


This quarter, we significantly increased soybean volumes. The international market remains the main destination, accounting for 89% of the total volume.

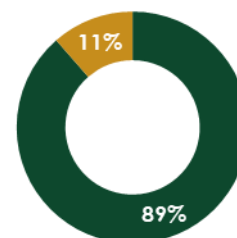
Corn volume by market
(thousand tons)²



Soybean volume by market
(thousand tons)²



Volume by market²



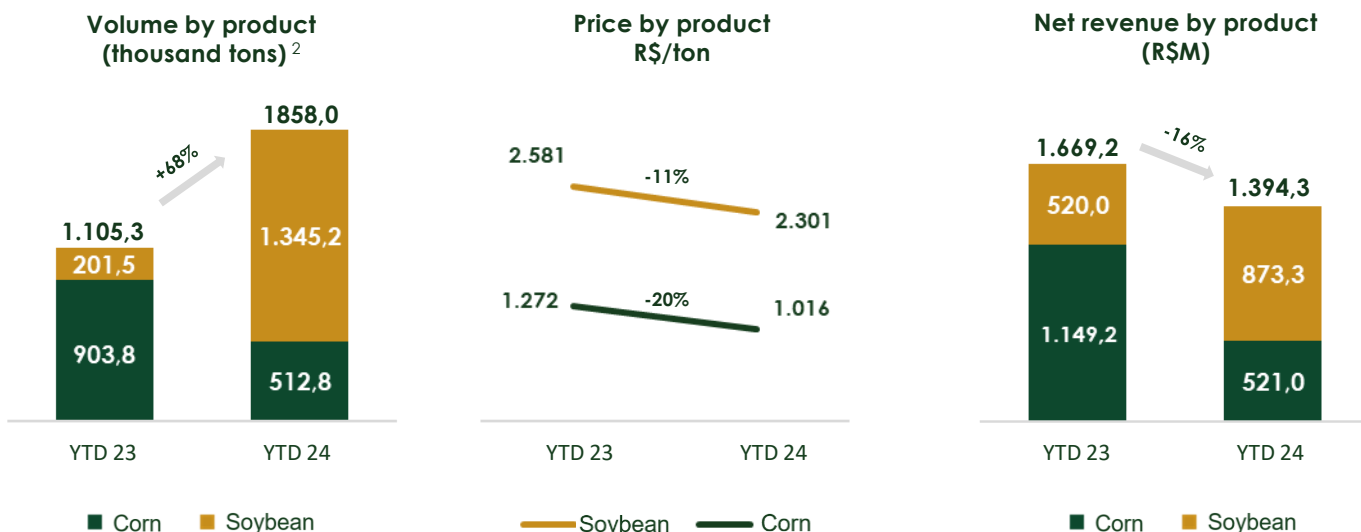
¹ Net revenue if there were a separation of the sold and purchased values between revenue and cost in operations with partners.

