

**RAÍZEN S.A.****RESULTS TELECONFERENCE****4Q 2021/2022**

**OPERATOR** - Good morning ladies and gentlemen and thank you for waiting. Welcome to the Raízen's Webinar to discuss the results of the Fourth Quarter of 2021/2022. Today with us we have: Phillipe Casale, IR Head; Guilherme Cerqueira, CFO e IRO; and Ricardo Mussa, CEO. We would like to inform you that this event is being recorded, and has simultaneous translation to Portuguese. During this event all participants will be able to listen the presentation. Afterwards we will begin the Question and Answer session, when further instructions will be given. Before proceeding let me mention that forward-looking statements that may be made during this presentation, regarding the company's business prospects, operating and financial projections and goals, are based on beliefs and assumptions of the Raízen's management, as well as in information currently available to the Company. Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions, as they related to future events and, therefore, depend on circumstances that may or may not occur. General economic conditions, industry conditions and other operating factors may affect the Company's future results and may lead to results that differ materially from those expressed in such forward-looking statements. Now, I would like to turn the Conference over to Mr Phillipe Casale. Please, Mr. Casale you may proceed.

**PHILLIPE CASALE** – Good morning, everyone, and thank you for joining us today for Raízen's earnings conference call for the fourth quarter of the 21 22 crop year. With me today are Ricardo Mussa, our CEO, and Guilherme Cerqueira, our CFO and IRO. We also have here today, Carlos Moura, that since the beginning of May is conducting a hand over process with Guilherme, and will assume the position of CFO in June. Let's start the presentation on slide 3, please.

This year will certainly be marked in Raízen's history! Despite the many challenges, we were able to deliver important achievements. ROACE, our main return metric, recovered to near pre-pandemic levels, while revenue and net income also improved significantly. The robust cash generation in the year supported the reduction on leverage, with the net debt/Adjusted EBITDA ratio falling to 1.3 times. We also had several highlights in our operations and portfolio. Raízen was listed on the B3 and completed the largest acquisition since its creation, with the successful integration of all assets of Biosev. We expanded our Renewables portfolio with the acquisition of Grupo Gera, expanding our footprint in the energy market. We started construction of our second E2G plant and made

further progress in selling the biofuel through long-term contracts in hard currency. We also made progress in our Biogas project and sold all output from the first plant fully dedicated to biomethane production. We continued to advance on our agricultural efficiency journey, with higher yields on first-cut cane, while the average yield in the state of São Paulo fell by 12%. Maintaining the consistency of our deliveries, we maximized returns in the Marketing & Services segment with a combination of strong sales volume growth, market share gains and higher profitability. All this reflected in many operational, financial and safety records, making us very proud of all those deliveries.

Let's move now to slide 4, to present our financial highlights. The excellent performance of our businesses in the period reflects our capacity to create value and deliver superior results from our integrated portfolio. As shown in the chart, the EBITDA contribution of each segment in the year. Both Renewables and Marketing & Services posted positive contributions, which were partially offset by the lower contribution from Sugar, affected by lower production and the commercial strategy that postponed part of sales to the next crop year. Following the same dynamic of past presentations, I'll briefly go over the highlights of the businesses to leave more time for the Q&A session.

Let's turn to slide 5, please. As commented during the year, the lower crushing volume was due to impacts from drier weather and frost events, which reduced cane availability in the Center-South region. But the main message I want to convey today is that Raízen continues to make great progress on its journey to capture agricultural efficiency gains and improve yields. On the right, you can see that the tons of cane per hectare, or TCH of our fields suffered less than the industry average in both São Paulo state and the Center-South region. This outperformance becomes even clearer in the case of first-cut cane, with our yield increasing 2% on last crop year, while the average yield in the state of São Paulo fell 12%. This metric shows clearly how we are on the right path! Cash cost in the crop year, excluding the effects of CONSECANA, was mainly affected by higher prices for agricultural inputs, labor costs, materials, and diesel. The lower crushing volume also reduced efficiency with per-unit fixed costs pressured by the lower economies of scale, which should be compensated in the future with the catch up on productivity. In terms of investments, CAPEX was concentrated in maintenance and planting, as well as in health, environment, and safety, with a focus on people as well as asset safety. The highlights in projects were the continued investment in the construction of our second E2G plant in the Bonfim Bioenergy Complex.

Let's move on to the next slide on the Renewables segment. Raízen delivered a solid EBITDA growth of 33% in the year, despite the lower production and sales volume. In ethanol, Raízen's higher average sales price offset its lower

sales volume and higher cost. If you recall, our average ethanol price is composed of own sales volume plus the margin realized from resale and commercialization operations, which better shows how we maximize returns in the long term through scale and operating efficiency gains in logistics, as well as market intel. The price also includes the hedge positions formed at the start of the crop year to protect returns, especially during the intercrop period. For the next crop year of 22-23, we do not have contracted proxy hedge positions. In power, we ended the year with dynamics like those of ethanol, with lower own sales volume and higher sales prices supporting the better result. Remember that Raízen is Brazil's largest generator of bioelectricity via cogeneration, and that we have expanded our generation based on other renewable sources, such as urban waste biogas, solar and hydro. Before moving on to the Sugar segment, I want to update you, on slide 7, on our expansion plans in Renewables that we announced in recent weeks.

