Evaluation of the progress of the 2021/2022 harvest season, perspectives for the final crop cycle and CBios market

PRESENTATION SCHEDULE

1. EVALUTION OF THE PROGRESS OF 2021/2022 HARVEST SEASON
   - Production
   - Market and prices

2. COMMENTS ABOUT RENOVABIO AND CBIOs MARKET

3. CHALLENGES AND OPPORTUNITIES FOR MEDIUM RUN

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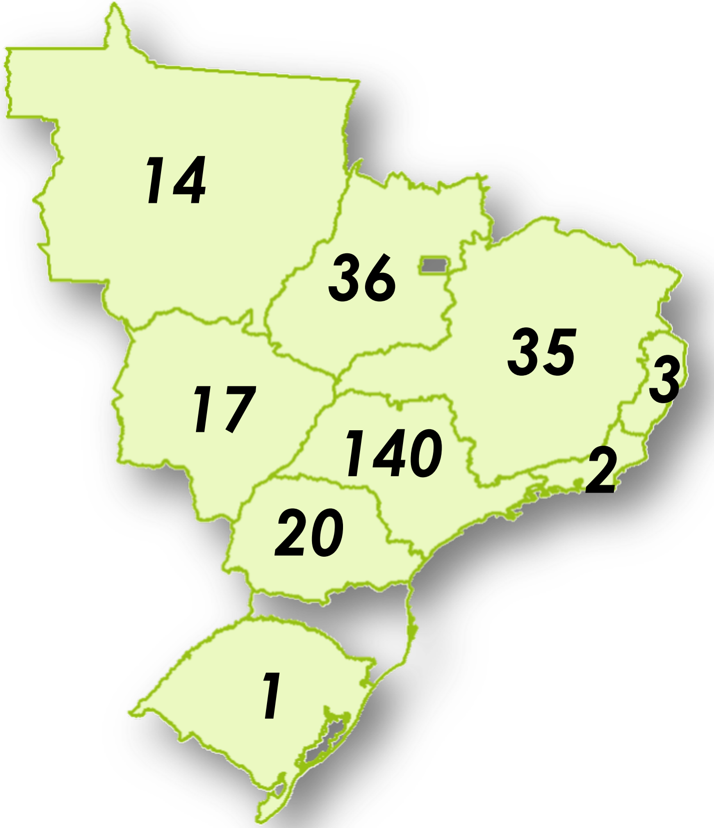
NUMBER OF PRODUCTION UNITS



2021/2022 HARVEST SEASON

- **268** sugarcane mills were in operation in South-Central region, in which 4 units manufacture sugarcane and corn ethanol
- **6** units with exclusive corn ethanol production
- **70** units with exclusive sugarcane ethanol production

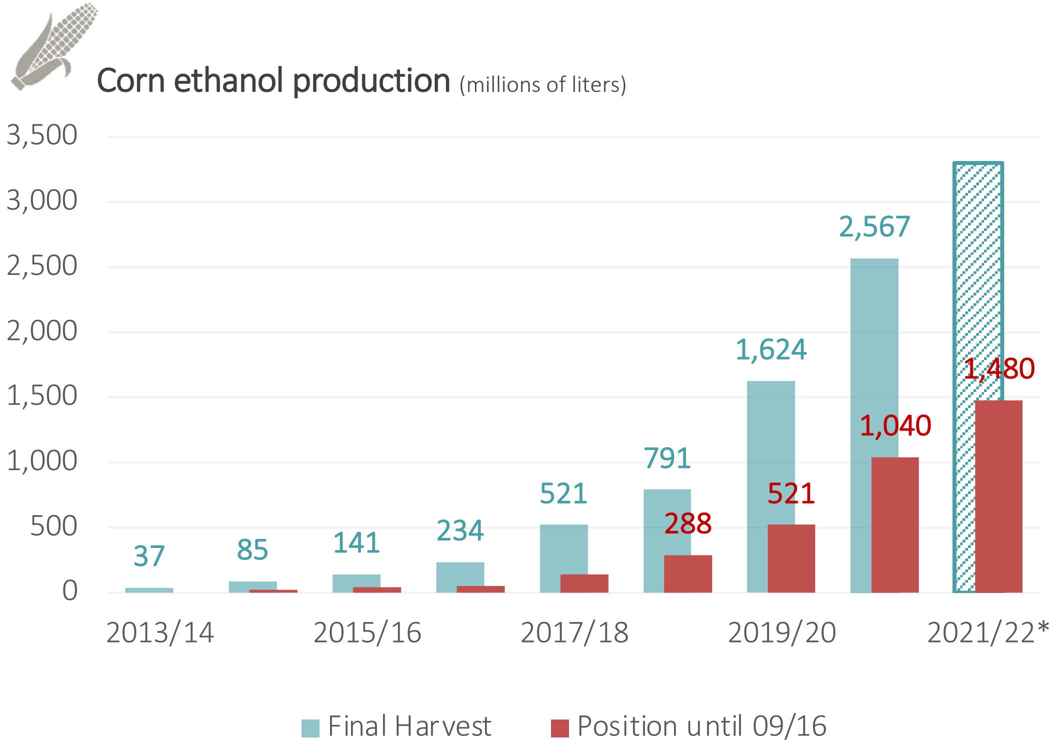
Position until 09/16/2021

South-Central region

Description		Harvest 2020/2021	Harvest 2021/2022	Variation (%)
Sugarcane crush [1]		461,491	430,953	-6.6%
Sugar [1]		29,189	26,830	-8.1%
Anhydrous ethanol [2]		6,368	8,051	26.4%
Hydrous ethanol [2]		15,022	12,702	-15.4%
Total ethanol [2]		21,391	20,752	-3.0%
TRS [1]		65,188	61,020	-6.4%
TRS/ ton of sugarcane		141.26	141.59	0.2%
Share (%)	*Sugar*	46.99%	46.15%	-1.8%
	Ethanol	53.01%	53.85%	1.6%
Liters of ethanol/ ton of sugarcane		44.10	44.72	1.4%
Kg of sugar/ ton of sugarcane		63.25	62.26	-1.6%

Source: UNICA. Note: [1] - thousand tons; [2] - million liters; [3] - kg of TRS/ ton pf sugarcane. Total Recoverable Sugar (TRS) index was calculated excluding corn ethanol production.