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

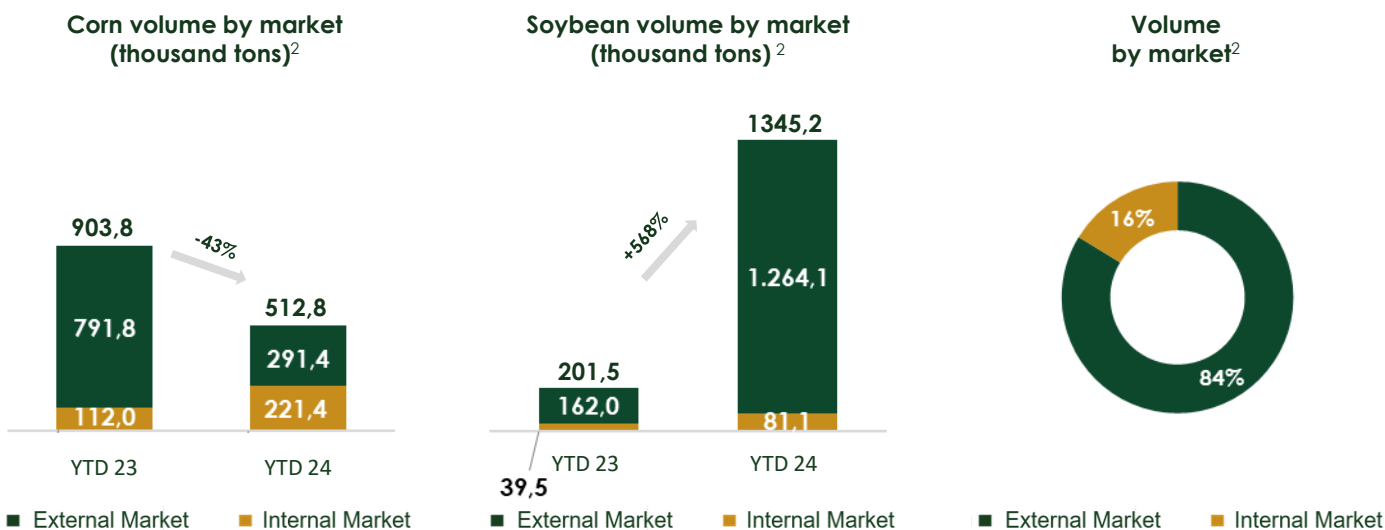
Operational Results YTD 24

In YTD 24, revenue reached R\$1,4Bi, with 512,8K tons of corn and 1.345,2K tons of soybeans, including operations with partners at TESC.

The operations with partners have only the net gain recorded as revenue. If the values of sales and purchases were separated between revenue and cost, YTD 24 revenue would have reached R\$ 3,6Bi.



We increased soybean volumes by 568% in YTD 24 compared to YTD 23, with the external market remaining our main destination, representing 84% of the total volume.

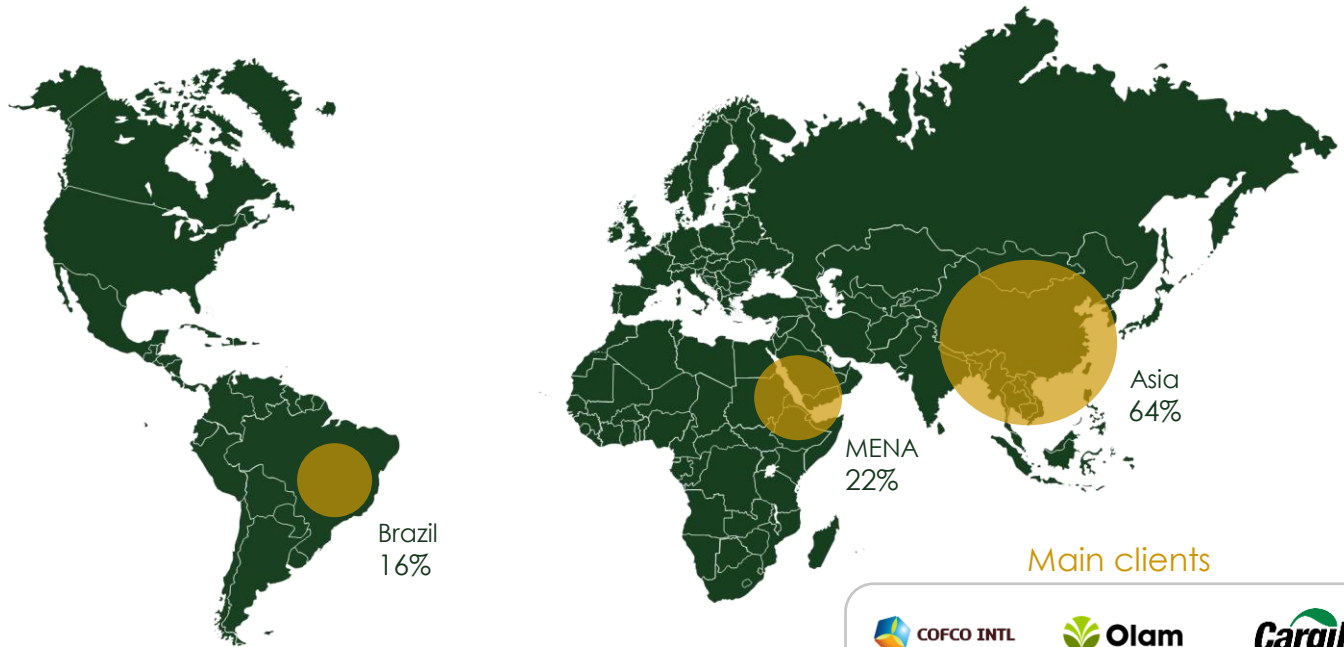


¹ Net revenue if there were a separation of the sold and purchased values between revenue and cost in operations with partners.

