# Financial Statements

## Camil Alimentos S.A.

February 28, 2021
with Independent Auditor's Report

Building a better working world

# Financial Statements 2020

Dear Shareholders,

We submit to your appreciation the Management Report and Financial Statements of Camil Alimentos SA ("Camil" and "Company"), for the fiscal year ended on February 28, 2021 ("2020") and February 29, 2020 ("2019 "), accompanied by the respective Explanatory Notes and the Independent Auditors' Report. The information presented in this material is available on Camil's Investor Relations website (ri.camilalimentos.com.br) and on the website of the Brazilian Securities and Exchange Commission – CVM (www.cvm.gov.br).

## 1. Description of the Company's Business

The Company is a publicly-held corporation listed in the special segment called B3's Novo Mercado under the code "CAML3", which is dedicated to the processing, production, packaging and marketing of rice, beans, sugar, canned fish (sardines and tuna), among other foods. The Company operates in Brazil, Uruguay, Chile and Peru, with a diversified portfolio of traditional brands, consolidated and recognized by consumers.

The Company's activities began in 1963, in the form of a cooperative in the rice sector, and since then, it has been expanding both organically and through acquisitions of companies and / or food brands in Brazil and in some of the main countries in South America. Currently, Camil has a wide portfolio of brands, including Camil, Namorado, União, Da Barra, Coqueiro and Pescador in Brazil, Saman in Uruguay, Tucapel in Chile, and Costeño and Paisana in Peru. Through these brands, the Company has a prominent position in the markets in which it operates.

## 2. Message From Management

Camil concluded the year 2020, one of the most challenging scenarios experienced by the population in Brazil and in the world due to the Covid-19 pandemic, once again reinforcing its attributes of solid growth and resilience of its business model. We grew through actions focused on agility, security and supplies, with a coordinated operation in the value chain so that there is no shortage of food on the table of the population in the countries where we operate. Our 60 years of history reinforced historical experiences that, along with our ability to adapt, brought us agility in the readjustment of our liquidity, production, logistics and supply. Our actions increasingly reinforce our confidence that we are on the right path, with a coordinated and agile work focused on sales and value generation.

In 2020, we faced a scenario of high levels of cost for the acquisition of supplies and raw materials in our categories, which along with a high demand in the sector in the rush to supermarkets at the beginning of the pandemic, followed by the normalization of inventories in the second semester, brought volatility and additional volume and supply challenges in our operations. We follow an agile and coordinated strategy, adapting to this new reality and positioning ourselves since the beginning of the year with a focus on our value chain, which was essential to ensure that there is no shortage of food on the table of our consumers, in addition to reinforcing the resilience of our business model and growth generation in results for the year. This new pandemic scenario in Brazil, along with the results of international operations, allowed us to reach a new level as a Company, with gross revenue in the period of R$8.5 billion in the year, a historical record, and growth of 36% compared to the previous year.

Since the beginning of the pandemic, we have remained focused on directing our efforts towards a non-negotiable factor for Camil: our people's safety. We reinforced hygiene techniques and the use of sanitary barriers in the operational units, presented health workshops and work leave for Covid-19's risk group personnel and implemented the Ministry of Health's determinations. As a food company, we also reinforced our contribution in fighting the impacts of Covid-19 in the communities in which we operate, with the purchase of equipment and utensils for health services in the municipalities where we have production units, as well as distributing products to the most vulnerable population.

In addition to the external initiatives to face the pandemic, we continue to reinforce our commitment to ESG and to align our sustainable agenda for the coming years. In 2020 we created new management committees, including the ESG and Ethics Committee, which make our governance structure even more robust in order to continue with our solid and sustainable growth. We believe that given the breadth of ESG discussions in the market, the materiality strategy is the most assertive to focus on topics that make an effective difference for our business and our surroundings. We defined 8 material themes in 2020, distributed in working groups, which act in the execution of actions in the face of the environment, social responsibility and corporate governance in all the countries in which we operate. For fiscal year 2021, we included ESG goals in the variable remuneration of the executive board, and strengthened our strategic business planning by including ESG practices for the next five years, reinforcing practices adopted by the Company and building an ever stronger base for our sustainable development.

Feeding and nurturing relationships is part of our business, and in view of this setting, we cannot help but thank customers and consumers for their preference, we remain focused on promoting quality products and increasingly reinforcing our brand recognition and strengthening our leadership positions in the market. We would like to thank employees, shareholders and members of the Board of Directors for their hard work, support and confidence in this scenario. To our suppliers and other stakeholders, thank you for another intense year of collaboration and partnership.

We are aware that overcoming must be increasingly one of the points worked by the Company in challenging scenarios. We had an important growth in the year, full of challenges that extend in view of the continuity of the pandemic in South America. We continue to operate and reaffirm the commitment to the safety of our employees, ensuring the service of our customers so that there is no shortage of food in the communities and regions where we operate. We continue to take all appropriate measures to prevent the spread of Covid-19 and to ensure the continuity and growth of our business. With security, social responsibility and agility, we are increasingly confident that the Company is on the right track to anticipate trends and strengthen its position in the South American food sector.

**Luciano Quartiero**
Chief Executive Officer

**Flavio Vargas**
Chief Financial, Investor Relations and Tax Officer

## 3. Year Highlights

### Notices and Material Facts

- **April-2021: Approval of the 10th Issuance of Debentures in the amount of R$ 600 million**

In April 2021, the Company completed the 10th issuance of unsecured, non-convertible debentures, in a single series, with public distribution of restricted efforts in the amount of R$600 million. Debentures bear interest at CDI 1.70% p.a., with a term of 3 years from the date of issue.

- **April-2021: New Share Buyback Program**

In April 2021, the Company's Board of Directors approved the new share buyback program, in order to partially meet the grants made under the Company's stock option plan. The program authorizes the repurchase of up to 4 million shares within 12 months.

- **January-2021: Approval of creation of Strategy, Innovation, Brands and Market Committee and the ESG and Ethics Committee**

In January 2021, the Company's Board of Directors approved the creation of the Strategy, Innovation, Brands and Market Committee and the ESG and Camil Ethics. Both committees reinforce the importance of their brands and the Company's commitment to governance and will complement the other management committees to support the Board of Directors regarding stratetegic strategic issues and monitoring ESG issues.

- **December-2020: Approval of Intermediary Dividends and Interest on Equity Payment**

In December 2020, the Company's Board of Directors approved the payment of: (i) *Intermediary Dividends* of R$150 million, corresponding to the gross unit value of approx. R$0.41 per share, with payment made on December 18th, 2020; and (ii) *Interest on Equity* of R$20 million, corresponding to the gross unit value of approx. R$0.05 per share, with payment made on January 12th, 2021.

- **December-2020: Camil Day Virtual 2020**

In December 2020, Camil held the Camil Day Virtual 2020 with simultaneous translation, which was attended by approximately 250 people and presentations by members of the Company's board of directors, addressing industrial efficiency issues, recent results and Q&A.

- **October-2020: Conclusion of 9th Debentures issue in the amount of R$350 million**

In October 2020, the Company concluded the 9th issue of simple unsecured debentures, of the unsecured type, in a single series, with a public distribution of restricted efforts in the amount of R$350 million. The debentures are paid at CDI 2.70% p.a, with a term of 5 years from the date of issue.

- **August-2020: Interest on Equity Payment**

In August 2020, the Company's Board of Directors approved the payment of Interest on Equity of R$15.0 million, corresponding to the gross unit value of approx. R$0.04 per share, with payment made on September 14th, 2020.

- **August-2020: 4th Share Buyback Program**

In August 2020, the Company's Board of Directors approved the 4th Share Buyback Program. 4 million shares were repurchased, representing 100% of the authorized amount, with completion of the program in March, 2021.

- **June-2020: Resolutions Shareholders 'Meeting**

In June 2020, Camil held its Ordinary and Extraordinary Shareholders' Meeting 2020, with approval of accounts for the year ended in February 2020, installation and election of members of the Fiscal Council, among other resolutions. To consult the materials and Minutes of the Meeting access the Corporate Governance > Board Meetings and Shareholders' Meetings section on the Company's Investor Relations website (www.ri.camilalimentos.com.br)

- **June-2020: Election of the Members of the Management Committees**

In June 2020, the Company's Board of Directors approved the election of the members of the Finance, Audit, People and Management and Ethics Committees. For more information on the members and bylaws of each committee, access the Corporate Governance > Management, Board of Directors and Committees section on the Company's Investor Relations website (www.ri.camilalimentos.com.br)

- **June-2020: Interest on Equity Payment**

In June 2020, the Company's Board of Directors approved the payment of Interest on Equity of R$15.0 million, corresponding to the gross unit value of approx. R$0.04 per share, with payment made on June 24, 2020.

### Brands

Building strong brands, strengthening the connection with our consumers through value-added services and campaigns that contribute to the differentiation of our products is a priority for the Company. This strategy allows us to capture a premium in the markets in which it operates and an important pillar is the company's long-term value.

***Comida de Casa é Camil*:** During the year, with the worsening of the pandemic and the need for social distance, people naturally started to eat more at home and we started the year with the support of the 'Rita Help!' Project, a partnership between Camil, Panelinha and Rita Lobo. **Do you want to know more about Camil brand initiatives? Acess** **Camil brand website**.

***#UniãoMudaTudo*:** União reinforced in its social media the importance of social distance by adapting the phrases of its iconic sugar sachets for positive messages and with tips to better live this period.

***'Desembola União'* Promotion:** Launched in July, the promotion aimed to generate knowledge and experimentation with the União brand cake mix line.

**110 years of União:** Our leading brand in the refined sugar market reached 110 years old, with the brand new campaign, launched in August: ***União, 110 years ago transforming its days***. In December, the new Union promotion: *Recipes for 110 sweet years* was launched. In it we relaunched the famous cookbook of the brand. The success was so great that the Company is already in the third's book edition. **Do you want to know more? Access** **uniao110anos.com.br**.

***'Coloque Coqueiro na sua Mesa'* Promotion:** Coqueiro developed a communication strategy with digital influencers, monthly sending kits of products and ingredients for them to make different and delicious recipes, demonstrating all the versatility that Coqueiro's fish have and the different possibilities for the daily lives of our consumers.

***'Rende mais possibilidades na sua mesa':*** For the 2021 Lent, the brand launched its new campaign '*Cria e Recria*', where we invite our consumers to discover the hundreds of possible recipes that fish allow in their daily lives.

**Value Priced Brands:** Besides our main brands, which operate nationwide and are market leaders, the Company also has regional brands with relevant participation and a broad portfolio that meets different needs and market segments. This year, in order to strengthen them, Camil invested in the creation of websites and social networks for 11 brands of the group.

### Awards

Our commitment to providing superior quality products is widely recognized by the market and is a source of pride. The strength of our work and our brands has been recognized through a series of awards:

- **'Best of the Stock Market' Award** – Infomoney: Camil was awarded as 'Best in the Stock Market' – 2# position;
- **Top of Mind 2020 Award** - Folha de São Paulo (Camil and União brands);
- **'The Best in People's Management' Award** – Valor Carreira: Camil amoung the 5 most relevant Companies in people management;
- **Top of Mind RS 2020 Award** – Revista Amanhã: Camil brand as #1 Beans category, Namorado #2 Beans and Namorado #3 Rice categories in RS;
- **"The Most Valueted – Rice"** – Tucapel brand (Chile);
- **48º Export RS Award** - Camil as a sector highlight in the Food segment;
- **ABRAS** - Camil and União at #1 position in the sales ranking at ABRAS;
- **Caio Award** – Camil's Trade Marketing team took the '*Jacaré de Bronze*' Award;
- **ReclameAqui – RA1000 Stamp**: Camil takes the RA 1000 Stamp of Service Excellence;
- **Top Supplier** – Revista SA Varejo: Camil was awarded at Rice, Beans and Refineted Sugar categories;
- **Top Log GPA** – Recognition for the 20 suppliers with the best level of service and logistical assertiveness;
- **South 500 Largest Rank** – Camil ranked 1st position at agricultural category in the South 500 Largest Rank;
- **Popai Award** – Silver prize as a temporary display for Coqueiro in the Food category;
- **Reclame Aqui** – Camil ranked the #4 position in Foods/Grocery Wholesaler category;
- **Special and Success' brands 2020** – Correio Popular: Camil is the most remembered brand in the Rice category ;
- **The Best of Agribusiness Award** – Globo Rural: 2nd position in Food category;
- **Maiores & Melhores** – Exame: In the Ranking of the 400 Largest Agribusiness, Camil reached the 47th position;
- **As Melhores da Dinheiro** – 1st place in Governance and 2nd place in HR in the Food subcategory;
- **Top of Mind – Minas Gerais**: União was mentioned in the '*Expressão'* category in the Sugar segment.

## Covid-19 Impacts

We came across the beginning of the Camil Alimentos fiscal year of March/2020, which ended in February/2021, with the Covid-19 pandemic scenario, which brought additional challenges to the daily lives of companies in the countries and in the most diverse segments. The Company's operating segment is considered essential and, therefore, has not had its operations interrupted and is following the determinations of governmental legislation throughout its industrial parks in the countries in which it operates in South America.

In front of the difficulties presented, we remained following the guidelines of the Ministry of Health and government entities of each country in which we operate (Brazil, Uruguay, Chile and Peru) and adapt our routine by protecting and educating employees against the threats of the disease. Among the main measures we highlight:

- Comply with the Ministry of Health's regulations, such as the release of employees over 60 years of age, pregnant women and people classified in Covid-19 risk group, in addition to health protocols, behaviors and other guidelines related to prevention and hygiene;
- Establishment of a Crisis Committee to deliberate on actions to contain the disease in both administrative and operational areas;
- Trips and Meetings, Events, Training sessions in person cancelled in the critical moments of the pandemic;
- Strengthening the role of leadership in the face of the demand for productivity and distance work, keeping the focus on results and engagement;
- Campaign #*vamospracima* valuing our employees in their day-to-day work, in line with our purpose and values;
- Intensive internal campaign on Covid-19, involving all employees in the home office or in the manufacturing units (use of chartered transport, distance rules in cafeterias, changing rooms, common areas and production, among others measures);
- Gradual return of 20% of employees' home-office when duly authorized by governmental entities in São Paulo, with return protocol and guarantee of distance and hygiene for all;
- Reinforcement of the safety procedures and use of PPE, availability of gel alcohol, masks, anticipation of the flu vaccination campaign, information and lectures on physical health and emotional balance;
- Active and dynamic communication channel between Company and Employee, with actions adjusted to each phase of the pandemic, bringing confidence and security to the daily life, according to the Covid-19 scenario;
- Continuity and intensification of lectures and training in online mode.

In addition to the initiatives for preserving health, the safety of its employees, and guaranteeing the supply of food to the population in the midst of the Covid-19 pandemics, Camil strengthened its short-term financial liquidity at the beginning of the year, ensuring the financial need for the year 2020.

Within the scope of social investments, as one of the largest food companies in Brazil, we reaffirm our commitment to society, contributing to combat the impacts of Covid-19 in the communities where we operate with donations for various initiatives, including the purchase of equipment and utensils for health services. health of the municipalities where we have units and more than 300 tons of products distributed to the most vulnerable population. To increase the impact of our donations, we support fundraising and lives campaigns that made it possible to distribute our donations to reach those who need it most, as well as to conducting internal food donation campaigns with our employees, who had a high share in the total volume of donated food.

In this new Camil exercise, which began in March 2021, we continue to operate and reaffirm our commitment to the safety of employees, ensuring that our customers are served so that there is no shortage of food in the communities and regions where we operate in South America. The Company understands that is taking all appropriate measures to prevent the spread of Covid-19, as well as to ensure business continuity during the pandemic. Although the Company's operations have not been significantly affected by the currently date, we are unable to estimate or predict the occurrence of future events related to this pandemic scenario and, therefore, we continue to monitor future financial impacts and evaluate actions to be taken.

## 4. ESG

Our ESG strategy and updates for the year 2020 permeate the continuous maturation and reinforcement of a solid basis for sustainable governance. We adopted focused and solid commitments that transform real challenges in our context into goals that guarantee the efficiency of our purpose in updating and improving our business purpose. Among several initiatives in 2020, the following stands out:

### ESG 2020 Updates

**ESG and Ethics Committee:** creation of a governance structure focused on ESG practices, a Committee that reports to the Board of Directors and is composed of three directors, one of whom is an independent director, which aims to monitor and guide the Company's ESG and Ethics practices aligned with business strategy. The committee's charter is available on the Company's Investor Relations website. To support the Committee, we created the **ESG Internal Committee of the Executive Board**, composed of four directors, including the CEO, which aims to monitor the ESG working groups for the execution of goals and practices adhering to the Company and the countries in which it operates. Reporting to the committee is carried out by the Company's Investor Relations and ESG department.

**Work Groups:** the Company's strategy supported and monitored by the Committee was separated into eight Working Groups, with multidisciplinary teams that focus on Material Issues raised during the Company's ESG assessment, including: **(i) Environmental:** Environment; and Supply; **(ii) Social Responsibility:** Social Investments; Health and Safety; and Diversity and Inclusion; **(iii) Governance:** Risks and Compliance; Corporate Governance; and Reputation. There are more than 60 people involved spread over the four countries in which we work, who are part of the working groups, with monthly discussions and meetings focused on setting goals and monitoring actions aimed at improving each of the material topics above in our business context. Each working group has its own established governance, reporting to a director that controls and supervises the progress of the proposed goals and actions.

**ESG Goals:** to further reinforce this commitment, Camil decided to update its strategic planning for the next five years with ESG practices and assign ESG goals related to the context of the material issues above in the variable remuneration of all Company's directors.

We seek to align current market trends with an ESG vision to our businesses and work on the subject more and more within the scope of our corporate culture, looking at the reality of the practices that make an effective difference in each country and category we operate. Therefore, we held several meetings between workshops, ESG lectures and internal discussions to align our vision and sustainable commitments, in addition to external consultations with some of our stakeholders. We remain focused on reinforcing and bringing to the market practices that make a real difference to our business, people, the planet and the context in which we are involved.

### Social Investments

In the midst of the pandemic, as one of the largest food companies in Brazil, we reaffirm our commitment to society, also acting to contribute in combating the impacts of Covid-19 in the communities where we operate. We allocate resources for the purchase of hospital equipment and materials and support food donation initiatives in the cities where our Productive Units are located. In addition, we support food collection campaigns driven by Brazilian singers' lives. We highlight our participation in Luan Santana's first live, which counted on the donation of 52 tons of Camil Alimentos products and had a great contribution through the internal campaign with our employees, who made their donations and Camil doubled the total collection, adding up 114 tons to the initial volume of our contribution. These foods were destinated to CUFA (Central Única das Favelas) and UNICEF.

Additionally, we support some more regional artists and social projects, totaling more than 300 tons of donated food. In addition to donations, we sell our products at cost to other initiatives that distribute food to vulnerable populations, totaling 330 tons of food sold in this differentiated condition. In addition, we support regional artists and social projects, totaling more than 300 tons of donated food. Among the projects, we highlight the support for **Teleton/AACD**, ***Natal Sem Fome*** ('Christmas without Hunger'), in which Camil supported this campaign for the 3rd consecutive year and more than 100 tons of food were distributed between Camil and União products (Camil was recognized in the Top of Heart list. Initiative from UN Global Compact with Citizenship Action) and support for the **Empreendedoras da Favela – Makro Atacadista**, through the Makro *Parceria Que Capacita* platform, with access to a course for the manufacture of pot cakes and SEBRAE offered consultancy and training on entrepreneurship.

## 5. Strategies and Prospects

We are one of the largest Brazilian multinationals of consumer goods in the food sector in Brazil and South America. We operate in the grains (mainly rice and beans), sugar and canned fish (sardines and tuna) categories through brands with strong recognition and leaders in market share in Brazil, Uruguay, Chile and Peru. Our strategy is to **strengthen Camil's position as a consolidator in the South American food sector**, which we believe is a market where we are able to exploit our competitive advantages value, differentiating our business model and conquering a profitability growth in a sustainably way. We are proud to be part of our consumers' daily lives, being present at all relevant moments throughout the day, bringing experiences and participating of important moments in their lives. Our leading brands are considered as icons in their categories, which, through our solid distribution platform, reaches the main consumer centers in the countries where we operate.

We act in a responsible, sustainable and consistent manner, exploring the attributes of our products and services while we keep offering a quality consumer experience at competitive and affordable prices. We participate in the South American food industry evolution proccess as part of the main initiatives related to innovation, practicality and health in the industry. We operate in a highly competitive and fragmented market with tight margins in which, over more than 60 years of history, we have a history of generating value, growth and return to our shareholders. Our business model is based on a broad portfolio of leading brands across multiple product categories.

We invest in modern and efficient production parks and a solid distribution platform in the regions where we operate. We operate in a diversified manner in 3 categories and have operations in 4 countries in South America, in addition to exporting to more than 50 countries worldwide. The main elements of our strategy are based on:

1. *Consolidate the highly fragmented Brazilian rice and beans market and expand the leadership of our brands;*
2. *Export the multiple category model that we have in Brazil to other countries where we operate;*
3. *Expand the portfolio of brands and products in new categories of high turnover of dry grocery, with growth potential;*
4. *Expand our operations in other Latin America countries.*

We have a history of organic growth and through acquisitions, with more than 16 acquisitions concluded in recent years, successfully integrating and exploring opportunities in new categories or geographies. We continue to pursue, in a conservative and realistic manner, opportunities to expand our operations, focusing on strengthening our competitive advantages, expanding our distribution and increasing the potential for obtaining synergies. We believe that the combination of brand leadership in several product categories, an extensive distribution platform, a solid and resilient business model and a proven increase in profitable operating results, place us in a privileged position to capture the growth potential of the food sector in South America, both organically and through acquisitions.

## 6. Corporate Governance

Camil Alimentos values the highest governance standards in conducting its business and implements structures to guarantee its service, based on principles that privilege transparency, shareholders equal treatment, accountability and corporate responsibility. The corporate governance structure, including Risk Management, Internal Controls and Compliance, are responsible for monitoring and controlling risks and implementing the Company's Integrity Program, as well as structuring and implementing data protection controls in compliance with the Brazilian General Data Protection Law (‘*LGPD’*).

The risk management policy adopted by the Company aims to establish principles, guidelines and responsibilities to be observed in the risk management process, in order to enable the proper identification, assessment, treatment, monitoring and communication of the risks to which protection is sought and that may affect its strategic plan, in order to manage the appetite for risk taking in the decision-making process, in the search for the fulfillment of its objectives, as well as creation, preservation and the value growth.

The Company annually carries out a risk assessment with its managers and members of its Committees, in order to assess the risk environment which its businesses are inserted and to update its priority risks in its fiscal years (harvest-years), that are objects by risk management and other structures, according to the model of the IIA's lines of defense implemented by the Company. Camil assesses your risk levels, control the enviroment associated with critical risks and structures and implements additional responses to risks which are beyond our tracking, in order to mitigate your risk exposures.

Furthermore, the approaches adopted by the Company to manage its risks are in line with the best market practices, such as those recommended by "COSO ERM 2017" and "ISO 31000:2018 – Risk Management", in addition to training and equipping its employees, at all hierarchical levels, for an adequate risk management, promoting a risk-based management culture, equipping its workforce especially at the manager level, for decision making based on opportunities, threats and uncertainties, incorporating the "risk-return" analysis in the decision-making process, aligning its actions to the risk appetite defined by the Company.

In order to implement an integrity, ethics and transparency culture, and to ensure a sustainable and responsible work environment, Camil started implementing its Integrity Program. The Camil Integrity Program was created in accordance with the parameters and guidelines contained in Law N°12,846/13, Decree No.8,420/15 and Ordinance CGU 909/15 of Brazilian's Penal Code and contains measures, policies and procedures aimed at preventing, detecting and remedying the occurrence misconduct and non-compliance with the Ethics Code and other Company policies. The program consists of 6 pillars, which are: (i) Area structure and High Management Commitment, (ii) Risk Analysis, (iii) Policies and Procedures, (iv) Training and Communications, (v) Reporting Channel and Remediation Measures, (vi) Controls and Continuous Monitoring.

In line with the commitment to provide a safe and transparent work environment, Camil makes it possible to report possible violations of the Ethics Code, other policies and applicable laws through its Ethics Channel, which is available 24 hours and can be accessed by the complainant by phone, email or website. These channels are managed by a outsourced company, and the established process guarantees anonymity, protection for the complainant in good faith and the possibility of monitoring the complaint handling of by a protocol number.

Still regarding the Integrity Program, Camil has support of the Operational Ethics Committee, which is responsible for approving policies and procedures in the Compliance area, high-risk transactions, monitoring indicators and deciding on the relevant investigations related to non-compliance with the Camil's Ethics Code.

Camil is also implementing a Privacy Program, in response to the Brazilian General Data Protection Law nº 13,709/18 ('*LGPD'*), which intends to establish a responsibility culture of the personal data use. Among the objectives of the program, we emphasize our intention to strengthen information security practices, reduce risks of information leakage, create a safe environment for all people who share their data with Camil, and provide transparency and clear opportunities to exercise their rights to all holders.

## 7. People and Management

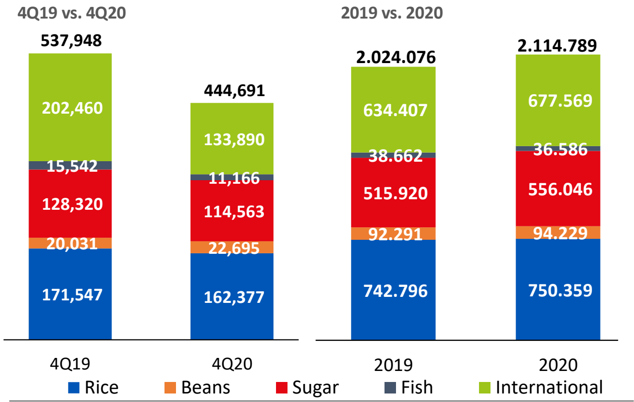
We have a talented and differentiated team in which our employees are protagonists of our success. There are approximately 6,500 employees in Brazil and Latin America engaged with our purpose in making a difference in people's lives, working to satisfy our consumer needs(internal and external), always focused on the continuous improvement of our processes and actions. We have robust People Management processes aligned with our mission, values and strategic drivers to continuously leverage the People and Management development, which we highlight:

- Structured processes of attraction, selection and hiring, strengthening the look towards Diversity and Inclusion;
- The Camil's Internship Program focused on the development and training professionals for the business sustainability, focusing in developing our new talents;
- Management of challenging goals, mapping competencies, succession and results achieved for all leadership with a focus on people and process management;
- Humanized people development and focused on results;
- Constant Compensation and Benefits management ensuring internal balance and attractiveness, our practices competitiveness, reaching recognition and reward through our employees;
- Constant technical and behavioral training of our leaders and teams;
- Culture focused at a healthy and safe environment in which people are proud to work;
- Governance and compliance in the area's operational processes;
- Practice of our values aimed at strengthening Culture through an open and transparent Communication;
- Internal Communication focused on engagement, strengthening dialogues, and several valorization actions, which recognizes employees, providing motivation, commitment and pride of belonging;
- Performance Management focused on results and action plans that generate constant development and improvement;
- Constant reinforcement of our Organizational Culture as a basis for the alignment and direction of our actions;
- Pillar of Health and Engagement reinforced through programs aimed at Quality of Life.

# 8. Results Highlight

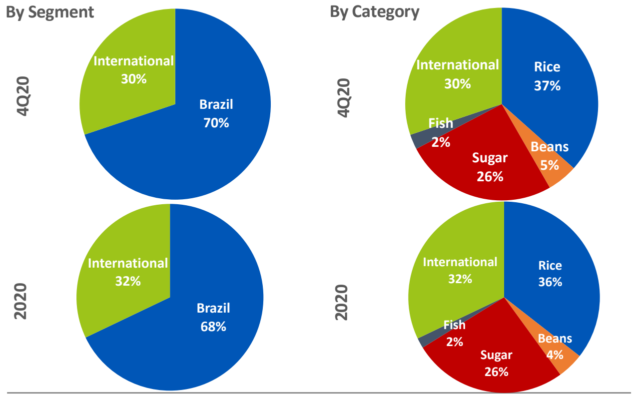
## Operational Performance Highlights

**Quarterly Volume Evolution (k ton)**




Source: Company

**Volume Breakdown (%)**




Source: Company

The 4Q20 was marked by **reduction in volumes in grains (-3.4% YoY), sugar (-10.8% YoY), canned fish (-28.2% YoY) and international (-33.9% YoY)** and 2020 was highlighted by **volumes increase in rice +1.0% YoY, beans +2.1% YoY, sugar +7.8% YoY and international +6.8% YoY.**

## Brazil

### Rice


- **4Q20:** Volume of 162.4 k tons (-5.3% YoY)
- Gross Price R$4.30/kg (+63.6% YoY)
- Net Price R$3.73/kg (+60.7% YoY)
- **2020**: Volume of 750.4 ktons (+1.0% YoY)
- Gross Price R$3.67/kg (+46.3% YoY)
- Net Price R$3.24/kg (+46.8% YoY)
- **Sales Mix**: Leader sales decrease, and increase in value pricing brands in the quarter and 2020
- **Market:** Average Price reached R$91.80/bag in 4Q20 (+86.1% YoY) and R$80.05/bag in 2020 (+77.1% YoY)[1]

### Beans


- **4Q20:** Volume of 22.7 k tons(+13.5% YoY)
- Gross Price R$6.35/kg (+30.4% YoY)
- Net Price R$5.82/kg (+27.3% YoY)
- **2020:** Volume of 94.2 k tons (+2.1% YoY)
- Gross Price R$6.13/kg (+37.4% YoY)
- Net Price R$5.71/kg (+38.5 YoY)
- **Sales Mix**: Leader sales decrease, and increase in value pricing brands in the quarter and 2020
- **Market:** Average Price reached R$273.41/bag in 4Q20 (+33.6% YoY) and R$254.08/bag in 2020 (+31.7% YoY)[2]

### Sugar


- **4Q20:** Volume of 114.6 k tons (-10.8% YoY)
- Gross Price R$2.79/kg (+16.8% YoY)
- Net Price R$2.48/kg (+21.6% YoY)
- **2020:** Volume of 556.0 k tons (+7.8% YoY)
- Gross Price R$2.47/kg (+11.9% YoY)
- Net Price R$2.16/kg (+13.4% YoY)
- **Sales Mix:** Leader sales decrease, and increase in value pricing brands in the quarter and 2020
- **Market:** Average Price reached R$107.60/bag in 4Q20 (+44.8% YoY) and R$89.57/bag in 2020 (+33.9% YoY)[3]

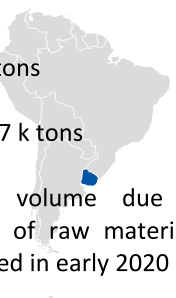
### Canned Fish


- **4Q20:** Volume of 11.2 k tons (-28.2% YoY)
- Gross Price R$25.19/kg (+20.3% YoY)
- Net Price R520.09/kg (+27.2% YoY)
- **2020:** Volume of 36.6 k tons (-5.4% YoY)
- Gross Price R$23.05/kg (+11.8% YoY)
- Net Price R$18.33/kg (+17.5% YoY)
- **Sales Mix**: Leader sales and value pricing brands decrease in the quarter, increase in valued pricing brands in 2020
- **Market**: We emphasize the continued difficulty of local fishing

## International

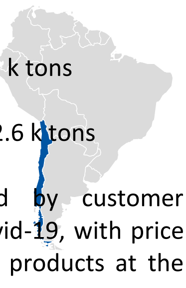
Volume of 133.9 k tons (-33.9% YoY) in the quarter and 634.5 k tons (6.8% YoY) in 2020.