CORN ETHANOL IN SOUTH- CENTRAL REGION



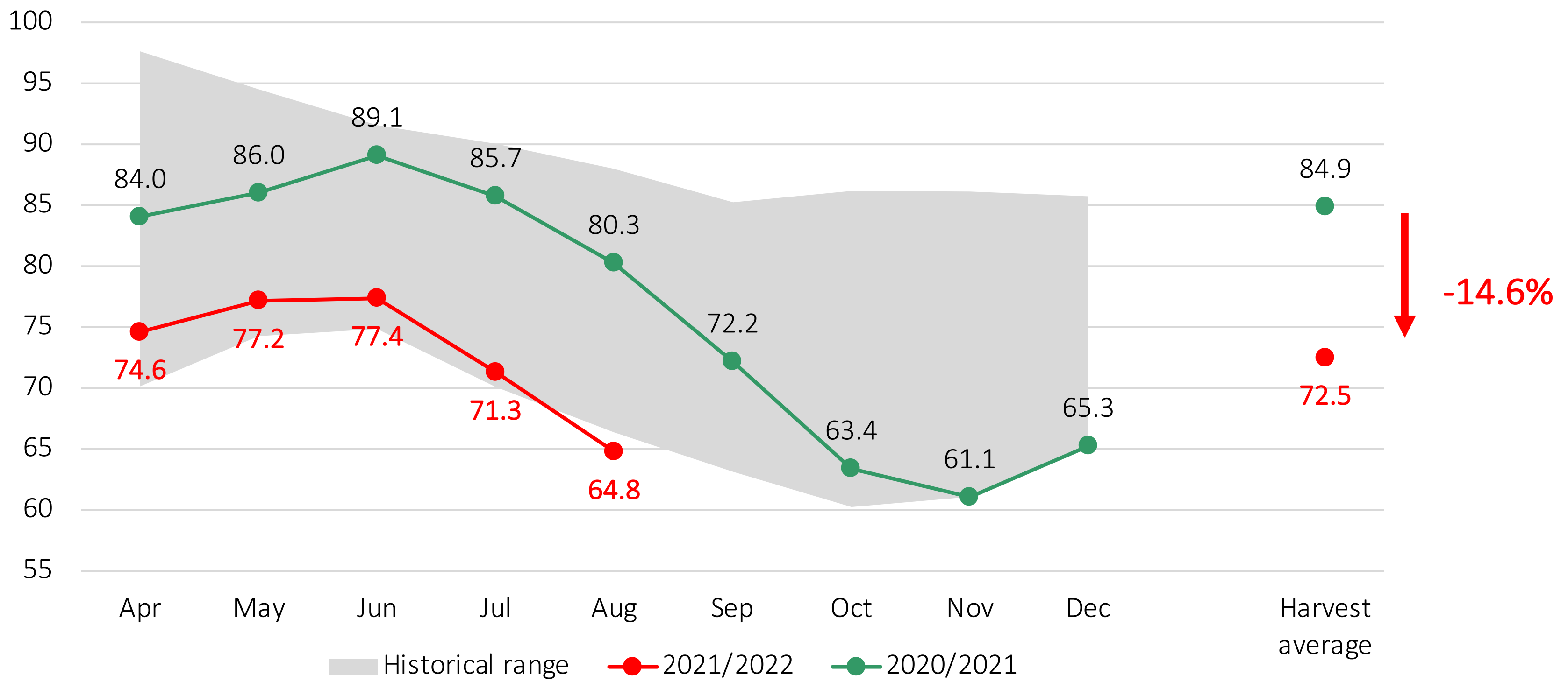
Total production in 2021/22 harvest season until Mid Sep

State	Volume (millions of liters)	
GO	164.7	*20%*
MT	1,309.4	*46%*
Total	**1,479.4**	21/22
	1,039.8	20/21

Source: UNICA.

