



2020 First Semester Presentation

Jul'28th 2020

Agenda



1. The Company
2. Last Quarter Update on Corporate Governance – **new**
3. Board of Directors – **new**
4. JV with Intermaritima – **new**
5. Covid-19
6. June 30th, 2020 Statutory Financials (Interim Audit review – ongoing – ETA 31/7)
7. Jun'20 Managerial P&L
8. 2020 Full Year Forecast x 2019 Audit Actuals
9. Key Priorities
10. Q&A

We are

Customer centric grain originator managing the whole commercialization process, including logistics and risks, with strong longstanding relationships in the country-side and abroad.

Started in 2016, successfully completed its start-up in Dec'17 with revenues in 2019 of ~R\$ 400mm and on track to **~R\$ 800mm in 2020**



Strengthen Corporate Governance on a Continuous Basis



Corporate Governance is the foundation of the Group's continued existence. Based on this understanding, ongoing efforts are being made to strengthen initiatives related to the transparency of the whole operation. Below partnerships made in corp. governance during Q2'2020:

- As of June 1st, 2020, as previously announced in the last quarter, **Agribrasil became a full corporation ("S/A") with a formal board of directors** with two external board members and two advisory committee (financial and compliance) – done.
- **Machado Meyer** specialized law firm engaged to review statutory documents and corporate governance – ongoing. ETA Dec 2020
- **EY has been engaged** for the 2020 first semester limited audit review (1S20 x 1S19) – ETA Jul 31st, 2020
- **Chubb do Brasil** has been engaged to provide Agribrasil with D&O insurance coverage – done.
- **MZ specialized investor relation firm** engaged to reshape Agribrasil website improving the communication with our stakeholders – ETA Aug 31st, 2020
- On track to be listed as a public company at **B3**: targeting last quarter of 2020 – on going.
- Additional step on the Environmental, Social and Governance (ESG), Agribrasil engaged **Agrotools** to provide additional support on daily company decisions – done



Board of Directors



Fred Humberg, Chairman of the board.

Founder and CEO – 30 years experience on grain exports and processing. Top management positions at Bunge, Gaviion and Glencore. Acted as ventures capitalist for over 20 companies related to grain exports. Sold most recent venture to Gaviion in 2011 and served as CEO in Brazil for 5 years, leading the company to reach revenues of R\$3,3bn and EBT of R\$100mm



Paulo Humberg, independent board member.

He is one of the pioneers in the internet scenario in Brazil. In 1995, he founded Shoptime, the countrys first e-commerce. Since then, he has become a serial entrepreneur, founding several successful companies such as Lokau, iBest and Brandsclub, as well as investing in several others. Chairman of KPTL 1 billion BRLs fund with 90 companies invested including agritech companies



Stephane Frappat, independent board member.

As CEO, Stéphane led the transformation of Sodrugestvo from a Russian feedstuff importer and distributor into a \$3 billion company present in 5 continents, including oilseeds processing facilities in Russia, Brazil and the US, fishmeal production in Denmark and Africa, river and sea port facilities in Paraguay, Russia and the EU, and one of the largest grain hopper owner and operator in Europe. He was instrumental in selling minority stakes of the company to IFC and Mitsui, and in building a management team recognized internationally.

JV with 30+ years established company in Bahia named Intermarítima to be prepared to invest in Ilhéus Port



As previously announced during the second quarter of 2020, Mr. Frederico Humberg made additional capital investment in Agribrasil group by adding the 40% stake in Portoeste company that will be the official vehicle to deploy the existing port in the north of Brazil (Ilhéus Port)

Pier Length: 420 meters.

Characteristics:

- Max draft : 32ft 10in (10.0 meters)
- Max LOA / Beam: 220 /32 meters
- Max DWT : 52,000 tons (special authorization can be obtained from Harbour Master's Office for vessels over this DWT, but limited to 70,000 tons displacement).
- Equipment 1 shiploader, with max. outreach of 25 meters.
- Air draft: 15m (due shiploader does not move vertically).
- Water density: 1.023 g/cm³
- Loading rate : - SBMeal HIPRO: about 250 mt/hr
- Storage capacity : BUNGE = 32,000mt and Cargill = 16,000 mt
- Official Bs/L figures determined by Customs Draft Survey. No shore scale.
- **NO BUNKERING FACILITIES AT ILHÉUS.**