### Uruguay



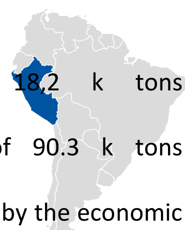
- **4Q20:** Volume 98.6k tons (-38.9% YoY)
- **2020:** Volume of 504.7 k tons (+9.4% YoY)
- Growth in annual volume due to increased availability of raw materials, with sales concentrated in early 2020

### Chile



- **4Q20:** Volume 17.1 k tons (-11.6% YoY)
- **2020:** Volume of 82.6 k tons (-1.9% YoY)
- Scenario impacted by customer actions against Covid-19, with price freezes for certain products at the sales points

### Peru



- **4Q20:** Volume 18,2 k tons (-16.4% YoY)
- **2020:** Volume of 90.3 k tons (+1.6% YoY)
- Quarter impacted by the economic scenario deterioration, with an impact on the consumption of packed rice

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[2]Source: CEPEA; Paddy's rice indicator Casca Esalq/Senar RS 50kg
[3]Source: Agrolink; Carioca's Beans indicator Sc 60kg
[4]Source: CEPEA; Crystal's Sugar indicator Esalq/SP 50kg

## Operational Performance

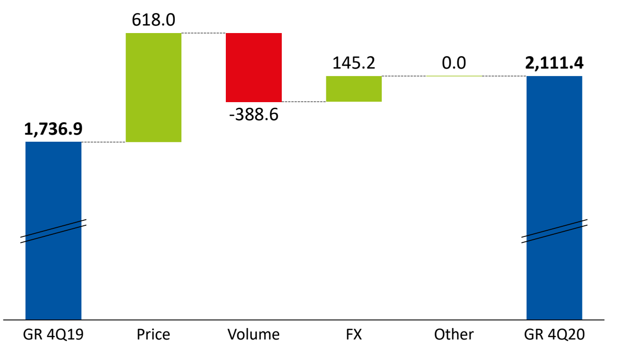
| Highlights<br>Volumes ('000 ton) | 4Q19<br>Feb-20 | 3Q20<br>Nov-20 | 4Q20<br>Feb-21 | 4Q20 vs<br>4Q19 | 4Q20 vs<br>3Q20 | 12M19<br>Feb-20 | 12M20<br>Feb-21 | 12M20 vs.<br>12M19 |
|---|---|---|---|---|---|---|---|---|
| Volume - Consolidated | | | | | | | | |
| **Volume - Total** | **538.0** | **522.0** | **444.7** | ***-17.3%*** | ***-14.8%*** | **2,024.4** | **2,114.8** | *4.5%* |
| Brasil | | | | | | | | |
| **Volumes - Brazil** | **335.5** | **344.0** | **310.8** | ***-7.4%*** | ***-9.6%*** | **1,389.9** | **1,437.2** | *3.4%* |
| Grains | 191.6 | 187.2 | 185.1 | *-3.4%* | *-1.1%* | 835.2 | 844.6 | *1.1%* |
| Rice | 171.5 | 162.6 | 162.4 | *-5.3%* | *-0.1%* | 742.9 | 750.4 | *1.0%* |
| Beans | 20.0 | 24.6 | 22.7 | *13.5%* | *-7.8%* | 92.3 | 94.2 | *2.1%* |
| Sugar | 128.4 | 148.5 | 114.6 | *-10.8%* | *-22.8%* | 516.0 | 556.0 | *7.8%* |
| Canned Fish | 15.5 | 8.3 | 11.2 | *-28.2%* | *34.0%* | 38.7 | 36.6 | *-5.4%* |
| International | | | | | | | | |
| **Volumes - International** | **202.5** | **178.0** | **133.9** | ***-33.9%*** | ***-24.8%*** | **634.5** | **677.6** | *6.8%* |
| Uruguay | 161.3 | 140.0 | 98.6 | *-38.9%* | *-29.6%* | 461.5 | 504.7 | *9.4%* |
| Chile | 19.4 | 18.2 | 17.1 | *-11.6%* | *-5.7%* | 84.1 | 82.6 | *-1.9%* |
| Peru | 21.8 | 19.8 | 18.2 | *-16.4%* | *-8.1%* | 88.8 | 90.3 | *1.6%* |

| Gross Prices (R$/kg)<br>Closing Date | 4Q19<br>Feb-20 | 3Q20<br>Nov-20 | 4Q20<br>Feb-21 | 4Q20 vs<br>4Q19 | 4Q20 vs<br>3Q20 | 12M19<br>Feb-20 | 12M20<br>Feb-21 | 12M20 vs.<br>12M19 |
|---|---|---|---|---|---|---|---|---|
| Brazil | | | | | | | | |
| Grains | | | | | | | | |
| Rice | 2.63 | 4.57 | 4.30 | *63.6%* | *-5.9%* | 2.51 | 3.67 | *46.3%* |
| Beans | 4.87 | 6.10 | 6.35 | *30.4%* | *4.1%* | 4.46 | 6.13 | *37.4%* |
| Sugar | 2.39 | 2.48 | 2.79 | *16.8%* | *12.1%* | 2.21 | 2.47 | *11.9%* |
| Canned Fish | 20.94 | 24.44 | 25.19 | *20.3%* | *3.1%* | 20.61 | 23.05 | *11.8%* |
| International | | | | | | | | |
| Uruguay | 1.85 | 3.05 | 2.99 | *61.5%* | *-1.9%* | 1.95 | 2.74 | *40.3%* |
| Chile | 5.33 | 8.75 | 8.72 | *63.5%* | *-0.4%* | 5.55 | 7.95 | *43.3%* |
| Peru | 5.21 | 7.21 | 6.88 | *32.0%* | *-4.6%* | 5.00 | 6.77 | *35.4%* |

| Net Prices (R$/kg)<br>Closing Date | 4Q19<br>Feb-20 | 3Q20<br>Nov-20 | 4Q20<br>Feb-21 | 4Q20 vs<br>4Q19 | 4Q20 vs<br>3Q20 | 12M19<br>Feb-20 | 12M20<br>Feb-21 | 12M20 vs.<br>12M19 |
|---|---|---|---|---|---|---|---|---|
| Brazil | | | | | | | | |
| Grains | | | | | | | | |
| Rice | 2.32 | 4.03 | 3.73 | *60.7%* | *-7.6%* | 2.21 | 3.24 | *46.8%* |
| Beans | 4.58 | 5.66 | 5.82 | *27.3%* | *2.8%* | 4.12 | 5.71 | *38.5%* |
| Sugar | 2.04 | 2.16 | 2.48 | *21.6%* | *14.5%* | 1.91 | 2.16 | *13.4%* |
| Canned Fish | 15.80 | 19.45 | 20.09 | *27.2%* | *3.3%* | 15.60 | 18.33 | *17.5%* |
| International | | | | | | | | |
| Uruguay | 1.83 | 3.01 | 2.95 | *61.4%* | *-1.9%* | 1.92 | 2.69 | *40.5%* |
| Chile | 4.49 | 7.68 | 7.50 | *66.8%* | *-2.4%* | 4.69 | 6.89 | *47.0%* |
| Peru | 4.56 | 6.32 | 6.08 | *33.3%* | *-3.7%* | 4.37 | 5.98 | *36.6%* |

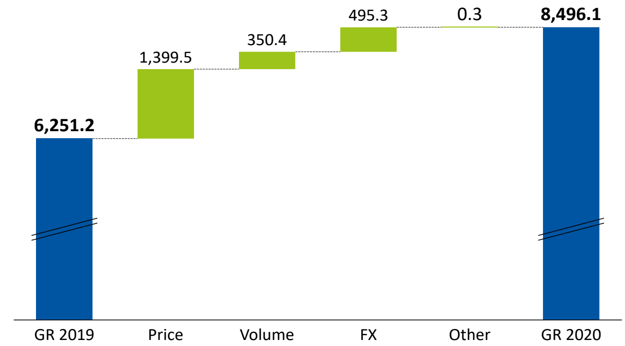
## Financial Performance Highlights

**4Q20: Gross Revenue Breakdown (R$mn)**




Source: Company

**2020: Gross Revenue Breakdown (R$mn)**




Source: Company

**Gross Revenue** of R$2.1 billion in the quarter (+21.6% YoY) and R$8.5 billion in 2020 (+35.9% YoY), driven by the effects of volume, prices and FX in the period, as shown in the graphs above. **Net Revenue** of R$1.8 billion in the quarter (+22.7% YoY) and R$7.5 billion in 2020 (+38.4% YoY).

**Costs of Sales and Services in the quarter** reached R$1.5 billion (+28.8% YoY), or 81.2% of net revenue, mainly due to increase in COGS in Brazil (+32.8% YoY), due to the increase in average market prices, and by the International (+17.6% YoY), driven by increase in FX and COGS in Chile and Peru. **In the year**, **Costs of Sales and Services** reached R$5.8 billion (+40.0% YoY), or 77.8% of net revenue, mainly due to increase in COGS in Brazil (+39.3% YoY), driven by an increase in average market prices, and International COGS (+42.0% YoY) driven by the increase in volumes in the segment, foreign exchange and price increases in the period, and a volumes increase in Uruguay and Peru.

**Gross Profit**

**Gross Profit reached R$343.8 million (+1.8% YoY) with a 18.8% margin (-3.9pp YoY) in the quarter. In 2020, the same indicator reached R$1.7 billion (+32.8% YoY) with a 22.2% margin (-0.9pp YoY).**

**SG&A in the quarter reached R$249.0 million (+2.0% YoY), equivalent to 13.6% of net revenue (-2.8pp YoY).** The nominal increase in the quarter occurred mainly in SG&A International (+18.6% YoY), due to the increase in sales and general and administrative expenses in Uruguay, Chile and Peru, mainly due to the exchange rate impact registered in the period. This result was partially offset by the decrease in SG&A Brazil (-5.2% YoY), due to the reduction in selling expenses in the period, due to the lower volume in the quarter. This effect was partially offset by the increase in general and administrative expenses in Brazil. **We highlight the -2.8pp YoY reduction in the SG&A's representativeness in relation to the net revenue of the period**, due to the actions to reduce expenses and dilute expenses in view of the growth of the Company's revenue.

**The SG&A in the year reached R$ 1.1 billion (+11.3% YoY), equivalent to 14.2% of net revenue (-3.5pp YoY).** The growth in the year occurred mainly in the SG&A International (+37.5% YoY) due to the increase in sales and general and administrative expenses in Uruguay, Chile and Peru, also due to the exchange rate impact in the period. This result was also driven by the growth of SG&A Brazil (+0.5% YoY), due to the growth in general and administrative expenses for the year, partially offset by the sales expenses in the period. **Other operating revenues (expenses)** excluding equity equivalence reached **R$9.4 million in the quarter (vs. R$0.8 million in 4Q19) and R$24.6 million in 2020 (vs. R$2.5 million in 2019),** due to non-recurring effects.

**EBITDA**

**EBITDA in the quarter reached R$146.0 million (+6.5% YoY) with a 8.0% margin (-1.2pp YoY). In 2020, EBITDA reached R$787.0 million (+78.2% YoY) with a 10.5% margin (+2.4pp YoY).**

**Net Financial result** reached a R$24.4 million expense **in the quarter** (+78.7% YoY) as a result, mainly of interest on financing and financial recognition of presumed out-of-date credit referring to the ICMS subsidy. **In the year, the Net Financial result** reached an expense of R$85.0 million (-37.0% YoY), mainly due to interest on financing and recognition of other financial expenses.

**Income Tax and Social Contribution** reached expense of R$5.1 million positive in the quarter (vs. R$0.2 million positive in 4Q19) and an R$74.5 million expense (vs. R$3.5 million positive in 2019) in 2020, growth of the calculation base due to the increase in the Company's revenue. The rate for the period reached 14% compared to the result before taxes, mainly due to the effects of excluding subsidies on investments related to ICMS credits and payment of Interest on Equity in the period.

**Net Income**

**Net Income** reached **R$85.1 million (+1.7% YoY)** with a **4.6% margin (-1.0pp)** in the quarter**. In 2020, Net Income** reached **R$462.7 million (+93.1% YoY)** with a **6.2% margin (+1.8pp).**

**Earnings per Share** reached **R$0.23 (+1.7% YoY)** in the quarter and **R$1.25 (+93.1% YoY)** in 2020

## Consolidated Financial Performance

| Statements (in R$ millions)<br>Closing Date | 4Q19<br>Feb-20 | 3Q20<br>Nov-20 | 4Q20<br>Feb-21 | 4Q20 vs<br>4Q19 | 4Q20 vs<br>3Q20 | 12M19<br>Feb-20 | 12M20<br>Feb-21 | 12M20 vs.<br>12M19 |
|---|---|---|---|---|---|---|---|---|
| **Gross Revenues** | **1,736.9** | **2,256.6** | **2,111.4** | *21.6%* | *-6.4%* | **6,251.2** | **8,496.1** | *35.9%* |
| (-) Sales Deductions | (245.0) | (262.8) | (280.8) | *14.6%* | *6.9%* | (855.1) | (1,030.1) | *20.5%* |
| **Net Revenues** | **1,491.9** | **1,993.8** | **1,830.6** | ***22.7%*** | ***-8.2%*** | **5,396.1** | **7,466.0** | ***38.4%*** |
| (-) Cost of Sales and Services | (1,154.3) | (1,524.7) | (1,486.7) | *28.8%* | *-2.5%* | (4,145.3) | (5,805.0) | *40.0%* |
| **Gross Profit** | **337.7** | **469.1** | **343.8** | ***1.8%*** | ***-26.7%*** | **1,250.8** | **1,661.0** | ***32.8%*** |
| (-) SG&A | (244.0) | (274.4) | (249.0) | *2.0%* | *-9.3%* | (954.5) | (1,062.1) | *11.3%* |
| Selling Expenses | (169.0) | (177.7) | (158.8) | *-6.0%* | *-10.7%* | (642.9) | (701.2) | *9.1%* |
| G&A Expenses | (75.1) | (96.8) | (90.2) | *20.2%* | *-6.8%* | (311.5) | (360.9) | *15.8%* |
| (+/-) Equity (Earnings)/Losses in Uncons. Subs. | 2.6 | (1.5) | 0.2 | *-92.4%* | *n.a.* | (0.6) | (1.3) | *112.4%* |
| Other Operating Income | 0.8 | 2.7 | 9.4 | *n.a.* | *250.9%* | 2.5 | 24.6 | *883.8%* |
| **EBIT** | **97.0** | **195.9** | **104.4** | ***7.6%*** | ***-46.7%*** | **298.2** | **622.2** | *108.6%* |
| (+/-) Finacial Result | (13.7) | (29.4) | (24.4) | *78.7%* | *-17.0%* | (62.1) | (85.0) | *37.0%* |
| (-) Debt Interest Expense | (46.2) | (110.7) | (84.3) | *82.4%* | *-23.9%* | (189.3) | (363.2) | *91.9%* |
| (+) Interest Income | 32.5 | 81.3 | 59.8 | *83.9%* | *-26.4%* | 127.2 | 278.2 | *118.6%* |
| **Pre-Tax Income** | **83.4** | **166.4** | **80.0** | ***-4.1%*** | ***-51.9%*** | **236.2** | **537.2** | **127.5%** |
| (-) Total Income Taxes | 0.2 | (36.9) | 5.1 | *n.a.* | *n.a.* | 3.5 | (74.5) | *n.a.* |
| (-) Income Taxes | (0.6) | (38.2) | (2.8) | *336.3%* | *-92.8%* | (22.1) | (73.4) | *231.9%* |
| (-) Diferred Income Taxes | 0.9 | 1.3 | 7.8 | *791.6%* | *508.2%* | 25.6 | (1.0) | *-104.1%* |
| **Net Income** | **83.6** | **129.5** | **85.1** | ***1.7%*** | ***-34.3%*** | **239.6** | **462.7** | ***93.1%*** |
| | | | | | | | | |
| **EBITDA Reconciliation** | | | | | | | | |
| Net Income | 83.6 | 129.5 | 85.1 | *1.7%* | *-34.3%* | 239.6 | 462.7 | *93.1%* |
| (-) Net Finacial Result | 13.7 | 29.4 | 24.4 | *78.7%* | *-17.0%* | 62.1 | 85.0 | *37.0%* |
| (-) Income Taxes | (0.2) | 36.9 | (5.1) | *n.a.* | *n.a.* | (3.5) | 74.5 | *n.a.* |
| (-) Depreciation and Amortization | 40.0 | 41.1 | 41.5 | *3.8%* | *1.0%* | 143.5 | 164.8 | *14.9%* |
| **(=) EBITDA** | **137.1** | **237.0** | **146.0** | ***6.5%*** | ***-38.4%*** | **441.7** | **787.0** | ***78.2%*** |
| | | | | | | | | |
| **Margins** | | | | | | | | |
| *Gross Margin* | *22.6%* | *23.5%* | *18.8%* | *-3.9pp* | *-4.7pp* | *23.2%* | *22.2%* | *-0.9pp* |
| *EBITDA Margin* | *9.2%* | *11.9%* | *8.0%* | *-1.2pp* | *-3.9pp* | *8.2%* | *10.5%* | *2.4pp* |
| *Net Margin* | *5.6%* | *6.5%* | *4.6%* | *-1.0pp* | *-1.8pp* | *4.4%* | *6.2%* | *1.8pp* |

## Financial Performance by Segment

| Food Products Brasil<br>Closing Date | 4Q19<br>Feb-20 | 3Q20<br>Nov-20 | 4Q20<br>Feb-21 | 4Q20 vs<br>4Q19 | 4Q20 vs<br>3Q20 | 12M19<br>Feb-20 | 12M20<br>Feb-21 | 12M20 vs.<br>12M19 |
|---|---|---|---|---|---|---|---|---|
| **Net Revenues** | **1,084.6** | **1,441.4** | **1,360.3** | *25.4%* | *-5.6%* | **3,914.8** | **5,354.4** | ***36.8%*** |
| (-) Costs of Goods Sold | (851.4) | (1,116.3) | (1,130.5) | *32.8%* | *1.3%* | (3,054.6) | (4,256.5) | *39.3%* |
| **Gross Profit** | **233.3** | **325.1** | **229.9** | *-1.4%* | *-29.3%* | **860.2** | **1,097.9** | ***27.6%*** |
| (-) SG&A Expenses | (170.1) | (175.3) | (161.2) | *-5.2%* | *-8.0%* | (675.9) | (679.1) | *0.5%* |
| (+/-) Other operating income (expenses) and Equity (Earnings)/Losses in Uncons. | 0.6 | 2.9 | 8.6 | *n.a,* | *195.5%* | 1.1 | 23.4 | *n.a.* |
| **EBIT** | **63.7** | **152.7** | **77.2** | *21.2%* | *-49.4%* | **185.4** | **442.2** | ***138.5%*** |
| (+/-) Finacial Result | (12.7) | (27.9) | (14.6) | *14.8%* | *-47.6%* | (53.1) | (66.2) | *24.6%* |
| (-) Debt Interest Expense | (39.4) | (102.1) | (71.4) | *81.3%* | *-30.1%* | (161.7) | (318.8) | *97.2%* |
| (+) Interest Income | 26.6 | 74.3 | 56.8 | *113.0%* | *-23.5%* | 108.5 | 252.7 | *132.8%* |
| **Pre-Tax Income** | **51.0** | **124.8** | **62.6** | *22.7%* | *-49.8%* | **132.3** | **376.1** | *184.2%* |
| Total Income Taxes | 9.2 | (24.2) | 13.2 | *42.5%* | *-154.4%* | 28.3 | (33.3) | *-217.5%* |
| **Net Income** | **60.3** | **100.5** | **75.8** | ***25.8%*** | ***-24.6%*** | **160.7** | **342.8** | ***113.4%*** |
| **EBITDA Reconciliation** | | | | | | | | |
| Net Income | 60.3 | 100.5 | 75.8 | *25.8%* | *-24.6%* | 160.7 | 342.8 | *113.4%* |
| (+) Net Finacial Result | 12.7 | 27.9 | 14.6 | *14.8%* | *-47.6%* | 53.1 | 66.2 | *24.6%* |
| (+) Income Taxes | (9.2) | 24.2 | (13.2) | *42.5%* | *n.a.* | (28.3) | 33.3 | *n.a.* |
| (+) Depreciation and Amortization | 28.1 | 25.9 | 22.2 | *-21.0%* | *-14.5%* | 96.8 | 101.0 | *4.4%* |
| **(=) EBITDA** | **91.8** | **178.6** | **99.4** | ***8.3%*** | ***-44.3%*** | **282.3** | **543.3** | ***92.5%*** |
| **Margins** | | | | | | | | |
| *Gross Margin* | *21.5%* | *22.6%* | *16.9%* | *-4.6pp* | *-5.7pp* | *22.0%* | *20.5%* | *-1.5pp* |
| *EBITDA Margin* | *8.5%* | *12.4%* | *7.3%* | *-1.2pp* | *-5.1pp* | *7.2%* | *10.1%* | *2.9pp* |
| *Net Margin* | *5.6%* | *7.0%* | *5.6%* | *0.0pp* | *-1.4pp* | *4.1%* | *6.4%* | *2.3pp* |

| Food Products International<br>Closing Date | 4Q19<br>Feb-20 | 3Q20<br>Nov-20 | 4Q20<br>Feb-21 | 4Q20 vs<br>4Q19 | 4Q20 vs<br>3Q20 | 12M19<br>Feb-20 | 12M20<br>Feb-21 | 12M20 vs.<br>12M19 |
|---|---|---|---|---|---|---|---|---|
| **Net Revenues** | **407.3** | **552.5** | **470.2** | ***15.5%*** | ***-14.9%*** | **1,481.3** | **2,111.6** | ***42.6%*** |
| (-) SG&A Expenses | (302.9) | (408.4) | (356.3) | *17.6%* | *-12.8%* | (1,090.6) | (1,548.5) | *42.0%* |
| **Gross Profit** | **104.4** | **144.0** | **113.9** | ***9.1%*** | ***-20.9%*** | **390.7** | **563.1** | ***44.1%*** |
| (-) SG&A Expenses | (74.0) | (99.1) | (87.8) | *18.6%* | *-11.5%* | (278.6) | (383.0) | *37.5%* |
| (+/-) Other operating income (expenses) and Equity (Earnings)/Losses in Uncons. | 2.9 | (1.7) | 1.0 | *-64.5%* | *n.a.* | 0.8 | (0.1) | *n.a.* |
| **EBIT** | **33.3** | **43.2** | **27.2** | ***-18.4%*** | ***-37.0%*** | **112.8** | **179.9** | ***59.5%*** |
| (+/-) Finacial Result | (0.9) | (1.5) | (9.8) | *936.5%* | *538.9%* | (9.0) | (18.9) | *110.1%* |
| (-) Debt Interest Expense | (6.8) | (8.6) | (12.9) | *88.7%* | *49.9%* | (27.7) | (44.4) | *60.5%* |
| (+) Interest Income | 5.9 | 7.1 | 3.1 | *-48.0%* | *-56.6%* | 18.7 | 25.6 | *36.6%* |
| **Pre-Tax Income** | **32.4** | **41.6** | **17.4** | ***-46.3%*** | ***-58.3%*** | **103.8** | **161.1** | ***55.2%*** |
| (+/-) Total Income Taxes | (9.0) | (12.7) | (8.1) | *-10.1%* | *-36.2%* | (24.9) | (41.2) | *65.8%* |
| **Net Income** | **23.4** | **29.0** | **9.3** | ***-60.3%*** | ***-68.0%*** | **79.0** | **119.9** | ***51.8%*** |
| **EBITDA Reconciliation** | | | | | | | | |
| Net Income | 23.4 | 29.0 | 9.3 | *-60.3%* | *-68.0%* | 79.0 | 119.9 | *51.8%* |
| (+) Net Finacial Result | 0.9 | 1.5 | 9.8 | *936.5%* | *538.9%* | 9.0 | 18.9 | *110.1%* |
| (+) Income Taxes | 9.0 | 12.7 | 8.1 | *-10.1%* | *-36.2%* | 24.9 | 41.2 | *65.8%* |
| (+) Depreciation and Amortization | 11.9 | 15.2 | 19.4 | *62.1%* | *27.5%* | 46.6 | 63.8 | *36.7%* |
| **(=) EBITDA** | **45.3** | **58.4** | **46.6** | ***2.9%*** | ***-20.2%*** | **159.4** | **243.7** | ***52.9%*** |
| **Margins** | | | | | | | | |
| *Gross Margin* | *25.6%* | *26.1%* | *24.2%* | *-1.4pp* | *-1.8pp* | *26.4%* | *26.7%* | *0.3pp* |
| *EBITDA Margin* | *11.1%* | *10.6%* | *9.9%* | *-1.2pp* | *-0.7pp* | *10.8%* | *11.5%* | *0.8pp* |
| *Net Margin* | *5.7%* | *5.2%* | *2.0%* | *-3.8pp* | *-3.3pp* | *5.3%* | *5.7%* | *0.3pp* |

## 9. Dividend Policy

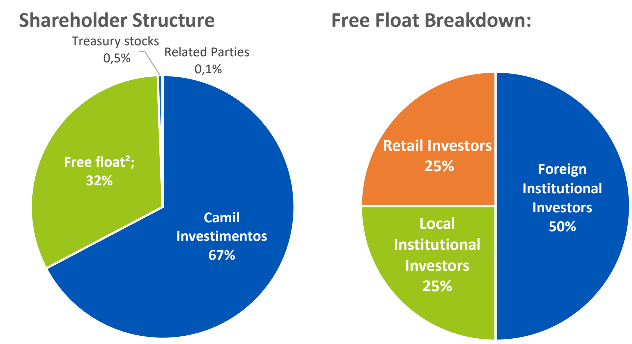
According to the Company's Bylaws, shareholders are guaranteed the distribution of 25% of the net income determined in each fiscal year, after deducting the legal and contingency reserves, if any. The amount is distributed as mandatory Dividend and/or Interest on Equity, except for the optional distribution of complementary dividends in amounts to be determined by the Company, which, in the event of a resolution, must be submitted to the approval of the Shareholders' Meeting.

## 10. Shareholders Structure

On February 2021, the Company had a capital stock of 370 million shares, being 116.7 million shares in *free float*[1],representing approximately 32% of total capital

At the end of Feb/21, the Company held 3,706,600 treasury shares. In April 2021, the Board of Directors approved a new share buyback program, in order to partially meet the grants made under the Company's stock option plan. The program is active running and authorizes the repurchase of up to 4 million shares within 12 months.

Shareholder Structure Feb/21




Source: Company

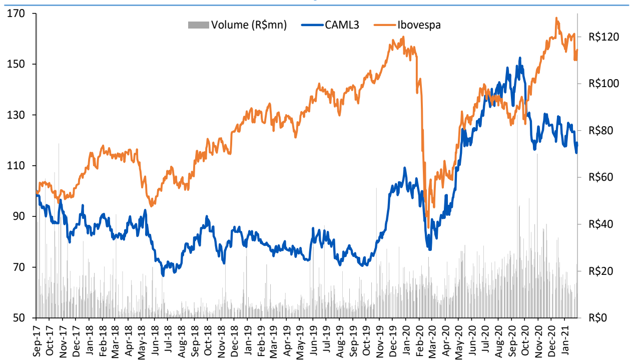
At the end of February/2021, approximately 50% of our shares were held by local investors and 50% with foreign investors, compared to 58% local investors and 42% foreign investors in the IPO. In terms of number of shareholders, we registered 144 institutional investors (vs. 115 in Nov/20) and more than 40 thousand individual investors (vs. 33 thousand in Nov/20 and compared to 3 thousand in Dec/17 shortly after the IPO), the result of greater retail research coverage in the period, as well as an increase in the number of individuals investing in variable income in Brazil.

## 11. Share Performance

On February 28th, 2021, Camil´s shares (B3: CAML3) closed at R$10.43/share with a market cap of R$3.9 billion (US$ 690 million). The quarter's average daily trading volume was 1.7 million shares, or approximately R$19 million/day.

Since the IPO in September 2017, the price of CAML3 increased by 16%. In the same period, the Ibovespa index increased by 48%.

Price Evolution Since IPO vs. Ibovespa – 100 basis




Source: Company

## 12. Investors Relations

Our commitment to the Market is based on three pillars: **Governance, Communication, Transparency and Excellence**. Due to the difficulties facing the Covid-19, In view of the difficulties presented by Covid-19, we remain available for meetings by telephone, applications or videoconferences. Through virtual Non Deal Roadshows and Lives carried out jointly with our market partners during the quarter, we reached approximately 300 investors in this quarter and more than 3,300 investors in the year.

## 13. Relationship with independent auditors

In accordance with CVM Instruction Nº. 381/03, the Group informs that the financial statements for the year ended February 28, 2021 were audited by Ernst & Young Independent Auditors S.A. The procedures of the Company's Management and its subsidiaries, for the contracting of services of independent auditors, aim to ensure that there is no conflict of interest and loss of independence or objectivity, and are substantiated in the principles that preserve the independence of the auditor.

Regarding to the procedures adopted by the Company pursuant to item III of Art. 2 of CVM Instruction No. 381/03, it should be clarified that the Company and its subsidiaries adopt as a formal procedure, prior to the hiring of professional services other than those related to external accounting auditing, consult the independent auditors, in order to ensure that the performance of the provision of these other services does not affect their independence and objectivity necessary for the performance of independent audit services, as well as obtaining the due approval of its Audit Committee.

During the fiscal year ended February 28, 2021, in addition to the external audit service, Ernst & Young in Peru was contracted by the subsidiary Empresas Tucapel S.A. for sales tax and income tax advisory services. The contracting of services with the independent auditors does not exceed 5% (five percent) of the contract values.

Ernst & Young Independent Auditors S.A., as part of its independent audit services, informed the Company that:

(i) it did not identify business issues or relationships that could affect its independence;
(ii) in its professional judgment, is independent of the Company and its subsidiaries in accordance with Brazilian rules;
(iii) the members of its audit team, its audit firm and other firms in the EY global network, when applicable, complied with the relevant ethical requirements related to independence; and
(iv) safeguards have been adopted to eliminate threats to their professional independence or to reduce them to an acceptable level.

## 14. Management Declaration

In compliance with CVM Instruction No. 480/2009, the Management declares that it has discussed and reviewed the opinions expressed in the independent auditor’s report, agreeing entirely, as well as approvesthe financial statements for the year ended on February 28, 2021.

## Disclaimer

Certain percentages and other values included in this document have been rounded to facilitate its presentation. Thus, the numbers presented as totals in some tables may not represent the aritmetic sum of the numbers that precede them and may differ from those presented in the financial statements. Quarter data as well as operating data (non-financial and non-accounting) are data not audited/reviewed by independent auditors, as they consist of measures not recognized under IFRS or other accounting standards.

**Camil Alimentos S.A.**

Financial Statements

February 28, 2021

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

# Independent auditor's report on individual and consolidated financial statements

The Shareholders, Board of Directors and Officers
**Camil Alimentos S.A.**
São Paulo - SP

We have audited the individual and consolidated financial statements of Camil Alimentos S.A. (the "Company"), identified as Individual and Consolidated, respectively, which comprise the statement of financial position as at February 28, 2021, and the statements of profit or loss, of comprehensive income, of changes in equity and of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the individual and consolidated financial position of the Company as at February 28, 2021, its individual and consolidated financial performance and its respective individual and consolidated cash flows for the year then ended, in accordance with accounting practices adopted in Brazil and the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB).