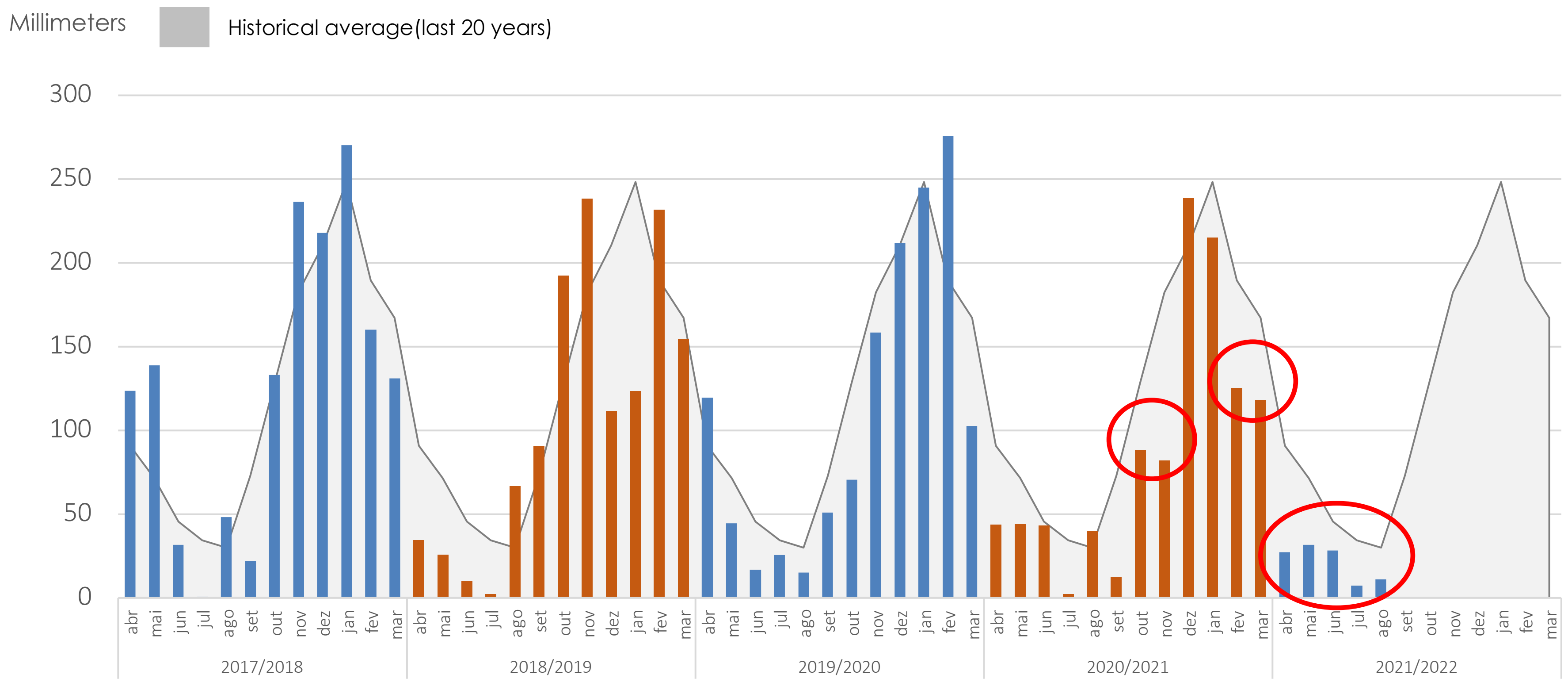
HARVEST PRODUCTIVITY – 2021/2022 (until August)

HARVEST PRODUCTIVITY of Brazilian's South-Central region. Values expressed in tonnes of sugarcane per hectare.



Source: CTC Benchmarking

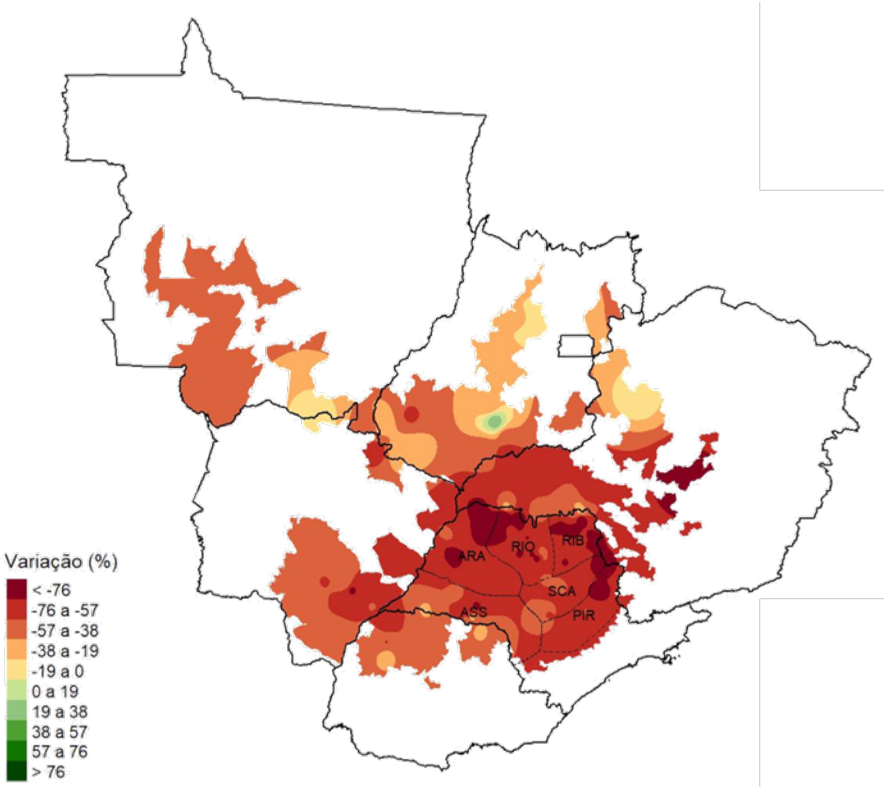
RAIN LEVEL ON SUGARCANE PRODUCTION AREAS