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

Destination of Sales YTD 24

In YTD 24, 84% of our total volume resulted from exports.



Main clients



Logistics YTD 24

We operate in the main export logistics corridors.



25,1K trucks



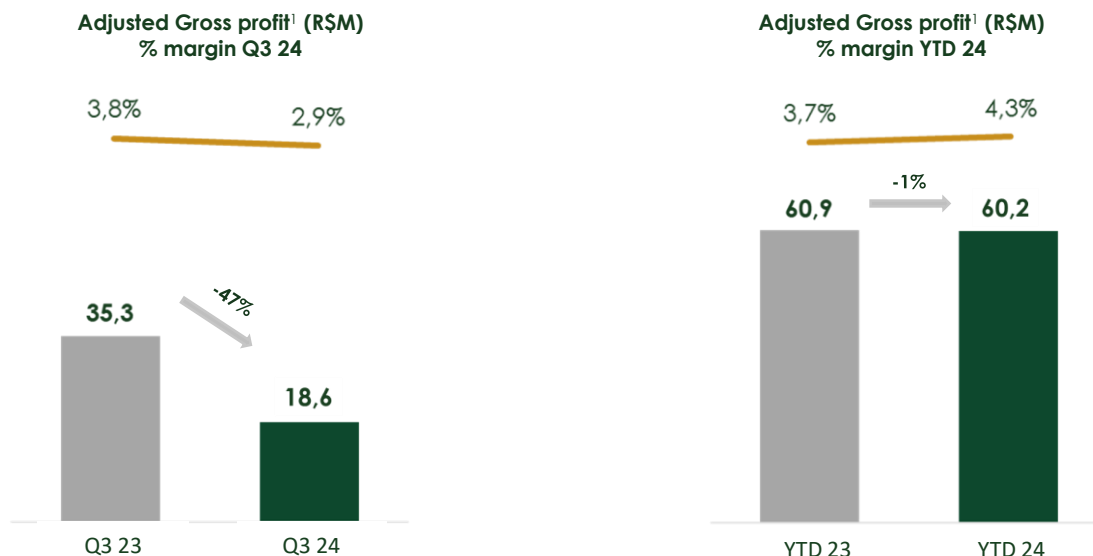
103 barges



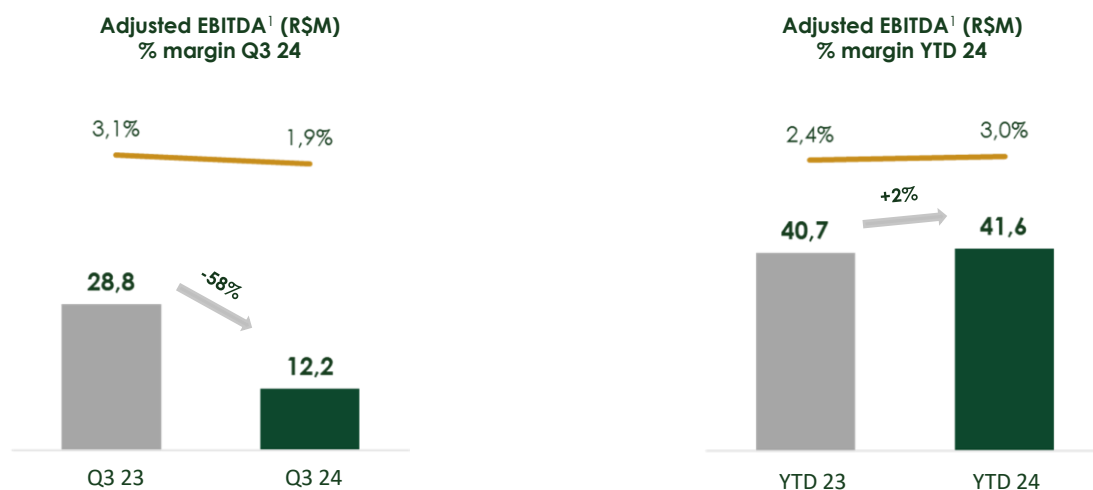
23 vessels

Adjusted gross profit and EBITDA¹

In Q3 24, our adjusted gross profit¹ totaled R\$18,6M, a 47% decrease compared to Q3 23. YTD 24 reached R\$60,2M, reflecting a 1% decline compared to the same period of last year.