## Basis for opinion

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

## Key audit matters

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

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

- Goodwill impairment testing

At February 28, 2021, as per Notes 10 and 12, goodwill balances, generated from business combinations occurred until then, totaled R$195,332 thousand and R$311,284 thousand, in Individual and Consolidated, accounting for 3.6% and 5% of total assets, respectively at said reporting date. At least once a year, the Company conducts an impairment test considering estimated future profitability based on business plans and annual budget, adopted by management. The methodology and modeling used to determine the recoverable amount of these assets were based on the Company's discounted cash flow, an estimate for which subjective assumptions were used by management, which involve a reasonable degree of judgment, information and expected market and economic conditions, mainly regarding the growth of sales and costs, discount rates and country risk.

Monitoring of this matter was considered significant for our audit given the materiality of the amounts involved in relation to total assets and the potential risks to profit or loss for the year in case impairment loss is detected for this asset, in addition to the uncertainties inherent in determining the estimate of the expected recoverable amounts, given the use of market information and a high degree of judgment exercised by management in determining the assumptions used their calculation. A change in any of these assumptions may have a significant impact on the Company's individual and consolidated financial statements.

*How our audit conducted this matter:*

Our audit procedures included, among others, the involvement of valuation experts to help analyze and review the methodologies and models used by management, in evaluating the assumptions supporting the projections that have determined the business plan, budget, technical studies, and impairment analyses of the Company's assets. Our procedures also included evaluating the reasonableness and consistency of the data and assumptions used in the preparation of such documents, including growth rates, discount rates, country risk and cash flow projections, among others, as provided by Company management. We also analyzed the accuracy of arithmetic and mathematical calculations. We compared the assertiveness of projections made in previous periods in relation to the performance achieved by the Company. We analyzed information that could contradict the most significant assumptions and the selected methodologies, and analyzed data from comparable companies.

In addition, we compared the recoverable amount determined by Company management, based on the discounted cash flow, with the carrying amount of goodwill and assets of the cash-generating unit, and assessed the adequacy of the disclosures in Notes 10 and 12 to the financial statements at February 28, 2021.

Based on the results of the audit procedures performed on the impairment testing of goodwill, which are consistent with management's assessment, we considered that the criteria and assumptions relating to the impairment testing of goodwill, adopted by management, and the respective disclosures in Notes 10 and 12, are acceptable, in the context of the individual and consolidated financial statements as a whole.

- Covenants for loans, financing and debentures

At February 28, 2021, as per Note 15, the Company recorded loans, financing and debentures in the amount of R$1,872,831 thousand and R$2,195,321 thousand, in Individual and Consolidated, accounting for, respectively, 68.1% and 63.5% of total current and noncurrent liabilities at the reporting date. These loans, financing and debentures are subject to annual covenants, which are calculated considering financial ratios based on the Company's consolidated financial statements. Failure to comply with these covenants could result in early termination of these loans, financing and debentures, which would require that the Company pay the respective outstanding amounts at the date of said termination immediately. This could significantly impact the Company's financial position, which is why we considered that compliance with these covenants is a significant risk for our audit.

*How our audit conducted this matter*

Our audit procedures included, among others: (i) reading and understanding the annual covenants of these loans, financing and debentures, including addenda, where applicable; (ii) analyzing and reviewing the calculation of the indicators of these covenants prepared by management, (iii) confirming with the component audit teams about compliance with covenants for subsidiaries located abroad; and (iii) assessing the information made available by the trustee of these debentures. We have also assessed the adequacy of disclosures in Note 15 to the financial statements at February 28, 2021.

Based on the result of our audit procedures, we consider that the criteria and assumptions for analyzing compliance with covenants, adopted by management, and the respective disclosure in Note 15, are acceptable, in the context of the overall individual and consolidated financial statements.

- Provisions for tax, civil and labor contingencies

As disclosed in Note 18, at February 28, 2021, the Company and its subsidiaries are parties to various tax, civil and labor claims arising from the ordinary course of their business. Loss estimates are periodically evaluated by management, which takes into account the opinion of outside legal advisors in charge of the cases.

Brazil's legal and tax environments are highly complex, which increases the risk inherent in determining provisions for contingencies. Accordingly, assessment of exposure, measurement, recognition and disclosure of provisions and contingent liabilities relating to these lawsuits require significant professional judgment, which may result in substantial changes in the balances of provisions when new facts arise or as these lawsuits are analyzed in court.

Since provisions for contingencies involve management's judgment, even with the support of outside legal advisors, we consider this matter a key audit matter, considering the volume of existing cases and the materiality of the amounts involved, in addition to the accounting pronouncement on the uncertainty related to ICPC22/IFRIC23, as mentioned in Notes 2.24 and 18. Changes in management's forecasts and/or critical judgments about the likelihood of success may have a material impact on the Company's individual and consolidated financial statements.

*How our audit conducted this matter:*

Our audit procedures included, among others: (i) assessing accounting policies applied by the Company and its subsidiaries to classify losses, including assessment of the judgment used to measure the amounts to be recorded as provision for contingencies; (ii) obtaining confirmations from the Company's and its subsidiaries' outside legal advisors, including the likelihood of loss for all proceedings pending judgment, and comparing these responses with management's estimates; (iii) assessing the reasonableness of estimates made by management and its legal advisors, with the support of our tax specialists for specific proceedings, considering their development and existing case laws, where applicable; and (iv) reviewing disclosures made by the Company on the main tax contingencies.

Based on the result of the audit procedures performed on provisions for tax, civil and labor contingencies, which is consistent with management's assessment, we consider that the criteria and assumptions adopted to determine the likelihood of loss in lawsuits, as well as the respective disclosures in Notes 2.24 and 18, are acceptable in the context of the overall financial statements.

**Other matters**

*Statements of value added*

The individual and consolidated statements of value added (SVA) for year ended February 28, 2021, prepared under the responsibility of Company management, and presented as supplementary information for purposes of IFRS, were submitted to audit procedures conducted together with the audit of the Company's financial statements. To form our opinion, we evaluated if these statements are reconciled to the financial statements and accounting records, as applicable, and if their form and content comply with the criteria defined by NBC TG 09 – Statement of Value Added. In our opinion, these statements of value added were prepared fairly, in all material respects, in accordance with the criteria defined in the abovementioned accounting pronouncement, and are consistent in relation to the overall individual and consolidated financial statements.

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

Management is responsible for such other information, which comprise the Management Report.

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

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

**Responsibilities of management and those charged with governance for the individual and consolidated financial statements**

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

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

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

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

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

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

- Identified and assessed the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and its subsidiaries' internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluded on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast substantial doubt as to the Company's and its subsidiary's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.
- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the individual and consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

São Paulo, May 6, 2021

ERNST & YOUNG
Auditores Independentes S.S.
CRC-2SP034519/O-6

Marcos Alexandre S. Pupo
Accountant CRC-1SP221749/O-0

# Statements of financial position
## February 28, 2021 and February 29, 2020
## (In thousands of reais – R$)

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

| | | Individual | | Consolidated | |
|---|---|---|---|---|---|
| | | 02/28/2021 | 02/29/2020 | 02/28/2021 | 02/29/2020 |
| Assets | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | **4** | **710,343** | 405,601 | **1,081,955** | 537,764 |
| Short-term investments | **5** | **32,923** | 32,292 | **32,923** | 32,292 |
| Trade accounts receivable | **6** | **626,048** | 503,108 | **945,120** | 725,262 |
| Advances to suppliers | | **4,899** | 5,720 | **4,899** | 7,084 |
| Inventories | **7** | **897,064** | 715,377 | **1,456,780** | 1,152,804 |
| Financial instruments | **25** | **1,144** | 605 | **1,144** | 605 |
| Taxes recoverable | **8** | **114,278** | 108,218 | **145,633** | 119,443 |
| Transactions with related parties | **16** | **1,720** | 14,651 | **43,411** | 43,766 |
| Prepaid expenses | | **11,724** | 10,042 | **16,716** | 15,298 |
| Prepayment of interest on equity | | **-** | 6,855 | **-** | 6,855 |
| Assets held for sale | | **38,309** | 38,309 | **38,309** | 38,309 |
| Other receivables | | **7,170** | 5,979 | **37,145** | 20,699 |
| **Total current assets** | | **2,445,622** | 1,846,757 | **3,804,035** | 2,700,181 |
| Noncurrent assets | | | | | |
| Taxes recoverable | **8** | **205,167** | 241,553 | **205,167** | 241,553 |
| Advances to suppliers | | **1,889** | 1,876 | **1,889** | 1,876 |
| Inventories | **7** | **22,303** | 27,161 | **53,108** | 54,797 |
| Judicial deposits | **18** | **6,596** | 7,183 | **8,010** | 8,298 |
| Other receivables | | **370** | 2,086 | **386** | 2,116 |
| | | **236,325** | 279,859 | **268,560** | 308,640 |
| Investments | **10** | **1,595,686** | 1,270,956 | **38,049** | 32,981 |
| Property, plant and equipment | **11** | **743,103** | 650,675 | **1,170,545** | 1,011,694 |
| Intangible assets | **12** | **284,628** | 275,638 | **717,743** | 665,666 |
| Right-of-use assets | **13** | **153,889** | 73,456 | **167,855** | 90,227 |
| | | **2,777,306** | 2,270,725 | **2,094,192** | 1,800,568 |
| **Total noncurrent assets** | | **3,013,631** | 2,550,584 | **2,362,752** | 2,109,208 |
| **Total assets** | | **5,459,253** | **4,397,341** | **6,166,787** | **4,809,389** |

See accompanying notes.

## Statements of financial position
### February 28, 2021 and February 29, 2020
### (In thousands of reais – R$)

| | | Individual | | Consolidated | |
|---|---|---|---|---|---|
| | | 02/28/2021 | 02/29/2020 | 02/28/2021 | 02/29/2020 |
| Liabilities and equity | | | | | |
| Current liabilities | | | | | |
| Trade accounts payable | **14** | **406,973** | 338,090 | **673,599** | 517,270 |
| Loans and financing | **15** | **609,801** | 490,880 | **682,135** | 560,639 |
| Lease liabilities | **13** | **17,377** | 17,835 | **21,006** | 25,952 |
| Advances from customers | | **23,658** | 12,645 | **23,687** | 12,645 |
| Transactions with related parties | **16** | **47,302** | 43,313 | **21,745** | 4,188 |
| Social obligations | | **34,460** | 18,848 | **49,447** | 25,731 |
| Interest on equity payable | | **6,363** | - | **6,363** | - |
| Taxes payable | | **9,724** | 4,744 | **34,871** | 14,943 |
| Accrued vacation pay, 13th monthly salary and related charges | | **24,956** | 21,854 | **47,995** | 40,696 |
| Special installment payment program | **17** | **8,216** | 8,304 | **8,374** | 8,462 |
| Other accounts payable | | **8,826** | 7,420 | **31,603** | 34,315 |
| Total current liabilities | | **1,197,656** | 963,933 | **1,600,825** | 1,244,841 |
| | | | | | |
| Noncurrent liabilities | | | | | |
| Loans and financing | **15** | **1,263,030** | 957,894 | **1,513,186** | 1,042,255 |
| Lease liabilities | **13** | **141,548** | 57,063 | **148,293** | 65,481 |
| Special installment payment program | **17** | **7,814** | 16,045 | **8,050** | 16,438 |
| Deferred taxes | **20** | **77,846** | 76,564 | **113,325** | 101,186 |
| Provision for contingencies | **18** | **17,870** | 32,640 | **24,854** | 42,243 |
| Other accounts payable | | **44,781** | 43,830 | **49,546** | 47,573 |
| Total noncurrent liabilities | | **1,552,889** | 1,184,036 | **1,857,254** | 1,315,176 |
| | | | | | |
| Equity | | | | | |
| Capital | **19.a** | **950,374** | 950,374 | **950,374** | 950,374 |
| (-) Share issue costs | | **(12,380)** | (12,380) | **(12,380)** | (12,380) |
| (-) Treasury shares | **19.c** | **(44,414)** | - | **(44,414)** | - |
| Capital reserves | | **9,501** | 5,115 | **9,501** | 5,115 |
| Special goodwill reserve | | **220** | 220 | 220 | 220 |
| Stock options granted | **19.d** | **9,281** | 4,895 | 9,281 | 4,895 |
| Income reserves | | **1,083,937** | 870,584 | **1,083,937** | 870,584 |
| Other comprehensive income | | **721,690** | 435,679 | **721,690** | 435,679 |
| Total equity | | **2,708,708** | 2,249,372 | **2,708,708** | 2,249,372 |
| | | | | | |
| **Total liabilities and equity** | | **5,459,253** | **4,397,341** | **6,166,787** | **4,809,389** |

See accompanying notes.

## Statements of profit or loss
### Years ended February 28, 2021 and February 29, 2020
### (In thousands of reais – R$, unless net earnings per share, expressed in reais)

| | | Individual | | Consolidated | |
|---|---|---|---|---|---|
| | Note | 02/28/2021 | 02/29/2020 | 02/28/2021 | 02/29/2020 |
| Sales and service revenue, net | 21 | **5,369,935** | 3,923,369 | **7,465,979** | 5,396,112 |
| Cost of sales and services | 22 | **(4,282,520)** | (3,073,032) | **(5,804,994)** | (4,145,275) |
| Gross profit | | **1,087,415** | 850,337 | **1,660,985** | 1,250,837 |
| Operating income (expenses) | | | | | |
| Selling expenses | 22 | **(423,395)** | (445,778) | **(701,222)** | (642,941) |
| General and administrative expenses | 22 | **(243,222)** | (219,671) | **(360,858)** | (311,537) |
| Equity pickup | 10 | **118,165** | 76,539 | **(1,317)** | (620) |
| Other operating income, net | 24 | **23,057** | 962 | **24,604** | 2,501 |
| Income before finance income and costs | | **562,020** | 262,389 | **622,192** | 298,240 |
| Finance costs | 23 | **(318,709)** | (161,567) | **(363,235)** | (189,329) |
| Finance income | 23 | **252,646** | 108,538 | **278,206** | 127,245 |
| Finance income (costs), net | 23 | **(66,063)** | (53,029) | **(85,029)** | (62,084) |
| Income before taxes | | **495,957** | 209,360 | **537,163** | 236,156 |
| Income and social contribution taxes | | | | | |
| Current | 20 | **(34,258)** | 2,065 | **(73,449)** | (22,127) |
| Deferred | 20 | **977** | 28,203 | **(1,038)** | 25,599 |
| Total income and social contribution taxes | | **(33,281)** | 30,268 | **(74,487)** | 3,472 |
| **Net income for the year** | | **462,676** | **239,628** | **462,676** | **239,628** |
| Basic earnings per share – R$ | 19.b | **1,2965** | 0,6123 | **1,2965** | 0,6123 |
| Diluted earnings per share – R$ | 19.b | **1,2879** | 0,6109 | **1,2879** | 0,6109 |

As notas explicativas são parte integrante das demonstrações financeiras.

# Statements of comprehensive income
## Years ended February 28, 2021 and February 29, 2020
## (In thousands of reais – R$)

| | Individual and Consolidated | |
|---|---|---|
| | **02/28/2021** | **02/282020** |
| Net income for the year | **462,676** | 239,628 |
| Other comprehensive income: | | |
| Other comprehensive income to be reclassified to profit or loss for the year in subsequent periods: | | |
| Foreign exchange differences on foreign investments | **290,129** | 107,792 |
| **Comprehensive income for the year, net of taxes** | **752,805** | **347,420** |

See accompanying notes.

## Statements of changes in equity
### Years ended February 28, 2021 and February 29, 2020
### (In thousands of reais – R$)

| | | | | | Capital reserves | | Income reserves | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Note | Capital | Share issue costs | Treasury shares | Special goodwill reserve | Options granted | Legal | Tax incentives | Retained profits | Retained earnings | Additional dividends proposed | Other comprehensive income and deemed cost | Total |
| Balances at February 28, 2019 | | 950,374 | (12,380) | (45,234) | 70,510 | 2,787 | 69,382 | 588,252 | 213,381 | - | - | 332,043 | 2,169,115 |
| Realization/depreciation of fair value, net of taxes | | - | - | - | - | - | - | - | - | 4,156 | - | (4,156) | - |
| Acquisition of treasury shares | 19c | - | - | (216,712) | - | - | - | - | - | - | - | - | (216,712) |
| Cancelation of treasury shares | 19c | - | - | 261,946 | (70,290) | - | - | - | (171,570) | (20,086) | - | - | - |
| Stock options granted | 19d | - | - | - | - | 3,195 | - | - | - | - | - | - | 3,195 |
| Deferred IRPJ/CSLL on stock options granted | 19d | - | - | - | - | (1,087) | - | - | - | - | - | - | (1,087) |
| Dividends approved by AGM paid with Interest on Equity (IOE) | 19e | - | - | - | - | - | - | - | (26,000) | - | - | - | (26,000) |
| Net income for the year | | - | - | - | - | - | - | - | - | 239,628 | - | - | 239,628 |
| Foreign exchange differences on foreign investments | 10 | - | - | - | - | - | - | - | - | - | - | 107,792 | 107,792 |
| Proposed allocation: | | - | - | - | - | - | - | - | - | - | - | - | - |
| Recognition of legal reserve | 19e | - | - | - | - | - | 5,373 | - | - | (5,373) | - | - | - |
| Recognition of tax incentive reserve | 19f | - | - | - | - | - | - | 132,177 | - | (132,177) | - | - | - |
| Recognition of retained profit reserve | 19e | - | - | - | - | - | - | - | 41,148 | (41,148) | - | - | - |
| Interest on equity in addition to mandatory minimum dividends | 19e | - | - | - | - | - | - | - | - | (26,559) | - | - | (26,559) |
| Proposed additional dividends to be approved at AGM | 19e | - | - | - | - | - | - | - | (15,000) | (18,441) | 33,441 | - | - |
| Balances at February 29, 2020 | | 950,374 | (12,380) | - | 220 | 4,895 | 74,755 | 720,429 | 41,959 | - | 33,441 | 435,679 | 2,249,372 |

See accompanying notes.

(In thousands of reais – R$)

|  | | | | | Capital reserves | | Income reserves | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
|  | Note | Capital | Share issue costs | Treasury shares | Special goodwill reserve | Options granted | Legal | Tax incentives | Retained profits | Retained earnings | Additional dividends proposed | Other comprehensive income and deemed cost | Total |
| Balances at February 29, 2020 | | 950,374 | (12,380) | - | 220 | 4,895 | 74,755 | 720,429 | 41,959 | - | 33,441 | 435,679 | 2,249,372 |
| Realization/depreciation of fair value, net of taxes | | - | - | - | - | - | - | - | - | 4,118 | - | (4,118) | - |
| Acquisition of treasury shares | 19.c | - | - | (44,414) | - | - | - | - | - | - | - | - | (44,414) |
| Stock options granted | 19.d | - | - | - | - | 6,646 | - | - | - | - | - | - | 6,646 |
| Deferred IRPJ/CSLL on stock options granted | 19.d | - | - | - | - | (2,260) | - | - | - | - | - | - | (2,260) |
| Net income for the year | | - | - | - | - | - | - | - | - | 462,676 | - | - | 462,676 |
| Foreign exchange differences on foreign investments | 10 | - | - | - | - | - | - | - | - | - | - | 290,129 | 290,129 |
| Proposed allocation: | | | | | | | | | | | | | |
| Recognition of legal reserve | 19.e | - | - | - | - | - | 13,253 | - | - | (13,253) | - | - | - |
| Recognition of tax incentive reserve | 19.e | - | - | - | - | - | - | 197,615 | - | (197,615) | - | - | - |
| Recognition of retained profit reserve | 19.f | - | - | - | - | - | - | - | - | (63,981) | - | - | (63,981) |
| Additional dividends proposed for the year | 19.f | - | - | - | - | - | - | - | (41,959) | (114,060) | (33,441) | - | (189,460) |
| Interest on equity in addition to mandatory minimum dividends | 19.f | - | - | - | - | - | - | - | 77,885 | (77,885) | - | - | - |
| **Balances at February 28, 2021** | | 950,374 | (12,380) | (44,414) | 220 | 9,281 | 88,008 | 918,044 | 77,885 | - | - | 721,690 | 2,708,708 |

See accompanying notes.

## Statements of cash flows
## Years ended February 28, 2021 and February 29, 2020
## (In thousands of reais – R$)

| | Individual | | Consolidated | |
|---|---|---|---|---|
| | 02/28/2021 | 02/29/2020 | 02/28/2021 | 02/29/2020 |
| **Cash flows from operating activities** | | | | |
| Income before income taxes from continuing operations | **495,957** | 209,360 | **537,163** | 236,156 |
| Adjustments to reconcile profit or loss to cash from operating activities: | | | | |
| Equity pickup | **(118,165)** | (76,539) | **1,317** | 620 |
| Accrued financial charges | **87,473** | 99,635 | **91,614** | 106,985 |
| Accrued interest - lease liability | **5,249** | 4,976 | **5,991** | 5,744 |
| (Reversal of) allowance for doubtful accounts | **(1,543)** | (298) | **(1,283)** | (1,872) |
| (Reversal of) provision for discounts | **28,927** | (1,097) | **28,927** | (1,097) |
| Provision for contingencies | **6,670** | (1,962) | **4,826** | 10,056 |
| (Reversal of) provision for other accounts | **(5,981)** | 1,558 | **(5,981)** | 1,558 |
| Depreciation | **67,477** | 63,991 | **119,111** | 105,462 |
| Amortization - intangible assets | **7,590** | 4,051 | **9,606** | 4,963 |
| Amortization - right-of-use assets | **25,982** | 24,830 | **36,107** | 33,054 |
| Write-off of property, plant and equipment | **(837)** | 830 | **1,959** | 2,244 |
| Intangible assets written off | **2** | 77 | **2** | 324 |
| Write-off - right-of-use asset | **(253)** | (654) | **(251)** | 200 |
| Options granted | **6,646** | 3,195 | **6,646** | 3,195 |
| | **605,194** | 331,953 | **835,754** | 507,592 |
| Decrease (increase) in assets | | | | |
| Trade accounts receivable | **(150,883)** | (18,646) | **(182,745)** | (7,388) |
| Inventories | **(173,017)** | (53,506) | **(192,165)** | (1,552) |
| Taxes recoverable | **223** | 31,749 | **13,207** | 27,765 |
| Other current and noncurrent assets | **21,011** | 14,661 | **15,267** | 49,221 |
| Total assets | **(302,666)** | (25,742) | **(346,436)** | 68,046 |
| (Decrease) increase in liabilities | | | | |
| Trade accounts payable | **72,872** | 58,501 | **113,264** | 71,040 |
| Salaries and related charges | **18,714** | 3,266 | **25,311** | 3,236 |
| Tax obligations | **(9,754)** | (18,619) | **(26,982)** | (29,247) |
| Other current and noncurrent liabilities | **(35,721)** | 5,307 | **(34,287)** | (1,335) |
| Interest paid on loans and derivatives (**) | **(56,539)** | (89,272) | **(73,913)** | (95,863) |
| Income and social contribution taxes paid | **-** | | **(19,653)** | (23,574) |
| Total liabilities | **83,564** | - | **-** | - |
| Cash provided by (used in) operating activities | **73,136** | (40,817) | **(16,260)** | (75,743) |
| | **375,664** | 265,394 | **473,058** | 499,895 |
| Cash flows from investing activities: | | | | |
| Short-term investments, net | | | | - |
| Dividends received | **(631)** | (833) | **(631)** | (833) |
| Disposal of property, plant and equipment | **559** | 186 | **1,460** | 494 |
| Additions to investments | **-** | (6,388) | **-** | - |
| Cash from acquisition of subsidiary | **-** | 11,516 | **-** | - |
| Additions to PPE | **(159,067)** | (89,558) | **(194,256)** | (116,150) |
| Additions to intangible assets | **(16,583)** | (16,914) | **(20,533)** | (19,081) |
| Cash from (used in) investing activities | **(175,722)** | (101,991) | **(213,960)** | (135,570) |
| Cash flows from financing activities: | | | | - |
| Borrowings | **1,427,710** | 727,895 | **2,306,134** | 1,151,455 |
| Settlement of borrowings | **(1,034,587)** | (480,839) | **(1,759,789)** | (1,029,050) |
| Payments of lease liability | **(28,909)** | (29,173) | **(41,050)** | (36,752) |
| Prepayment of Interest on Equity (IOE) | **-** | (18,441) | **-** | (18,441) |
| Payment of IOE and Dividends | **(215,000)** | (52,559) | **(215,000)** | (52,559) |
| Treasury shares acquired | **(44,414)** | (216,712) | **(44,414)** | (216,712) |
| Cash provided by (used) in financing activities | **104,800** | (69,829) | **245,881** | (202,059) |
| Foreign exchange differences on cash and cash equivalents | **-** | - | **39,212** | **10,196** |
| Increase (decrease) in cash and cash equivalents | **304,742** | 93,574 | **544,191** | 172,462 |
| Cash and cash equivalents at beginning of period | **405,601** | 312,027 | **537,764** | 365,302 |
| Cash and cash equivalents at end of period | **710,343** | 405,601 | **1,081,955** | 537,764 |
| Increase (decrease) in cash and cash equivalents | **304,742** | 93,574 | **544,191** | 172,462 |

See accompanying notes.

## Statements of value added
### Years ended February 28, 2021 and February 29, 2020
### (In thousands of reais – R$)

| | Individual | | Consolidated | |
|---|---|---|---|---|
| | 02/28/2021 | 02/29/2020 | 02/28/2021 | 02/29/2020 |
| Revenues | | | | |
| Sales of goods, products and services | **5,822,701** | 4,287,687 | **7,984,672** | 5,807,408 |
| Other revenues | **21,951** | 9,831 | **27,178** | 15,195 |
| (Reversal of) allowance for doubtful accounts | **(3,673)** | (355) | **(4,495)** | (385) |
| | **5,840,979** | 4,297,163 | **8,007,355** | 5,822,218 |
| Raw material acquired from third parties | | | | |
| Costs of products, goods and services sold | **(3,880,270)** | (2,703,789) | **(5,151,234)** | (3,599,710) |
| Materials, energy, third-party services and other expenses | **(627,934)** | (644,652) | **(978,361)** | (900,493) |
| Other | **(4,169)** | (14,008) | **(7,848)** | (17,836) |
| | **(4,512,373)** | (3,362,449) | **(6,137,442)** | (4,518,039) |
| **Gross value added** | **1,328,606** | 934,714 | **1,869,912** | 1,304,179 |
| Retentions | | | | |
| Depreciation and amortization | **(101,049)** | (92,872) | **(164,824)** | (143,479) |
| Net value added | **1,227,557** | 841,842 | **1,705,089** | 1,160,700 |
| Value added received in transfer | | | | |
| Equity pickup | **118,165** | 76,539 | **(1,317)** | (620) |
| Finance income | **252,646** | 108,538 | **278,206** | 127,245 |
| | **370,811** | 185,077 | **276,888** | 126,625 |
| **Total value added to be distributed** | **1,598,368** | 1,026,919 | **1,981,977** | 1,287,325 |
| Value added to be distributed | | | | |
| Personnel | | | | |
| Direct compensation | **171,422** | 164,508 | **361,847** | 294,261 |
| Benefits | **88,036** | 52,378 | **110,599** | 66,851 |
| Unemployment Compensation Fund (FGTS) | **15,294** | 17,961 | **15,294** | 17,961 |
| Other | **6,412** | 9,544 | **6,467** | 9,675 |
| | **281,164** | 244,391 | **494,207** | 388,748 |
| Taxes, charges and contributions | | | | |
| Federal | **161,472** | 83,974 | **204,281** | 112,545 |
| State | **371,449** | 290,163 | **446,986** | 343,970 |
| Local | **4,585** | 4,300 | **11,493** | 9,604 |
| | **537,506** | 378,437 | **662,760** | 466,119 |
| Debt remuneration | | | | |
| Interest and foreign exchange differences | **302,012** | 149,288 | **346,540** | 177,049 |
| Rents | **2,331** | 5,096 | **3,115** | 5,702 |
| Other | **12,679** | 10,079 | **12,679** | 10,079 |
| | **317,022** | 164,463 | **362,334** | 192,830 |
| Equity remuneration | | | | |
| Interest on equity | **70,000** | 45,000 | **70,000** | 45,000 |
| Proposed additional dividends | **150,000** | - | **150,000** | - |
| Retained profit for the year | **242,676** | 194,628 | **242,676** | 194,628 |
| | **462,676** | **239,628** | **462,676** | **239,628** |
| **Total value added distributed** | **1,598,368** | **1,026,919** | **1,981,977** | **1,287,325** |

See accompanying notes.

## 1. Operations

Camil Alimentos S.A. (“Camil” or the “Company”) is a publicly-held corporation headquartered in the city and state of São Paulo which, jointly with its subsidiaries and associates (collectively the “Group”), is primarily engaged in the industrial processing and sale of rice, beans, fish and sugar.

The Company became operational in 1963 as a rice cooperative and has since then been expanding both organically and through acquisitions of companies and/or food brands in Brazil and in some of the main countries in South America.

The Company owns a large portfolio of traditional and consolidated brands recognized by consumers. In Brazil, its major brands are “Camil”, “Namorado”, “Coqueiro”, “Pescador”, “União”, "Da Barra”, “Neve” and “Duçula”. In Latin America, it operates with brands “Saman” in Uruguay, “Tucapel” in Chile, and “Costeño” and “Paisana” in Peru. With these brands, the Company has won a prominent position in the Brazilian and Latin American food markets.

The financial year of the Company and its subsidiaries ends February every year, in order to align financial year end with rice harvest cycle, the main product of Camil. The harvest of rice, the main input used in the production process of the Company and its subsidiaries, occurs once a year, between February and May. This dynamic is influenced by fluctuations in prices and agricultural fostering, mainly in Brazil and Uruguay. In Brazil, for example, planting takes place in mid-September. At harvest time, the average price paid for rice is traditionally lower during the months immediately following the March harvest, an effect observed in the seasonality of working capital in the period.

On September 28, 2017, Camil Alimentos S.A. began to trade its shares on B3, in the Novo Market (New Market) segment.

On December 3, 2018, the Company acquired all shares of SLC Alimentos Ltda. (“SLC”), in order to strengthen competitiveness, accelerate growth in the South, Southeast and Northeast Regions, complement its distribution and logistics platform and, especially, consolidate operations and sales synergies. With this acquisition, brand “Namorado” and other secondary brands became part of the portfolio, which is another step towards the solidification of its share in the Brazilian grain market. Referred to subsidiary was merged on March 1, 2019, as detailed in Note 9.

The Group has 15 plants in Brazil, nine plants in Uruguay, two in Chile and three in Peru.

Impacts of Covid-19

The Company faced the Covid-19 pandemic scenario in the very beginning of Camil Alimentos fiscal year in March 2020; that year, ended February 28, 2021, brought additional challenges to the day-to-day activities of companies in the countries and in the most diverse segments. Company’s operating segment is considered essential and, therefore, its operations have not been interrupted. The Company is following the determinations of the legislation prevailing in Brazil and in the other South American countries in which it operates.