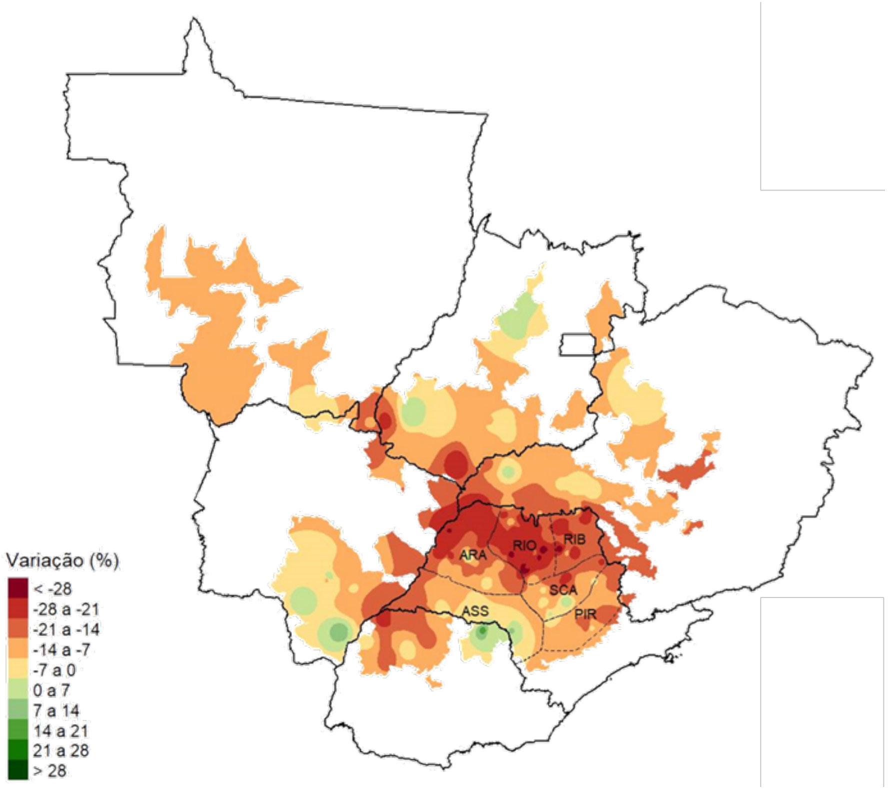
Source: CTC Benchmarking

IMPACT OF DROUGHT ON THE SUGARCANE CULTIVATION AREA

Variation (%) in rainfall for the 2021/22 harvest (apr-aug) *vs* historical normal



Variation (%) in agricultural productivity in the 2021/22 harvest (apr-aug)



PERSPECTIVES ABOUT 2021/2022 HARVEST SEASON

About agricultural aspects

- ✓ Productivity will be jeopardized by climate conditions
- ✓ Reduction of harvest area (change to another commodity or reform area)

Sugarcane crush and industrial processing

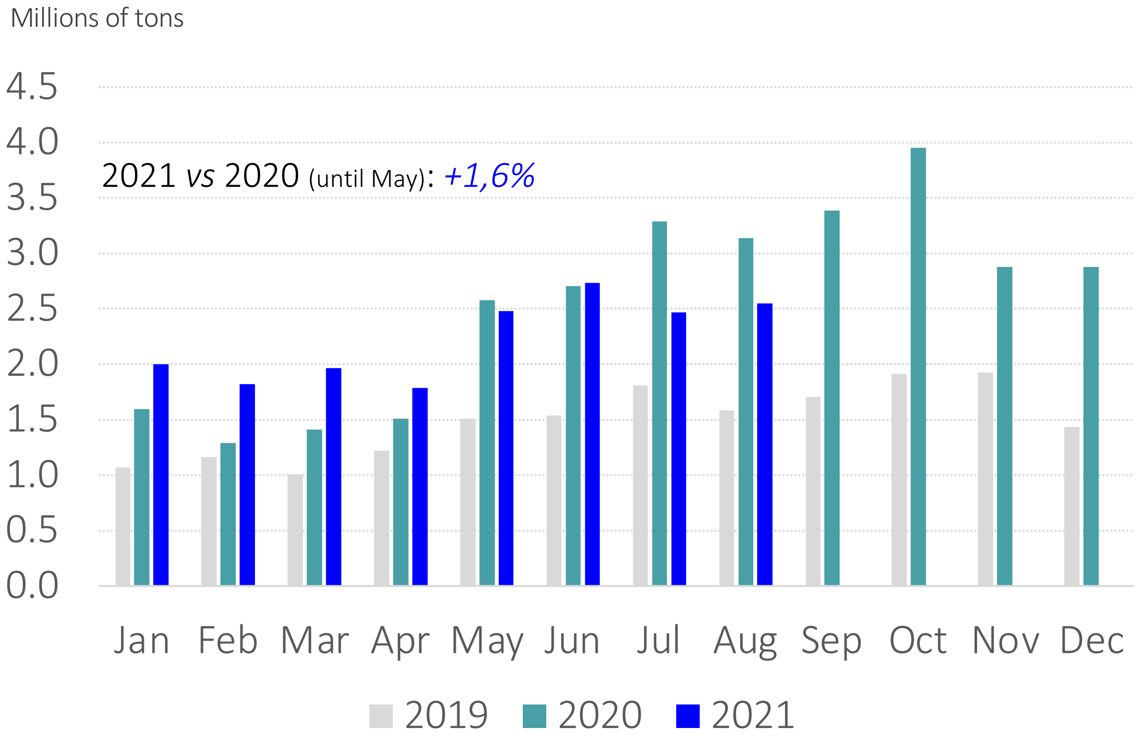
- ✓ The harvest continues with "sugar bias", with the production of sugar been maximized by the mills; however anhydrous has been prioritized, in detriment of hydrous ethanol, in order to ensure compliance with the minimum ethanol content on gasoline

Market conditions

- ✓ Attractive sugar prices (international deficit) combined with a high exchange rate, positive for Brazilian exports
- ✓ Pandemic control through vaccination and the increase of transportation demand will enable the recovery of fuel demand

SUGAR EXPORTS

BRAZIL



Accumulated on harvest season

	2020/21	2021/22	*Var.*
Volume [1]	13,220	12,016	*-9%*
Value [2]	19.72	20.95	*+6%*