Covid-19



Despite of good results presented in the first semester of 2020, “stay-at-home orders” has been the tone of our top management in Agribrasil for the entire company in order to preserve our employees under this pandemic. Agribrasil stays committed and providing support to the society

- ✓ Since March 17th, 2020, entire Agribrasil team (31 employees) is working in home-office (4 months), thanks to the Agribrasil cloud platform that is allowing us to produce from the home office;
- ✓ Donation of masks in areas that have reported cases and where Agribrasil operates, as follows:
 - 5k masks to São Francisco do Sul – SC, in May’20
 - 10k masks to Sorriso – MT, in Jun’20
 - 5k masks to São Paulo – SP, in Jul’20
- ✓ Agribrasil is committed to support our stakeholders during the pandemic, following all the local instructions.



Jun'20 – Statutory Financials



Demonstrações dos resultados
30 de junho de 2020 e 2019
(Em milhares de reais)

	Não auditado Controladora		Não auditado Consolidado	
	Jan- Jun 2020	Jan – Jun 2019	Jan – Jun 2020	Jan – Jun 2019
Receita líquida de vendas	464.207	98.999	574.925	97.187
Custo dos produtos vendidos	(458.920)	(88.648)	(536.095)	(87.276)
Lucro bruto	5.287	10.351	38.830	9.911
Despesas (receitas) operacionais				
Despesas gerais e administrativas	(7.179)	(1.896)	(7.218)	(1.901)
Resultado de equivalência patrimonial	37.164	(452)	-	-
Lucro (prejuízo) antes do resultado financeiro e do imposto de renda e contribuição social	35.272	8.003	31.612	8.010
Receitas financeiras	19.357	3.525	23.064	3.525
Despesas financeiras	(36.930)	(1.954)	(36.977)	(1.961)
Resultado financeiro	(17.573)	1.571	(13.913)	1.564
Lucro (prejuízo) antes do imposto de renda e contribuição social	17.699	9.574	17.699	9.574
Imposto de renda e contribuição social corrente	-	(1.343)	-	(1.343)
Imposto de renda e contribuição social diferido	(4.296)	(2.124)	(4.296)	(2.124)
	(4.296)	(3.467)	(4.296)	(3.467)
Lucro líquido do exercício	13.403	6.107	13.403	6.107

Highlights:

- **R\$ 31.6mm Gross Margin** for the 1S 2020 under statutory report, however from management perspective R\$ 11.5mm loss from the currency exchange variation USD/BRL must be reported as an operational item, therefore should offset part of the gain in gross margin.
Adjusted Gross Margin is **R\$ 20.1mm**
(R\$ 31.6mm – R\$ 11.5mm)
- **R\$ 13.9mm Net Financial** includes a net loss of R\$ 11.5mm of currency exchange variation USD:BRL and for managerial purpose it should be reported as operational instead of financial
Adjusted Net financial is **R\$ 2.4mm**
(R\$ 13.9mm – R\$ 11.5mm)
- **R\$ 17.699k PBT** (statutory = managerial)

Jun'20 – First Semester Analysis



AGRIBRASIL - CONSOLIDATED

	1st Q20 Jan-Mar	2nd Q20 Apr-Jun	Total 1st S 20 Jan-Jun	△ 1Q x 2Q
Volume (000' MT)				
Corn	12,0	14,6	26,6	
Beans	41,6	263,4	305,0	
Total	53,6	278,0	331,6	419%
<u>ALL AMOUNTS IN 000' BRLs</u>				
NET REVENUE	109,5	465,4	574,9	<u>325%</u>
Cost o Goods Sold	-103,8	-443,8	-547,6	
Gross Margin	5,7	21,6	27,3	<u>281%</u>
Gross Profit Margin %	5,2%	4,6%	4,8%	
SG&A	-1,8	-5,4	-7,2	<u>201%</u>
EBITDA	3,9	16,2	20,1	<u>318%</u>
EBITDA Margin %	3,5%	3,5%	3,5%	
Financial Results (net)	-0,7	-1,7	-2,4	
PBT (in 000'R\$)	3,2	14,5	17,7	<u>357%</u>
PBT Margin %	2,9%	3,1%	3,1%	

EY was engaged to perform Interim audit review - to be concluded in Jul 31st 20

Highlights:

- **Volume:** 4x higher than 1st Quarter thanks to beans program (five vessels)
- **Net revenue:** Good Net Revenue in the 2nd Quarter due to the soybean program and in addition to the net revenues reported in the 1S20, we have commitments for additional R\$ 400mm in net revenue for the following quarter (Q3).
- **Gross Margin :** Strong contribution from gross profit of R\$ 21.6mm as expected with lower margin % (4.6% x 5.2%) due to the relevance of the beans program in Q2.
- **SGA :** Is ~R\$ 3.6mm higher than Q1 due to additional accruals made during the Q2 such as:
 - Aligned to the good results reported in Q2, we build bonus accrual as well as maximum profit share payment program for all employee (PPR).
- **EBITDA:** In line to our expectation at 3.5%
- **Interest :** higher than Q1 but aligned to the growth reported at net revenue.