We are very proud to announce some of the most important investments in renewable energy in Brazil. As announced on May 11th, we are starting construction on Raízen's 3rd and 4th second-generation ethanol plants, which will increase our biofuel production capacity to 280 million liters as of 2024. 80% of this volume already has been contracted via long-term agreements in hard currency, which guarantees highly attractive returns on the investments. We remain firm in our commitment to expand our portfolio to 20 plants by 30-31, which will expand our ethanol production capacity by 50% without any need to expand our planted area. Another important initiative in our renewable's agenda is Biogas. On April 26th, we announced the start of construction of our second biogas plant, which is the first 100% dedicated to biomethane production. All the plant's production already has been contracted, also through long-term agreements, with Yara and Volkswagen. Our portfolio of clean and renewable energy solutions will enable our clients to advance in their decarbonization targets. Together, the 3 E2G plants under construction and the Biomethane plant represent total investment of around R\$ 3.3 billion reais, which makes Raízen a reference in the global energy transition via biofuels.

Let's turn to the next slide on the Sugar segment. The Sugar segment's adjusted EBITDA in the quarter was R\$ 174 million, bringing the total for the crop year to R\$ 2.0 billion, in line with our guidance. EBITDA performance in the crop year was affected by declines in production and sales volume due to the lower-than-expected harvest in the Center-South region and by the share of sugar in the production mix falling to 51%, down from 54% last crop year. Another important factor was our commercial strategy, with part of inventories held back to sell over the coming months, to maximize profitability. These effects were partially offset by the higher sugar prices. Another important factor was the improvement in sugar

prices realized and hedged by Raízen. Given the positive forecasts for futures curves, we are advancing in our hedge strategy. The chart on this slide shows the higher prices already hedged for the coming crop years to maximize returns in future periods. We expanded our footprint in the sugar value chain, with the share of direct sales without intermediaries reaching over 40%, representing further progress on our target of reaching 90% of sales made directly to clients and increasing our share in global sugar trade flows as well as the return of the operation.

Let's go to the next slide, with results of the Marketing & Services segment, formed by our integrated platform for fuel distribution in Brazil and Argentina and our operation in Paraguay. Remember that the results are presented on a consolidated basis, and that the results for the year include the recently acquired operation in Paraguay. The last quarter and the crop year were especially challenging for the sector, but also presented good opportunities. In Brazil, we kept the consistency of our strategy, resulting in a strong improvement in returns, as shown by the chart of ROACE, that is our key metric for evaluating the performance of the business, which also was supported by expansion of the network, growth in sales volume and EBITDA. In the LatAm operations, represented by Argentina and Paraguay, the robust recovery reflects the strong demand combined with higher efficiency on better volumes, and the profitability recovery at the pump, enabled by the adjustment of higher costs to prices. Meanwhile, sales volume in the fourth quarter increased year over year, in line with the economic recovery across the board. Quarter on Quarter, the lower sales volume was mainly due to the weaker demand in Brazil, given the high number of Covid cases in the country, especially in January and February. In the crop year, the robust sales volume growth reflects the stronger demand as well as our commercial strategy and network expansion. Diesel sales volume remained a highlight, driven by the agricultural sector, as well as the passenger and freight transportation clients. In aviation, the recovery in volumes should continue gradually, with a focus on high profitability segments. EBITDA in the quarter was R\$ 1 billion, ending the the crop year with a 52% growth, reaching R\$ 4.1 billion, beating our guidance. One comment on the results for the 4th quarter of the crop year in Brazilian operations: despite the robust operational results, the ethanol price moves affected our supply strategy gains. During the quarter, it became clear that the business environment was improving, and we ended March with strong results, capturing gains in efficiency and in our logistics infrastructure, which guaranteed supply to our clients. The investments made in the quarter and year were allocated primarily to expanding and maintaining our service station network. In Argentina, we are investing in improving the quality of products at the refinery, in

line with regulatory requirements, which explains the increases in both the quarter and year.

Moving on to the next slide for an update on the operations in proximity stores and Shell Box. In the last 12 months, we opened 164 stores, of which 90 are Oxxo stores with own operations. We are accelerating new store openings, in line with our planning. Shell Box, our digital loyalty and payment management tool, continues to evolve at an accelerated pace, with over 3.8 thousand accredited service stations and over R\$ 5.4] billion transacted via the platform in the last 12 months. We also rolled out the app in Argentina and in less than 3 months have already engaged over 60% of service stations.

Let's go to the next slide with Raízen's consolidated financial results. Raízen's solid execution supported the growth in both EBITDA and Net Income, which doubled from the last crop year to R\$ 3 billion, despite the challenges of the year. The chart on the right shows the changes in Cash Flow in the year. First, the strong Cash Flow from Operations mainly reflects the results of the Marketing & Services operations, which keep a high cash conversion rate, and the seasonally weaker last quarter of the crop year in the Renewables & Sugar segment, with acceleration in sales; In Cash Flow from Investments, in addition to the acceleration in recurring capex during the intercrop season, we had disbursements for the acquisition of Biosev and the first installments for the acquisition of the Paraguay operation and of Gera, as well as the extra investments in Argentina. And in Cash Flow from Financing, the main impact was the higher debt amortizations combined with the lower funding levels in the period, in line with the Company's liability management strategy. This led to significant declines in net debt and in the leverage ratio, which ended the period at 1.3 times net debt/adjusted EBITDA in the last 12 months, which is a healthy position to support our growth cycle over the coming years.