In view of the difficulties encountered, the Company follows the guidelines of the Ministry of Health and government entities of each country in which it operates (Brazil, Uruguay, Chile and Peru) and adapts its routine by protecting and educating employees against the threats of the disease. Among the main measures taken, the following are to be highlighted:

- Compliance with the determinations of the Ministry of Health and governmental entities in each country, such as the release of employees over 60 years of age, pregnant women and people belonging to the group risk, in addition to the living and behavior protocols and other guidelines related to prevention and hygiene;
- Establishment of a Crisis Committee to make resolutions on actions to contain the disease in both administrative and operational areas;
- Cancellation of Trips and of onsite Meetings, Events, Training sessions in critical moments of the pandemic;
- Strengthening of the role of leadership in the face of the demand for productivity and remotely work, keeping the focus on results and engagement;
- Campaign *#vamospracima* valuing the Company's employees in their day-to-day professional activities, aligned with our purpose and values;
- Intensive internal campaign about Covid-19, involving all employees who are in home office or in the manufacturing units (for example, use of chartered transportation, rules of distancing in cafeterias/dressing rooms/common areas);
- Gradual return of 20% of the employees' home office at opening times in São Paulo (SP), with return protocol and guarantee of social distancing and hygiene for all;
- Reinforcement of safety procedures and use of personal protective equipment (PPE), provision of alcohol-based hand rub (ABHR), anticipation of the vaccination campaign, information and lectures on physical health and emotional balance;
- Active and dynamic communication channel between Company and Employee, with actions adjusted to each phase of the pandemic, bringing confidence and security to the day-to-day activities, according to the scenario of Covid-19;
- Continuity and intensification of online lectures and training.

In addition to initiatives to preserve health, the safety of its employees, and guarantee food supplies to the population in the midst of the Covid-19 pandemic, Camil strengthened its short-term financial liquidity at the beginning of the year, guaranteeing its financial requirements for year 2020.

The Company assessed the circumstances that could indicate impairment of its non-financial assets and concluded that there were no changes in the circumstances that would indicate a reduction to the recoverable value.

Credit losses from accounts receivable were calculated based on the credit risk analysis, which includes the history of losses, the individual situation of customers, the situation of the economic group to which they belong, and is considered, on February 28, 2021, sufficient to cover possible losses on amounts receivable.

During this period, we strengthened our inventories in order to guarantee the production and supply of products for the population. In this sense, we do not observe indicators of obsolescence or non-realization.

Within the scope of social investments, as one of the largest food companies in Brazil, the Company reaffirms its commitment to society, contributing to combat the impacts of Covid-19 in the communities where it operates by means of donations for various initiatives, including the purchase of equipment and fixtures for health services of the municipalities where the Company has units and more than 300 tons of products distributed to the most vulnerable population. To increase the impact of donations, the Company supports fundraising campaigns and lives that made it possible to distribute donations to reach those who need it most, in addition to conducting internal food donation campaigns with employees, who had a high share in the total volume of donated food.

In this new year that began as at March 1, 2021, Camil continues to operate and reaffirms its commitment to the safety of its employees, ensuring that its customers are served and that there is no shortage of food in the communities and regions where it operates in South America. Camil understands that is taking appropriate measures to prevent the spread of Covid-19 while ensuring business continuity over the period the pandemic lasts. Although the Company's operations have not been significantly affected to date, we are unable to estimate or predict the occurrence of future events related to this pandemic scenario and, therefore, Camil continues to monitor future financial impacts and evaluate actions to be taken.

## 2. Accounting policies

The individual and consolidated financial statements have been prepared in accordance with accounting practices adopted in Brazil, as well as with the International Financial Reporting Standards (IFRS) in force issued by the International Accounting Standards Board (IASB) and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), implemented in Brazil by the Brazilian Financial Accounting Standards Board (CPC), through its interpretations (ICPC) and guidelines (OCPC), and approved by Brazil's National Association of State Boards of Accountancy (CFC) through the General Brazilian Accounting Standards (NBC TG), General Interpretations (ITG) and General Communications (CTG), and by the Brazilian Securities and Exchange Commission (CVM).

In accordance with OCPC 07/CTG 07 – Evidence in the Disclosure of General Purpose Financial Reporting, all relevant information specific to the financial statements, and only it, has been disclosed, and corresponds to that used by management in managing the companies.

The financial statements have been prepared under the historical cost convention, except for certain financial assets and liabilities measured at fair value and investments measured by the equity method.

Nonfinancial data included in these financial statements has not been audited.

The individual and consolidated financial statements were approved by the Company management on May 6, 2021.

(In thousands of reais – R$, unless otherwise stated)

### 2.1. Consolidated financial statements

At February 28, 2021 and February 29, 2020, the Company held investments in the following subsidiaries and associates:

| | | 02/28/2021 | | 02/29/2020 | |
|---|---|---|---|---|---|
| | | Direct | Indirect | Direct | Indirect |
| **Uruguay** | | | | | |
| Camilatam S.A. | Subsidiary | 100.00% | - | 100.00% | - |
| Camil Uruguay Sociedad de Inversión S.A. | Subsidiary | - | 100.00% | - | 100.00% |
| S.A. Molinos Arroceros Nacionales – SAMAN | Subsidiary | - | 100.00% | - | 100.00% |
| Arroz Uruguayo S.A. - Arrozur | Associate | - | 49.19% | - | 49.19% |
| Tacua S.A. | Associate | - | 40.72% | - | 40.72% |
| Agencia Marítima Sur S.A. | Associate | - | 40.73% | - | 40.73% |
| Comisaco S.A. | Associate | - | 50.00% | - | 50.00% |
| Galofer S.A. | Associate | - | 45.00% | - | 45.00% |
| **Chile** | | | | | |
| Empresas Tucapel S.A. | Subsidiary | - | 99.94% | - | 99.94% |
| **Peru** | | | | | |
| Costeño Alimentos S.A.C. | Subsidiary | - | 100.00% | - | 100.00% |
| Envasadora Arequipa S.A.C | Subsidiary | - | 100.00% | - | 100.00% |
| Costeño Alimentos Oriente S.A.C. (*) | Subsidiary | - | 100.00% | - | - |
| **Brazil** | | | | | |
| Ciclo Logística Ltda. | Subsidiary | 100.00% | - | 100.00% | - |

(*) Company incorporated on September 15, 2020.

The year of the subsidiaries' financial statements included in the consolidation is the same as that of the parent company, with the exception of Costeño Alimentos S.A.C., whose year ends December 31 of each year. For the safety and quality of the information in this financial statement, information for the months of January and February has been audited. The accounting policies were applied uniformly in the consolidated component companies and are consistent with those used in the previous year.

The main consolidation procedures are:

- Elimination of the balances of intercompany assets and liabilities;
- Elimination of interest in capital, reserves and retained earnings of consolidated companies; and
- Elimination of revenues, expenses and unrealized income from intercompany transactions.

Control over an investee is obtained specifically when the Company has:

- Power over the investee, i.e. existing rights ensuring its current capacity of directing the activities of the investee;
- Exposure or right to variable returns based on its involvement with the investee;
- The capacity of using its power over the investee to affect profit or loss.

### 2.2. Business combination and goodwill

The Company uses the acquisition method to account for business combinations. The cost of an acquisition is measured by the consideration transferred after measuring the fair value of the acquiree's equity and the non-controlling interest. Costs related to acquisitions are accounted for as expenses as incurred.

Upon acquiring a business, the Group assesses financial assets and liabilities assumed in order to classify and allocate them in accordance with contractual terms, economic circumstances and relevant conditions at the acquisition date, including the segregation, by the acquiree, of embedded derivatives existing in the acquiree’s contracts. Any contingent portion to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration considered as an asset or as a liability shall be recognized in accordance with CPC 48 / NBC TG 48 / IFRS 9 – Financial Instruments, in the statement of profit or loss.

Goodwill is initially measured as an excess amount of the transferred consideration in relation to acquired net assets (identifiable net assets acquired and liabilities assumed). If payment is lower than fair value of acquired net assets, the difference must be recognized as a gain in the statement of profit or loss.

After initial recognition, goodwill is measured at cost, less any accumulated impairment losses. For impairment test purposes, goodwill acquired in a business combination is, as of the acquisition date, allocated to each cash-generating unit (CGU) of the Group, which are expected to benefit from such combination synergy, regardless of other assets or liabilities of the acquiree being attributed to these units.

Where goodwill forms part of a CGU and a part of that unit is disposed of, the goodwill associated with the portion disposed of is included in the transaction cost when determining the respective gain or loss thereon. The goodwill disposed of under such circumstances is determined based on amounts proportional to the disposed of portion in relation to the CGU maintained.

### 2.3. Current vs. noncurrent classification

The Group presents assets and liabilities in the statement of financial position based on their classification as current or noncurrent. An asset is classified as current when:

- It is expected to be realized, or is intended to be sold or consumed in the normal course of the entity’s operating cycle;
- It is maintained essentially for the purpose of being traded;
- It is expected to be realized within 12 months after the statement of financial position date; and
- It is cash or cash equivalent (as defined in Accounting Pronouncement CPC 03 (R2) / NBC TG 03 (R3) / IAS 7 - Statement of Cash Flows), unless its exchange or use for settlement of liabilities is prohibited for at least 12 months after the statement of financial position date.

All other assets are classified as noncurrent.

A liability is classified as current when:

- It is expected to be settled during the entity's normal operating cycle;
- It is maintained essentially for the purpose of being traded;
- It shall be settled within 12 months after the statement of financial position date; and
- The entity has no unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

The terms of a liability that may, at the counterparty's discretion, result in its settlement through the issue of equity instruments do not affect its classification. The Group classifies all other liabilities as noncurrent.

### 2.4. Segment reporting

From the year ended February 2014, the Company started to organize its business segment by geographic area, consistently with the principles and concepts used by the Company's main decision-makers in assessing performance. Information is analyzed by segment as follows:

Food products - Brazil: It includes operations conducted by the units in Brazil with grains, fish and sugar.

Food products – international: It includes the operations conducted by the units in Uruguay, Chile and Peru with grains.

### 2.5. Translation of foreign currency-denominated balances

Functional and presentation currency

The Company's functional currency is the Brazilian real (BRL), which is the same currency used for preparation and presentation of the individual (Company) and consolidated financial statements. The financial statements of each consolidated subsidiary used as a basis for valuation of investments under the equity method are prepared based on the functional currency of each entity. Assets and liabilities of subsidiaries located abroad are translated into Brazilian Reais (BRL) at the exchange rate prevailing at the statement of financial position closing dates and profit or loss is determined by the average monthly rates for the years. Translation gains or losses are recorded in equity under Other Comprehensive Income.

Foreign currency-denominated transactions

Monetary assets and liabilities stated in foreign currency are translated into the functional currency (Real - BRL) at the exchange rate prevailing at the statement of financial position dates. Gains and losses arising from restatement of these assets and liabilities between the exchange rate prevailing on the transaction dates and the reporting period closing dates are recognized in profit or loss as finance income or costs.

(In thousands of reais – R$, unless otherwise stated)

In the table below, we disclosed the exchange rates in Reais in effect at the reporting date:

| Final rate | 02/28/2021 | 02/29/2020 |
|---|---|---|
| US dollar (USD) | **5.5302** | 4.4987 |
| Chilean peso (CLP) | **0.0077** | 0.0055 |
| New Sol / Peru (PEN) | **1.5157** | 1.3025 |

## 2.6. Revenue from contracts with customers

Revenue is recognized to the extent economic benefits are likely to flow to the Company and when it can be reliably measured. It is measured at fair value of the consideration received, net of sales discounts, rebates, and related taxes or charges. The Company measures revenue transactions in accordance with specific criteria to determine whether it is operating as an agent or a principal and eventually concluded that it has been operating as a principal in all its revenue contracts. The following specific criteria should also be met before revenue recognition:

Sale of goods

Sales revenue is recognized when significant risks and rewards of ownership of the goods are transferred to the buyer, which generally occurs upon delivery thereof.

(i) Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the consideration amount to which it will be entitled in exchange for the transfer of goods to the customer. The variable consideration is estimated at the contract inception and is restricted until it is highly probable that there will be no reversal of a significant portion of revenue, in the amount of the accumulated revenue recognized, when the uncertainty associated with the variable consideration is subsequently resolved.

- Right of return

Certain contracts grant the customer the right to return goods within a specified period. The Group uses the expected value method to estimate the goods that will not be returned since this method better predicts the variable consideration amount to which the Group will be entitled.

- Discounts granted

The Group considers discounts granted under contracts and controls occasional discounts in its negotiations to ensure that the revenue recognized is net of these impacts. Incentive and discount programs include analysis of sales performance based on volume, and of marketing actions at the points of sale.

(ii) Significant financing component

The Group receives short-term advances from its customers. Using the practical expedient contained in CPC 47 / NBC TG 47 / IFRS 15, the Group does not adjust the promised consideration for purposes of a significant financing component, if it is expected, at the contract inception, that the period between the transfer of promised goods to the customer and the date the customer pays for this good or service will be one year or less.

Contract balances

*Trade accounts receivable*

A receivable represents the Group's unconditional right to receive consideration (i.e. the consideration will be payable only due to passage of time).

*Refund liability*

A refund liability is an obligation to refund any consideration received (or receivable) from customers, fully or partially, and is measured by the amount the Group ultimately expects to return to the customer.

Cost of obtaining a contract

The Group pays sales commission to its sales representatives for each product sale made and the respective consideration received.

### 2.7. Government grants

Government grants are recognized when there is reasonable assurance that the entity will comply with all conditions. When the benefit refers to an expense item, it is recognized as revenue over the benefit period, in line with the credit reporting period under the accrual basis of accounting.

### 2.8. Taxes

Current income and social contribution taxes

Tax rates and laws used to calculate the amounts are those in force at the statement of financial position date.

In Brazil, income taxes include both income and social contribution taxes. Under the taxable profit based on accounting records regime ("lucro real"), income tax is calculated at the rate of 15% on taxable profit, plus 10% surtax on profit exceeding R$240 over 12 months, whereas social contribution tax is computed at the rate of 9% on taxable profit, both recognized on an accrual basis, therefore additions to book income of temporarily nondeductible expenses or exclusions of temporarily nontaxable income upon determination of current taxable profit generate deferred tax assets or liabilities. Under the taxable profit computed as a percentage of gross revenue regime ("lucro presumido"), adopted by subsidiary Ciclo Logística Ltda., income and social contribution tax rates are the same, but the tax base is 8% and 12% on billing for income and social contribution tax purposes, respectively, and the other revenues are subject to taxation considering 100% of the tax base.

In Uruguay, the tax rate is 25%, in Chile 27%, and in Peru 29.5%, and in Brazil taxation is subject to the Provisional Executive Order (MP) No. 2159-70/2001 and Law No. 12973/14.

Deferred income and social contribution taxes

Deferred taxes are generated by temporary differences at the statement of financial position date between taxes bases of assets and liabilities and their book value.

Deferred tax liabilities are recognized for all temporary tax differences, except when such deferred tax liability arises upon initial recognition of goodwill or of an asset or liability in a transaction other than a business combination and, at the transaction date, has no impact on book income or tax income (loss); and on temporary differences related to investments in subsidiaries, in which the reversal period can be controlled and temporary differences are not likely to be reversed in the near future.

Deferred tax assets are recognized for all deductible temporary differences, unused tax credits and tax losses to the extent that it is probable that taxable profit will be available for the deductible temporary differences to be realized, and unused tax credits and tax losses to be used, except when the deferred tax asset related to the deductible temporary difference is generated upon initial recognition of an asset or liability in a transaction other than a business combination and, at the transaction date, has no impact on book income or tax income or loss.

The carrying amount of deferred taxes is reviewed at each reporting date and written off to the extent that taxable profits will not likely be available so that deferred tax assets can be used in total or in part. Deferred tax assets are reviewed at each statement of financial position date and recognized to the extent that future taxable profits are likely to allow deferred tax assets to be recovered.

Deferred tax assets and liabilities are recognized in noncurrent assets and liabilities and are measured at the tax rate that is expected to be applicable in the year in which the asset will be realized or the liability settled, based on tax rates (and tax law) in force at statement of financial position date.

Deferred taxes related to items recognized directly in equity are also recognized in equity, rather than in the statement of profit or loss. Deferred tax items are recognized based on the transaction that generated the deferred tax, in comprehensive income or directly in equity. Deferred tax assets and liabilities are presented net when there is a legal or constructive right to offset tax asset against tax liability and when such deferred tax assets and liabilities relate and are subject to the same tax authority.

Sales taxes

Revenues, expenses and assets are recognized net of sales taxes, except:

- When sales taxes incurred on the purchase of assets or services are not recoverable from tax authorities, in which case sales taxes are recognized as part of the acquisition cost of the asset or expense item, as applicable;
- When amounts receivable and payable are stated together with sales taxes, and
- When net sales taxes, either recoverable or payable, are included as a component of amounts receivable or payable in the statement of financial position.

(In thousands of reais – R$, unless otherwise stated)

Revenues from sales in Brazil are subject to the following taxes and contributions, at the basic rates below:

| | Rates |
|---|---|
| State value-added tax (ICMS) | 0.00% to 20.00% |
| Contribution tax on gross revenue for social security financing (COFINS) | 0.00% to 7.60% |
| Contribution tax on gross revenue for social integration program (PIS) | 0.00% to 1.65% |
| Federal value-added tax (IPI) | 0.00% to 5% |
| Service tax (ISSQN) | 2% to 5% |
| Social security contribution tax (INSS) * | 1.5% |

(*) Refers to the percentage payable by subsidiary Ciclo Logística Ltda., with enactment of the payroll tax exemption Act.

The credits arising from the noncumulative nature of PIS/COFINS contribution taxes are stated deducting the cost of products sold or general and administrative expenses in the statement of profit or loss, depending on the source of the expenditure. The amounts subject to tax offsetting are stated in current or noncurrent assets, according to their expected realization. In the statement of profit or loss, revenues are shown net of these taxes.

In Uruguay, sales are subject to Value-Added Tax (VAT) at rates ranging from 10% to 22%. In Chile, VAT rate is 19%. In Peru, VAT rate is 18%.

### 2.9. Noncurrent assets held for sale

The Group classifies a noncurrent asset as held for sale if its carrying amount will be recovered mainly through a sale transaction rather than its continued use. These noncurrent assets held for sale are measured at the lower of their carrying amounts and fair values less costs to sell. Cost to sell are represented by incremental expenses directly attributable to the sale, less finance costs and income taxes.

The criteria for classification of noncurrent assets held for sale are met when the sale is highly probable and the asset or group of assets held for sale is available for immediate sale under its current conditions, subject only to the terms that are customary for the sale of such assets held for sale. Group management is committed to the asset sale plan, and a program has been initiated to locate a buyer and complete the plan within one year from the classification date.

Property, plant and equipment and intangible assets are not depreciated or amortized when classified as held for sale, but are tested for impairment, according to market expectations.

Assets classified as held for sale are presented separately as current items in the statement of financial position.

### 2.10. Financial instruments – Initial recognition, subsequent measurement and derecognition

A financial instrument is a contract that creates a financial asset for one entity and a financial liability or equity instrument for another entity.

Financial assets

*Initial recognition and measurement*

Pursuant to accounting pronouncement CPC 48 / NBC TG 48 / IFRS 9, financial assets are classified, at initial recognition, as subsequently measured at amortized cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVPL).

The classification of financial assets at initial recognition depends on the characteristics of contractual cash flows of financial assets and the Group's business model for the management of these financial assets. Except for trade accounts receivable that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus transaction costs in the case of a financial asset not measured at fair value through profit or loss. Trade accounts receivable that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined in accordance with CPC 47 / NBC TG 47 / IFRS 15. See accounting policies in Note 2.6 – Revenue from contracts with customers.

The main financial assets recognized by the Company are cash and cash equivalents, short-term investments, derivative financial instruments, trade accounts receivable and related parties. These assets were classified as financial assets at fair value through profit or loss and receivables.

The main financial liabilities are trade accounts payable, related parties, derivative financial instruments, other accounts payable, loans, financing and debentures.

*Subsequent measurement*

Financial instruments are subsequently measured at each statement of financial position date according to their classification into the following categories:

- Financial assets at amortized cost (debt instruments);
- Financial assets at fair value through other comprehensive income, with reclassification of accumulated gains and losses (debt instruments);
- Financial assets designated at fair value through other comprehensive income, without reclassification of accumulated gains and losses at the time of derecognition (equity instruments);
- Financial assets at fair value through profit or loss.

*Financial assets at amortized cost (debt instruments)*

This category is the most relevant for the Group. The Group measures financial assets at amortized cost if both the following conditions are met:

- The financial asset is held within a business model whose objective is to hold financial assets to receive contractual cash flows;
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

*Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss or financial assets to be mandatorily measured at fair value. Financial assets are classified as held for trading if acquired to be sold or repurchased within the short term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, regardless of the business model. Notwithstanding the criteria for debt instruments to be classified as at amortized cost or at fair value through other comprehensive income, as described above, debt instruments may be designated as at fair value through profit or loss upon initial recognition if this eliminates, or significantly reduces, an accounting mismatch.

Financial assets measured at fair value through profit or loss are presented in the statement of financial position at fair value, and any net changes in fair value are recognized in the statement of profit or loss, such as derivative financial instruments and short-term investments.

*Derecognition*

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

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

*Impairment of financial assets*

The Group recognizes an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss. Expected credit losses are based on the difference between contractual cash flows payable under the contract and all the cash flows that the Group expects to receive.

For credit exposures for which there has been a significant increase in credit risk since initial recognition, an allowance is required for expected credit losses over the remaining life of the exposure, irrespective of the timing of default (a lifetime expected credit loss).

For trade accounts receivable and contract assets, the Group applies a simplified approach to calculate expected credit losses. While the Group monitors changes in credit risk, it recognizes an allowance for losses based on lifetime expected credit losses at each reporting date.

The Group considers a financial asset to be in default when the contractual payments are overdue for over 180 days. Nonetheless, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that it is unlikely that the Group will receive full contractual amounts outstanding before taking into account any credits enhancements maintained by the Group. A financial asset is derecognized when there is no reasonable expectation of recovery of contractual cash flows.

Financial liabilities

*Initial recognition and measurement*

Financial liabilities are initially recognized as financial liabilities at fair value through profit or loss, loans and receivables, accounts payable, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are initially measured at fair value, plus or less, in the case of a financial liability other than at fair value through profit or loss, transaction costs that are directly attributable to the issue of a financial liability.

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

*Subsequent measurement*

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

*Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities initially recognized at fair value through profit or loss.

Financial liabilities are classified as held for trading if incurred to be repurchased in the short term.

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

Financial liabilities initially recognized at fair value through profit or loss are designated at the initial recognition date, and only if the CPC 48 / NBC TG 48 / IFRS 9 criteria are met. The Group did not designate any financial liability at fair value through profit or loss, since the final balance of derivative financial instruments resulted in an asset.

*Loans and receivables*

After their initial recognition, interest-bearing loans and financing taken out and granted are subsequently measured at amortized cost, using the effective interest rate method. Gains and losses are recognized in the statement of profit or loss upon derecognition of liabilities, as well as by the effective interest rate amortization process.

The amortized cost is calculated taking into account any negative goodwill or goodwill on acquisition and rates or costs that are an integral part of the effective interest rate method. Amortization by the effective interest rate method is recorded as a finance cost in the statement of profit or loss.

This category generally applies to interest-bearing loans and financing taken out and granted.

*Debentures*

Debentures are initially recorded at fair value plus transaction costs that are directly attributable to their issue. They are subsequently measured at amortized cost using the effective interest rate method. Interest and monetary restatement, where applicable, are recognized in profit or loss, when incurred.

*Derecognition*

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

## 2.11. Derivative financial instruments

The Company uses derivative financial instruments, mainly financial hedge, to hedge against currency risk.

Derivatives are recorded as financial assets when the financial instrument's fair value is positive, and as financial liabilities when negative.

Any gains or losses arising from changes in the fair value of derivatives in the year are posted directly to profit or loss.

The Company did not use hedge accounting in the years ended February 28, 2021 and February 29, 2020.

### 2.12. Cash and cash equivalents

Cash and cash equivalents include cash, bank account balances and short-term investments redeemable within 90 days from the transaction dates, subject to insignificant risk of change in earnings, and readily convertible into cash. They are accounted for at face value, which is equivalent to their fair value. There was no change in the policy for determining components of cash and cash equivalents disclosed in the years. When short-term investments do not meet the criteria for cash equivalents, they are classified under the heading Financial investments, separately.

### 2.13. Inventories

Inventories are valued at average cost of acquisition or production, not exceeding their market value. Provisions for slow-moving inventory items are set up whenever deemed necessary by management. The Company adopts the absorption costing method through weighted moving average for its inventory items.

In Uruguay, the terms and conditions of sale of a significant portion of rice production agreed with agricultural producers and industrial plants are established by formal agreement between such industrial plants (“Gremial de Molinos”) and the Rice Growers Association of that country (“Asociación de Cultivadores de Arroz”). The mechanism to calculate paddy rice bag price is established in a formal agreement based on the selling price obtained by industrial plants in trading rice for each harvest, net of costs and expenses previously agreed with the Rice Growers Association and a guaranteed minimum margin of the industrial plants. This price is set by the producers association and the industrial plants when approximately 90% of the Uruguayan harvest is effectively traded and sold by the industrial plants, which usually occurs in the first quarter of the year following the current year harvest.

To allow the granting of advances by the industrial plants and partial settlements of rice purchases, the producers association and the industrial plants set at each harvest end, usually in June each year, a provisional price for reference to the market. Partial payments made are complemented by the industrial plants or returned by producers when the definitive price is defined.

### 2.14. Investments

Investments in subsidiaries are recorded by the equity method for individual financial statements purposes. Other investments that do not fit in the category above are stated at acquisition cost less the provision for impairment, where applicable.

After the equity method is applied for disclosure of the individual financial statements, the Company determines whether it is necessary to recognize additional impairment losses on its investments in each subsidiary. The Company determines, at each statement of financial position date, whether there is objective evidence that its investments in subsidiaries are impaired. In this case, the Company calculates the impairment loss as a difference between the recoverable amount of the subsidiary and its carrying amount, and recognizes such amount in its statement of profit or loss.

**(In thousands of reais – R$, unless otherwise stated)**

### 2.15. Property, plant and equipment

Property, plant and equipment items are stated at cost, net of accumulated depreciation and/or accumulated impairment loss, if any, and of PIS/COFINS and ICMS credits, and the respective matching entry is recorded as taxes recoverable, when applicable. This cost includes replacement cost of a portion of property, plant and equipment and borrowing costs for long-term construction projects, when recognition criteria are met. When significant portions of property, plant and equipment are replaced, the Company recognizes such portions as an individual asset with a specific useful life and depreciation. Similarly, when a significant audit is performed, its cost is recognized in the carrying amount of property, plant and equipment, if the recognition criteria are met. All of the other repair and maintenance costs are recognized in the statement of profit or loss, as incurred.

Depreciation is calculated by using the straight-line method over the useful life of the asset, at rates that take into account the estimated useful lives of assets, as follows:

| | Nominal annual depreciation rates | |
|---|---|---|
| | Individual | Consolidated |
| Buildings | 4% | 10% |
| Machinery and equipment | 10% | 16% |
| Furniture and fixtures | 10% | 10% |
| Vehicles | 20% | 17% |
| Facilities | 10% | 12% |
| Improvements | 4% | 9% |
| Computers and peripherals | 20% | 20% |

A property, plant and equipment item is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss resulting from the asset derecognition (calculated as the difference between the net disposal proceeds and the asset carrying value) is included in the statement of profit or loss for the year when the asset is derecognized.

There was no change in the rates applied for the year ended February 28, 2021 in relation to the rates applied in the prior year.

### 2.16. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the underlying asset cost. All other borrowing costs are expensed for the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. In the Statement of Cash Flows, interest paid is presented under financing activities as provided for by CPC 03 (R2) / NBC TG 03 (R3) / IAS 7 - Statement of Cash Flows.

### 2.17. Intangible assets

Intangible assets acquired separately are measured at cost upon their initial recognition. After initial recognition, intangible assets are stated at cost, less accumulated amortization and accumulated impairment losses. Intangible assets generated internally are not capitalized, and the expenditure is reflected in the statement of profit or loss for the year when it is incurred.

Intangible assets are assessed as having finite or indefinite useful lives. For finite-lived intangible assets, the Company uses the following annual amortization rates:

| | Nominal annual amortization rates | |
|---|---|---|
| | Individual | Consolidated |
| Software | 20% | 14% |
| Relationship with customers | 11% | 11% |
| Non-compete agreement | 20% | 20% |

Finite-lived intangible assets are amortized over their economic useful lives and are tested for impairment whenever there is any indication of impairment loss. The amortization period and method for finite-lived intangible assets are reviewed at least at each year-end. Changes in the estimated useful life or expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changes in the amortization period or method, as appropriate, treated as changes in accounting estimates. The amortization of finite-lived intangible assets is recognized in the statement of profit or loss as expenses consistently with the use of the intangible asset.

Intangible assets with indefinite useful lives (goodwill, trademarks and patents of companies acquired) are not amortized, but annually tested for impairment at the cash-generating unit (CGU) level, considering the segments defined by the Company. Indefinite useful life assessment is reviewed annually to determine whether such assessment continues to be justified. Otherwise, a change in the useful life assessment from indefinite to finite is made on a prospective basis.

Gains and losses on derecognition of an intangible asset are measured as the difference between the net disposal proceeds and carrying amount of the asset, and classified in the statement of profit or loss upon disposal.

Goodwill

Goodwill is initially measured at cost, and consists of the difference between the consideration transferred and the recognized amount of noncontrolling interest in assets acquired and liabilities assumed. If this payment is lower than the fair value of the acquired subsidiary's net assets, the difference is recognized in the statement of profit or loss as a gain on a bargain purchase.

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

### 2.18. Impairment of nonfinancial assets

Management annually tests the net carrying amount of the assets in order to determine whether there are any events or changes in economic, operating or technological circumstances that may indicate impairment loss. When such evidence is identified and the net carrying amount exceeds the recoverable amount, a provision for impairment is set up to adjust the net carrying amount to the recoverable amount. The recoverable amount of an asset or CGU is defined as the higher of value in use and fair value less costs to sell.

In estimating the value in use of an asset, estimated future cash flows consider five years added to perpetuity and are discounted to present value, using a pre-tax discount rate that reflects the weighted average cost of capital (WACC) for the industry in which the CGU operates. The fair value less costs to sell is determined, whenever possible, based on firm sales contracts on an arm’s length basis, between knowledgeable, willing parties, adjusted by costs to sell the asset, or, in the absence of a firm sales contract, based on the market price in an active market, or on the price in the most recent transaction involving similar assets.

At the statement of financial position dates, no factors indicating the need to set up a provision for impairment of assets were identified.

### 2.19. Provisions

<u>General considerations</u>

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, the settlement of which is likely to generate an outflow of economic benefits. The provisions are recorded based on the best estimate of the risk involved.

Provisions are classified as current when they are likely to be realized or settled within the following twelve months. Otherwise, they are stated as noncurrent.

Provision expenses are recognized in the statement of profit or loss, less any reimbursement.

<u>Provisions for contingencies</u>

Provisions are recognized for all contingencies in connection with legal proceedings for which it is likely that a cash outflow will be required to settle the contingency/obligation and a reasonable estimate can be made. Assessment of the likelihood of loss includes analysis of available evidence, the hierarchy of laws, available case law, the most recent court rulings and their relevance to the legal system, as well as the opinion of outside legal advisors.