2020 Full Year Forecast



Highlights:

- **Volume:** Additional eight corn vessels were already sold to be shipped during the third quarter of the year. We potentially can sell more vessels to be shipped in last quarter the year but was not considered yet (conservative approach)
- **Net revenue:** Aligned to our strategic plan, we are VERY close to deliver the announced "aggressive growth" of R\$ 800mm in 2020.
- **Gross Margin:** 4.4% (R\$ 35,5mm) in gross margin better than 3.3% reported in 2019, aligned to our expectations
- **SGA :** For the second semester we are also expecting additional R\$ 500k additional one-off costs in strengthen the corporate governance by having (system, audit, legal fees, etc)
- **EBITDA:** the R\$ 24mm EBITDA is aligned to our expectation and will deliver in 2020 FY 3% compared to 1.9% in 2019.

AGRIBRASIL - CONSOLIDADO

	Actual 1st S20 Jan-Jun	Forecast 2nd S20 Jul-Dec	Projection 2020 Total Jan-Dec	Audited 2019 Jan-Dec	Δ 20 x 19
Volume (000' MT)					
Corn	26,6	473,4	500,0	564,7	
Beans	305,0	10,0	315,0	35,3	
Total	331,6	483,4	815,0	600,0	36%
ALL AMOUNTS IN 000' BRLs					
NET REVENUE	574,9	225,1	800,0	386,5	107%
Cost o Goods Sold	-547,6	-216,9	-764,5	-373,9	
Gross Margin	27,3	8,2	35,5	12,6	182%
Gross Profit Margin %	4,7%	3,6%	4,4%	3,3%	
SG&A	-7,2	-4,3	-11,5	-5,1	126%
EBITDA	20,1	3,9	24,0	7,5	220%
EBITDA Margin %	3,5%	1,7%	3,0%	1,9%	
Financial Results (net)	-2,4	-1,6	-4,0	-1,5	
PBT (in 000'R\$)	17,7	2,3	20,0	6,0	233%
PBT Margin %	3,1%	1,0%	2,5%	1,6%	

2020 Key Priorities



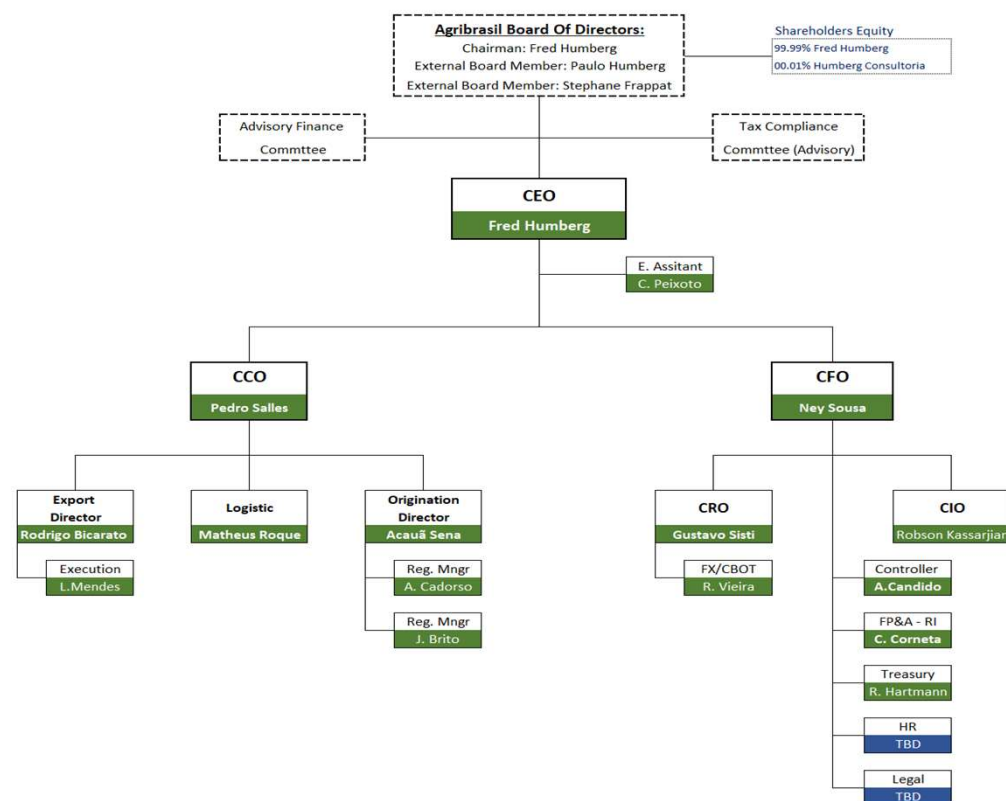
- 1. Covid-19.** Zero cases reported in Agribrasil while this seems promising, it is important to stay vigilant. Agribrasil will continue work under stay-at-home mode and following all protocols
- 2. Continuing growing** in a sustainable way aligned to the strategic plan by **executing well corn program in Q3** with a low revenue expectations for 4Q
- 3. Increase bank relationship and FX Hedge lines** based on the positive results reported in 2019 as well as in the first semesters of 2020.
- 4. Strengthen the corporate governance** by reviewing all the statutory documents and making company ready for capital injection