Moving on, the next slide presents our guidance for the next crop year. We present our guidance for the 22'23 crop year, ending in March 2023, which points to solid improvement in results and acceleration in investments to expand our businesses. It's worth mentioning that the 22'23 crop year started with high volatility in commodity prices, FX and interest rates and other indicators. That means it will again be a challenging year, but we are confident of the strength that our business portfolio will be able to capture the opportunities to expand profitability. We also have adapted the way we present our guidance by unifying the Renewables and Sugar segments, given the dynamic nature of the operation's costs. Lastly, for CAPEX in Sugar and Renewables, we provide a breakdown of expenditures for expansion and projects, in line with our robust growth planning. Let's discuss the main assumptions, starting with the operations of our bioenergy

complexes. Given the weather impacts on our fields last crop year, we have a reduction of our area to be harvested this year. On the other hand, we are expanding the planting area, in line with our agricultural efficiency journey that is already showing its first results, reflected in Maintenance CAPEX. That capex also considers higher costs with agricultural inputs, fertilizers, diesel and labor. The Adjusted EBITDA of Renewables and Sugar considers a scenario of higher sales volume together with our capacity to better pricing our ethanol, sugar, and energy portfolio, with these factors partially offset by cost dynamics, pressured by inflation and Consecana. In Marketing & Services, the guidance reflects a scenario of higher volumes, with opportunities to optimize and capture gains inside our supplies and commercialization integrated platform, besides the incorporation of the operations in Paraguay and the Lubricant operations in Brazil. Having said that, we expect a solid growth of our results for the next crop, in addition to our investment plan that has been widely discussed since the IPO.

Before going to the Q&A session, I want to give a brief update on the advances in Raízen's ESG journey during the quarter, on slide 13. The year was intense and marked by major advances in our ESG agenda. Since our incorporation, we always strive to incorporate environmental, social, economic and governance aspects into our strategy, given our firm belief that it will ensure the longevity of our business. We made progress on achieving our targets, consolidating our vocation as a strategic partner to our clients in their strategy of decarbonizing while maintaining profitability. Recently we become signatories to the UN Global Compact, the world's largest corporate sustainability initiative. We also successfully carried out our first issue of debentures linked to ESG targets, which raised R\$ 1.2 billion, as part of our strategy of sustainable and profitable growth in renewables. If you would like to learn more about our initiatives and advances on this journey, I invite you to visit our ESG Portal, which can be accessed via our IR website. So, that concludes our earnings presentation, and I now invite you to participate in our question and answers session.

Thank you.

**OPERATOR** - Thank you. We will now start the Q&A session. Questions can be asked through the audio by clicking on the "Raise your Hand" icon available at the bottom part of the screen. Participants who are connected by telephone will be able to ask questions by typing \*9. The moment your question is collected you will receive announcement to unmute your microphone by typing \*6. Questions in Portuguese will be received via text only. Our first question comes from Mr. Gabriel Barra from Citi.

**GABRIEL BARRA** - Hi Mussa, Guilherme, Carlos, Casale, thanks for taking my questions here. Let me focus here on E2G, there are some questions here from my side. We have seen an increase in CapEx mentioned by the company right? In the next E2G plants. So my point here is taking into account this increase how can we think about the return of these projects right now and how much of this impact can be benefited by the increase in E2G this could offset part of this increase and one point here that is useful to understand is if you see an impact in the OpEx or the major impact of this inflation is only in CapEx? The second point in E2G it is really important to understand here the competitive scenario for E2G and there are two points here: the first one is how do you think about the CN products or technology that might conserve the company in terms of being additional supply to the market, and second about the opportunities in this sector. I think that it seems to me that there is a huge opportunity here on SAF and my point here is there is intention from the company in terms of invest in a project or bring partners to produce SAF with E2G in Brazil or outside the country? Those are my questions here, thank you.

**RICARDO MUSSA** - Hi, thank you very much for the questions. I think first of all related to the increase on the CapEx we more than offset that with prices. So if you take current prices of E2G, if you go to Europe we are talking about current spot prices above €1400 and our contracts are much better than we anticipated by the time we had the IPO. So the returns of each one of those plants are better than what we had initially, much more than offset by prices. The second change that we had was the length of the contracts. So initially we were talking about five, seven years; now we are talking companies asking for 10-year tenure of the contracts. What does it mean? It is that the market, especially on the European market they need long-term contracts, and that relates to your second question of SAF and the competitive scenario. What we see right now is that our competitors it is very challenging for them to secure long-term contracts, because they do not have control of the feedstock. That is one of the main advantages that we have on E2G: we do control our feedstock and have long-term contracts of lease of the land. So when you talk about someone trying to implement or to invest in a sustainable fuel plant they need to secure long-term contracts. They need to have a much longer, with higher volumes and long-term to secure that they are going to see the returns of their investments. So that is what changed since the IPO is that the demand are coming much more from that end, that is pushing prices up and of course pushing also the length of the contracts for longer tenure. And we are not seeing much competition because our competitors they have a short term I would say not mindset; but they have a short-term supply. It is difficult for them to compete on those long terms. That is why, talking in your question about investment in SAF particularly, what we are trying to do is to bring along investors that we do not own the technology of SAF, so our role here is to guarantee, to secure the supply and

sometimes we can also negotiate the offtake agreements of SAF because we do sell jet fuel in Latin America for several different countries - but there is no intention of our company to invest on the technology of SAF; but really to do partnership with companies. And bringing to Brazil, as you said my opinion is that on the supply chain side makes sense to have some plant in Brazil at some point in time because of logistics. Instead of exporting higher litters of ethanol it is better to export a more value-added product like SAF and have the production locally - but this always depends on the terms. It depends on the incentives by the governments locally in the region that it is going to be consumed. But all those discussions are taking place right now. I think the bottom line is much more demand than we anticipated, much better prices that offset big time the growth in CapEx and the returns of each investment remained pretty high and better than we had on the IPO process.