[1]Millions of Tons; [2] billions of USD

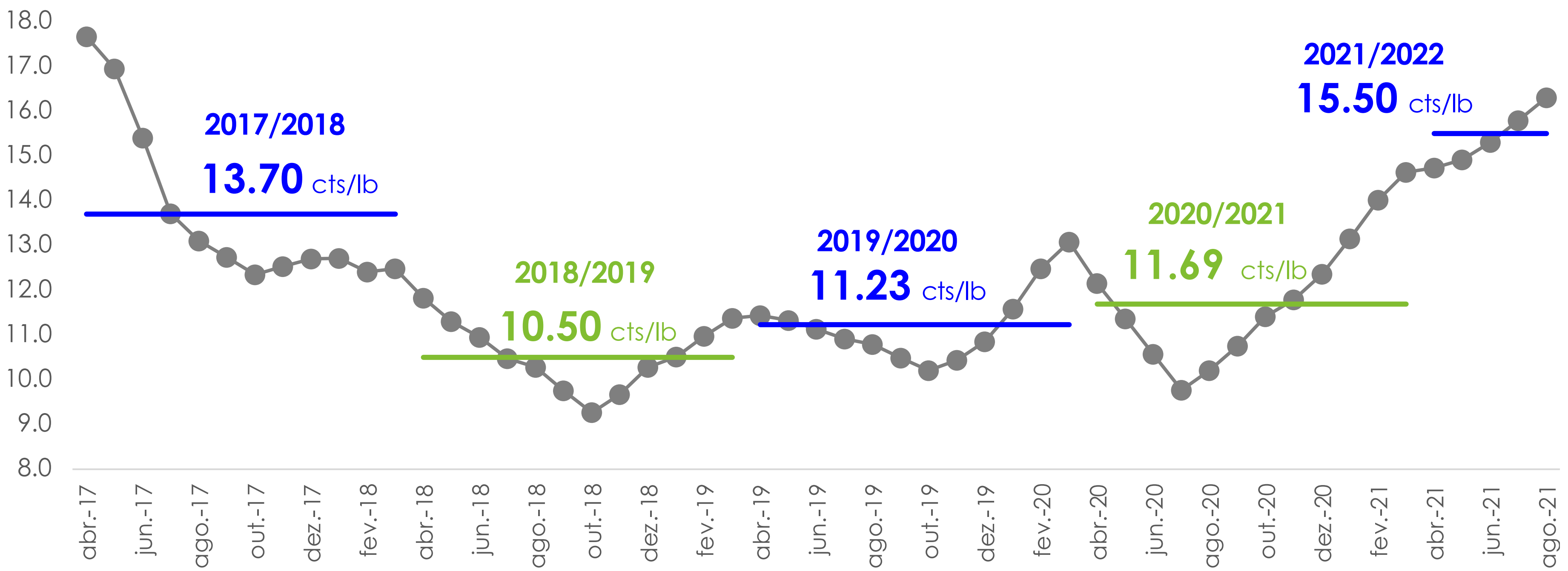
Top 5-ranked country export destinations for Brazilian sugar exports in 2021/2022 crop cycle

Country	Share
China	21.8%
Argélia	9.3%
Nigeria	6.8%
Bangladesh	5.1%
Canada	4.9%
Outros	*52.1%*

Source: SECEX. Preparation: UNICA.