Q&A

THANK YOU!!



Jun'20 – Organization Chart



YTD Jun'20 - Statutory Figures



	Não auditado Controladora		Não auditado Consolidado	
	Junho/2020	Junho/2019	Junho/2020	Junho/2019
Ativo				
Circulante				
Caixa e equivalentes de caixa	13.032	10.495	18.088	10.981
Contas a receber de clientes	84.809	3.590	85.042	3.590
Contas a receber de partes relacionadas	8.647	1.938	-	-
Estoques	163.938	54.108	163.938	54.108
Adiantamento a fornecedores	-	80	-	80
Instrumentos financeiros derivativos	17.064	6.852	53.152	8.860
Impostos a recuperar	13.480	8.716	13.480	8.716
Outros ativos circulante	34	-	34	-
Total do ativo circulante	301.004	85.779	333.734	86.335
Não circulante				
Investimento	33.719	(233)	470	-
Imobilizado	391	237	391	237
Outros ativos não circulantes	176	42	176	42
Total do ativo não circulante	34.286	46	1.037	279
Total do ativo	335.290	85.825	344.771	86.614
Passivo				
Circulante				
Fornecedores	156.027	51.389	158.257	51.389
Empréstimos e financiamentos	123.818	16.114	123.818	16.114
Obrigações fiscais	1.619	1.383	1.619	1.383
Obrigações trabalhistas	1.997	142	1.996	142
Instrumentos financeiros derivativos	21.266	31	21.267	820
Adiantamentos de clientes	-	8.867	5.454	8.867
Adiantamentos de clientes Intercompany	8.203	-	-	-
Total do passivo circulante	312.930	77.926	312.411	78.715
Não circulante				
Imposto de renda e contribuição social diferidos	8.052	2.012	8.052	2.012
Total do passivo não circulante	8.052	2.012	8.052	2.012
Patrimônio líquido				
Capital social	1.991	1.100	1.991	1.100
Adiantamento para futuro aumento de capital	-	300	-	300
Lucros (prejuízos) acumulados	12.317	4.487	12.317	4.487
Total do patrimônio líquido	14.308	5.887	14.308	5.887
Total do passivo e patrimônio líquido	335.290	85.825	344.771	86.614

Jun'20 - Statutory Figures



Humberg Agribrasil Comércio e Exportação de Grãos Ltda.

Demonstrações das mutações do patrimônio líquido
30 de junho de 2020
(Em milhares de reais)

	Capital social subscrito	Não auditado Adiantamento para futuro aumento da capital	Lucros (prejuízos) acumulados	Total
Saldos em 31 de dezembro de 2019	1.100	420	(208)	1.312
Lucro líquido do exercício	-	-	13.403	13.403
Adiantamento para futuro aumento de capital	-	(420)	-	(420)
Aumento de capital	891	-	-	891
Dividendos pagos	-	-	(878)	(878)
Saldos em 30 de junho de 2020	1.991	-	12.317	14.308