**GABRIEL BARRA** - Thank you Mussa.

**OPERATOR** - Our next question comes from Isabela Simonato from Bank of America.

**ISABELA SIMONATO** - Hello, do you hear me?

**RICARDO MUSSA** - Yes Isabela we hear you.

**ISABELA SIMONATO** - Hi Mussa, hi Phillipe, Guilherme who are you? Thank you for the question. I have two questions, one of them on the guidance. I just wanted to clarify two points: you show a pretty robust Ebitda growth for marketing and services right? If you could kind of break this down for us between markets, between Brazil and LatAm, at least what sort of growth for each market and how much that embeds in terms consolidation of lubs and also the recent acquisitions outside Brazil? So I just wanted to get a sense of the inorganic contribution versus the organic and have a sense per market as well. On the guidance as well in terms of sugar and ethanol, if you could just point it out what sort of cost assumption increase are you putting in the guidance. Of course, you mentioned higher production costs; but I just wanted to get a sense of how much the guidance reflects. And finally back to E2G as Gabriel asked, you mentioned in the past you are trying to develop or to diversify your suppliers of equipment and assess different supplier so eventually you could accelerate the process of building more plants. So I just wanted to have an update on that situation, how is your perspective of having different suppliers and eventually accelerating the business plan, thank you.

**RICARDO MUSSA** –Thank you Isabela, thank you for the questions. First of all on the marketing and services side the growth is not particular to Brazil, Argentina or Paraguay; all the three places are growing. So we are seeing, of course, structurally better margins in Brazil - still much lower than Paraguay and Argentina - but getting better and better. So we see that in the market. I think what we are seeing here on the constraints of the supply chain in Brazil for diesel in particular this is helping us on the sense that the branded volume is growing, that is where the higher margin is, and that is structural for me. So you can see we are growing, margins are better, we are seeing the volumes are better and we do not see any change on that scenario especially for the next six months at least, or by the end of this year, nine months we still see that happening and getting better and better on that sense for margins and volumes all over. Argentina, the plan for Argentina and Brazil both are growing, the network is still growing. You can see that we have a record year of converting new volume on both places in Brazil and Argentina. Paraguay we had a very nice surprise that we are ahead of the curve on rebranding the stations from Barcos & Rodados to Shell, and the Shell brand was amazing how much the mindset of the country remembers the brand and pays a higher premium for that. That is why we are getting very good margins in Paraguay. The lub side we do not open the number on lubs, Isabela, for strategic reasons. It was a fantastic acquisition. It was implemented in our business now in 1 May, so we start seeing that results in our numbers on 1 May moving forward. What I can say here is that it is a very healthy business. We had a very accretive investment on this one compared to what we have seen now there are evaluations, so it was a great acquisition and it is coming at a great moment because they are increasing volume, they have gained market share over the years from 8, 9% reaching 14% market share and the margins for all the lubs business - not only for us but for everyone - are very high right now and we do not see that moving backwards. So it is very unfortunately Isabela we do not open that for strategic reasons in our numbers. But we are going to see that in the next quarter already the results of lubs in our numbers. Related to sugar and ethanol the cost assumption here, what we do have - and Guilherme and Carlos can help me on that - but we do have around 10% increase on the cost of labor. So we are seeing that and that for me is the major structural change moving forward. The other ones when you save fertilizers costs and diesel costs of course they are impacting. We had a very good I would say hedging tool for the fertilizers, so we are pretty much then for this crop season. So it is going to impact; but it is already in our numbers here, we do not see any risk of moving upwards on that; diesel is diesel, so we are not hedged on that one, so it depends on what happens on the diesel side. But are also growing our planted area. So if you look into our numbers there there is small but there is still some growth in our planting area, we are going to have a record planting season again. I think the message here Isabela we are very, very happy

with the returns we have on the first crop, the first harvest. So that gave us the assurance that we could move forward and keep renewing. So if you compare our last year numbers to the market you are going to see a fantastic first cut, we were to benchmark for the first time for a long, long time; and this means that we have exhaustion on our feast harvest. So to have the number that we had on ton/HA of 11% reduction compared to 14% you can do the math that we had a very bad number on the very old cane and a very good number on the first harvest - and this is great for the next years because this tells us that we did a good job on planting, we fixed that, now it is time to keep renewing. So I think that one of the major KPI's the market should follow is the evolution of our... Let us check how is the second harvest this year, how is the planting again this year and so it is going on the right direction right? And to your last... Sorry, you had something?

**GUILHERME CERQUEIRA** – Just the price, a consideration that we included in the guidance basically for sugar you know we have almost 80% of the sugar already hedged; but for ethanol we do not have any price fixed. Different from this year when we had a proxy hedge that impacted the last quarter, for next year we do not have anything for ethanol, then the idea is that we are going to capture the better prices that are associated with the crude price as well.

**RICARDO MUSSA** - And to your last question Isabela on E2G you were talking about the bottleneck in the suppliers. This is pretty much done, so remember that we used to have one approved supplier. Our target is to have at least five and we are reaching out to seven. So right now this is pretty much done, I think the procurement team on approving and having new license suppliers of equipment we are pretty much done. We now have three plants under construction. That was the plan that we talked during the IPO, three plants per year; but we can now go into more plants if we want to and that is the goal, strive to accelerate the E2G investments moving forward. That is where we are right now - but pretty much the schedule of Bonfim is long time, the costs are looking great, even the plant on Piracicaba region has had the best year so far on efficiency, on the conversion. So it looks very good, and the market as I said on the question before it is in our direction, much better prices and much higher volumes. So nothing here that derails our plan, Isabela, only anticipating what we had promised to the market.

**ISABELA SIMONATO** - That is very clear thank you.

**OPERATOR** - The next question comes from Lucas Ferreira.

**LUCAS FERREIRA** - Hi everybody and thanks for taking the time. First of all welcome Carlos, I wanted to wish good luck to Gui in his next steps. So I have two follow-ups if I may. Mussa, you made very clear that indicators of E2G the prices

are more than compensating the CapEx inflation. I wanted to quickly ask you if that is the same case for biogas, which we also see some inflation in the CapEx line. We have less information on the pricing given the contracts are not disclosed; but if you can just tell us if this is also the case for biogas. In the case of sugar and ethanol another follow-up. If you can give us any sort of idea of costs per unit in these first cuts that you are having now, which is apparently much better than the average of cuts. How much lower the cost per unit is versus your average cut? So just we can try to better understand the evolution of your costs over the next let us say five, seven years, thank you.