Provisions are reviewed and adjusted considering changes in circumstances, such as applicable period of limitation, tax audit conclusions or additional exposures identified based on new court matters or rulings.

The other estimates and provisions can be found in Notes 2.22, 2.24 and 3.

### 2.20. Leases

Characterization of a lease contract is based on substantive aspects relating to the right of use of a certain asset, on the date of its execution.

CPC 06 (R2) / NBC TG 06 (R3) / IFRS 16 – Leases, which supersedes existing standards CPC 06 (R1) / NBC TG 06 (R2) / IAS 17 – Leases and related interpretations ICPC 03 / IFRIC 4, SIC 15 and SIC 27, as from January 1, 2019 (which is equivalent to March 1, 2019 in the Company's case), sets the principles for recognition, measurement, presentation and disclosure of leases, and requires that lessees recognize most leases in the statement of financial position. Significant changes in lessees' accounting practices are:

(i) Equalization of accounting standards for operating and finance leases to the lessee, so that all leases expiring after 12 months, with fixed consideration and significant asset value will be recognized in the lessee's statement of financial position as a right-of-use asset and a liability for future payments, both at present value;

(ii) Lease expenses will no longer be recognized on a straight-line basis. Profit or loss are impacted by depreciation expenses of the asset and by the allocation of liability interest.

*Transition*

The Company applied CPC 06 (R2) / NBC TG 06 (R3) / IFRS 16, using the modified retrospective approach, which requires no comparison in the presentation of prior-year information.

Contracts are capitalized at lease commencement under Noncurrent assets as Right-of-Use Assets, at the present value of the fixed payments, with Lease Liabilities as a matching entry, segregated between current and noncurrent, considering the contractually established payment terms. Initial direct costs incurred in the transaction are added to cost, where applicable.

When calculating the present value of lease payments, the Group uses its incremental borrowing rate at inception (nominal rate), as the interest rate implicit in the lease cannot be readily determined.

Right-of-use asset depreciation is accounted for on a straight-line basis, over the contract term.

Financial interest of lease liabilities is accounted for as a finance cost, according to the amortization flow defined by the nominal rate calculated at inception.

The carrying amount of right-of-use assets and lease liabilities is remeasured to reflect any changes, changes in lease terms, in lease payments (e.g., changes in future payments resulting from a change in an index or rate used to determine such lease payments), or a change in the assessment of an option to purchase the underlying asset. For the year ended February 28, 2021, the events arising from COVID-19 were not considered to be a relevant change in relation to the analyses carried out that supported the accounting records.

The characteristics of the Group's lease contracts classified as applicable to accounting pronouncement CPC 06 (R2) / NBC TG 06 (R3) / IFRS 16 - Leases are:

- Transfer of risks and rewards related to item ownership;
- Identification of the asset;
- Leased asset value greater than R$20 (twenty thousand reais);
- Effective term of more than one year.

The Company recognized the assets and liabilities for its lease contracts related to leased properties, machinery, equipment and vehicles, following the understanding expressed by Brazilian SEC (CVM) in Official Letter/CVM/SNC/SEP No. 02/2019 about CPC 06 (R2) / NBC TG 06 (R3) / IFRS 16, which provided guidance on the application of the incremental interest rate, PIS and COFINS embedded in the lease liability and taxes recoverable on the realization of the lease liability. Thus, the lease liability balance considers the amount equivalent to approximately 9.25% for PIS/COFINS.

The impacts of this standard are described in Note 13.

### 2.21. Employee benefits

The benefits granted to Company employees and management include, in addition to fixed compensation (salaries and social security contribution tax, vacation pay and 13th monthly salary), variable compensation such as profit sharing, luncheon voucher to management employees, supply of meals to manufacturing plant employees, medical and dental care, subsidized or chartered transportation.

These benefits are recorded to profit or loss for the year when the Company has a liability accounted for on an accrual basis, as incurred.

### 2.22. Statement of value added and Cash Flows

The statement of value added has been prepared in accordance with CPC 09 / NBC TG 09 and is presented as supplementary information for IFRS purposes. and the Cash Flow Statement were prepared in accordance with CPC 03 (R2) / NBC TG 03.

### 2.23. Share-based payment

The provision for share-based payments is recognized in accordance with CPC 10 (R1) / NBC TG 10 (R3) / IFRS 2 - Share-based payment. This standard determines that equity-settled share-based payment transactions, with cash-settlement characteristics and subject to withholding taxes, shall be classified as equity-settled share-based payment transactions. Details on the Company's stock option plan can be found in Note 19.

### 2.24. Uncertainty over income tax treatments

IFRIC 23, interpretation issued by IASB on June 7, 2017, was translated into ICPC 22 – Uncertainty over income tax treatments, issued by CPC (Interpretation ITG 22 approved by Brazil's National Association of State Boards of Accountancy (CFC), and clarifies how to apply the recognition and measurement requirements of standard CPC 32 / NBC TG 32 (R4) / IAS 12 when there is uncertainty over income tax treatments. In this circumstance, the entity shall recognize and measure its current or deferred tax asset or liability by applying the requirements based on taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and determined tax rates.

The Company assessed uncertain tax treatments separately, and the assumptions about the examination of tax treatments by taxation authorities, and about how to determine taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

Company management understands that there are no impacts on the financial statements resulting from treatments that could potentially expose the Company to materially probable risks of loss, since the procedures adopted for calculating and paying income taxes are supported by legislation and precedents of Administrative and Legal Courts. The main topic under discussion is in connection with the tax assessment notice corresponding to goodwill amortization, as disclosed in Note 18.2.

### 2.25. New standards, changes and interpretations

Review in CPC 00 (R2): Conceptual Framework for Financial Reporting

The revised pronouncement of some new concepts provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts.

These changes had no impact on the Group's individual and consolidated financial statements.

Changes in CPC 15 (R1): Definition of business

The amendments to CPC 15 (R1) clarify that, to be considered a business, an integrated set of activities and assets must include, at a minimum, an input - input of resources and a substantive process that together contribute significantly to the capacity to generate output - output of resources. In addition, he clarified that a business can exist without including all the inputs - inputs of resources and processes necessary to create outputs - outputs of resources.

These changes had no impact on the Group's individual and consolidated financial statements but may impact future periods if the Group enters into any business combinations.

Changes to CPC 26 (R1) and CPC 23: Material definition

The amendments provide a new definition of material that states, "the information is material if its omission, distortion or obscurity can reasonably influence decisions that primary users of general purpose financial statements make based on those financial statements, which provide financial information on entity-specific report". The amendments clarify that the materiality will depend on the nature or magnitude of the information, individually or in combination with other information, in the context of the financial statements. Distorted information is material if it could reasonably be expected to influence decisions made by primary users.

These changes had no impact on the Group's individual and consolidated financial statements.

### 2.26. New standards, amendments and interpretations not yet in force

Amendments to IAS 1: Classification of liabilities as current or noncurrent

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1, which is correlated to CPC 26, to specify the requirements for classifying the liability as current or noncurrent. The amendments clarify:

- What a right to defer settlement means;
- That the right to defer must exist at the reporting date;
- That this classification is not affected by the likelihood that an entity will exercise its right to defer;
- That only if a derivative embedded in a convertible liability is itself an equity instrument would the terms of a liability not affect its classification.

The amendments are effective for periods beginning on or after January 1, 2023 and must be applied retrospectively. The Company currently assesses the impact that the changes will have on current practice but does not expect significant impacts on its financial statements.

## 3. Significant accounting judgment, estimates and assumptions

Judgments

The preparation of the financial statements of the Company and its subsidiaries requires that management make judgments and estimates and adopt assumptions that affect the amounts disclosed referring to revenues, expenses, assets and liabilities, as well as the disclosures of contingent liabilities, as at the financial statement reporting date. However, the uncertainty related to these assumptions and estimates could lead to results that would require significant adjustment to the carrying amount of the assets or liabilities affected in future years.

Estimates and assumptions

Significant assumptions regarding sources of uncertainty in future estimates and other major sources of uncertainty in estimates as at the statement of financial position date, involving a significant risk that a significant adjustment to the carrying amount of assets and liabilities may be required in the next financial year, are discussed below:

*Impairment of nonfinancial assets*

An impairment loss exists when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of fair value less costs to sell and value in use. The calculation of fair value less costs to sell is based on information available on sales transactions of similar assets or market prices less additional costs for the disposal of the asset. The value in use calculation is based on the discounted cash flow model.

Cash flows derive from the budget for the next five years and do not include reorganization activities to which the Company has not yet committed or significant future investments that will improve the asset base of the cash-generating unit under test.

The recoverable amount is sensitive to the discount rate used in the discounted cash flow method deriving from a 5-year budget, as well as to expected future cash receipts and growth rate used for extrapolation purposes.

In the case of goodwill, recoverable amount is estimated every year at the same time. For purposes of goodwill impairment testing, the amount of goodwill determined in a business combination is allocated to the CGU expected to benefit from the business combination synergies. This allocation reflects the lowest level at which goodwill is monitored for internal purposes.

*Determination and review of the useful life of property, plant and equipment and intangible assets*

The useful lives of property, plant and equipment and intangible assets are determined based on assumptions that take into consideration the history of fixed and intangible assets already depreciated or amortized, as well as future projections based on estimates that may not materialize as expected, and that may significantly differ from the amount initially estimated.

*Provisions for contingencies*

The Company and its subsidiaries recognize a provision for civil, labor and tax claims. Assessment of the likelihood of loss includes analysis of available evidence, the hierarchy of laws, available case law, the most recent court rulings and their relevance to the legal system, as well as the opinion of outside legal advisors. Provisions are reviewed and adjusted considering changes in circumstances, such as applicable period of limitation, tax audit conclusions or additional exposures identified based on new court matters or rulings.

*Taxes*

There are uncertainties about the interpretation of complex tax regulations and the amount and timing of future taxable profit. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual instruments, differences arising between the actual results and the assumptions made, or future changes in such assumptions, could require future adjustments to tax income and expenses already recorded.

The Company and its subsidiaries set up provisions based on reasonable estimates, for the possible consequences of audits by tax authorities in the respective jurisdictions where they operate. The amount of these provisions is based on various factors, such as past tax audit experience and different interpretations of tax regulations by the taxable entity and by the relevant tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the Company, its branches and subsidiaries.

*Fair value of financial instruments*

When the fair value of financial assets and liabilities stated in the statement of financial position cannot be obtained in active markets, it will be determined by using measurement techniques, including the discounted cash flow method. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Professional judgment includes considerations on data used, such as liquidity risk, credit risk, and volatility. Changes in the assumptions about these factors could affect the reported fair value of financial instruments.

(In thousands of reais – R$, unless otherwise stated)

## 4. Cash and cash equivalents

| | Individual | | Consolidated | |
|---|---|---|---|---|
| | 02/28/2021 | 02/29/2020 | 02/28/2021 | 02/29/2020 |
| Cash and banks | **1,081** | 2,029 | **78,096** | 73,967 |
| Short-term investments | **709,262** | 403,572 | **1,003,859** | 463,797 |
| | **710,343** | 405,601 | **1,081,955** | 537,764 |

Cash and banks substantially comprise noninterest bearing bank deposits. Short-term investments classified as cash equivalents comprise fixed-income investments, substantially represented by Bank Deposit Certificates (CDB) and Repurchase Agreements, with average earnings of 98.29% of the Interbank Deposit Certificate (CDI) variation (100.01% at February 29, 2020), redeemable within 90 days from investment date, against respective issuers, with no significant change in earnings agreed. These short-term investments are maintained in solid institutions in the market with low credit risk.

## 5. Short-term investments

| | | Individual and Consolidated | |
|---|---|---|---|
| | Average rate p.a. | 02/28/2021 | 02/29/2020 |
| Current | | | |
| Frozen fixed-income investments with no grace period | 97.04% of CDI | **32,923** | 32,292 |
| | | **32,923** | 32,292 |

Similarly to investments classified as cash equivalents, there are investments represented substantially by CDBs, which are restricted since they were given as guarantees to tax proceedings, and are submitted to court assessment annually.

## 6. Trade accounts receivable

| | Individual | | Consolidated | |
|---|---|---|---|---|
| | 02/28/2021 | 02/29/2020 | 02/28/2021 | 02/29/2020 |
| Falling due | **670,804** | 517,195 | **925,108** | 687,869 |
| Overdue by up to 30 days | **1,665** | 2,703 | **47,139** | 34,247 |
| Overdue from 31 to 60 days | **507** | 707 | **11,496** | 7,831 |
| Overdue from 61 to 90 days | **807** | 579 | **4,869** | 4,600 |
| Overdue from 91 to 180 days | **570** | 1,037 | **3,732** | 5,026 |
| Overdue by over 181 days | **3,421** | 5,229 | **7,044** | 11,941 |
| | **677,774** | 527,450 | **999,388** | 751,514 |
| Discounts granted (a) | **(47,602)** | (18,675) | **(47,602)** | (18,675) |
| Allowance for doubtful accounts | **(4,124)** | (5,667) | **(6,666)** | (7,577) |
| | **626,048** | 503,108 | **945,120** | 725,262 |

(a) Discounts granted are recognized through agreements with specific customers.

(In thousands of reais – R$, unless otherwise stated)

Changes in the provision for discounts granted are as follows:

| | Individual | | Consolidated | |
|---|---|---|---|---|
| | 02/28/2021 | 02/29/2020 | 02/28/2021 | 02/29/2020 |
| Prior balance | **(18,675)** | (18,172) | **(18,675)** | (19,772) |
| Merger of SLC Alimentos Ltda. | **-** | (1,600) | **-** | - |
| Additions | **(189,959)** | (177,223) | **(189,959)** | (177,223) |
| Reversals / write-offs | **161,032** | 178,320 | **161,032** | 178,320 |
| **Closing balance** | **(47,602)** | (18,675) | **(47,602)** | (18,675) |

Changes in allowance for doubtful accounts are as follows:

| | Individual | | Consolidated | |
|---|---|---|---|---|
| | 02/28/2021 | 02/29/2020 | 02/28/2021 | 02/29/2020 |
| Prior balance | **(5,667)** | (5,650) | **(7,577)** | (8,935) |
| Foreign exchange difference | **-** | - | **(372)** | (514) |
| Merger of SLC Alimentos Ltda. | **-** | (315) | **-** | - |
| Additions | **(3,162)** | (4,566) | **(3,595)** | (4,693) |
| Reversals | **938** | 4,104 | **938** | 5,573 |
| Write-offs | **3,767** | 760 | **3,940** | 992 |
| **Closing balance** | **(4,124)** | (5,667) | **(6,666)** | (7,577) |

## 7. Inventories

| | Individual | | Consolidated | |
|---|---|---|---|---|
| | 02/28/2021 | 02/29/2020 | 02/28/2021 | 02/29/2020 |
| Finished product | **312,279** | 231,471 | **397,930** | 342,922 |
| Raw material and inputs (a) | **246,300** | 149,477 | **390,831** | 231,181 |
| Packaging material | **71,730** | 72,894 | **86,110** | 81,327 |
| Advances to suppliers (b) | **248,234** | 271,983 | **522,914** | 493,266 |
| Other (c) | **40,824** | 16,713 | **112,103** | 58,905 |
| | **919,367** | 742,538 | **1,509,888** | 1,207,601 |
| Current | **897,064** | 715,377 | **1,456,780** | 1,152,804 |
| Noncurrent (d) | **22,303** | 27,161 | **53,108** | 54,797 |
| | **919,367** | 742,538 | **1,509,888** | 1,207,601 |

(a) The variation in raw material is mainly justified by the cost increase and higher volume in acquisitions to guarantee the inventory during the Covid-19 pandemic.
(b) Advances to rice producers to ensure rice purchase, of which R$23,703 (R$27,161 at February 29, 2020) in the individual financial statements and R$45,064 (R$48,479 at February 29, 2020) in the consolidated financial statements are classified as noncurrent assets according to the expected realization.
(c) The variation in "other" is mainly justified by the bill-and-hold contracts of raw material entered into to ensure supply during the Covid-19 pandemic.
(d) The noncurrent consolidated balance is also composed of packaging materials and other inventory items, totaling R$8,045 (R$6,318 at February 29, 2020).

(In thousands of reais – R$, unless otherwise stated)

## 8. Taxes recoverable

| | Individual | | Consolidated | |
|---|---|---|---|---|
| | 02/28/2021 | 02/29/2020 | 02/28/2021 | 02/29/2020 |
| Income and social contribution taxes | **77,989** | 146,837 | **99,743** | 150,592 |
| Contribution Taxes on Gross Revenue for Social Integration Program (PIS) and for Social Security Financing (COFINS) (a) | **184,106** | 159,791 | **184,106** | 159,791 |
| State VAT (ICMS) (b) | **23,594** | 14,490 | **23,594** | 14,490 |
| Federal VAT (IPI) | **5,459** | 4,575 | **5,459** | 4,575 |
| Other taxes (c) | **28,297** | 24,078 | **37,898** | 31,548 |
| | **319,445** | 349,771 | **350,800** | 360,996 |
| Current | **114,278** | 108,218 | **145,633** | 119,443 |
| Noncurrent | **205,167** | 241,553 | **205,167** | 241,553 |
| | **319,445** | 349,771 | **350,800** | 360,996 |

Below are the non-recurring items recognized in taxes recoverable in the year ended February 28, 2021:

a) In February 2021, the Company recognized PIS and COFINS credits related to the review of the calculations and EFD Contributions from January to September 2019. Based on this review, the Company recorded a tax credit of R$2,838 under Other operating income.

b) In January 2021, the Company recognized tax credits related to ICMS as a result of shipments to the Manaus Free Trade Zone (ZFM). This recognition was made premised on Decree-Law No. 288/67 which deems shipments to the ZFM equivalent to export operations, considering its characteristics of Free Trade Area. The Company recorded a tax credit of R$1,314 relating to periods between 2016 and 2020, being accounted for under Other operating income.

c) On June 10, 2020, the Company recognized tax credits on social security contributions (INSS). The credits refer to the permission to exclude from the INSS base discounts on meal vouchers, subsidized transportation and health insurance (employee and dependent), awards, bonuses and rewards. Considering the retroactive effect of 5 years, the Company recorded a tax credit of R$6,806, of which R$5,731 refers to the principal accounted for under Other operating income and R$1.075 refers to the monetary restatement recognized in finance income.

   On July 1, 2020, the Company was awarded a final and unappealable favorable decision on Ordinary Action No. 5014613-35.2017.4.04.7100, referring to the right to exclude ICMS tax matching credits from the IRPJ/CSLL tax base. As such, SLC was allowed to exclude ICMS matching credits from the IRPJ and CSLL tax base and offset the amounts unduly paid in the period between calendar years 2012 through 2018. Based on this decision, the Company recorded on February 28, 2021 the tax credit of R$5,331, of which R$4,000 refer to the principal, accounted for under Other operating income, and R$1,331 refer to monetary restatement, recognized in Finance income.

(In thousands of reais – R$, unless otherwise stated)

## 9. Business combination

a) Acquisition of SLC Alimentos Ltda.

On December 3, 2018, the Company completed the acquisition of 100% of the capital of SLC Alimentos Ltda., whose Agreement for Purchase and Sale of Units of Interest and Other Covenants was entered into on October 26, 2018. It agreed to pay R$180,000, of which R$140,000 were settled on the transaction closing date, and the remaining R$40,000 were retained by the Company to be disbursed in accordance with the contractual phases within 5 years, after deduction of possible losses incurred due to unexpected events relating to the transaction. In addition, the agreement provides for the contingent payment of R$10,296 relating to tax credits, net of attorneys' fees. Total remaining liabilities plus monetary restatement are allocated to Accounts payable. At February 28, 2021, the balance is R$ 49,923 (R$40,123 at February 29, 2020).

The acquisition of SLC Alimentos Ltda. represents an increase in operational efficiency through the synergy estimated by the Company in all strategic areas of the grain category.

In order to integrate these synergies, at the Special General Meeting (SGM) held on March 1, 2019, the Company unanimously approved the merger of SLC Alimentos Ltda., whose net assets merged at March 1, 2019 amounted to:

| | Merged balance |
|---|---|
| Assets | |
| Cash and cash equivalents | 11,516 |
| Trade accounts receivable | 48,444 |
| Inventories | 25,618 |
| Taxes to be offset | 97,718 |
| Property, plant and equipment, net (Note 11) | 111,870 |
| Intangible assets (Note 12) | 32,499 |
| Other accounts | 6,773 |
| Total assets | **334,438** |
| | |
| Liabilities | |
| Loans and financing (Note 15) | 148,166 |
| Provision for contingencies (Note 18.1) | 593 |
| Other liabilities | 14,584 |
| Total liabilities | **163,343** |
| | |
| Total net identifiable assets (Note 10) | **171,095** |

The adjustment in the amount of the consideration, equivalent to R$6,656 and the effect on deferred taxes of R$18,362, did not impact the merged data mentioned in the table above, since the accounting adjustments were recorded directly in the Company responsible for the merger of SLC Alimentos Ltda. as they were calculated after the merger and before completing one year from the acquisition date.

**(In thousands of reais – R$, unless otherwise stated)**

b) Acquisition of the Pet Food Business Unit of Empresas IANSA in Chile

On January 22, 2020, subsidiary Empresas Tucapel S.A. entered into Purchase and Sale Agreement referring to units of interest and assets of LDA SpA and assets relating to the Pet Food Business Unit of Empresas IANSA S.A. ("LDA").

The final amount of this transaction totaled CLP37,000,000 (thirty-seven billion Chilean pesos) equivalent to approximately R$200,000 (two hundred million reais).

The conclusion of the transaction is subject to the usual conditions for this type of transaction, which as of February 28, 2021 has not been obtained. Currently, the Companies continue to operate independently.

The Company has a consistent history of growth and market share expansion through acquisitions. This latest acquisition is an important step towards strengthening its competitiveness in Chile, a country in which Camil has a history of constant growth and profitability through its subsidiary Tucapel.

## 10. Investments

| | Individual | | Consolidated | |
|---|---|---|---|---|
| | 02/28/2021 | 02/29/2020 | 02/28/2021 | 02/29/2020 |
| Subsidiaries | **1,400,354** | 1,075,624 | **-** | - |
| Associates | **-** | - | **38,049** | 32,981 |
| Goodwill on acquisition of investment (*) | **195,332** | 195,332 | **-** | - |
| | **1,595,686** | 1,270,956 | **38,049** | 32,981 |

(*) For consolidation purposes, the goodwill from acquisition of investments is allocated to Intangible assets, as provided for by CPC 15 (R1) / NBC TG 15 (R4) / IFRS 3 – Business Combinations.

Changes in investments are as follows:

| | Individual | | Consolidated | |
|---|---|---|---|---|
| | 02/28/2021 | 02/29/2020 | 02/28/2021 | 02/29/2020 |
| Prior balance | **1,270,956** | 1,258,591 | **32,981** | 29,789 |
| Payment of capital - Ciclo Logística Ltda. (a) | **-** | 6,388 | **-** | - |
| Merger of investments (b) | **-** | (171,095) | **-** | - |
| Adjusted recognition of goodwill on acquisition of SLC (*) | **-** | (7,259) | **-** | - |
| Equity pickup | **118,165** | 76,539 | **(1,317)** | (620) |
| Dividends received (**) | **(83,564)** | - | **-** | - |
| Exchange differences on investments (c) | **290,129** | 107,792 | **6,385** | 3,812 |
| **Closing balance** | **1,595,686** | 1,270,956 | **38,049** | 32,981 |

(*) The adjustment includes R$6,656 relating to payments made by the Company, obligations of SLC Alimentos Ltda. that were not projected in the purchase price formation, and R$603 relating to the reversal of the amortization of deferred Corporate Income Tax and Social Contribution Tax on Net Profit (IRPJ/CSLL) on gains due to merger.

(**) Amount referring to the receipt of dividends from subsidiary Camilatam S.A. on September 25, 2020.

(In thousands of reais – R$, unless otherwise stated)

a) On July 16, 2019, the Company increase the capital of subsidiary Ciclo Logística Ltda. by R$6,388 through the issue of new units of interest, according to the 21st Amendment to the Articles of Incorporation.

b) Acquisition and merger of SLC Alimentos Ltda., as detailed in Note 9.a.

c) In the year ended February 28, 2021, R$290,129 (R$107,129 at February 29, 2018) were recorded referring to the effect of foreign exchange differences deriving from the translation into reais of the financial statements of foreign subsidiaries, which were originally prepared in US dollars (USD), Chilean pesos (CLP) and the Peruvian new sol (PEN). These effects are recorded as other comprehensive income, in equity.

Investments in subsidiaries are as follows:

Direct subsidiaries

| | 02/28/2021 | | | | Investment | |
|---|---|---|---|---|---|---|
| | Capital | Equity | Equity interest % | Equity pickup | 02/28/2021 | 02/29/2020 |
| Camilatam S.A. | 273,499 | 1,380,638 | 100% | 119,886 | 1,380,638 | 1,054,188 |
| Ciclo Logística Ltda. | 32,387 | 19,716 | 100% | (1,722) | 19,716 | 21,436 |
| | | | | 118,164 | 1,400,354 | 1,075,624 |

Associates

The Company's subsidiary S.A. Molinos Arroceros Nacionales (SAMAN) holds investments in the following associates and non-subsidiaries:

| | 02/28/2021 | | | | | Investment | |
|---|---|---|---|---|---|---|---|
| | Capital | Equity | P&L for the year | Equity interest % | Equity pickup | 02/28/2021 | 02/29/2020 |
| SAMAN: | | | | | | | |
| Arrozur S.A. | 48,842 | 50,501 | - | 49.19% | - | 24,842 | 21,204 |
| Tacua S.A. | 2,052 | 8,243 | 485 | 40.72% | 197 | 3,357 | 2,498 |
| Agencia Marítima Sur | 1 | 1,123 | (170) | 40.72% | (69) | 457 | 424 |
| Galofer S.A. | 51,694 | 20,872 | (3,204) | 45.00% | (1,445) | 9,393 | 8,855 |
| | | | | | (1,317) | 38,049 | 32,981 |

(In thousands of reais – R$, unless otherwise stated)

## 11. Property, plant and equipment

| Individual | Land | Buildings and improvements | Machinery and equipment | Advances to suppliers | Construction in progress | Other | Total |
|---|---|---|---|---|---|---|---|
| **Cost** | | | | | | | |
| **Balance at 02/282019** | 58,660 | 207,975 | 543,162 | 4,160 | 115,249 | 30,873 | **960,079** |
| Merger of SLC Alimentos | 4,607 | 53,857 | 92,491 | - | 823 | 2,038 | 153,816 |
| Acquisitions | 360 | 132 | 3,310 | 23,566 | 62,552 | 56 | 89,976 |
| Write-offs | - | (11) | (1,695) | - | - | (77) | (1,783) |
| Transfers | - | 35,386 | 95,594 | (24,453) | (106,502) | (25) | - |
| **Balance at 02/29/2020** | 63,627 | 297,339 | 732,862 | 3,273 | 72,122 | 32,865 | 1,202,088 |
| Acquisitions | **1,631** | **-** | **321** | **13,086** | **143,965** | **64** | **159,067** |
| Write-offs | **(64)** | **(1,074)** | **(5,502)** | **-** | **(283)** | **(288)** | **(7,211)** |
| Transfers | **4,992** | **49,831** | **71,935** | **4,909** | **(128,168)** | **(3,499)** | **-** |
| **Balance at 02/28/2021** | **70,186** | **346,096** | **799,616** | **21,268** | **87,636** | **29,142** | **1,353,944** |
| **Depreciation** | | | | | | | |
| **Balance at 02/282019** | - | (68,541) | (358,728) | - | - | (19,160) | (446,429) |
| Merger of SLC Alimentos | - | (14,797) | (25,912) | - | - | (1,237) | (41,946) |
| Depreciation | - | (11,078) | (51,235) | - | - | (1,678) | (63,991) |
| Write-offs | - | 7 | 890 | - | - | 56 | 953 |
| Transfers | - | 5,423 | (5,398) | - | - | (25) | - |
| **Balance at 02/29/2020** | - | (88,986) | (440,383) | - | - | (22,044) | (551,413) |
| Depreciation | - | (12,911) | (53,003) | - | - | (1,563) | **(67,477)** |
| Write-offs | - | 522 | 7,287 | - | - | 244 | **8,049** |
| Transfers | - | - | (9) | - | - | 9 | **-** |
| **Balance at 02/28/2021** | **-** | **(101,377)** | **(486,110)** | **-** | **-** | **(23,354)** | **(610,841)** |
| Balance at 02/29/2020 | 63,627 | 208,352 | 292,481 | 3,273 | 72,122 | 10,821 | 650,675 |
| **Balance at 02/28/2021** | **70,186** | **244,719** | **313,506** | **21,268** | **87,636** | **5,788** | **743,103** |

| Consolidated | Land | Buildings and improvements | Machinery and equipment | Advances to suppliers) | Construction in progress | Other | Total |
|---|---|---|---|---|---|---|---|
| **Cost** | | | | | | | |
| Balance at 02/282019 | 114,604 | 476,419 | 1,088,970 | 4,159 | 123,122 | 95,987 | 1,903,261 |
| Foreign exchange | 6,965 | 24,255 | 77,344 | - | 904 | 5,522 | 114,990 |
| Acquisitions | 360 | 132 | 3,338 | 23,566 | 81,080 | 8,092 | 116,568 |
| Write-offs | - | (60) | (4,039) | - | - | (1,883) | (5,982) |
| Transfers IFRS 16(*) | - | - | - | - | - | (7,500) | (7,500) |
| Transfers (**) | 494 | 37,732 | 105,321 | (24,453) | (124,350) | 2,006 | (3,250) |
| Balance at 02/29/2020 | 122,423 | 538,478 | 1,270,934 | 3,272 | 80,756 | 102,224 | 2,118,087 |
| Foreign exchange | **11,801** | **65,118** | **131,548** | **-** | **2,958** | **10,383** | **221,808** |
| Acquisitions | **10,197** | **2,774** | **4,012** | **13,087** | **162,180** | **2,006** | **194,256** |
| Write-offs | **(64)** | **(1,127)** | **(8,001)** | **-** | **(426)** | **(4,822)** | **(14,440)** |
| Transfers | **4,992** | **53,814** | **81,912** | **4,909** | **(143,683)** | **(1,943)** | **-** |
| **Balance at 02/28/2021** | **149,349** | **659,057** | **1,480,405** | **21,268** | **101,784** | **107,848** | **2,519,711** |
| **Depreciation** | | | | | | | |
| Balance at 02/282019 | - | (155,949) | (727,812) | - | - | (47,671) | (931,432) |
| Foreign exchange | - | (9,646) | (61,879) | - | - | (6,201) | (77,726) |
| Depreciation | - | (20,159) | (81,211) | - | - | (4,092) | (105,462) |
| Write-offs | - | 7 | 2,375 | - | - | 1,356 | 3,738 |
| Transfer IFRS 16(*) | - | - | - | - | - | 4,489 | 4,489 |
| Transfers | - | 5,423 | (5,398) | - | - | (25) | - |
| Balance at 02/29/2020 | - | (180,324) | (873,925) | - | - | (52,144) | (1,106,393) |
| Foreign exchange | **-** | **(24,321)** | **(103,506)** | **-** | **-** | **(8,317)** | **(136,144)** |
| Depreciation | **-** | **(24,570)** | **(89,220)** | **-** | **-** | **(5,323)** | **(119,111)** |
| Write-offs | **-** | **521** | **9,644** | **-** | **(10)** | **2,329** | **12,481** |
| Transfers | **-** | **-** | **(9)** | **-** | **-** | **9** | **-** |
| **Balance at 02/28/2021** | **-** | **(228,694)** | **(1,057,016)** | **-** | **(10)** | **(63,446)** | **(1,349,166)** |
| Balance at 02/29/2020 | 122,423 | 358,154 | 397,009 | 3,273 | 80,756 | 50,080 | 1,011,694 |
| **Balance at 02/28/2021** | **149,349** | **430,363** | **423,390** | **21,268** | **101,774** | **44,402** | **1,170,545** |

See accompanying notes.