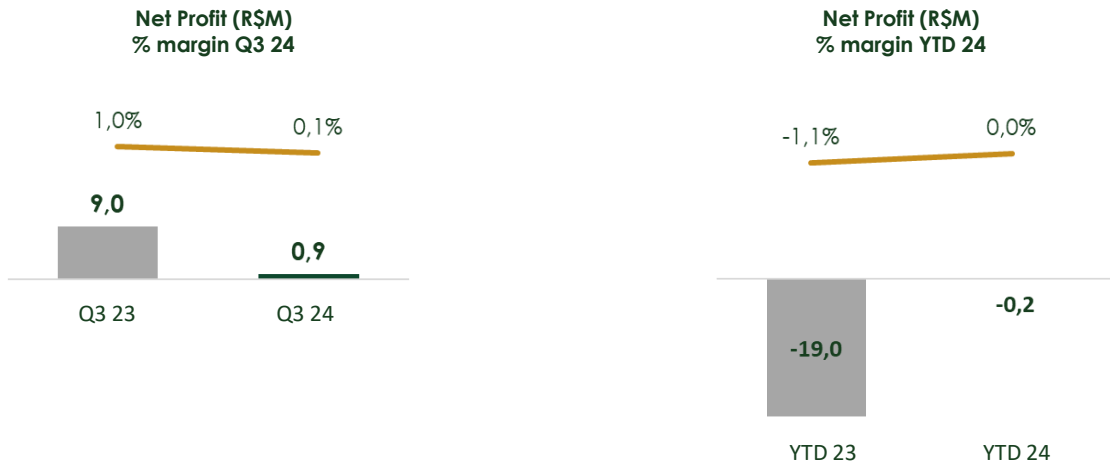
Adjusted EBITDA was R\$12,2M, a 58% decrease compared to Q3 23. In YTD 24, it reached R\$41,6M, a 2% increase compared to YTD 23. The margin reduction observed in Q3 24 is due to changes in the operational mix compared to Q3 23, driven by a proportionally lower volume of higher-margin activities, such as domestic market transactions and third-party operations at TESC.



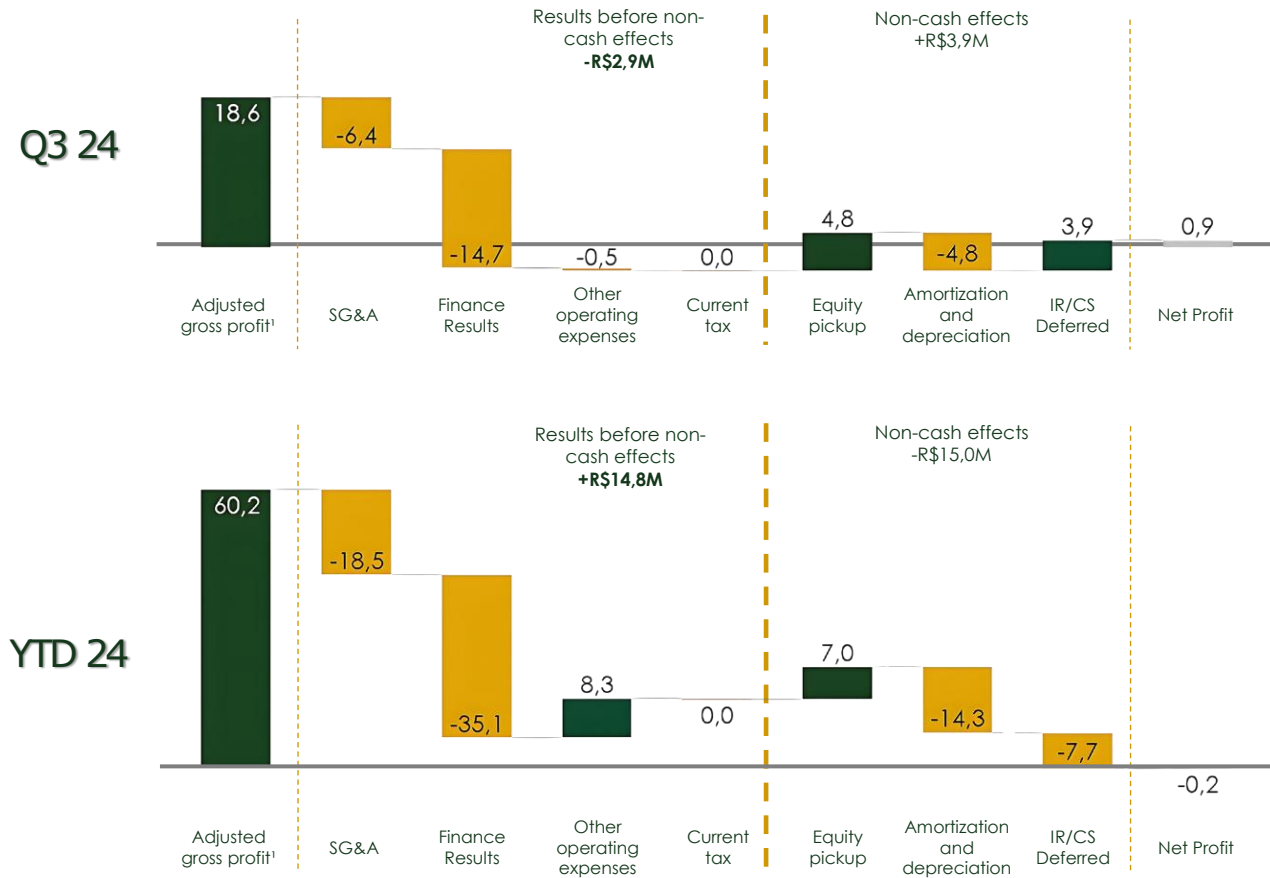
¹ Considers exchange rate change and expenses associated with the recovery of PIS and Cofins credits (which are operational).