**RICARDO MUSSA** –Thank you look as for the question. First on E2G and sorry, just going back because Isabela also asked about OpEx, if there was any inflation on OpEx. Remember that E2G we use a byproduct that is the bagasse and the leaves to do it. The major OpEx cost other than that is the enzyme that is really FX related. So of course it more than offsets because all our contracts is in a strong currency, so there is not any big inflation on the OpEx of E2G, it is much more on the CapEx. Why am I saying that to your point? It is that remember E2G because all the plants we are putting in place we took the decision to go for it. With the majority of the plants already sold we are derisking big time the plants of E2G by not having any volume risk or price risk. Why am I saying that? Once those plants are fully depreciated after five years then we have a fantastic, very, very competitive plant to produce ethanol because then the CapEx is the major problem right? And once we pay that then the OpEx, the running cost of the plant is much lower and then we are very competitive even to E2G. Related to biogas thank you for the question, it is a great question on the CapEx. Biogas is much less complex than E2G on the investment side, so we are less impacted on the CapEx. There is still some impact on the CapEx. As you said the biogas we have three major uses: the easiest one is convert that into electricity and sell into the grid - but that is the lowest I would say, that is not the best use of biogas. What surprises us is that the second use of biogas is injecting the pipeline to replace natural gas. That is what we did with Iara and Volkswagen. Those contracts are confidential, we cannot share the prices. Of course they are premium, so what we love about that is that this is, we do not need to invest on the conversion of the fleet, our trucks to convert from diesel into biogas. That remains a very important part of our program. So we were positively surprised that we managed to get those natural gas replacement contracts in the short term. We still have, from our 35 bioenergy parks we have from 6 to 10 that are much closer to the pipelines of gas in Brazil and you can distribute and connect that into the grid and that became a much easier way to move forward biogas. So the plan is remaining the same, we have not changed the plant for biogas, the returns are a little bit better than we had initially. So the return of Costa Pinto is also pretty much the same that we had initially. And the good

news here is that we are doing very similar to E2G: all those plants are under construction with the volumes already sold in long-term contracts that will again pay for those plants and we will end up with a great asset. If you look into our numbers for the next I would say six years, the growth that we have on the renewables is quite amazing and this growth will come from very low risk projects, because all of them are already sold and with volumes and price already fixed and hedged. So that is the same for biogas. And related to sugar and ethanol cost per unit, of course when you increase - I do not have the number here with me - with the increase of productivity it reduces the total cost, so the return for that has been... That is why when we look into the prices today, Lucas, if you look into the sugar and ethanol prices for the next three years and the returns we can get from those prices, that is why we are increasing our plants and investment on the agricultural side, because the risk of not having the returns for that investment is pretty much low. The major risk that we had in the past was are we being able to do it in a very efficient way? Are we getting the returns and the efficiency productivity that we needed to pay that? That is why for me the major point was last year, when we saw the results of the planting of the previous year, guys, we are in very good shape and that is the right time to increase the investment on the planting. But I do not know, Gui, do have more information to share?

**GUILHERME CERQUEIRA** - Yes. If you compare the first cut that we are doing now with the first cut that we had before this improvement, I would say that it reduced the unit cost between 10 to 15%; but of course, if you compare the first cut that you are doing now with the old sugarcane it is more than 25% reduction - but this is not the correct comparison; you should compare first cut with first cut. It will be between 10-to-15%-unit cost reduction.

**LUCAS FERREIRA** - Perfect, many thanks.

**OPERATOR** - The next question comes from Luiz Carvalho from UBS.

**LUIZ CARVALHO** - Hi everyone, thanks for taking the question, I have basically three here. My first topic I would like to address the company guidance. If you look a few months ago and also pre-and post-IPO there has been an important revision in guidance and expectations right? And our question this is first how the company is seeing the downward revision in expectations and what were the main drivers for this in your view? And we understand from the details may be provided in the upcoming Raízen Day; but if you could provide a bit more general sense, a bit more color on what is behind the guidance for sugar and renewables in terms of how the company is seeing prices of ethanol and sugar already at peak levels and also costs and crashing into 2022 and 2023 crop.

The second question is with the sugar curve in backwardation and announcements of the company's proxy hedge, how are you seeing the hedging strategy and for the current and following crop, should the market continue to expect Raízen to see similar hedging levels as recent, or may Raízen become more or less aggressive in this strategy? And if you can provide an update on the rationale for the decision of the proxy hedges for ethanol as well it would be great.

And very lastly on the guidance but on the field distribution business in Brazil we saw strong margins in the quarter, but with the potential upside at least in our view over the next couple of quarters because of the very tight supply demand, and we also saw some strong rebound in volumes in March and April, but even though the company is flagging a significant year-over-year increase in results on top of a favorable 3Q and 4Q for the previous crop. So if you can give a bit more color on the breakdown of how the company is seeing the margins for the year in Brazil and volumes, both in Brazil and international markets that would be great, thank you.