(In thousands of reais – R$, unless otherwise stated)

(*) Changes related to lease of IT equipment of subsidiary Empresas Tucapel S.A. previously classified as property, plant and equipment and transferred to Right-of-use asset (Note 13), due to the implementation of the new accounting standard.
(**) Reclassification of software in progress to intangible assets.

The works in progress refer mainly to the expansion of the capacity for receiving and drying rice, in addition to increasing the productivity of the units in the State of Rio Grande do Sul, which is expected to end by the second quarter of 2021.

The subsidiary has loans and financing amounting to R$23,159 (R$33,799 at February 29, 2020), which are guaranteed by statutory lien on property, plant and equipment items recorded under “Machinery and equipment”. Subsidiary Costeño Alimentos S.A.C. has also taken out loans for which properties were given as collateral amounting to R$77,851 (R$67,189 at February 29, 2020), recorded under “Buildings and improvements”. Subsidiary S.A. Molinos Arroceros Nacionales - Saman has also taken out loans for which properties and machinery were given as collateral amounting to R$127,471 (R$103,695 at February 29, 2020), recorded under “Buildings and improvements” and “Machinery and equipment”.

## 12. Intangible assets

| Individual | Software | Goodwill | Trademarks and patents | Relationship with customers | Non-compete agreement | Software under development | Total |
|---|---|---|---|---|---|---|---|
| Balance at 02/28/2019 | 9,597 | - | 215,550 | - | - | 5,206 | 230,353 |
| Merger of SLC Alimentos Ltda. (Note 9.a) | 113 | - | 24,535 | 6,375 | 1,476 | - | 32,499 |
| Acquisitions | - | - | - | - | - | 16,914 | 16,914 |
| Write-offs | - | - | - | - | - | (77) | (77) |
| Amortization | (3,018) | - | - | (722) | (311) | - | (4,051) |
| Transfers | 19,344 | - | - | - | - | (19,344) | - |
| Balance at 02/29/2020 | 26,036 | - | 240,085 | 5,653 | 1,165 | 2,699 | 275,638 |
| Acquisitions | **-** | **-** | **-** | **-** | **-** | **16,583** | **16,583** |
| Write-offs | **(2)** | **-** | **-** | **-** | **-** | **-** | **(2)** |
| Amortization | **(6,558)** | **-** | **-** | **(722)** | **(311)** | **-** | **(7,590)** |
| Transfers | **3,224** | **-** | **-** | **-** | **-** | **(3,224)** | **-** |
| **Balance at 02/28/2021** | **22,700** | **-** | **240,085** | **4,931** | **854** | **16,057** | **284,628** |

| Consolidated | Software | Goodwill | Trademarks and patents | Relationship with customers | Non-compete agreement | Software under development | Total |
|---|---|---|---|---|---|---|---|
| Balance at 02/28/2019 | 14,127 | 306,887 | 321,235 | 6,375 | 1,476 | 5,206 | 655,306 |
| Foreign exchange difference | 298 | 10,772 | 7,264 | - | - | - | 18,334 |
| Acquisitions | 2,167 | - | - | - | - | 16,914 | 19,081 |
| Write-offs | (247) | - | - | - | - | (77) | (324) |
| Business combination adjustment - SLC Alimentos (*) | - | (25,018) | - | - | - | - | (25,018) |
| Amortization | (3,930) | - | - | (722) | (311) | - | (4,963) |
| Transfers | 22,594 | - | - | - | - | (19,344) | 3,250 |
| Balance at 02/29/2020 | 35,009 | 292,641 | 328,499 | 5,653 | 1,165 | 2,699 | 665,666 |
| Foreign exchange difference | **2,200** | **18,643** | **15,711** | **-** | **-** | **4,598** | **41,152** |
| Acquisitions | **3,939** | **-** | **11** | **-** | **-** | **16,583** | **20,533** |
| Write-offs | **(2)** | | **-** | **-** | **-** | **-** | **(2)** |
| Amortization | **(8,573)** | **-** | **-** | **(722)** | **(311)** | **-** | **(9,606)** |
| Transfers | **3,224** | **-** | **-** | **-** | **-** | **(3,224)** | **-** |
| **Balance at 02/28/2021** | **35,797** | **311,284** | **344,221** | **4,931** | **854** | **20,656** | **717,743** |

See accompanying notes.

(In thousands of reais – R$, unless otherwise stated)

(*) Refers to the reversal of R$18,362 of deferred IRPJ and CSLL on the surplus value of subsidiary SLC Alimentos Ltda. and the adjustment of the acquisition price of R$6.656, as a contra entry to Other accounts payable, both reducing the amount of goodwill originally calculated, as per Note 9.a.

The carrying amount of intangible assets and property, plant and equipment allocated to each cash-generating unit (CGU) is as follows:

| Individual | CGU - fish | | CGU - sugar | | CGU - grains | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 02/28/2021 | 02/29/2020 | 02/28/2021 | 02/29/2020 | 02/28/2021 | 02/29/2020 | 02/28/2021 | 02/29/2020 |
| Trademarks and patents | **50,884** | 50,884 | **134,071** | 134,071 | **55,130** | 55,130 | **240,085** | 240,085 |
| Property, plant and equipment | **138,970** | 132,222 | **104,459** | 94,159 | **499,674** | 424,294 | **743,103** | 650,675 |
| Other intangible assets | **138** | 116 | **28** | 218 | **44,377** | 35,219 | **44,543** | 35,553 |
| | **189,992** | 183,222 | **238,558** | 228,448 | **599,181** | 514,643 | **1,027,731** | 926,313 |

| Consolidated | Food products - Brazil | | | | | | Food products – International | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| | CGU – fish | | CGU - sugar | | CGU - grains | | CGU - grains | | | |
| | 02/28/2021 | 02/29/2020 | 02/28/2021 | 02/29/2020 | 02/28/2021 | 02/29/2020 | 02/28/2021 | 02/29/2020 | 02/28/2021 | 02/29/2020 |
| Trademarks and patents | **50,884** | 50,884 | **134,071** | 134,071 | **55,130** | 55,130 | **104,136** | 88,414 | **344,221** | 328,499 |
| Property, plant and equipment | **138,969** | 132,222 | **104,459** | 94,159 | **511,814** | 440,869 | **415,304** | 344,444 | **1,170,546** | 1,011,694 |
| Other intangible assets | **138** | 116 | **29** | 218 | **44,377** | 35,220 | **17,695** | 8,972 | **62,239** | 44,526 |
| Carrying amount of goodwill | **17,670** | 17,670 | **144,141** | 144,142 | **33,520** | 33,520 | **115,952** | 97,309 | **311,283** | 292,641 |
| | **207,661** | 200,892 | **382,700** | 372,590 | **644,841** | 564,739 | **653,087** | 539,139 | **1,888,289** | 1,677,360 |

Intangible assets and property, plant and equipment are annually tested for impairment. In the years ended February 28, 2021 and February 29, 2020, no assets recorded at an amount higher than their recoverable amount were identified.

The projections are in accordance with the Business Plan prepared by the Company management for the next five years and cash flows exceeding the five-year period are increased according to the expected growth for each CGU in order to consider perpetuity aspects. The growth projected for sales, costs and economic indicators are expected to be in line with the curve observed in prior years, and in line with the economic growth of countries where the Company operates.

Cash-Generating Unit is the smallest identifiable group of assets that generates cash inflows, which are largely independent from cash inflows of other assets or other groups of assets.

The process for determination of the value in use involved the use of assumptions, judgments and estimates on cash flows, such as revenue, cost and expense growth rates, estimated future investments and working capital, perpetuity and discount rates. Such understanding is in accordance with paragraph 35 of NBC TG 01 (R4) – Impairment of Assets. The assumptions used are:

- The first year of the model is based on the best estimate of cash flow for the current year; The other years are prepared by country and are based on external sources in relation to macroeconomic assumptions, developments in industry, inflation and exchange rates, past experience and initiatives in terms of market share, revenue, costs and working capital;

(In thousands of reais – R$, unless otherwise stated)

- Projections are made in the functional currency of the business unit and discounted at the Weighted Average Cost of Capital (WACC), considering the sensitivities in this metric. The discount rate before taxes applied to cash flow projections is 10.00% (7.75% p.a. at February 29, 2020);

- The growth rate used to extrapolate cash flow of all CGUs for a period of more than five years is 4.0% (29 at February 2020), which reflects the Company's expected price increase in relation to future annual inflation rate (the Central Bank's target) plus a portion of actual business growth. The average growth rates of projected sales revenues of CGUs for the five-year period were: grains 5.2%; fish 9.5%, and sugar 7.8%.

Considering the Covid-19 pandemic scenario, the Company has so far not suffered a material financial impact that could result in changes in the assumptions adopted for asset impairment testing.

## 13. Lease agreements

As of March 1, 2019, the Company applied CPC 06 (R2) / NBC TG 06 (R3) / IFRS 16 - Leases using the modified retrospective approach, which does not require comparative presentation of prior periods.

Upon initial adoption, the liabilities were measured at the present value of the remaining payments, discounted at the incremental rate (nominal rate) on the Company's loans of 0.49% p.m., and the right-of-use assets were measured at the amount equal to the lease liability at present value. For contracts eligible to the use of PIS and COFINS credits, taxes recoverable are recognized according to the effective lease payments.

The Company applied the practical expedient regarding the definition of lease agreement, applying the criteria of right of control and obtaining benefits of the identifiable asset, contracting term exceeding 12 months, expectation of contract renewal term, fixed consideration and relevance of the value of the leased asset.

The Company's main lease agreements refer to the lease of properties of manufacturing plants with an average remaining term of 3 years and of the administrative headquarters, with a remaining term of 7 years.

a) Right-of-use asset

| Individual | Properties | Machinery and equipment | IT equipment | Vehicles | Total |
|---|---|---|---|---|---|
| Balance at 02/29/2020 | 62,194 | 9,055 | - | 2,207 | **73,456** |
| Acquisitions (*) | 106,715 | 2,950 | - | 1,355 | **111,020** |
| Amortization of deferred PIS and COFINS tax credits | (1,101) | (424) | - | - | **(1,525)** |
| Monetary restatement | 2,567 | 594 | - | 56 | **3,217** |
| Depreciation | (20,587) | (3,922) | - | (1,473) | **(25,982)** |
| Write-offs | (5,832) | (394) | - | (71) | **(6,297)** |
| **Balance at 02/28/2021** | **143,956** | **7,859** | **-** | **2,074** | **153,889** |

(*) This increase refers mainly to the rental agreement for the new Osasco unit.

(In thousands of reais – R$, unless otherwise stated)

| Consolidated | Properties | Machinery and equipment | IT equipment | Vehicles | Total |
|---|---|---|---|---|---|
| Balance at 02/29/2020 | 76,246 | 9,221 | 2,306 | 2,454 | **90,227** |
| Foreign exchange difference | 3,669 | 66 | 910 | 97 | **4,742** |
| Acquisitions (*) | 106,826 | 2,950 | 2,005 | 1,819 | **113,600** |
| Amortization of deferred PIS and COFINS tax credits | (1,101) | (424) | - | - | **(1,525)** |
| Monetary restatement | 2,567 | 594 | - | 56 | **3,217** |
| Depreciation | (29,591) | (4,061) | (551) | (1,904) | **(36,107)** |
| Write-offs | (5,832) | (394) | - | (73) | **(6,299)** |
| **Balance at 02/28/2021** | **152,784** | **7,952** | **4,670** | **2,449** | **167,855** |

(*) This increase refers mainly to the rental agreement for the new Osasco unit.

b) Lease liabilities

| | Individual | Consolidated |
|---|---|---|
| Balance at 02/29/2020 | **74,898** | **91,433** |
| Exchange difference on first-time adoption | **-** | **4,501** |
| Additions of new contracts | **134,301** | **135,217** |
| PVA recognized on additions of new lease contracts | **(23,281)** | **(23,282)** |
| Remeasurement of lease contracts | **3,791** | **3,613** |
| PVA recognized on remeasurement | **(574)** | **(574)** |
| Write-off due to payment of lease liabilities | **(28,909)** | **(41,050)** |
| Amortization of accrued interest (PVA) | **5,249** | **5,991** |
| Write-offs due to contractual amendment | **(6,550)** | **(6,550)** |
| **Balance at 02/28/2021** | **158,925** | **169,299** |
| Current | **17,377** | **21,006** |
| Noncurrent | **141,548** | **148,293** |
| | **158,925** | **169,299** |

(*) This increase refers mainly to the rental agreement for the new Osasco unit.

The acquisitions and write-offs shown in the tables above largely refer to the addition of the agreement for the new Osasco unit and the write-off of the agreement with Q4 for Recife unit that was acquired by the Company.

The aging list of lease installments at book value is as follows:

| | Individual | | | | |
|---|---|---|---|---|---|
| | Properties | Machinery and equipment | IT equipment | Vehicles | Total |
| Feb/22 | 12,861 | 3,260 | - | 1,256 | **17,377** |
| Feb/23 | 10,992 | 2,176 | - | 649 | **13,817** |
| Feb/24 | 10,224 | 1,992 | - | 217 | **12,433** |
| Feb/25 | 10,382 | 862 | - | - | **11,244** |
| | 10,685 | - | - | - | **10,685** |
| After Feb/26 | 93,369 | - | - | - | **93,369** |
| | **148,513** | **8,290** | | **2,122** | **158,925** |

(In thousands of reais – R$, unless otherwise stated)

| | Consolidated | | | | |
|---|---|---|---|---|---|
| | Properties | Machinery and equipment | IT equipment | Vehicles | Total |
| Feb/22 | 15,509 | 3,357 | 494 | 1,646 | **21,006** |
| Feb/23 | 13,562 | 2,176 | 430 | 649 | **16,817** |
| Feb/24 | 12,542 | 1,992 | 278 | 217 | **15,029** |
| Feb/25 | 11,484 | 862 | 46 | - | **12,392** |
| | 10,685 | - | - | - | **10,685** |
| After Feb/26 | 93,370 | - | - | - | **93,370** |
| | **157,152** | **8,387** | **1,248** | **2,512** | **169,299** |

(*) Subsidiary Empresas Tucapel S.A. has leases with purchase option amounting to R$1,248.

c) Gain (loss) on leases

| | Individual | Consolidated |
|---|---|---|
| | 02/28/2021 | |
| Exemptions (Variable, low-value or shorter than 12-month leases) - Note 22 | (5,943) | (15,206) |
| Amortization of rent lease - Note 22 | (25,982) | (36,107) |
| Finance costs - cumulative interests (PVA) - Note 23 | (5,249) | (5,991) |
| | **(37,174)** | **(57,304)** |

d) Supplementary information

To comply with Memorandum Circular/CVM/SNC/SEP No. 02/19, the Group measured the balances of right-of-use assets and lease liabilities and their impacts on profit or loss, considering the cash flow projections without inflation (actual rate) and discounted under the same bases, allowing comparison by investors, in relation to the balances calculated under nominal cash flows:

| | Individual | Consolidated |
|---|---|---|
| Balance of right-of-use assets at 02/28/2021 | 205,048 | 218,524 |
| Balance of lease liabilities at 02/28/2021 | 207,401 | 216,023 |
| Amortization of right-of-use assets for the year | (30,929) | (33,751) |
| Amortization of Present Value Adjustment (PVA) for the year | 1,106 | 1,848 |

## 14 Trade accounts payable

| | Individual | | Consolidated | |
|---|---|---|---|---|
| | 02/28/2021 | 02/29/2020 | 02/28/2021 | 02/29/2020 |
| Products - local market | **310,029** | 262,398 | **508,557** | 371,927 |
| Products – foreign market | **47,653** | 34,369 | **73,319** | 69,187 |
| Services | **17,674** | 13,973 | **55,885** | 42,234 |
| Freight payable | **31,079** | 24,761 | **35,300** | 31,332 |
| Other trade accounts payable | **538** | 2,589 | **538** | 2,590 |
| | **406,973** | 338,090 | **673,599** | 517,270 |

(In thousands of reais – R$, unless otherwise stated)

## 15. Loans, financing and debentures

| Type of loans | Currency / Index | Annual average rate 02/28/2021 | Individual 02/28/2021 | Individual 02/29/2020 | Consolidated 02/28/2021 | Consolidated 02/29/2020 |
|---|---|---|---|---|---|---|
| Working capital | | | | | | |
| Local currency | - | 4.88% | **515,148** | 13,912 | **515,148** | 13,912 |
| Local currency | IPCA | 4.00% | **8,821** | 9,416 | **8,821** | 9,416 |
| Foreign currency (*) | USD | 0.89% | **42,008** | 28,162 | **42,009** | 28,162 |
| Foreign currency (**) | CLP | 3.95% | **-** | - | **191,721** | 338 |
| Foreign currency (***) | PEN | 3.23% | **-** | - | **130,768** | 115,114 |
| FINAME (a) | PEN | 4.43% | **23,159** | 33,799 | **23,159** | 33,799 |
| PPE financing - foreign currency (****) | USD | 3.90% | **-** | - | **-** | 38,668 |
| Cost of transaction | | | **(1,776)** | - | **(1,776)** | - |
| | | | **587,360** | 85,289 | **909,850** | 239,409 |
| Debentures – Non-privileged guarantee (b) | | | | | | |
| Issued on 11/23/2016 - 2nd series | CDI | 100% CDI p.a. | **-** | 190,765 | **-** | 190,765 |
| Issued on 05/19/2017 - 1st series (i) | CDI | 97% CDI p.a. | **-** | 239,057 | **-** | 239,057 |
| Issued on 05/19/2017 - 1st series (i) | CDI | 98% CDI p.a. | **167,310** | 167,715 | **167,310** | 167,715 |
| Issued on 12/15/2017- Single series (ii) | CDI | 98% CDI p.a. | **168,629** | 169,412 | **168,629** | 169,412 |
| Issued on 04/162019 - 1st series (iii) | CDI | 98% CDI p.a. | **273,342** | 276,024 | **273,342** | 276,024 |
| Issued on 04/162019 - 2nd series (iii) | CDI | 101% CDI p.a. | **330,736** | 334,081 | **330,736** | 334,081 |
| Issued on 09/29/2020 - Single series (iv) | CDI | 99% CDI p.a. | **356,050** | - | **356,050** | - |
| Cost of transaction | | | **(10,596)** | (13,569) | **(10,596)** | (13,569) |
| | | | **1,285,471** | 1,363,485 | **1,285,471** | 1,363,485 |
| | | | **1,872,831** | 1,448,774 | **2,195,321** | 1,602,894 |
| Current | | | **609,801** | 490,880 | **682,135** | 560,639 |
| Noncurrent | | | **1,263,030** | 957,894 | **1,513,186** | 1,042,255 |
| | | | **1,872,831** | 1,448,774 | **2,195,321** | 1,602,894 |

(*) USD – US Dollar
(**) CLP – Chilean pesos
(***) PEN – Peruvian Nuevo Sol
(****) Financing taken out by subsidiary SAMAN.

a) In the Parent Company, FINAME amounting to R$23,159 is guaranteed by statutory lien on property, plant and equipment (R$33,799 at February 29, 2020). As for subsidiary Costeño Alimentos S.A.C., the assets pledged as collateral were mentioned in Note 9.

b) The history of debentures issued and payments falling due is as follows:

i) Issuance on November 23, 2016 - Agribusiness Receivables Certificate ("CRA")

On November 23, 2016, the Company issued debentures, according to the "Private Deed Instrument of the 5th Issue of Unsecured Debentures, of Unsecured Type, in the total amount of R$402,255, in two series, for public distribution with restricted efforts, by Camil Alimentos S.A.", entered into between the Issuer and Eco Securitizadora de Direitos Creditórios do Agronegócio S.A. After the acquisition by Securitizadora, the debentures were linked to the 91st and 92nd series of the first issue of Securitizadora's Agribusiness Receivables Certificates ("CRA").

The first series debentures were issued at a cost of 99% of the DI rate, maturing on December 12, 2019, in the amount of R$214,000, and semiannual remuneration, the first payment being made on April 12, 2017 and settlement occurred on December 12, 2019.

The second series debentures were issued at the cost of 100% of the DI rate, maturing on December 12, 2020, in the amount of R$188,000, and semiannual remuneration (with the exception of the last payment, which will occur in December 2020), the first payment being made on May 12, 2017 and the settlement occurred on December 12, 2020.

*ii) Issue on May 19, 2017 - Agribusiness Receivables Certificate ("CRA")*

On May 19, 2017, the Company conducted its 6th issue of debentures, according to the "Private Indenture for the 6th Issue of Unsecured Nonconvertible Debentures, amounting to R$405,000, in two series, for Public Distribution with Restricted Efforts, of Camil Alimentos S.A.", entered into by and between the Issuer and Eco Securitizadora de Direitos Creditórios do Agronegócio S.A. After acquisition by Securitizadora, the debentures were bound to the 117th and 118th series of the 1st issue of Agribusiness Receivables Certificates ("CRA") of Securitizadora.

The first series debentures were issued at the cost of 97% of DI, maturing on July 20, 2020, amounting to R$238,000, bearing semiannual interest and with the first payment made on January 18, 2018.

The second series debentures were issued at the cost of 98% of DI, maturing on July 19, 2021, amounting to R$167,000, bearing semiannual interest and with the first payment made on January 18, 2018.

*ii) Issue on December 15, 2017 - Agribusiness Receivables Certificate ("CRA")*

On December 15, 2017, the Company conducted its 7th issue of debentures, according to the "Private Indenture for the 7th Issue of Unsecured Nonconvertible Debentures, amounting to R$168,050, in one series, of Camil Alimentos S.A.", entered into by and between the Issuer and Eco Securitizadora de Direitos Creditórios do Agronegócio S.A. After the acquisition by Securitizadora, the debentures were associated with the 137th series of the 1st issue of Agribusiness Receivables Certificates ("CRA") of Securitizadora.

The debentures were issued at the cost of 98% of DI, maturing on December 17, 2021, amounting to R$168,000, bearing semiannual interest and with the first payment on June 15, 2018.

*iii) Issue on April 16, 2019 - Agribusiness Receivables Certificate ("CRA")*

On April 16, 2019, the Company conducted its 8th issue of debentures, according to the "Private Indenture for the 8th issue of unsecured nonconvertible debentures, amounting to R$600,000, in two series, for Private Placement, of Camil Alimentos S.A.", entered into by and between the Issuer and Eco Securitizadora de Direitos Creditórios do Agronegócio S.A. After acquisition by Securitizadora, the debentures were bound to the 1st and 2nd series of the 5th issue of Agribusiness Receivables Certificates ("CRA") of Securitizadora.

The first series debentures were issued at the cost of 98% of DI, maturing on April 17, 2023, amounting to R$271,527, bearing semiannual interest and with the first payment made on October 15, 2019.

(In thousands of reais – R$, unless otherwise stated)

The second series debentures were issued at the cost of 101% of DI, maturing on April 15, 2025, amounting to R$328,473, bearing semiannual interest and with the first payment made on October 15, 2019.

*iv) Issue on September 29, 2020 – Debentures*

On September 29, 2020, the Company conducted its 9th issue of debentures, according to the Private Indenture for the 9th issue of unsecured nonconvertible debentures, in a single series, amounting to R$350,000, for public distribution with restricted efforts. The Debentures were subject to public distribution with restricted placement efforts, under the firm placement guarantee system, as per the terms of the Brazilian Securities and Exchange Commission ("CVM") Ruling No. 476 of January 16, 2009, as amended, with intermediation of Banco Itaú BBA S.A.

The nominal unit value of R$1,000.00 (one thousand Reais), on the issue date, is not subject to monetary restatement or adjustment by any index. The Debentures will be entitled to conventional interest corresponding to 100% of the accumulated variation of the daily average rates of the one-day Interbank Deposits, "over extra-group", expressed as a percentage per year, based on 252 (two hundred and fifty-two) business days, calculated and disclosed daily by B3 S.A. - Brasil, Bolsa, Balcão, in the daily newsletter available on its website (http://www.b3.com.br), exponentially increased by a surcharge of 2.70% (two integers and seventy hundredths percent) per year, based on a year of 252 (two hundred and fifty-two) business days; first payment is scheduled for March 30, 2021.

Debentures are issued upon purchase of sugar from the Company except for the 9th Issue of debentures, for investment purposes, and provide for compliance with the following covenants: Net debt (Loans, financing, debentures, leasing operations with a purchase option less cash, cash equivalents and short-term investments) / EBITDA (Earnings before taxes and financial income and expenses plus depreciation / amortization of property, plant, equipment and intangible assets) equal to or lower than 3.5x (three and fifty hundredths). Additionally, for all these issues, the Company may early redeem the debentures, in full or in part, from the issue date, upon written notice to the Trustee and publication of a notice to Debenture Holders.

Covenants

The Company monitors the predictability of its financial and qualitative covenants and those of its subsidiaries on a quarterly basis. The calculation of the Company's covenants is shown below (based on consolidated figures):

| | 02/28/2021 | 02/29/2020 |
|---|---|---|
| Income before finance income and costs | **622,192** | 298,240 |
| (+) Depreciation / amortization (PPE, intangible assets and right-of-use assets) | **164,824** | 143,479 |
| **EBITDA** *(definição não contábil)* | **787,016** | **441,719** |
| | | |
| Gross debt – Loans, financing, debentures | **2,195,321** | 1,602,894 |
| Leases with purchase option (*) | **1,248** | 1,098 |
| Cash, cash equivalents and short-term investments | **(1,114,878)** | (570,056) |
| Net debt | **1,081,691** | 1,033,936 |
| **Net Debt/EBITDA ≤ 3.5** | **1.37** | **2.34** |

(*) Subsidiary Empresas Tucapel S.A. has leases with purchase option amounting to R$ 1,248 at 02/28/2021.

Subsidiaries Saman and Costeño also have financial covenants in their loan and financing agreements. In the year ended February 28, 2021, all Group companies were compliant with the covenants.

(In thousands of reais – R$, unless otherwise stated)

The aging list of loans, financing and debentures installments at their carrying amounts, gross of transaction cost amortization is as follows:

| | Individual | | Consolidated | |
|---|---|---|---|---|
| | 02/28/2021 | 02/29/2020 | 02/28/2021 | 02/29/2020 |
| (*) Feb/22 | **614,164** | 495,899 | **686,498** | 565,658 |
| Feb/23 | **9,791** | 345,866 | **81,925** | 389,127 |
| Feb/24 | **376,924** | 9,651 | **442,986** | 32,845 |
| Feb/25 | **278,756** | 276,819 | **324,063** | 294,725 |
| Feb/26 | **604,573** | 3,667 | **649,976** | 3,666 |
| After Feb/26 | **995** | 330,441 | **22,245** | 330,442 |
| Cost of debentures | **(12,372)** | (13,569) | **(12,372)** | (13,569) |
| | **1,872,831** | **1,448,774** | **2,195,321** | **1,602,894** |

(*) Short-term installments are not net of the costs of debt issue transactions.

Changes in loans, financing and debentures are as follows:

| | Individual | | Consolidated | |
|---|---|---|---|---|
| | 02/28/2021 | 02/29/2020 | 02/28/2021 | 02/29/2020 |
| Opening balance | **1,448,774** | 1,042,934 | **1,602,894** | 1,428,859 |
| Foreign exchange difference | **8,293** | - | **36,135** | - |
| Merger of SLC Alimentos Ltda. | **-** | 148,166 | **-** | - |
| Funds raised (a) | **1,427,710** | 727,895 | **2,306,134** | 1,151,455 |
| Interest and monetary and foreign exchange differences | **66,977** | 93,103 | **71,657** | 141,375 |
| Transfer - IFRS 16 | **-** | - | **-** | (508) |
| Allocation of costs | **12,203** | 6,532 | **12,203** | 6,532 |
| Amortization of principal | **(1,034,587)** | (480,839) | **(1,759,789)** | (1,029,050) |
| Interest amortization | **(56,539)** | (89,017) | **(73,913)** | (95,769) |
| **Closing balance** | **1,872,831** | **1,448,774** | **2,195,321** | **1,602,894** |

a) Borrowings from the parent company were taken out for purposes of prevention, given the economic uncertainties due to the Covid-19 pandemic. In the consolidated financial statements, borrowings were taken out from subsidiary Tucapel S/A for acquisition of the Pet Food Business Unit of Empresas IANSA, as mentioned in Note 9.

(In thousands of reais – R$, unless otherwise stated)

## 16. Transactions with related parties

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

| | Individual | | Consolidated | |
|---|---|---|---|---|
| | 02/28/2021 | 02/29/2020 | 02/28/2021 | 02/29/2020 |
| **Current assets** | | | | |
| Trade accounts receivable | | | | |
| Subsidiaries: | | | | |
| S.A. Molinos Arroceros Nacionales – SAMAN | **1,720** | 630 | - | - |
| Ciclo Logística Ltda. | **-** | 2,435 | - | - |
| Associates: | | | | |
| Galofer S.A. (*) | - | - | **33,528** | 25,090 |
| Comisaco S.A. | - | - | **9,073** | 6,932 |
| Arroz Uruguayo S.A. – Arrozur | - | - | **89** | - |
| Other related parties: | | | | |
| Climuy S.A. | **-** | - | **721** | 158 |
| Prepayment of interest on equity (*) | **-** | 11,586 | **-** | 11,586 |
| **Total assets** | **1,720** | 14,651 | **43,411** | 43,766 |

(*) Accounts receivable amounting to R$ 33,528 related to the sale of electricity generated by associate Galofer S.A
(**) Interest on own capital approved by the Board of Directors until February 28, 2021 that exceeds the mandatory minimum.

| | Individual | | Consolidated | |
|---|---|---|---|---|
| | 02/28/2021 | 02/29/2020 | 02/28/2021 | 02/29/2020 |
| **Current liabilities** | | | | |
| Accounts payable - purchases | | | | |
| Subsidiaries: | | | | |
| S.A. Molinos Arroceros Nacionales – SAMAN | **17,826** | 31,323 | - | - |
| Ciclo Logística Ltda. | **10,049** | 10,905 | - | - |
| Associates: | | | | |
| Climuy S.A. | - | - | **960** | 76 |
| Arroz Uruguayo S.A. – Arrozur | - | - | **1,358** | 2,712 |
| Comisaco S.A. | - | - | **-** | 315 |
| Other related parties: | | | | |
| Q4 Itajaí Empreendimentos e Participações Ltda. | **190** | 173 | **190** | 173 |
| Q4 Empreendimentos e Participações Ltda. | **5,600** | 912 | **5,600** | 912 |
| Interest on equity payable (*) | **13,637** | - | **13,637** | - |
| **Total liabilities** | **47,302** | 43,313 | **21,745** | 4,188 |

(*) Interest on equity payable totals R$20,000, with R$6,363 paid to minority shareholders.