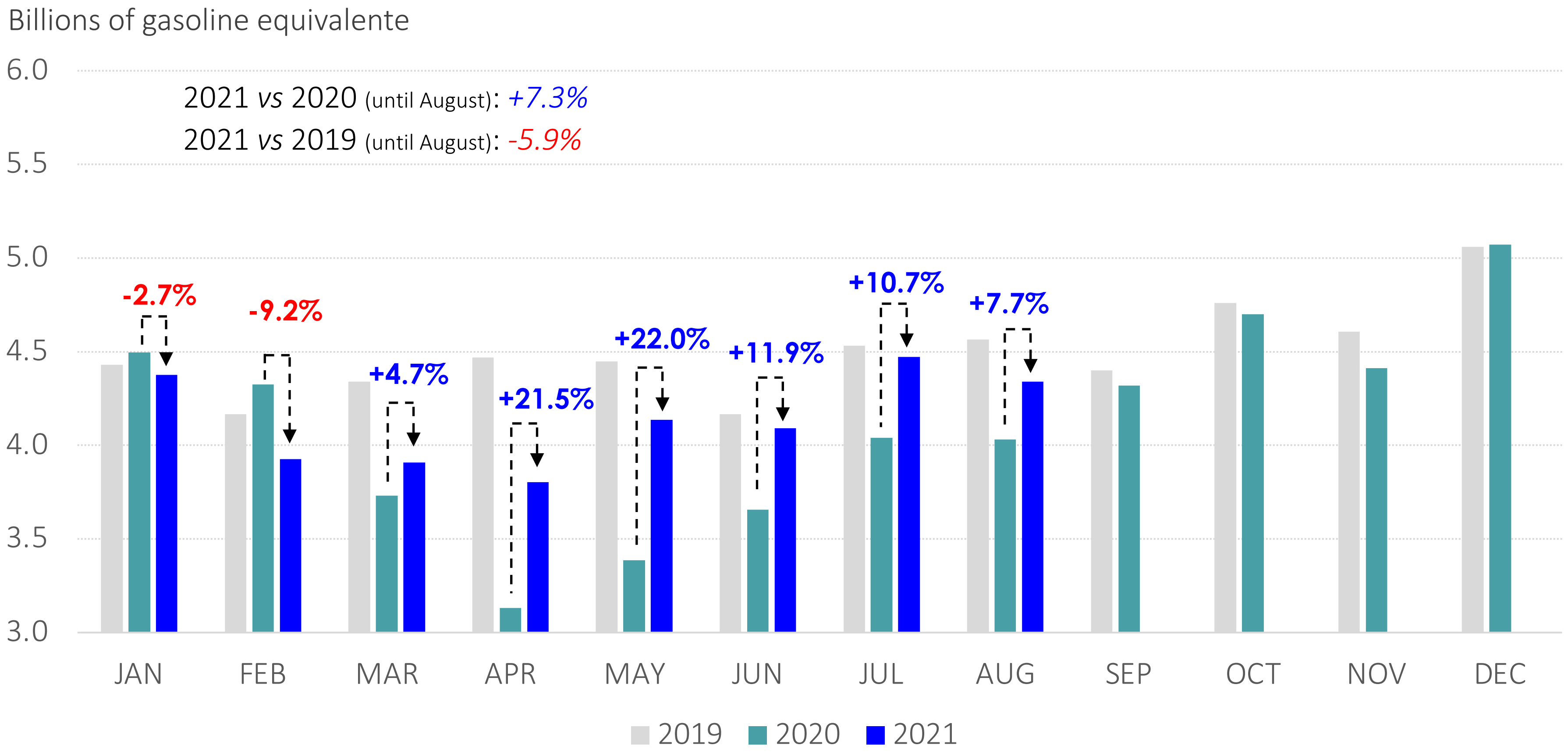
SUGAR PRICES

VHP Sugar exportation price*: monthly prices received by São Paulo state producers (USD cts/lb)