Net Profit

In Q3 24, our net profit was R\$ 0,9M. In YTD 24, we reported a result of R\$ -0,2M.



The net profit, excluding non-cash effects, would have been R\$ -2,9M in Q3 24 and R\$ 14,8M in YTD 24.



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

Consolidated Income Statement (BRL 000)	Q1 24	Q2 24	Q3 24	Q4 24	YTD 24
Net Revenue	341.270	411.981	641.050	-	1.394.301
Cost of Goods Sold (COGS)	(251.883)	(350.224)	(545.660)	-	(1.147.767)
Logistic Costs	(54.860)	(38.281)	(76.156)	-	(169.297)
Contracts to Market	(12.650)	14.230	653	-	2.233
Exchange Variation	(3.154)	(14.856)	(1.288)	-	(19.298)
Gross Profit¹	18.723	22.849	18.599	-	60.172
Gross Margin %	5,5%	5,5%	2,9%	-	4,3%
SG&A	(5.612)	(6.555)	(6.366)	-	(18.533)
People Cost	(3.912)	(3.213)	(3.569)	-	(10.695)
Third Parties	(1.123)	(2.251)	(1.606)	-	(4.980)
Administrative	(1.038)	(1.091)	(1.162)	-	(3.291)
Bonus & PPLR / SOP / Others	462	-	(29)	-	432
EBITDA	13.111	16.295	12.233	-	41.639
Adjusted EBITDA %	3,8%	4,0%	1,9%	-	3,0%
Depreciation and Amortization	(4.748)	(4.759)	(4.759)	-	(14.265)
Finance Results¹	(8.897)	(11.541)	(14.712)	-	(35.150)
Finance Expense TESC Acquisition	(4.147)	(4.079)	(4.250)	-	(12.475)
Finance Income (Recurring)	559	4.899	618	-	6.075
Finance Expense (Recurring)	(6.506)	(7.098)	(7.397)	-	(21.002)
Finance Income/Expense (Non Recurring)	1.197	(3.198)	(1.917)	-	(3.918)
Finance expense - Suppliers	-	(2.064)	(1.765)	-	(3.829)
Other operating income and expenses	(3)	8.817	(470)	-	8.345
Equity Pick-Up²	1.779	438	4.782	-	6.998
EBT	1.243	9.250	(2.926)	-	7.567
Current Tax	(1.160)	1.126	-	-	(34)
Deferred Tax	(3.143)	(8.413)	3.869	-	(7.687)
Net Profit	(3.060)	1.963	943	-	(154)
Net Profit %	-0,9%	0,5%	0,1%	-	0,0%

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

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

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

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

² The equity pickup considers 63% stake in TESC (100% of Nityam).