Related-party transactions are conducted in the ordinary course of the Company's business and under conditions agreed upon between the parties. At February 28, 2021, the recognition of provision for losses involving related-party transactions was not necessary.

(In thousands of reais – R$, unless otherwise stated)

The amounts of transactions among the Company, its subsidiaries and associates are as follows:

| | Individual | | Consolidated | |
|---|---|---|---|---|
| | 02/28/2021 | 02/29/2020 | 02/28/2021 | 02/29/2020 |
| Revenue from sale of rice husk | | | | |
| Galofer S.A. | - | - | **185** | 2,470 |
| Expenses from purchase of processed rice | | | | |
| S.A. Molinos Arroceros Nacionales – SAMAN | **(129,497)** | (53,231) | - | - |
| Freight expenses | | | | |
| Ciclo Logística Ltda. | **(102,074)** | (88,274) | - | - |
| SLC Alimentos Ltda. | - | - | | - |
| Irrigation revenues (expenses) | | | | |
| Comisaco S.A. | - | - | **224** | (5,270) |
| Climuy S.A. | - | - | | - |
| Expenses with rice parboiling | | | | |
| Arroz Uruguayo S.A. – Arrozur | - | - | **(24,700)** | (13,770) |
| Expenses with port services | | | - | |
| Tacua S.A. | - | - | - | (122) |
| **Total, net** | **(231,571)** | (141,505) | **(24,291)** | (16,692) |

Purchase transactions conducted with subsidiary S.A. Molinos Arroceros Nacionales (SAMAN), located in Uruguay, refer to purchase of rice to supply the Northeastern region of Brazil. Payments are substantially made in advance. The sales terms and conditions agreed with agricultural producers and industrial plants in Uruguay are established by formal agreement between industrial plants ("Gremial de Molinos") and the Rice Growers Association of that country ("Asociación de Cultivadores de Arroz").

Transactions with other associates and related parties refer substantially to advances for services to be rendered to the Company and its subsidiary S.A. Molinos Arroceros Nacionales (SAMAN), at prices and conditions agreed by and between the parties, and the respective payments are made within the contracted due dates.

The amounts of transactions with companies related to Company managing officers are as follows:

| | Individual and Consolidated | |
|---|---|---|
| | 02/28/2021 | 02/29/2020 |
| Property lease income | | |
| Camil Investimentos S.A. | - | **195** |
| Rent expenses | | |
| Q4 Empreendimentos e Participações Ltda. | **(9,407)** | **(17,781)** |
| Q4 Sertãozinho Empreendimentos e Participações Ltda. | - | **(1,651)** |
| Q4 Itajaí Empreendimentos e Participações Ltda. | **(2,185)** | **(2,022)** |
| **Total, net** | **(11,592)** | **(21,259)** |

The building and land where the production unit of the state of São Paulo is located belong to related party Q4 Empreendimentos e Participações Ltda., which charges monthly rent of R$600 (R$829 at February 29, 2020), and the production unit in the city of Recife, state of Pernambuco, which until September was leased by monthly rent of R$89 (R$83 at February 29, 2020), maturing on the first business day of the subsequent month.

(In thousands of reais – R$, unless otherwise stated)

The Itajaí Production Unit is leased by related party Q4 Itajaí Empreendimentos e Participações Ltda. for a monthly rent of R$188 (R$172 at February 29, 2020).

a) Sureties provided

Subsidiary S.A. Molinos Arroceros Nacionales (SAMAN) is the guarantor of the following transactions:

| Bank loans | 02/28/2021 | 02/29/2020 |
|---|---|---|
| Related parties | | |
| Arroz Uruguayo S.A. – Arrozur | **-** | 590 |
| Comisaco S.A. | **845** | 1,374 |
| Galofer S.A. | **15,035** | 10,680 |
| | **15,880** | 12,644 |
| Third parties | | |
| Balerel SRL | **2,765** | 2,699 |
| Rice producers | | |
| Bank loans | **808** | 845 |
| Supplier transactions | **9,725** | 7,663 |
| | **10,533** | 8,508 |
| | **29,178** | 23,851 |

b) Key management personnel compensation

Compensation paid to Statutory Officers and Independent Directors for the year ended February 28, 2021 totaled R$4,425 (R$4,871 at February 29, 2020) and is carried as General and administrative expenses in the statement of profit or loss. The Company's executive officers are also part of the Share-Based Payment Plan (Stock Options) described in Note 19 d.

## 17. Special installment payment program

On October 10, 2018, the Company enrolled with the Agriculture Tax Settlement Program (PRR or Refis Rural), introduced by Law No. 13606/2018, aiming at a 100% amnesty of the fine and interest under the ongoing proceedings on withholding taxes and social contribution tax calculated based on gross revenue from the sale of third parties' agricultural production, called Funrural (Agricultural Workers' Support Fund). Total liability of R$42,506, net of R$21,599 in amnesty, was recognized, R$41,952 as "Other operating expenses" and R$554 as "Finance costs" relating to monetary restatement. The settlement of the installment program was agreed with a down payment of R$5,703, of which R$4,080 were credits acquired from parent company Camil Investimentos S.A., and 54 installments restated by the Selic.

In March 2019, R$2,519 relating to SAT (Occupational Accident Insurance) were prepaid at 1% on agricultural production acquisitions from 2014 to 2017.

The balance of this installment payment at February 28, 2021 amounts to R$15,876 (R$24,349 at February 29, 2020), and the total consolidated balance, including other installments, is R$16,424 at February 28, 2021 (R$24,900 at February 29, 2020).

(In thousands of reais – R$, unless otherwise stated)

## 18. Provision for contingencies

### 18.1 Probable risks

The Company is a party to various ongoing legal proceedings of a labor, civil, tax and environmental nature, arising in the ordinary course of its business. Based on managerial analyses and on the opinion of its legal advisors, the Company records a provision in an amount deemed sufficient to cover probable losses, if any. Changes for the year ended February 28, 2021 mainly refer to the restatement of labor, civil, tax and environmental proceedings.

Provision for contingencies is as follows:

| | Individual | | | | |
|---|---|---|---|---|---|
| **Contingencies** | **Environmental** | **Civil** | **Labor** | **Tax** | **Total** |
| **At February 28, 2019** | 57 | 20,581 | 13,244 | 127 | 34,009 |
| Merger of SLC Alimentos (Note 9.a) | - | - | 593 | - | 593 |
| Additions | 5 | 571 | 4,551 | 331 | 5,458 |
| Write-offs | - | (2,498) | (4,888) | (34) | (7,420) |
| **At February 29, 2020** | **62** | **18,654** | **13,500** | **424** | **32,640** |
| Additions | **12** | **1,482** | **5,480** | **1,216** | **8,190** |
| Reversals | **(34)** | **(117)** | **(1,642)** | **71** | **(1,722)** |
| Write-offs/payments | **(40)** | **(18,328)** | **(2,870)** | **-** | **(21,238)** |
| **At February 28, 2021** | **-** | **1,691** | **14,468** | **1,711** | **17,870** |

| | Individual | | | | |
|---|---|---|---|---|---|
| **Judicial deposits** | **Environmental** | **Civil** | **Labor** | **Tax** | **Total** |
| At February 28, 2019 | - | (3,078) | (2,978) | (1,703) | (7,759) |
| Merger of SLC Alimentos | - | - | (686) | - | (686) |
| Additions | - | (852) | (1,662) | (1,795) | (4,309) |
| Write-offs | - | 3,178 | 2,393 | - | 5,571 |
| At February 29, 2020 | - | (752) | (2,933) | (3,498) | (7,183) |
| Additions | **-** | **(895)** | **(19)** | **-** | **(914)** |
| Write-offs | **-** | **1,293** | **208** | **-** | **1,501** |
| **At February 28, 2021** | **-** | **(354)** | **(2,744)** | **(3,498)** | **(6,596)** |

| | Consolidated | | | | |
|---|---|---|---|---|---|
| **Contingencies** | **Environmental** | **Civil** | **Labor** | **Tax** | **Total** |
| **At February 28, 2019** | 57 | 20,583 | 16,335 | 127 | **37,102** |
| Additions | 5 | 2,844 | 10,264 | 331 | 13,444 |
| Write-offs | - | (2,500) | (5,769) | (34) | (8,303) |
| **At February 29, 2020** | 62 | 20,927 | 20,830 | 424 | 42,243 |
| Foreign exchange difference | **-** | **521** | **510** | **-** | **1,031** |
| Additions | **12** | **1,504** | **8,959** | **1,216** | **11,691** |
| Reversals | **(34)** | **(117)** | **(2,021)** | **71** | **(2,101)** |
| Write-offs/payments | **(40)** | **(21,121)** | **(6,849)** | **-** | **(28,010)** |
| **At February 28, 2021** | **-** | **1,714** | **21,429** | **1,711** | **24,854** |

(In thousands of reais – R$, unless otherwise stated)

| | Consolidated | | | | |
|---|---|---|---|---|---|
| **Judicial deposits** | **Environmental** | **Civil** | **Labor** | **Tax** | **Total** |
| At February 28, 2019 | - | (3,363) | (4,795) | (1,703) | (9,861) |
| Additions | - | (770) | (3,697) | - | (4,467) |
| Write-offs | - | 3,096 | 4,729 | (1,795) | 6,030 |
| At February 29, 2020 | - | (1,037) | (3,763) | (3,498) | (8,298) |
| Additions | **-** | **(895)** | **(1,093)** | **-** | **(1,988)** |
| Write-offs | **-** | **1,293** | **983** | **-** | **2,276** |
| **At February 28, 2021** | **-** | **(639)** | **(3,873)** | **(3,498)** | **(8,010)** |

Success fees are accrued by the Company for proceedings with remote likelihood of loss in accordance with the contractual provision established upon engagement of the legal advisors responsible for the tax proceedings.

### *18.1.1 Labor*

The Company and its subsidiaries are parties to several labor claims, whose amounts are not considered material by management. The Company and its subsidiaries recorded a provision based on the likelihood of probable losses and there were no significant developments in proceedings for this year.

### *18.1.2 Civil*

The Company settled a relevant lawsuit in the year ended February 28, 2021 and currently has two relevant active lawsuits and one settled lawsuit:

i) Indemnity action filed against Camil Alimentos S.A. due to the alleged breach of contract for the management and operation of effluents. On December 6, 2019, the judgment of the special appeal that judged the case unfavorably to Camil was published. The provisioned amount related to this lawsuit was R$17,210 and was settled on March 13, 2020, after an agreement signed with the Plaintiff, for the amount of R$16,000.

ii) Indemnity claim filed against Camil Alimentos S.A. by a Commercial Representative who seeks indemnities as a result of the breach of the representation contract. The claim was partially upheld. Appeals were lodged with higher courts with a denialfor all the appeals submitted. On December 17, 2020, a decision of the internal appeal was published in an appeal to the Higher Court of Justice (STJ) that judged the case unfavorably to Camil. The Company is awaiting a return to the lower court to enforce the decision. On February 28, 2021, the balance provisioned for this action is R$304, which corresponds to the amount under discussion.

iii) Settlement resulting from a collection action filed against Camil Alimentos S/A due to alleged noncompliance with a service agreement. On September 10, 2019, the Company was awarded an unfavorable decision, when the amounts deposited were partially converted into payment to the Plaintiff On February 28, 2021, the balance provisioned for this proceeding is R$655, which corresponds to the remaining amount still under discussion.

### 18.2 Possible risks

The Company is party to administrative and judicial proceedings assessed as possible loss by management and supported by legal advisors, and for which there is no provision set up. As at February 28, 2021, contingencies classified as possible loss totaled R$794,094, of which R$755,666 in the tax area, R$26,995 in labor and R$11,433 in the civil area (R$541,539 in February 2020, of which R$519,377 in tax, R$14,643 in labor and R$6,540 in civil, and R$979 in the environmental area).

<u>Tax</u>

*State VAT (ICMS)*

The Company discusses the following issues related to this tax: (i) use of credits on purchases whose subsequent shipment benefits from reduction in the ICMS tax base (known as “basket of staples”), in the amount of R$33,237 (R$27,433 at February 28, 2020), of periods that would have been barred by statutes of limitation. Both lawsuits are ongoing at judicial level, one of them with a recently published favorable sentence and the other awaiting expert examination at lower court; (ii) failure to pay ICMS, in view of the non-approval of payments made through credits acquired from Merlin company for the period 2014, in the amount of R$7,185, currently awaiting a decision on the appeal.

*Import Duty*

The Company has been discussing at administrative court level the collection of import duty and of fine arising from two assessment notices on the alleged incorrect classification of rice from 2005 to 2009, in the amount of R$54,893 (R$53,699 at February 28, 2020). Both cases await decision at upper administrative court level.

*The matters involving IRPJ and CSLL were assessed by management and its legal advisors and were classified as a possible loss tending to remote loss, according to IFRIC 23/ICPC22.*

i) The Company is discussing at administrative and judicial level the collection of IRPJ and CSLL for calendar years 1999 through 2003 and 2004, respectively, arising from the disallowance of expenses related to the tax amortization of goodwill generated by the merger of Rice S.A. Administração e Participações, in the amount of R$20,510 (R$20,291 at February 28, 2020). Currently, awaiting a decision at administrative level of the appeal filed by the Company, and awaiting judgment at judicial (lower court) level.

ii) The Company was served a tax deficiency notice relating to IRPJ and CSLL for calendar years 2011 to 2012, arising from the tax amortization of goodwill resulting from the mergers of Femepe Indústria e Comércio de Pescados S.A. Canadá Participações Ltda. GIF Codajás Participações S.A. and Docelar Alimentos e Bebidas S.A., totaling R$310,827 (R$304,765 at February 28, 2020), including fine and interest.

Management understands that goodwill was appropriately recognized, in strict compliance with the tax legislation, according to the requirements set forth in article 385, paragraph 2, item II and paragraph 3, combined with article 386, item III, of the Income Tax Regulation (RIR/99). Based on the risk assessment carried out by the Company’s legal advisors, R$240,038 are assessed as possible loss tending to remote loss (including fine and interest) and R$70,789 are assessed as remote loss (50% of the qualified automatic fine and respective interest). The Company currently awaits judgment of the motions for clarification filed by it and of an appeal to the High Board of Tax Appeals (CSRF) brought by the Brazilian Internal Revenue Service.

(In thousands of reais – R$, unless otherwise stated)

iii) The Company filed a claim to guarantee the right to submit the E-Request for Federal Tax Recovery, Refund or Offset (PER/Dcomp) for 2013 and 2014, in view of the Brazilian IRS's claim that this period is now barred by laches. Management understands that, with Supplementary Law (LC) No. 160/2017, the tax benefits are now considered an investment grant; therefore, R$28,810 (R$28,689 at February 28, 2020) should be excluded from the IRPJ and CSLL base. A decision that deemed the claim unfounded was handed down, and judgment on the motions for clarification is currently awaited.

iv) The Company discusses at administrative level disallowance of IRPJ and CSLL resulting from the exclusion from the said taxes base of operating expenses (raw material) acquired from a supplier considered unreliable by the RFB in the amount of R$20,348 (R$19,578 at February 28, 2020). Currently, the voluntary appeal filed by the Company is awaiting trial.

*Contribution Taxes on Gross Revenue for Social Integration Program (PIS) and for Social Security Financing (COFINS)*

i) The Company has been discussing in court the collection of PIS/COFINS related to offsetting with IPI credits that had not been approved, in the amount of R$20,760 (R$20,609 at February 28, 2020). The appeal lodged by the Company is currently awaiting trial.

ii) The Company has been discussing at the administrative court level the use of certain credits arising from the purchase of inputs used to offset federal taxes, whose amount, including fine, is R$187,922 (R$167,892 at February 28, 2020). Currently, the Company awaits judgment of the challenges/appeals filed.

Civil

Civil, commercial and other lawsuits assessed as possible losses total R$11,433 (R$ 6,540 at February 28, 2020) and are mostly litigation matters arising from alleged contractual default and noncompliance with legal obligations of various types, such as disputes arising from contracts in general, including commercial representation contracts, intellectual property disputes, regulatory issues, traffic accidents, consumer relations, among others. Claims for compensation for losses and damages, application of penalties and obligations to do are the principal matters discussed.

## 19. Equity

a) Capital

The Company's capital amounts to R$950,374 at February 28, 2021 and February 29, 2020 (authorized capital of R$2,500,000), fully represented by common shares, and is distributed as follows:

| | 02/28/2021 | | 02/29/2020 | |
|---|---|---|---|---|
| Shareholders | Number of | (%) | Number of | (%) |
| Camil Investimentos S.A. | **229,735,239** | **62.09%** | 229,735,239 | 62.09% |
| Controlling shareholders and managing officers | **20,013,264** | **1.00%** | 19,010,264 | 5.14% |
| Treasury | **3,706,600** | **5.41%** | - | - |
| Outstanding shares (free float) | **116,544,897** | **31.50%** | 121,254,497 | 32.77% |
| **Total (**)** | **370,000,000** | **100.00%** | 370,000,000 | 100.00% |

See accompanying notes.

(In thousands of reais – R$, unless otherwise stated)

b) Earnings per share

| Calculation of earnings per share: | 02/28/2021 | 02/29/2020 |
|---|---|---|
| Numerator – basic | | |
| Net income for the year | **462,676** | 239,628 |
| Denominator – basic | | |
| Weighted average number of common shares (*) | **356,868,06** | 391,354,828 |
| **Net basic earnings per share – in Reais** | **1,2965** | 0,6123 |
| Numerator – diluted | | |
| Net income for the year | **462,676** | 239,628 |
| Denominator – diluted | | |
| Weighted average number of common shares (*) | **356,868,06** | 391,354,828 |
| Exercisable options – 1st grant (Note 19.d) | **1,129,547** | 455,419 |
| Exercisable options – 2nd grant (Note 19.d) | **1,241,690** | 465,935 |
| **Net diluted earnings per share – in Reais** | **1,2879** | 0,6109 |

(*) The Company's weighted average number of shares does not include treasury shares acquired due to the Stock Option plan for the year ended February 28, 2021.

c) Share buyback program

On April 1, 2019, the Board of Directors approved the second share buyback program, with the same purpose of the previous program. The referred to buyback program provided for the acquisition limit of 3,565,275 common shares until October 1, 2019. This objective was achieved on August 7, 2019, totaling R$25,056, which correspond to an average cost of R$7.02 per share.

On October 22, 2019, the Board of Directors decided on the first cancellation of the Company's shares held in treasury, totaling 9,386,846 shares at the time, in order to meet the objective of approving the acquisition of 30,665,030 shares held by WP XII e Fundo de Investimento em Participações Multiestratégia ("FIP WP"), through a share purchase and sale agreement, at R$6.25 per share. The interest held by that shareholder on that date was equivalent to approximately 7.48% of capital and 20.19% of total outstanding shares. The Board of Directors was favorable to the buyback and submitted it for decision at the Annual General Meeting that approved the buyback on November 7, 2019.

The share buyback program was conducted in 3 stages, in accordance with article 8 of CVM Ruling No. 567 of September 17, 2015, which limits the number of treasury shares issued by the Company at 10% of total outstanding shares, and completed on November 27, 2019, totaling R$191,656. Therefore, the total number of shares acquired in the year amounted to R$216,712.

All the shares acquired were canceled, according to the resolutions of the Board of Directors at the meetings held on November 8, 14 and 21, 2019, totaling 15,191,952 shares, 13,672,757 shares and 1,800,321 shares, respectively. Cancellations of shares approved in October and November 2019 totaled R$261,946, of which R$70,290 through the Special goodwill reserve, R$171,570 through the Retained profit reserve and R$20,086 through the balance of Retained earnings until the interim financial statement as of August 31, 2019.

After the aforementioned buybacks and cancellations, the Company's capital is now divided into 370,000,000 shares.

On August 27, 2020, the Board of Directors approved the fourth share buyback program for the acquisition of up to 4,000,000 common shares issued by the Company, observing the limits of CVM Ruling No. 567/2015. The purpose of the buyback program was to carry out the acquisition of shares issued by the Company in the scope of grants already performed under the Company's stock option plan, as well as for cancellation, being held in treasury or being disposed of, without reducing capital, in order to efficiently apply the funds available in cash. The program is valid for 12 months, starting on August 28, 2020 (inclusive) and ending on August 27, 2021. The financial institution that operates as an intermediary for the Buyback Program is Ágora Investimentos.

By February 28, 2021, 3,720,100 shares were repurchased, totaling R$44,534 allocated to the treasury share account.

d) Share-based payment

At the Special General Meeting held on August 28, 2017, the shareholders approved the Stock Option Plan for managing officers and employees of the Company or companies under its control, to be selected and elected by the Board of Directors (Plan's administrators), limiting the total number of shares granted to four percent (4%) of total Shares representing the Company's total capital, on the approval date of the Stock Option Plan. It has an indefinite term and may be terminated at any time, as decided at the General Meeting.

The first grant was approved by the Board of Directors on October 31, 2017 and the second on December 12, 2017.

On April 1, 2019, the Board of Directors approved the third grant of stock options under the Company's Stock Option Plan approved at the Special General Meeting held on August 28, 2017. The grants will be limited to 4,191,270 common shares. The new grant complies with the limit of 4% of the Company's capital as provided for in the Stock Option Plan.

The exercise price of each New Option will correspond to R$6.96 (six reais and ninety six cents) per share, equivalent to the weighted average quotation of shares issued by the Company of the 30 (thirty) trading sessions of B3 S.A. - Brasil, Bolsa, Balcão immediately prior to the Granting Date.

In addition to this fact, there were contractual dissolutions related to the two existing grants in the quarter ended May 31, 2019.

The Granting Plan has the following objectives:

i) encourage the expansion of the Company's social objectives;
ii) align the interests of the shareholders with those of the Plan's Beneficiaries;
iii) encourage the creation of value to the Company or other companies under its control through the Beneficiaries;
iv) share risks and gains among shareholders, managing officers and employees.

**(In thousands of reais – R$, unless otherwise stated)**

*Exercise of options*

The Options must be exercised within a maximum period of seven (7) years, subject to the vesting period below:

| Number of Options | *Vesting period* |
|---|---|
| 20% | 2 years |
| 30% | 3 years |
| 50% | 4 years |

Options not exercised by the deadline will be extinguished.

On February 18, 2020, 13,500 shares relating to the program were exercised for a total amount of R$120.

The corresponding amount paid for the exercise of the options was recorded in the Company's equity under Treasury shares.

Position of options granted through February 28, 2021 and the corresponding provision, net of provision for IRPJ and CSLL, totaling R$9,281 (R$4,895 at February 29, 2020):

| Granting date | 10/31/2017 | | 12/12/2017 | | 04/01/2019 | | 02/04/2020 | | Total | | Net provision at 02/28/2021 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Number of shares granted | Net provision | Number of shares granted | Net provision | Number of shares granted | Net provision | Number of shares granted | Net provision | Number of shares granted | Net provision | |
| Exercise of options | | | | | | | | | | | |
| 20% - first anniversary (*) | 455,419 | 609 | 497,276 | 494 | 781,355 | 1,107 | 825,533 | 535 | 2,559,583 | 2,745 | 1,812 |
| 30% - second anniversary | 683,128 | 1,222 | 745,914 | 1,052 | 1,172,032 | 1,414 | 1,238,300 | 687 | 3,839,374 | 4,375 | 2,889 |
| 50% - third anniversary | 1,138,547 | 2,071 | 1,243,190 | 1,751 | 1,953,387 | 2,081 | 2,063,833 | 1,039 | 6,398,957 | 6,942 | 4,580 |
| | 2,277,094 | 3,902 | 2,486,380 | 3,297 | 3,906,774 | 4,602 | 4,127,666 | 2,261 | 12,797,914 | 14,062 | 9,281 |

(*) The first anniversary of the first two grants was on October 31, 2019 and December 12, 2019, with a total of 455,419 and 497,276 exercisable shares, respectively.

The provisions governing the Stock Option Plan are set out in attachment II to the minutes of the aforementioned Meeting.

(In thousands of reais – R$, unless otherwise stated)

The assumptions that govern each stock option plan and the respective changes are detailed below:

| | First grant | | | | Second grant | | | |
|---|---|---|---|---|---|---|---|---|
| Issue date | 10/31/2017 | | | | 12/12/2017 | | | |
| Date of amendment | 04/01/2019 | | | | 04/01/2019 | | | |
| | Tranche I | Tranche II | Tranche III | Total | Tranche I | Tranche II | Tranche III | Total |
| Strike price | 9.00 | 9.00 | 9.00 | N/A | 9.00 | 9.00 | 9.00 | N/A |
| Strike price (estimated) at the reporting date | 9.60 | 10.24 | 11.00 | N/A | 9.51 | 10.14 | 10.94 | N/A |
| Risk-free interest rate (%) | 7.24% | 8.40% | 9.17% | N/A | 6.89% | 8.24% | 9.22% | N/A |
| Contractual exercise term | 2.00 | 3.00 | 4.00 | N/A | 2.00 | 3.00 | 4.00 | N/A |
| Expected dividend yield | 0% | 0% | 0% | N/A | 0% | 0% | 0% | N/A |
| Share volatility in the market % | 32% | 32% | 32% | N/A | 32% | 32% | 32% | N/A |
| Total number of outstanding options | 455,419 | 683,128 | 1,138,547 | 2,277,094 | 497,276 | 745,913 | 1,243,189 | 2,486,378 |
| Number of vested options | 575,513 | 863,269 | 1,438,782 | 2,877,564 | 588,802 | 883,202 | 1,472,004 | 2,944,008 |
| Number of cancelled shares | 120,094 | 180,141 | 300,235 | 600,470 | 91,526 | 137,289 | 228,815 | 457,630 |
| Number of vested/exercisable shares | 608,895 | 1,679,518 | 1,760,526 | 4,048,939 | 493,795 | 934,879 | 1,475,252 | 2,903,926 |
| Number of exercised options | 9,000 | - | - | - | 1,500 | - | - | - |
| Number of options to be exercised | 446,419 | 683,128 | 1,138,547 | 2,268,094 | 495,776 | 745,913 | 1,243,189 | 2,484,878 |
| Estimated fair value (R$/share) | 1.34 | 1.79 | 2.18 | N/A | 0.99 | 1.41 | 1.78 | N/A |

| | Third grant | | | | Fourth grant | | | |
|---|---|---|---|---|---|---|---|---|
| Issue date | 04/01/2019 | | | | 01/04/2020 | | | |
| Date of amendment | 04/01/2019 | | | | 01/04/2020 | | | |
| | Tranche I | Tranche I | Tranche I | Tranche I | Tranche I | Tranche II | Tranche III | Total |
| Strike price | 6.96 | 6.96 | 6.96 | 6.96 | 7.98 | 7.98 | 7.98 | N/A |
| Strike price (estimated) at the reporting date | 7.56 | 7.56 | 7.56 | 7.56 | 8.24 | 8.75 | 9.02 | N/A |
| Risk-free interest rate (%) | 7.40% | 7.40% | 7.40% | 7.40% | 4.22% | 5.90% | 6.29% | N/A |
| Contractual exercise term | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 3.00 | 4.00 | N/A |
| Expected dividend yield | 0% | 0% | 0% | 0% | 0% | 0% | 0% | N/A |
| Share volatility in the market % | 32% | 32% | 32% | 32% | 33% | 33% | 33% | N/A |
| Total number of outstanding options | 781,355 | 781,355 | 781,355 | 781,355 | 825,533 | 1,238,300 | 2,063,833 | 4,127,666 |
| Number of vested options | 838,254 | 838,254 | 838,254 | 838,254 | 825,533 | 1,238,300 | 2,063,833 | 4,127,666 |
| Number of cancelled shares | 56,899 | 56,899 | 56,899 | 56,899 | - | - | - | - |
| Number of vested/exercisable shares | 818,013 | 818,013 | 818,013 | 818,013 | 243,188 | 312,499 | 471,887 | 1,027,574 |
| Number of exercised options | - | - | - | - | 3,000 | - | - | - |
| Number of options to be exercised | 781,355 | 781,355 | 781,355 | 781,355 | 822,533 | 1,238,300 | 2,063,833 | 4,124,666 |
| Estimated fair value (R$/share) | 1.48 | 1.48 | 1.48 | 1.48 | 1.41 | 1.82 | 2.19 | N/A |

(In thousands of reais – R$, unless otherwise stated)

Changes in options of the three grants for the period are as follows:

| | First grant | | | | Second grant | | | |
|---|---|---|---|---|---|---|---|---|
| | Tranche I | Tranche II | Tranche III | Total | Tranche I | Tranche II | Tranche III | Total |
| Position of options at 02/28/2019 | 575,513 | 863,269 | 1,438,782 | 2,877,563 | 588,802 | 883,202 | 1,472,004 | 2,944,008 |
| Options granted | - | - | - | - | - | - | - | - |
| Cancelled options | (120,094) | (180,141) | (300,235) | (600,469) | (91,526) | (137,289) | (228,815) | (457,629) |
| Options exercised | (9,000) | - | - | (9,000) | (1,500) | - | - | (1,500) |
| **Balance of options at 02/28/2021** | 446,419 | **683,128** | **1,138,547** | **2,268,094** | **495,776** | **745,914** | **1,243,190** | **2,484,880** |
| Options exercisable at 02/28/2021 | 446,419 | 683,128 | - | **1,129,547** | 495,776 | 745,914 | - | **1,241,690** |

| | Third grant | | | | Fourth grant | | | |
|---|---|---|---|---|---|---|---|---|
| | Tranche I | Tranche II | Tranche III | Total | Tranche I | Tranche II | Tranche III | Total |
| Position of options at 02/28/2019 | - | - | - | - | - | - | - | - |
| Options granted | 838,254 | 1,257,381 | 2,095,635 | 4,191,270 | 825,533 | 1,238,300 | 2,063,833 | 4,127,666 |
| Cancelled options | (56,899) | (85,349) | (142,248) | (284,496) | - | - | - | - |
| Options exercised | - | - | - | - | (3,000) | - | - | (3,000) |
| **Balance of options at 02/28/2021** | **781,355** | **1,172,032** | **1,953,387** | **3,906,774** | **822,533** | **1,238,300** | **2,063,833** | **4,124,666** |
| | - | - | - | - | | | | |
| Options exercisable at 02/28/2021 | 838,254 | 1,257,381 | 2,095,635 | 4,191,270 | 822,533 | - | - | **822,533** |

e) Payment to shareholders and distribution of profit

The Company management decided on the distribution of profits at the Board of Directors' Meeting, as follows:

(i) On February 20, 2020, the Board of Directors approved payment of Interest on Equity to the Company's shareholders referring to the fiscal year ended February 29, 2020. The gross amount approved was R$15,000, corresponding to the gross unit value of R$0.040540 per common share. IOE was paid on March 12, 2020 to shareholders holding common shares issued by the Company at March 2, 2020.

(ii) On June 9, 2020, the Board of Directors approved payment of Interest on Equity to the Company's shareholders, in view of the Retained Profit Reserve balance recorded in the Company's financial statements for the year ended February 29, 2020, which will be allocated to the mandatory minimum dividend amount for the year ending February 28, 2021. The gross amount approved was R$15,000, corresponding to the gross unit amount of R$0.0405405405 per common share. The payment was made on June 24, 2020 and recorded under Retained Earnings.

(iii) (iii) On June 30, 2020, at the Annual and Extraordinary Shareholders' Meeting, the shareholders approved the total dividends for the year ended February 28, 2020 in the total amount of R$60,000, including the R$33,441 of additional proposed dividends.