Source: CEPEA. Preparation: UNICA. *CIF Price

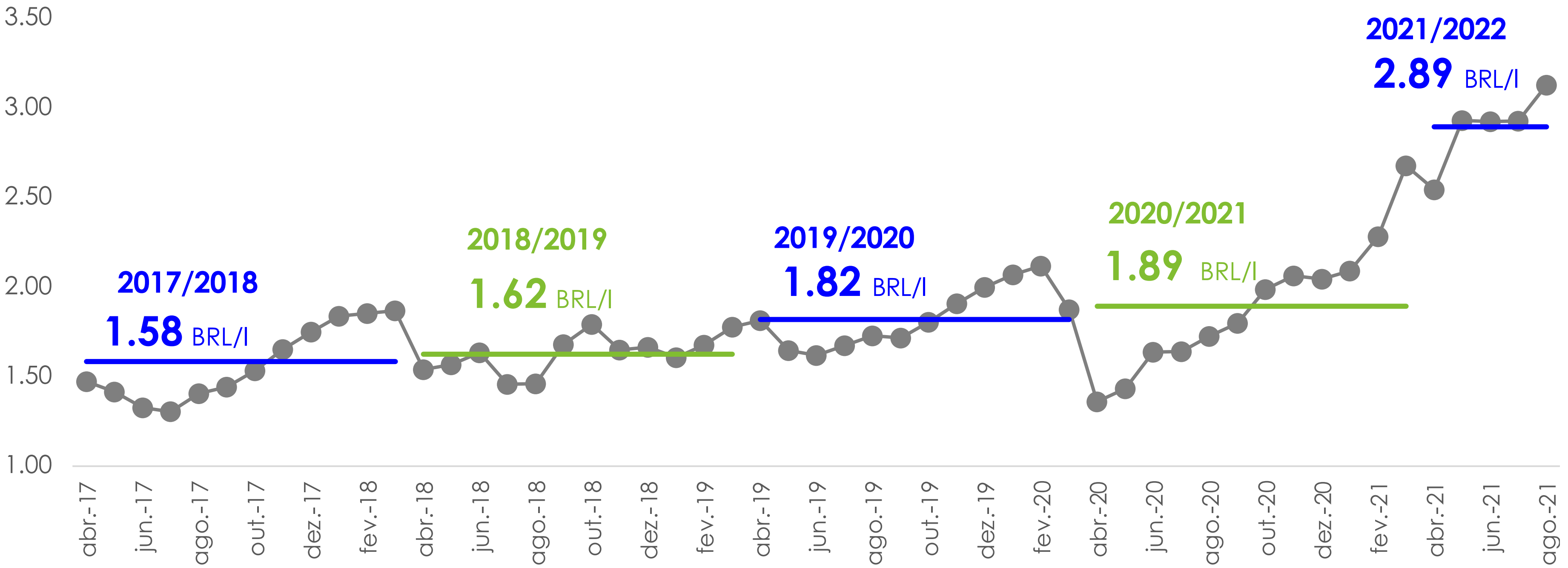
FUEL CONSUMPTION IN BRAZIL



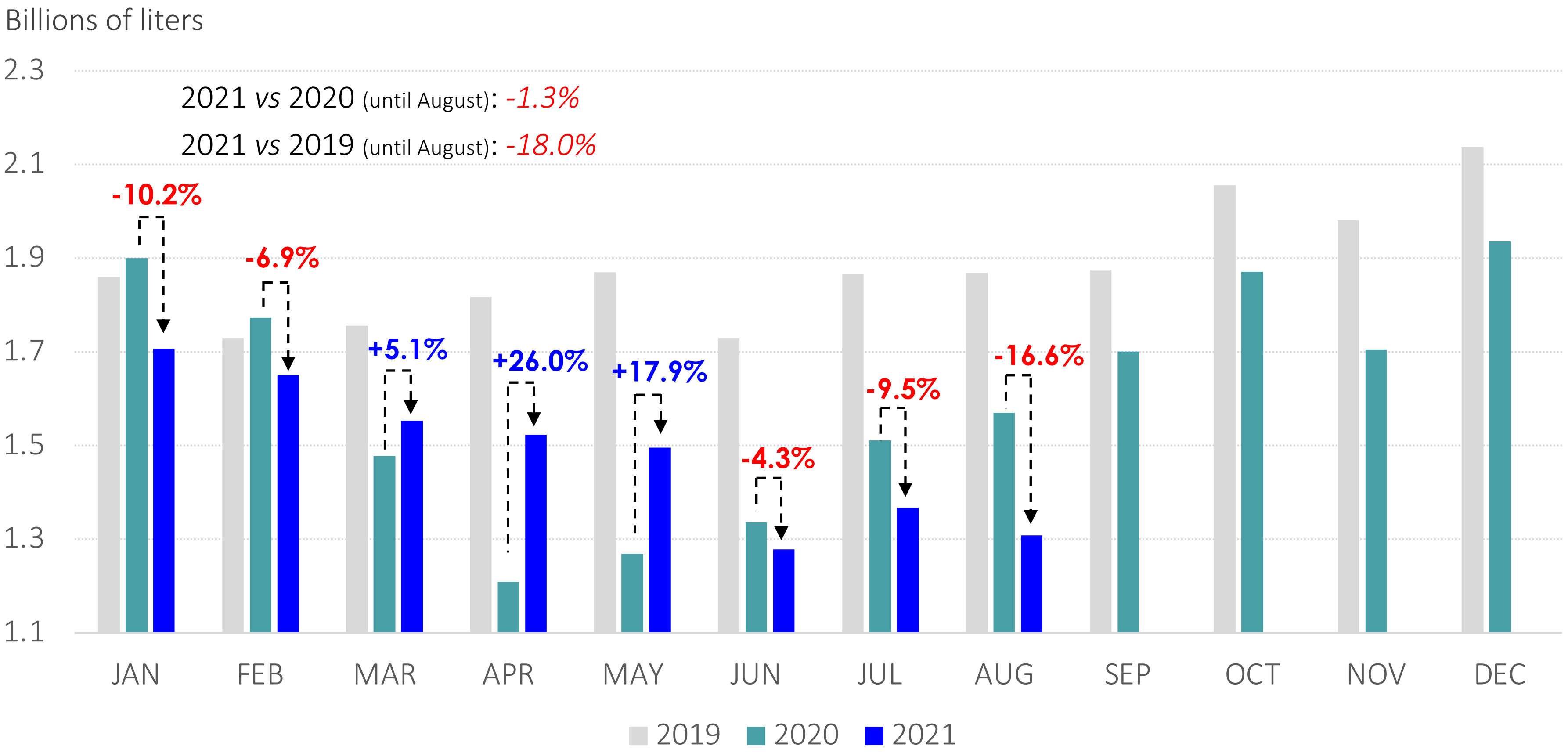
Source: ANP. Preparation: UNICA.

ETHANOL PRICE FOR PRODUCERS

HYDROUS ETHANOL: monthly prices received by São Paulo state producers (BRL/liter)

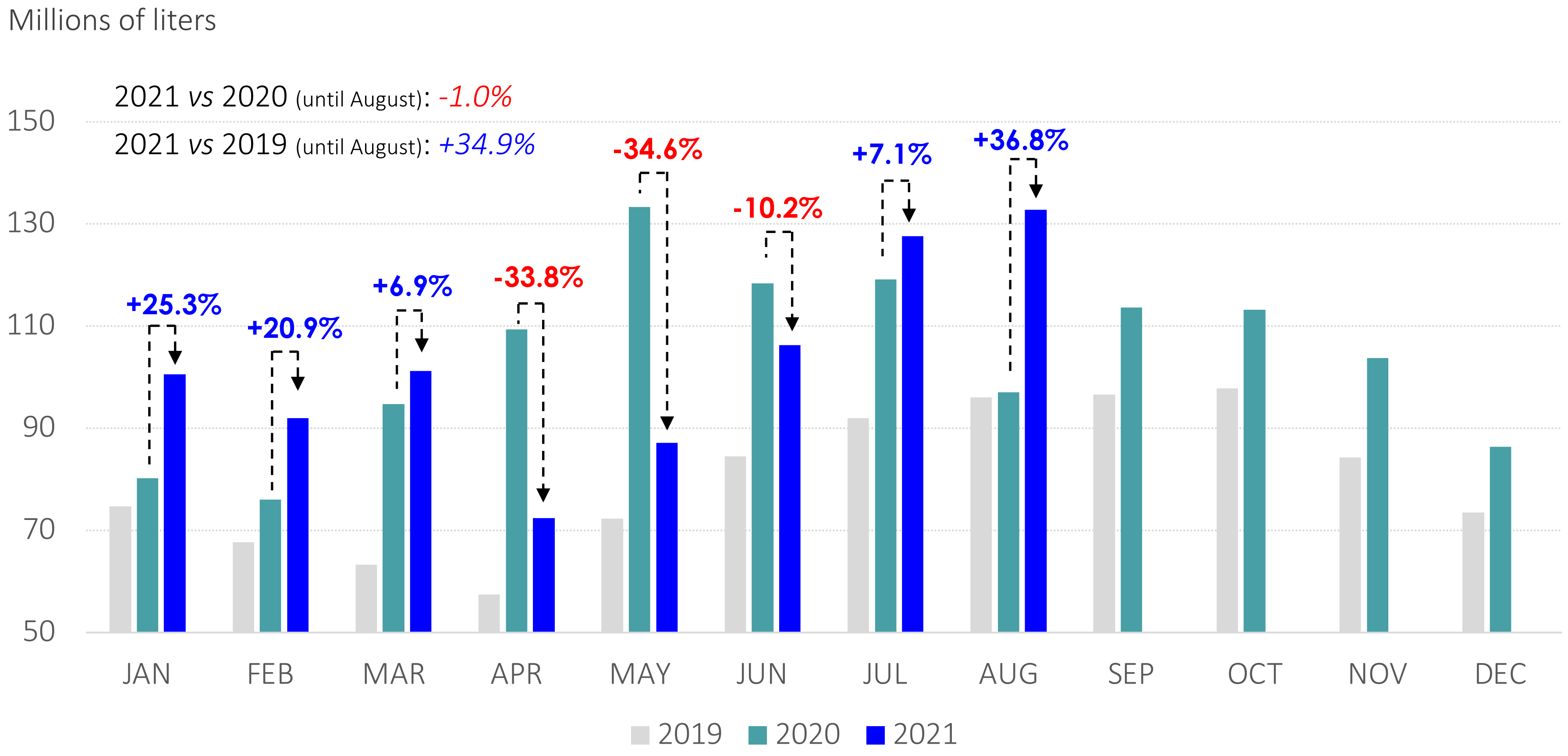


HYDROUS ETHANOL CONSUMPTION IN BRAZIL



Source: ANP. Preparation: UNICA.