**RICARDO MUSSA** - Thank you. Hi Luiz, thank you for the questions, great questions. First of all on the guidance I think the major, when you look into the IPO period and what we are the only change that you see are nonrecurrent and the major change when you look into the productivity levels that we have for the entire Brazilian market on sugar and ethanol, on sugarcane, has been affected by the dry period and the frost of last year. That was the major change - but for us that is really nonrecurrent. We do not expect to have this scenario moving forward; but that was really the major change that we had. Of course inflation was also higher; but inflation was more than offset by higher prices that we see right now. So for me the only surprise that we had that was not compensated fully was the weather, that is why we are always looking to how - on a relative basis - we are moving forward, because this weather issue that we had in Brazil last year if this is something happening more frequently moving down the road it is going to be compensated by prices. That is why we are looking into that and we are more concerned about our relative recovery on our productivity rates for our sugarcane portfolio. That for me is the major one, and we do not see any changes when we look down the road the potential that we had of this recovery that is why the first and second harvest is still very important to us to look how fast we are progressing on that and that is a big swing in our bottom-line returns, and I do not see any change on that. It is even better than we had at that point in time. I think looking to you talked about the rationale of hedging. Hedging his hedging. When we look into that we are not speculating on that; the only reason we do not have proxy hedge this year is an election year in Brazil, and as an election-year of course you have seen Brazil working below import parity level, and that is exactly why we do not do any proxy hedge, because of the situation. So for us we still have the same mindset of when

we see prices that are giving us fantastic results then we do not speculate and we try to hedge that and we see that. When we look on New York 11 prices, as I said on my IPO or during the IPO we see that there is a structural change on sugar prices and we look into right now the cost of fertilizer, the cost of production. All over the globe for everyone there is a cost pressure and also another support level for prices moving ahead. But having said that we still see prices on 22 - 23, 23 - 24 fantastic prices out there. So we are progressing the same way we did before on hedging more and more sugar because we see those levels - despite the backwardation that you said - still very high to us and we already hedged almost 15% higher than the previous year, it was a record year for us in results and we are looking 23 - 24 more than 20% higher prices, still very good returns on the next year proxies. That is why, Luiz, when you look into the decision of making investments right now on increasing our productivity more than backup for those great results and we should not take any speculation, we should progress the same way. So we have not changed our hedging strategy. The only change was on the ethanol because of elections in Brazil. I think once the election is over and we will see how the new government - if there is a new government or the same one, whatever - then we decide if we are going to move forward on the proxy hedge or not. But we still have this tool in our hands, we plan to use it and try to mitigate the volatility of our results moving forward - but still very good scenario going ahead. Your last question on market and services on the next crop, the next year that started now in April we still see good volumes, so the growth is coming. Especially on the diesel we see the harvest in Brazil moving on the right direction and in this scenario, very difficult scenario to supply because Brazil is below import parity prices. We do not see that changing because we see a longer war happening in Ukraine and Russia, we see the election-year still pressures to have lower prices of fuel. So we do not see a change on the scenario that we saw on the last quarter of the calendar year last year, the last quarter we see that scenario the same way we did before, and we see margin still recovering. And Luiz, remember that margins in Brazil if you look in the percentage basis compared to price are still very low, comparing to other countries still very low. So and this situation that we guarantee to our retail that the supply security we see that strategy paying off. So we see our partners very happy that we are keeping them with the supply base in a competitive base and that is the more profitable margins with those guys and that keeps growing, keeps growing. So we are positive, we already had a great start in April and we see that moving forward on that direction. And the same thing for Argentina and Paraguay. We have had a great year in Argentina on converting new sites and new volume. We are managing very well the crisis in Argentina of buying crude, the same thing in Paraguay. It is amazing how fast the conversion into Shell brand stations, the volumes and specially the margins have been

protecting those countries. So we are very, very confident on the numbers that we put on the table here, Luiz.

**LUIZ CARVALHO** - Perfect, very clear Mussa, thank you very much.

**OPERATOR** - Next question comes from Christian from Santander.

**CHRISTIAN AUDI** - Thank you. Hi Mussa and Raízen team. I have three questions Mussa, first if we could start on capital allocation. Now that you have announced the guidance and therefore your CapEx, can you just talk a little bit about how you think about allocating capital in terms of pay down debts - if any - because you already have such a low leverage? And also how are you thinking about dividends going forward? The second question in the sugar and ethanol segment. You have talked about how things are improving, costs you have been able to reduce costs; I was wondering if you could give us a bit more color, is that a process, Mussa, that literally is happening on a linear fashion, in other words May is better than April that has been better than March, and do you expect this to continue to happen as this year progresses in a linear fashion, or is it going to be a bit more volatile? Should we expect continued quarter-per-quarter improvements in your operating efficiency? And then the third and last question was on I know you are focusing and rightfully so on-field distribution on your improvement on returning capital employed, which is the correct way to do it; but I was wondering if you could share with us for the guidance how you see the 100 BRL/m<sup>3</sup> margin of this quarter evolving as the year progresses? So that we can get a sense of what is embedded on your guidance, please. Thank you.

**GUILHERME CERQUEIRA** - Thanks. Quickly talking about capital allocation, what we are considering the guidance is it that we maintain the leverage that is around 1.5, we close the year with 1.3. We are considering distribution of dividends 50 - 75% payout as we had discussed in the IPO time; but the idea is that despite the big investment that we have in the new plants we will maintain our leverage of 1.5 and paying dividends as we can and maintaining this leverage ratio and the 50% payout minimum.