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

Consolidated Income Statement (BRL 000)	YTD 24			
	100% Agribrasil	100% TESC	51% TESC	Consolidated
Net Revenue	1.394.301	190.850	97.333	1.491.634
Costs	(1.334.129)	(95.291)	(48.598)	(1.382.728)
Adjusted Gross Profit¹	60.172	95.559	48.735	108.907
SG&A	(18.533)	(15.318)	(7.812)	(26.345)
Adjusted EBITDA	41.639	80.240	40.923	82.561
<i>Adjusted EBITDA %</i>	<i>3,0%</i>	<i>42,0%</i>	<i>42,0%</i>	<i>45,0%</i>
Depreciation and Amortization	(14.265)	(21.573)	(11.002)	(25.268)
Finance Results	(35.150)	(38.216)	(19.490)	(54.640)
Other operating income and expenses	8.345	(219)	(112)	8.233
Equity pickup	-	-	-	-
Profit Before Tax	569	20.232	10.318	10.887
IR/CSLL Current Tax	(34)	(225)	(115)	(148)
Deferred Tax	(7.687)	(8.791)	(4.483)	(12.170)
Net Profit	(7.152)	11.217	5.721	(1.431)

Details of TESC results

Consolidated Income Statement (BRL 000)	Q1 24	Q2 24	Q3 24	Q4 24	YTD 24
Net Revenue	58.782	60.067	72.001	-	190.850
Fixed expenses	(6.224)	(7.096)	(7.760)	-	(21.079)
Variable expenses	(22.645)	(24.056)	(27.511)	-	(74.212)
Gross Margin	29.914	28.915	36.730	-	95.559
SG&A	(4.961)	(5.166)	(5.191)	-	(15.318)
EBITDA	24.952	23.749	31.539	-	80.240
<i>Margem EBITDA %</i>	<i>42,4%</i>	<i>39,5%</i>	<i>43,8%</i>	<i>-</i>	<i>42,0%</i>
Depreciation and Amortization	(7.185)	(7.126)	(7.262)	-	(21.573)
Operational Results	17.767	16.623	24.277	-	58.667
Other operating income and expenses	929	(178)	(970)	-	(219)
Finance Results	(14.420)	(12.309)	(11.486)	-	(38.216)
Profit Before Tax	4.276	4.136	11.820	-	20.232
IR/CSLL Current Tax	-	(395)	170	-	(225)
Deferred Tax	(1.436)	(3.353)	(4.002)	-	(8.791)
Net Income	2.840	388	7.989	-	11.217

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

1 – Breakdown of Adjusted EBITDA

Composition of Adjusted EBITDA (BRL 000)	Q3 24	YTD 24
Earnings	942	(154)
(+/-) Tax	3.869	(7.720)
Profit Before Tax	(2.927)	7.567
(-) Depreciation and Amortization	(4.759)	(14.265)
(+) Equity pickup	4.782	6.998
(+/-) Other operating income and expenses	(470)	8.400
(-) Finance Accounting Results	(14.712)	(35.150)
(-) SG&A Non recurring	-	(55)
EBITDA	12.233	41.639
(-) Other operating income and expenses	337	(8.791)
(-) Equity pickup	(4.782)	(6.998)
(+) Provision for costs related to the operation	-	2.607
(+) SG&A Non recurring	-	55
Adjusted Accounting EBITDA	16.677	54.766

2 – Breakdown of Adjusted gross profit

Composition of Adjusted Gross Profit (BRL 000)	Q3 24	YTD 24
Net Revenue	641.050	1.394.301
COGS	(620.928)	(1.316.418)
Accounting Gross Profit	20.122	77.883
(-) Exchange Variation	(1.288)	(19.298)
(-) Legal expenses related to PIS&COFINS	(235)	(1.020)
(+) Provision for costs related to the operation	-	2.607
Adjusted Gross Profit	18.599	60.171

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 September 30, 2024. The Company and its subsidiaries manage the engagement of independent auditors to ensure no conflicts of interest or compromises to independence or objectivity, adhering to principles that safeguard auditor independence.

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

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

Statement of the Executive Board

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

Disclaimer

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