CONSUMPTION OF NON-FUEL ETHANOL IN BRAZIL



Source: ANP. Preparation: UNICA.

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RENOVABIO

CERTIFICATION PROCESS

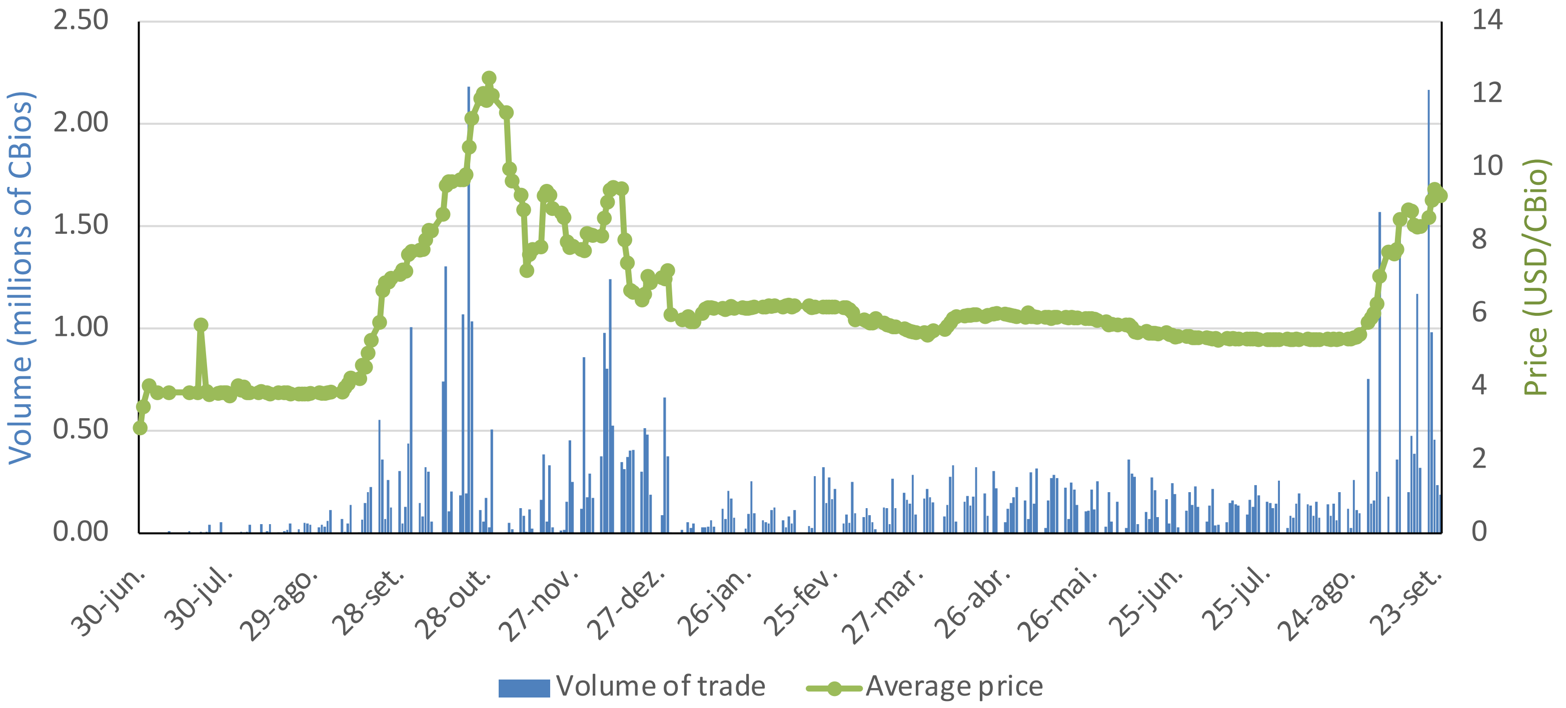
- ✓ Approved certifications: 257 companies.
- ✓ About 880 liters of ethanol per CBio.
- ✓ These companies represent about 90% of ethanol supply in Brazil.

CBIO MARKET

- ✓ In 2020, in its first year of operation, the CBio market traded more than US$ 120 million and 15 million decarbonization credits were traded
- ✓ In 2021, obligated party (distributors) has already purchased almost 85% of the mandate

Source: ANP and B3. Preparation: UNICA.

CBIO TRADING REGISTERED ON THE BRAZILIAN STOCK EXCHANGE



Source: B3.

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MEDIUM RUN CONSIDERATIONS

- MARKET
  - **Sugar:** need to reduce international trade distortions
  - Ethanol:
    - *Climate agenda in the world and energy transition*
    - *Vehicle technology and changes in transport demand:* the role of ethanol in the future sustainable mobility (bioelectrification)
    - *RenovaBio Effects:* new dynamics of markets
    - *Political risks (Brazil):* independency of Petrobrás in fossil fuels pricing, ethanol blend
- PRODUCTION
  - Process management and introduction of new sugarcane varieties, technologies (agriculture 4.0) and products (biogas, biomethane and 2G)

THANK YOU!