**RICARDO MUSSA** - To your second question on the SME sugar and ethanol, again the renewable and what you see that we had, our older cane the fifth and sixth cut on sugarcane is pretty bad. So of course we still have some hangover I would say on this transition. This hangover is every time, every month is behind us, so we should expect a progress towards that on a linear way and moving, every month moving forward. Of course the weather can help or reduce and that is why our target here is comparing to the market and if the market this year goes up we should be better than the market, if it goes down we should be better than the

market. So that is what we should always expect with this progression on that sense. Why must say is that the Biosev acquisition brought to us a great team. Even the head of our agriculture team now was the former chief operating officer of Biosev and we implemented a lot of things, we combined our operation in a flawless way and this for me has been amazing. That is why we are so confident and keep the space of progression on that. It takes time, it is already on the third year of this, so still have, we are in the middle of this process of fixing the past - and again, we are not promising here that we are going to be better than the market, we are just catching up and closing the gap, and this already has more than 1.3 billion on the bottom line of the company of additional results just by doing that, and the progress so far so good and we should see that on every... I do not say if we are going to see that on every quarter, because the quarter sometimes you are affected by inventories that we sold one quarter, like we did last time. We postponed the sales of sugar into 1Q TY for commercial reasons and that affected our 4Q, improved 1Q. So we have to be careful looking that in the short term; we have to look that in a more broad perspective and looking to the big numbers. But the KPI to follow is that how is the progress of the planting, how is the progress now, check the second harvest because we are treating well the plantation and moving ahead. So this for me is a very important metric to move on. And finally to market and services you mentioned very well, we are looking more into return over capital employed. That is the major metric for us, margin is a consequence; but having said that we see margin improving. As I said we do not have here a number to share on what I must say or not; what I can say here, Christian, is that we still see Brazilian margins below, pretty much below the average of any other country that we look out there. The reasons behind that of course is always tax evasion, and the supply security what we are seeing right now in the market the importance of having someone being able to supply is key, and we do not see that moving away from us on this next season. So that is again a great advantage of Raízen: we have a great brand, a great program and consistency. For me, the work on marketing services we are very consistent. We always guarantee supply to our partners, a great brand and the portfolio there is great and the margins are improving. Of course there is going to be some volatility on this improvement on margins because sometimes you have like ethanol last quarter when prices went down. Normally price went down in April, last time was in February, so we had to some losses in February, now we had gains in April because market recovery. So it depends. There is going to be some fluctuation; but looking to the average, the return and we can clearly see the improvement on margins all over the place, and I do not see that trend why it should change. I do not see any reason why this should change and should only progress on the right direction.

**CHRISTIAN AUDI** – Okay very clear. So just to clarify this last point you said, the improvement in margins for Brazil and for Argentina and Paraguay as well or more in Brazil versus not as much in Paraguay and Argentina?

**RICARDO MUSSA** – If you look into... That is start with the smaller one. Paraguay is the easiest one because Paraguay we are moving from a local brand to a very premium brand like Shell. So we moved from Barcos & Rodados to Shell, so margin will improve in Paraguay because we are moving to a much premium product than before, selling more V-Power premium fuel, so this should happen in Paraguay, that is no brainer. In Argentina it always depends on the situation now there, on the margins because of the market. And right now what I can say is it is good. Of course Argentina is coming to a more cautious period that is the wintertime and they have a shortage of gas, so let us see what is happening in the Argentinian market. For us we still on the bottom line of Argentina the program and what we have on the Shell brand, we have record years on market share, record year on V-Power sales, record year on the convenience stores in Argentina. So all that is related to the Shell brand and our strategy to have higher premium product, we did everything. It was the best year ever in Argentina - and that was a great start. So when we end up the year with these great numbers, great results, we start the year also very strong so we had a great start of the year in Argentina related to margins and volumes.

**CHRISTIAN AUDI** - Great, thank you very much.

**OPERATOR** - The next question comes from Bruno Montanari from Morgan Stanley.

**BRUNO MONTANARI** - Good morning everyone, thanks for taking my questions. Just a few follow-ups as my questions have been answered. On E2G can you confirm how many plants then are included in the CapEx for the year? Is it only the three plants or now that you have more security on the supplier base you could be advancing groundbreaking on other units as well within the guidance? Then still on E2G how many contracts do you have today? I remember that you started with €750, moved €1000 and now are you already capturing the €1400 on potential new contracts? And then last on marketing and services can you talk about the company's current import strategy for fuels in light up the pricing level of domestic products? Thank you very much.

**RICARDO MUSSA** - Thank you for your questions, Bruno. So right now we have three plants under construction at the same time, so in parallel. So we have the plant of Bonfim, we have Univalem, we have Barra. Those are the three plants under construction. Of course we are only building the plants based on the

contracts. All those plants have at least 80% already (inaudible 1:02:24 - 1:02:45) my previous answer you can do some math here; but the prices are better than, more than compensate for the increase on the CapEx that we had previously, so you can do some math here - but we cannot share, cannot get full disclosure on the prices. And here, Bruno, it will depend. So I cannot anticipate that. Our target is to be as fast as we can on the E2G. The first challenge was debottlenecking, now we have to keep to see what are the other bottlenecks inside the company; but today we feel very strong, very confident that we are going to be faster than the market is projecting in our business plan. Remember that our business plan we are talking about three plants per year to reach more than 20 plants in the period of 6 to 7 years - and we already have the pace for that right? So I do not see any risk of not achieving that with the market still very strong demand, it is up to us now to decide how fast we want to go and how much risk we want to take - that is the max I can share right now, Bruno. On your market and services side what is the strategy on imports? You can clearly see that Petrobrás is not making any awkward movement, movement on imports. So Brazil needs to import especially now when you have a growth on the diesel consumption in Brazil for the next six months. So we still have a role here to guarantee supply to Brazil and we are doing that. So we are going to keep importing. But we are not taking losses when we are importing the product. Of course we are giving priority to the Shell-branded, the companies that have contract with us. So those are, those guys have the priority on that and we are going to keep that on our priority base. But our strategy is to keep to secure supply and not making any loss on imports. So that gives you the tone on how we are behaving. It is not an average price for Brazil, it depends on the region. Regions that have more important products are more effective, the regions that have less important products... So it depends. The pricing mechanism it adjusts for each region according to the price situation of that particular region - but I think the strategy here is to guarantee supply to our client base; but we are not making any losses on imports.

**BRUNO MONTANARI** - Very clear, thanks a lot.

**OPERATOR** - Our next question comes from Marcelo Gumiero from Credit Suisse.

**MARCELO GUMIERO** - Hi everyone, thank you for taking my questions. I have a quick follow-up on the previous questions on market and services in Brazil. My question is if you see any concerns, are you concerned on any potential supply shortages for this year particularly on diesel, provided first of course the prices dynamics in Brazil, but also I mean the global dynamics for diesel with crack spreads going very high and maybe inventories not have the ideal level globally. And my second question would be related to CBIOs. We see very high prices for CBIO certificates right now. We were just wondering if it is a matter of more

aggressive targets for this year or if the market is somehow concerned on productivity of ethanol and of course CBIOS certificates emissions, that I was just wondering what you see in terms of upside for your operations or if this is a downside looking from a market and services perspective, thank you.

**RICARDO MUSSA** - Thank you Marcelo, great questions. First of all you were spotting on the global market for diesel your concern on the crack spread. If you see what is happening in Russia, when you have less gas available a lot of refineries around the globe they need to use sometimes diesel to run the refineries. So there is a shortage of diesel, it is something that is more affected by the war compared to crude, and again Russia is also a very important player on the diesel market. So this is something that is be concerned globally on the shortage on that. I think we had a scenario that we managed to guarantee that, the supply to us. So it was not easy. If you look into our strategy of importing we have much less availability of product, so we used to do only Gulf based and we are using from Europe, from other sources to guarantee supply. So clearly the market is not as friendly as it was before; but that in the end of the day is adjusted by having the right supply chain to do that, having the right volume. So we combined the volumes of Brazil, Argentina and Paraguay together to do the supply sourcing into the region. We have the strength of having Shell as a shareholder to help us on that too to find molecule. So we see that we have a competitive advantage for this scenario that we have some shortage of fuel to supply to Brazil. So for us it has been challenging; but there was not a single point in time here that we had a lack of product to our base, to our client base and we do not see that happening on the short time. What is happening on the, we are going to approach the hurricane season, so that is going to be a little bit more cautious on the supply side. We are also approaching a higher demand in Brazil, so that is why we have to be very, very cautious on looking to supply and the sourcing for the next six months in Brazil on the diesel side - but we are very well prepared even compared to the market here to guarantee supply and making sure that we have competitive molecule into our system. So for me I see that of course as challenging; but we are better prepared in my point of view than the competition to navigate through this scenario okay? And to your question on CBIOS, why the price of CBIOS, I think it is more related, Marcelo, to the CBIOS, looking to the targets not for this year, for the next year, for 23, we start to have very aggressive targets for CBIOS, and CBIOS if you look into the supply demand today we have more CBIOS than consumption, but you have the chance when you look ahead what we are going to see is a more tight market for CBIOS. I think the prices are reflecting that. If you compared to other countries that is still cheap from to other countries and the CBIOS market will

work in a way - and they always tell that to people - the CBIOS market will always have an impact because it creates a more steady demand for ethanol and this may have affected, you talked about affect on the market and services; but I think the major implication is more on the sugar segment because CBIOS will make Brazil less I would say flexible to go from ethanol into sugar and it will create a more stable demand for ethanol moving forward. So the CBIOS game, Marcelo, is not short term, it is more on the long-term and I feel price is reflecting what the market is looking for the next two years on the aggressiveness of the targets of CBIOS, and it was created to this.. It was created to make sure that there is more incentive towards renewables and this will play a role, and we are already seeing that happening on the price and hopefully this will bring more demand or more investments on the ethanol segment moving ahead. So it is an important piece of the equation for the Brazilian energy segment and it is working, so far so good; but it will really make a difference next year moving forward. So if you think prices are good right now for the producers you might be surprised on the long run compared to other countries, and for the market and services side it is a path through. You have to manage these pass-through prices accordingly and make sure that it is on the pricing at the end of the day.

**MARCELO GUMIERO** – Thank you all, very clear.

**OPERATOR** - Thank you. This concludes the question-and-answer session. I will now return the floor to Ricardo Mussa for his closing remarks.

**RICARDO MUSSA** – Well thank you, thank you for all the questions. It was as I said last year was a fantastic year. Not only we did the IPO, acquisition of Biosev. You can imagine for us put in place a big company and it was a flawless execution and we managed to do all that and at the same time have record levels on all the financial and operational standards for the company. It was a record year on profit, on Ebitda, on revenue; a record year on safety, we have a record year on market share. So it was all over the place. It was a year to be remembered by Raízen and we see the progress here and we are going to have the Raízen Day on May 25<sup>th</sup> so we will have a live webcast, everyone is invited to look. We are going for the first time going to deep dive in all our businesses and give more details of each one of those businesses there, so we are going to be exchanging our ideas, sharing our plans there and you are more than invited to follow us there. And also a special thanks here. We are replacing, Gui is leaving us after almost 9 years as CFO of this business. This is a very smooth transition; we agree on that for a long time to do this transition. So a special thanks here to Gui, who managed to bring this company to where we are right now and welcome here Carlos that is a great guy. We managed to bring him from the market, and he is going to do this transition with Gui and on the Raízen Day we will do the proper goodbye to Gui and thank him for

all the things that he contributed to the business okay? I think that is it, thank you very much guys, thank you, see you on the Raízen Day on May 25<sup>th</sup>, bye-bye.

**OPERATOR** - Thank you. This does conclude Raízen's webinar, have a nice day.

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