(iv) On August 27, 2020, the Board of Directors approved payment of Interest on Equity to the Company's shareholders, in view of the Retained Profit Reserve balance recorded in the Company's financial statements for the year ended February 29, 2020, which will be allocated to the mandatory minimum dividend amount for the year ending February 28, 2021. The gross amount approved was R$15,000, corresponding to the gross unit amount of R$0.0405405405 per common share. The payment was made on September 14, 2020 and recorded under Retained Earnings.

(In thousands of reais – R$, unless otherwise stated)

(v) On December 3, 2020, the Board of Directors approved payment of Interest on Equity to the Company's shareholders referring to the fiscal year ending February 28, 2021. The gross amount approved was R$20,000, corresponding to the gross unit value of R$0.054430300 per common share. The payment of IOE was made on January 12, 2021 to shareholders holding common shares issued by the Company at December 29, 2020.

(vi) On December 3, 2020, the Board of Directors approved payment of Interim Dividends to the Company's shareholders, in view of the Retained Profit Reserve balance recorded in the Company's financial statements for the year ended February 29, 2020, and Retained Earnings for the Year stated in the statement of financial position as at August 31, 2020, which will be allocated to the mandatory minimum dividend amount for the year ending February 28, 2021. The gross amount approved was R$150,000, corresponding to the gross unit amount of R$0.0407783333 per common share. The payment was made on December 18, 2020 to shareholders holding common shares issued by the Company at December 8, 2020.

On February 25, 2021, the Board of Directors approved payment of Interest on Equity to the Company's shareholders referring to the fiscal year ended February 28, 2021. The gross amount approved was R$20,000, corresponding to the gross unit value of R$0.054601038 per common share. IOE was paid on March 31, 2021 to shareholders holding common shares issued by the Company at March 22, 2021.

In accordance with the corporation law and the Company's Articles of Incorporation, the distribution of profits as at February 28, 2021 and December 29, 2020 is as follows:

| | 02/28/2021 | 02/29/2020 |
|---|---|---|
| Income for the year | 462,676 | 239,628 |
| Recognition of tax incentive reserve | (197,616) | (132,177) |
| Recognition of legal reserve | 265,060 | 107,451 |
| Recognition of legal reserve (5% on income) | (13,253) | (5,373) |
| Deemed cost realization adjustment | 4,118 | 4,156 |
| **Dividend base** | **255,925** | **106,234** |
| Mandatory minimum dividend (25%) | (63,981) | (26,559) |
| Additional dividends for the year – proposed for AGM | (114,060) | (18,441) |
| **Total paid through IOE and interim dividends for the year** | **(178,041)** | **(45,000)** |
| Use of Retained Earnings at August 31, 2019 for cancellation of shares (Note 19.c) | **-** | **(20,086)** |
| **Recognition of retained profit reserve (*)** | **77,884** | **41,148** |

(*) The allocation of the Retained profit reserve will be approved by the Annual General Meeting (AGM), according to the proposed capital budget.

f) Tax incentive reserve

According to the legal basis described in Note 8, tax incentives granted by the States or by the Federal District are now considered investment subsidies, deductible for purposes of calculation of income and social contribution taxes. As such, the Company determined in its cash generating units of grains and fish the ICMS subsidy in the accumulated total of R$918,104 as at February 28, 2021, recognized as follows: i) R$197,675 of ICMS subsidy related to the year ended February 28, 2021, ii) R$132,177 of ICMS subsidy for the year ended February 29, 2020; and iii) R$588,252 of ICMS subsidy accumulated up to the year ended on February 28, 2019. As provided for in article 30 of Law No. 12973/14, the tax incentive reserve may be used to absorb losses, provided that other Profit Reserves have already been fully absorbed, excepting the Legal Reserve, or that for capital increase. Within the same legal provision, the reserve for tax incentives is not included in the basis for calculating the minimum mandatory dividend, and the Company must subject it to taxation in case of distribution.

(In thousands of reais – R$, unless otherwise stated)

## 20. Income and social contribution taxes

Reconciliation of amounts recorded in profit or loss

| | Individual | | Consolidated | |
|---|---|---|---|---|
| | 02/28/2021 | 02/29/2020 | 02/28/2021 | 02/29/2020 |
| Income before taxes | **495,957** | 209,360 | **537,163** | 236,156 |
| Statutory rates (*) | **34%** | 34% | **34%** | 34% |
| Income and social contribution taxes at statutory rate | **(168,625)** | (71,182) | **(182,635)** | (80,293) |
| Permanent (additions) exclusions | | | | |
| Equity pickup | **40,176** | 26,023 | **(448)** | (211) |
| ICMS subsidy – tax incentives | **67,189** | 44,940 | **67,189** | 44,940 |
| Payment of interest on equity | **23,800** | 29,240 | **23,800** | 29,240 |
| Other permanent exclusions (additions) (**) | **4,179** | 1,247 | **17,607** | 9,796 |
| Amount recorded in profit or loss | **(33,281)** | 30,268 | **(74,487)** | 3,472 |
| Effective rates | **6,7%** | 14,5% | **13,9%** | 1,5% |

(*) Income tax is calculated at the rate of 25% for subsidiaries located in Uruguay; 27% for those located in Chile; and 29.5% for those located in Peru. The rate difference is stated under "Other permanent exclusions (additions)". No social contribution tax is levied in these countries.
(**) The taxation effects of subsidiary Ciclo Logística Ltda., which adopted the Taxable Profit regime from January 1, 2020, are also included in account "Other permanent exclusions (additions)".

Deferred income and social contribution taxes

| | Individual | | Consolidated | |
|---|---|---|---|---|
| | 02/28/2021 | 02/29/2020 | 02/28/2021 | 02/29/2020 |
| Temporary differences - gains | | | | |
| Allowance for doubtful accounts | **1,402** | 1,927 | **2,432** | 2,658 |
| Provision for profit sharing | **7,887** | 2,787 | **9,298** | 2,787 |
| Provision for contingencies | **6,076** | 11,056 | **6,834** | 11,467 |
| Income and social contribution tax losses | **-** | 12,994 | **-** | 12,994 |
| Provision for losses on advances to suppliers | **3,587** | 3,214 | **3,587** | 3,214 |
| Provision for inventory losses | **1,941** | 3,610 | **1,941** | 3,610 |
| Provision for losses of tax credits | **1,017** | 1,017 | **1,299** | 1,017 |
| Provision for sales discounts | **11,460** | 2,581 | **11,526** | 2,581 |
| Provision for loss on discontinued operations | **11,606** | 13,084 | **11,606** | 13,084 |
| Changes in IFRS 16 - Right-of-use asset | **36,198** | 23,303 | **37,152** | 24,165 |
| Other temporary provisions | **4,328** | 3,965 | **10,173** | 9,314 |
| | **85,502** | 79,538 | **95,848** | 86,891 |

See accompanying notes.

(In thousands of reais – R$, unless otherwise stated)

| | Individual | | Consolidated | |
|---|---|---|---|---|
| | 02/28/2021 | 02/29/2020 | 02/28/2021 | 02/29/2020 |
| Temporary differences - losses | | | | |
| Difference between accounting goodwill and tax goodwill | **41,033** | 41,032 | **41,033** | 41,032 |
| On allocation to intangible assets | **38,986** | 38,987 | **62,930** | 58,013 |
| On allocation to property, plant and equipment | **12,762** | 15,569 | **12,762** | 15,569 |
| Property, plant and equipment (deemed cost) | **31,891** | 31,890 | **31,891** | 31,890 |
| Income from abroad | **3,627** | 3,627 | **3,627** | 3,627 |
| Lease liability (CPC 06/IFRS16) | **33,759** | 22,813 | **36,911** | 23,654 |
| Other temporary differences | **1,290** | 2,184 | **20,019** | 14,292 |
| | **163,348** | 156,102 | **209,173** | 188,077 |
| Deferred income and social contribution taxes, net | | | | |
| Noncurrent liabilities | **77,846** | 76,564 | **113,325** | 101,186 |

The Company has tax credits arising from income and social contribution tax losses and temporary differences. The tax loss offset, limited by law to 30% of the taxable income for the year, implies a considerable increase in the recovery period for tax credits. All credits related to tax losses were consumed in the year 2020.

## 21. Sales and service revenue, net

| | Individual | | Consolidated | |
|---|---|---|---|---|
| | 02/28/2021 | 02/29/2020 | 02/28/2021 | 02/29/2020 |
| Gross revenue from sales and services | | | | |
| Domestic market | **5,902,139** | 4,420,867 | **7,459,384** | 5,543,281 |
| Foreign market | **300,807** | 202,721 | **1,036,682** | 707,931 |
| | **6,202,946** | 4,623,588 | **8,496,066** | 6,251,212 |
| Sales deductions | | | | |
| Sales taxes | **(448,005)** | (360,549) | **(513,933)** | (407,528) |
| Returns and rebates | **(385,006)** | (339,670) | **(516,154)** | (447,572) |
| | **(833,011)** | (700,219) | **(1,030,087)** | (855,100) |
| | **5,369,935** | 3,923,369 | **7,465,979** | 5,396,112 |

(In thousands of reais – R$, unless otherwise stated)

## 22. Expenses by nature

| | Individual | | Consolidated | |
|---|---|---|---|---|
| | 02/28/2021 | 02/29/2020 | 02/28/2021 | 02/29/2020 |
| Expenses by function | | | | |
| Cost of goods sold | **(4,282,520)** | (3,073,032) | **(5,804,993)** | (4,145,275) |
| Selling expenses | **(423,395)** | (445,778) | **(701,222)** | (642,941) |
| General and administrative expenses | **(243,222)** | (219,671) | **(360,858)** | (311,537) |
| | **(4,949,137)** | (3,738,481) | **(6,867,073)** | (5,099,753) |
| Expenses by nature | | | | |
| Materials and raw material | **(3,876,222)** | (2,692,142) | **(4,996,090)** | (3,397,900) |
| Third-party services | **(84,233)** | (103,450) | **(122,566)** | (131,123) |
| Maintenance | **(96,517)** | (93,235) | **(120,055)** | (109,759) |
| Personnel | **(328,612)** | (289,725) | **(529,180)** | (457,399) |
| Freight | **(300,278)** | (313,847) | **(501,640)** | (471,568) |
| Sales commissions | **(28,532)** | (22,165) | **(42,824)** | (30,311) |
| Electricity | **(41,358)** | (36,585) | **(71,689)** | (56,149) |
| Depreciation and amortization | **(75,067)** | (68,042) | **(128,717)** | (110,425) |
| Amortization of the right-of-use asset (Note 13) | **(25,982)** | (24,830) | **(36,107)** | (33,054) |
| Lease (Note 13) | **(5,943)** | (5,751) | **(15,206)** | (39,167) |
| Taxes and charges | **(9,051)** | (8,807) | **(38,888)** | (28,820) |
| Export expenses | **(31,227)** | (22,432) | **(99,569)** | (67,661) |
| Other | **(46,115)** | (57,470) | **(164,542)** | (166,417) |
| | **(4,949,137)** | (3,738,481) | **(6,867,073)** | (5,099,753) |

## 23. Finance income (costs)

| | Individual | | Consolidated | |
|---|---|---|---|---|
| | 02/28/2021 | 02/29/2020 | 02/28/2021 | 02/29/2020 |
| Finance costs | | | | |
| Interest on loans | **(66,577)** | (87,493) | **(89,789)** | (101,180) |
| Interest on leases (Note 13) | **(5,249)** | (4,976) | **(5,991)** | (5,744) |
| Derivatives | **(185,217)** | (37,273) | **(185,217)** | (37,273) |
| Foreign exchange difference | **(41,283)** | (12,312) | **(47,623)** | (13,022) |
| Monetary variation | **(2,999)** | (6,923) | **(2,314)** | (13,012) |
| Other | **(17,384)** | (12,590) | **(32,301)** | (19,098) |
| | **(318,709)** | (161,567) | **(363,235)** | (189,329) |
| Finance income | | | | |
| Interest | **3,631** | 4,493 | **19,846** | 5,082 |
| Discounts | **2,000** | 3,364 | **2,009** | 6,761 |
| Short-term investment yield | **15,871** | 32,106 | **15,871** | 43,350 |
| Derivatives | **197,353** | 47,855 | **197,353** | 47,855 |
| Foreign exchange difference | **30,636** | 9,160 | **31,941** | 12,621 |
| Monetary variation | **749** | 10,017 | **749** | 10,017 |
| Other monetary gains | **2,406** | 1,543 | **9,442** | 1,543 |
| Other | **-** | - | **995** | 16 |
| | **252,646** | 108,538 | **278,206** | 127,245 |
| | **(66,063)** | (53,029) | **(85,029)** | (62,084) |

See accompanying notes.

(In thousands of reais – R$, unless otherwise stated)

## 24. Other operating income (expenses)

Other operating income (expenses) are detailed below:

| | Individual | | Consolidated | |
|---|---|---|---|---|
| | 02/28/2021 | 02/29/2020 | 02/28/2021 | 02/29/2020 |
| Previously unused credit ref. Social security contributions (INSS) (a) | **5.731** | - | **5.731** | - |
| Exclusion of ICMS matching credits from IRPJ and CSLL base (b) | **4.000** | - | **4.000** | - |
| PIS and COFINS credit ref. 2019 review (c) | **2.838** | - | **2.838** | - |
| Transportation and claims expense recovery | **2.552** | 1.018 | **2.552** | 1.018 |
| Reversal of prior periods' accrued discounts | **1.084** | - | **1.084** | - |
| Provision for/Reversal of plant loss | **1.688** | (2.714) | **1.688** | (2.714) |
| Créditos ICMS referentes a Zona Franca de Manaus (e) | **1.314** | - | **1.314** | |
| Recuperação de despesas junto a fornecedores | **2.771** | - | **2771** | - |
| Other | **1.079** | 2.658 | **2.626** | 4.197 |
| | **23.057** | **962** | **24.604** | **2.501** |

a) Recognition of tax credit on social security contributions (INSS)

On June 10, 2020, the Company recognized tax credits on social security contributions (INSS). The credits refer to the permission to exclude from the INSS base discounts on meal vouchers, subsidized transportation and health insurance (employee and dependent), awards, bonuses and rewards. Considering the retroactive effect of 5 years, the Company recorded a tax credit of R$5,731, as stated in Note 8.

b) Exclusion of ICMS matching credits from the IRPJ and CSLL base

In June 2020, the Company was awarded a final and unappealable favorable decision on Ordinary Action No. 5014613-35.2017.4.04.7100, referring to the right to exclude ICMS tax matching credits from the IRPJ/CSLL tax base. As such, SLC was allowed to exclude ICMS matching credits from the IRPJ and CSLL tax base and offset the amounts unduly paid in the period between calendar years 2012 through 2018. Based on this decision, the Company recorded on February 28, 2021 the tax credit of R$4,000, as per Note 8.

c) PIS and COFINS credit referring to 2019 revision
In February 2021, the Company recognized PIS and COFINS credits related to the revision of calculations and EFD Contributions from January to September 2019. Based on this revision, the Company recorded a tax credit of R$ 2,838, according to Note 8.

d) Provision for plant loss

*São Gonçalo plant – state of Rio de Janeiro (RJ)*

In the year ended February 28, 2019, the Company discontinued its fish-related operation at the São Gonçalo unit, located in the state of Rio Janeiro, and transferred such operation to the Navegantes unit, located in the state of Santa Catarina; and, after calculating the recoverable amount, recorded a provision for restructuring amounting to R$31,269. In February 2020, the Company restated the provision amount by adding R$2,063 to that loss. In the year ended February 28, 2021, the Company recognized a reversal of R$200 in regard to this provision.

*Tarumã plant – state of São Paulo (SP)*

After completion of the project to expand activities at the Barra Bonita unit, located in the state of São Paulo, that unit will absorb Tarumã's activities. The provision for loss of assets amounts to R$1.275, recorded at February 29, 2020. In June 2020, we reversed the provision for assets in Cuiabá, Mato Grosso (MT) state. In the year ended February 28, 2021, the Company recognized a reversal of R$ 471 related to this provision.

*Cuiabá plant (state of Mato Gross – MT) and Uruguaiana plant (state of Rio Grande do Sul – RS)*

Due to restructuring of operating activities, these units will be closed and their assets written off to loss. The estimated provision for the Cuiabá plant's assets is R$1,016 and for Uruguaiana plant's assets is R$78, both recorded at February 29, 2020. In June 2020, the Company reversed the assets in Cuiabá/MT.

*Porto Alegre administrative unit – state of Rio Grande do Sul*

With the merger of SLC Alimentos, the administrative activities were distributed and part of the assets of the Porto Alegre unit will be relocated. The estimated provision for the retired assets is R$70 recorded at February 29, 2020.

e) ICMS tax credits referring to the Manaus Free Trade Zone (ZFM)

In January 2021, the Company recognized tax credits related to ICMS as a result of shipments to the Manaus Free Trade Zone (ZFM). This recognition was made premised on Decree-Law No. 288/67 which deems shipments to the ZFM equivalent to export operations, considering its characteristics of Free Trade Area. The Company recorded a tax credit of R$1,314 for periods between 2016 and 2020, according to Note 8.

## 25. Risk management and financial instruments

As mentioned in Note 1, the Company's business and that of its subsidiaries involves the industrial processing and sale in Brazil and abroad of various products, particularly rice, beans, sugar and fish.

The estimated realizable values of the financial assets and liabilities of the Company and its subsidiaries were determined based on available market information and proper valuation methodologies.

a) Fair value measurement

The Company measures financial instruments, such as short-term investments and derivatives, at fair value every reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value measurement is based on the assumption that the transaction to sell an asset or transfer a liability will occur:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

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

A fair value measurement of a nonfinancial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. These valuation methodologies were not changed in the years presented.

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

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3 - Valuation techniques for which the lowest level input that is material for fair value measurement is not available.

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

Based on its assessment, management understands that the fair values of significant financial instruments presented have no significant differences in relation to their corresponding carrying amounts, as follows:

(In thousands of reais – R$, unless otherwise stated)

| | Level | Individual 02/28/2021 Carrying amount | 02/28/2021 Fair value | 02/29/2020 Carrying amount | 02/29/2020 Fair value |
|---|---|---|---|---|---|
| **Financial assets** | | | | | |
| **Amortized cost** | | | | | |
| Trade accounts receivable | 2 | 626,048 | 626,048 | 503,108 | 503,108 |
| | | **626,048** | **626,048** | **503,108** | **503,108** |
| **Measured at fair value through profit or loss** | | | | | |
| Cash equivalents | 2 | 710,343 | 710,343 | 405,601 | 405,601 |
| Short-term investments | 2 | 32,923 | 32,923 | 32,292 | 32,292 |
| Financial instruments – derivatives | 2 | 1,144 | 1,144 | 605 | 605 |
| | | **744,410** | **744,410** | **438,498** | **438,498** |
| **Financial liabilities** | | | | | |
| **Measured at amortized cost** | | | | | |
| Trade accounts payable | 2 | 406,973 | 406,973 | 338,090 | 338,090 |
| Loans and financing | 2 | 1,872,831 | 1,876,911 | 1,448,774 | 1,448,862 |
| Other accounts payable | 2 | 44,781 | 44,781 | 47,573 | 47,573 |
| | | **2,324,585** | **2,328,665** | **1,834,437** | **1,834,525** |

| | Level | Consolidated 02/28/2021 Carrying amount | 02/28/2021 Fair value | 02/29/2020 Carrying amount (Restated*) | 02/29/2020 Fair value |
|---|---|---|---|---|---|
| **Financial assets** | | | | | |
| **Amortized cost** | | | | | |
| Trade accounts receivable | 2 | 945,120 | 945,120 | 725,262 | 725,262 |
| | | **945,120** | **945,120** | **725,262** | **725,262** |
| **Measured at fair value through profit or loss** | | | | | |
| Cash equivalents | 2 | 1,081,955 | 1,081,955 | 537,764 | 537,764 |
| Short-term investments | 2 | 32,923 | 32,923 | 32,292 | 32,292 |
| Financial instruments – derivatives | 2 | 1,144 | 1,144 | 605 | 605 |
| | | **1,116,022** | **1,116,022** | **570,661** | **570,661** |
| **Financial liabilities** | | | | | |
| **Measured at amortized cost** | | | | | |
| Trade accounts payable | 2 | 673,599 | 673,599 | 517,270 | 517,270 |
| Loans and financing | 2 | 2,195,321 | 2,210,348 | 1,602,894 | 1,606,201 |
| Lease liabilities (*) | 2 | 1,248 | 1,385 | 1,098 | 1,385 |
| Other accounts payable | 2 | 49,546 | 49,546 | 42,678 | 42,678 |
| | | **2,919,714** | **2,934,878** | **2,163,940** | **2,167,534** |

(*) Lease liabilities of subsidiary Empresas Tucapel S.A. that were transferred to loans after the adoption of CPC 06 (R2) / NBC TG 06 (R3) / IFRS 16 – Leases.

The balances of cash and cash equivalents, as well as of short-term investments, are stated at fair value, which are equivalent to their carrying amounts at the reporting date.

See accompanying notes.

(In thousands of reais – R$, unless otherwise stated)

Derivatives arising from Future Market operations are also recognized based on their respective estimated fair values based on the respective contracts and observable market inputs that include changes in the currencies in which the derivatives are designated. In these cases, the assets and liabilities are classified under Level 2. Below is additional information concerning derivatives and their measurement:

| Risk | Currency | Number of contracts | Principal | Hedging instrument amount | Balance at 02/28/2021 |
|---|---|---|---|---|---|
| Future imports | Dollar | 300 | 15,000 | 83,860 | 1,073 |
| Future imports | Euro | 40 | 2,000 | 13,522 | 71 |
| **Balance at 02/28/2021** | | **340** | **17,000** | **97,382** | **1,144** |

The balances of trade accounts receivable result from the Company's commercial operations and are recorded at their original amounts and subject to exchange and monetary restatement, allowance for doubtful accounts and discounts granted occasionally.

The balances of trade accounts payable arise from the Company's commercial operations and are recorded at their original amounts, subject to foreign exchange and monetary restatements, as applicable.

Loans, financing and debentures are classified as financial liabilities measured at amortized cost by the effective interest method and are recorded for their contractual amounts that reflect the usual terms and conditions obtained in the market.

b) Risk factors that may affect the business of the Company and its subsidiaries

The operations of the Company and its subsidiaries are subject to the following main risks.

*Credit risk*

The Company and its subsidiaries are subject to counterparty credit risk in transactions involving short-term investments and accounts receivable.

*i. Short-term investments*

The Group's short-term investments are made only at prime financial institutions. Rating classification of amounts invested (Notes 4 and 5) are as follows:

| | Individual | | Consolidated | |
|---|---|---|---|---|
| Rating | 02/28/2021 | 02/29/2020 | 02/28/2021 | 02/29/2020 |
| AAA | - | - | - | - |
| AA+ | - | - | 294,597 | 60,225 |
| A-1+ | 742,185 | 435,864 | 742,185 | 435,864 |
| | **742,185** | **435,864** | **1,036,782** | **496,089** |

*ii. Trade accounts receivable*

Sales policies of the Company and its subsidiaries are subject to the credit policies established by management and are designed to minimize any problems arising from customer default. This goal is achieved through a careful selection of customer portfolio that takes into consideration their creditworthiness (credit rating) and the diversification of sales (risk spread). The Company and its subsidiaries have historically obtained satisfactory results in relation to their goals of mitigating this risk.

For the year ended February 28, 2021, the Company and its subsidiaries had no customers accounting for more than 10% of their total net revenue.

*Liquidity risk*

Liquidity risk represents shortage of funds intended for payment of debts (substantially loans and financing). The Company and its subsidiaries adopt cash monitoring policies to avoid mismatching of accounts receivable and payable. In addition, the Company has readily redeemable short-term investments to cover any mismatches between the maturity of its contractual obligations and its cash flow. The Company and its subsidiaries have historically obtained satisfactory results in relation to their goals of mitigating this risk.

*Risk of prices of raw materials and finished goods*

The main inputs used in the Company's and its subsidiaries' industrial process are agricultural commodities, the prices of which are subject to fluctuations as a result of public agricultural fostering policies, seasonal crops and climate effects, which may result in losses due to fluctuations in market prices. To minimize this risk, the Company continuously monitors price fluctuations in the local and international markets. The Company has historically obtained satisfactory results in relation to its goals of mitigating this risk.

*Market risk*

*i. Interest rate risk*

This risk arises from the possibility of the Company incurring losses due to fluctuations in interest rates that increase its finance costs relating to loans and financing, or reduce the gains on its investments. The Company continuously monitors the volatility of the market interest rates. In order to reduce the possible impacts resulting from fluctuations in interest rates, the Company and its subsidiaries adopt the policy of keeping their funds invested in instruments pegged to the CDI. The Company has historically obtained satisfactory results in relation to its goals of mitigating this risk.

*ii. Currency risk*

The Company uses derivative financial instruments, mainly financial hedge, to hedge its imports against the risk of fluctuations in foreign exchange rates.

Gains and losses on derivative transactions are recognized on a daily basis in the statement of profit or loss, considering the realizable amount of these instruments (market value). The provision for unrealized gains and losses is recognized in "Derivatives financial instruments", in the statement of financial position, and matched against "Gains/losses on derivatives, net", in profit or loss.

(In thousands of reais – R$, unless otherwise stated)

c) Sensitivity analysis

The following table presents a sensitivity analysis of financial instruments, describing the risks that may generate material loss to the Company, with the most probable scenario (scenario 1) according to management's assessment, and considering a twelve-month time span at the end of which the next financial information containing such analysis shall be disclosed. In addition, two other scenarios are stated, in order to present 25% and 50% deterioration in the risk variable considered, respectively (scenarios 2 and 3).

*Debts and short-term investments*

Financial operations relating to cash investment and funding pegged to currencies other than the Brazilian real and CDI are subject to exchange rate (USD/BRL, CLP/BRL, PEN/BRL and EUR/BRL) and interest rate differences (CDI):

| Program | Instrument | Risk | Rate | Scenario 1 Probable R$ | Scenario 2 (-) 25% R$ | Scenario 3 (-) 50% R$ |
|---|---|---|---|---|---|---|
| Loans and financing | Debentures | Fluctuation of CDI | 1.90% | (24,625) | (30,782) | (36,938) |
| **Total** | | | | **(24,625)** | **(30,782)** | **(36,938)** |
| **Difference (loss)** | | | | | **(6,157)** | **(12,313)** |

*Investments of cash and cash equivalent and short-term investments (interest rate decrease)*

| Program | Instrument | Risk | Annual rate | Scenario 1 Probable R$ | Scenario 2 (-) 25% R$ | Scenario 3 (-) 50% R$ |
|---|---|---|---|---|---|---|
| Cash investments | Short-term investments | Fluctuation of CDI | 1.90% | 13,852 | 10,389 | 6,926 |
| **Total** | | | | **13,852** | **10,389** | **6,926** |
| **Difference (loss)** | | | | | **(3,463)** | **(6,926)** |

*Investments of cash and cash equivalents and short-term investments (depreciation of Brazilian real)*

| Program | Instrument | Risk | Rate | Scenario 1 Probable R$ | Scenario 2 (-) 25% R$ | Scenario 3 (-) 50% R$ |
|---|---|---|---|---|---|---|
| Cash investments | Short-term investments | Fluctuation of BRL/CLP | 0.0075 | 287,307 | 215,480 | 143,654 |
| **Total** | | | | **287,307** | **215,480** | **143,654** |
| **Difference (loss)** | | | | | **(71,827)** | **(143,654)** |

(In thousands of reais – R$, unless otherwise stated)

*Debt (foreign exchange difference)*

| Program | Instrument | Risk | Rate | Scenario 1 Probable R$ | Scenario 2 25% R$ | Scenario 3 50% R$ |
|---|---|---|---|---|---|---|
| Financing | Debt denominated in USD | Fluctuation of BRL/USD | 5.4232 | 813 | (9,486) | (19,785) |
| Financing | Debt denominated in PEN* | Fluctuation of BRL/PEN | 1.4809 | 2,999 | (28,943) | (60,886) |
| Financing | Debt denominated in CLP** | Fluctuation of BRL/CLP | 0.0075 | 4,744 | (42,000) | (88,744) |
| **Total** | | | | **8,556** | **(80,429)** | **(169,415)** |
| **Difference (loss)** | | | | | **(88,985)** | **(177,971)** |

(*) PEN - New Sol / Peru
(**) CLP - Chilean pesos

*Derivatives designated as hedge (depreciation of Brazilian real)*

| Program | Instrument | Risk | Rate | Scenario 1 Probable R$ | Scenario 2 (-) 25% R$ | Scenario 3 (-) 50% R$ |
|---|---|---|---|---|---|---|
| Imports | Derivatives | Fluctuation of BRL/USD | 5.4232 | (1,622) | (18,937) | (39,497) |
| Imports | Derivatives | Fluctuation of BRL/EURO | 6.5452 | (340) | (2,955) | (6,250) |
| **Total** | | | | **(1,962)** | **(21,892)** | **(45,747)** |
| **Difference (loss)** | | | | | **(19,930)** | **(43,785)** |

The sources of information for the rates used above were obtained from the Central Bank of Brazil (BCB).

*Capital management*

Assets can be financed by own capital or third-party capital. If financed by own capital, the Company may use capital contributed by the current shareholders or funds from capitalization in capital market transactions with new shareholders. The use of third-party capital is an option to be considered mainly when management understands that its cost will be lower than the cost of using own capital, so as to optimize the cost of capital or when such cost is lower than the return generated by the acquired asset. It is only important to ensure that an efficient capital structure is maintained in order to optimize the cost of capital, and to provide financial strength while making the Company's business plan feasible.

Capital is managed through leverage ratios, i.e. net debt divided by the sum of EBITDA for the last 12 months, and net debt divided by the sum of net financial debt and total equity. Management seeks to maintain this ratio at or below industry levels. Management includes in net debt loans and financing (including debentures), derivatives, less cash and cash equivalents, current and noncurrent short-term investments, and current and noncurrent restricted marketable securities, based on the amounts recorded in the Debtor's consolidated statement of financial position. The Company has debenture issue agreements that provide for the following covenants: Net debt/EBTIDA equal to or lower than 3.5 (three and a half times).

(In thousands of reais – R$, unless otherwise stated)

The Company is not subject to any externally imposed capital requirements. Total capital is defined as total equity plus net debt, as follows:

| | Individual | | Consolidated | |
|---|---|---|---|---|
| | 02/28/2021 | 02/29/2020 | 02/28/2021 | 02/29/2020 |
| Equity | **2,710,581** | 2,249,372 | **2,710,581** | 2,249,372 |
| Cash and cash equivalents (Note 4) | **(710,343)** | (405,601) | **(1,081,955)** | (405,601) |
| Short-term investments (Note 5) | **(32,923)** | (32,292) | **(32,923)** | (32,292) |
| Loans and financing (Note 15) | **1,872,831** | 1,448,774 | **2,195,321** | 1,448,774 |
| Lease liability (CPC 13) | **158,925** | 74,898 | **169,299** | 74,898 |
| **Total Capital** | **3,999,071** | **3,335,151** | **3,960,323** | **3,335,151** |

## 26. Segment reporting

Management defined its strategic business model, based on the Company's decisions, between the Brazil and International segments.

The Group's segments conduct transactions among them and follow the same accounting practices described in Note 2.

Information on the Company segments is as follows:

| | Food products - Brazil | | Food products – International | | Food products – Consolidated | |
|---|---|---|---|---|---|---|
| | 02/28/2021 | 02/29/2020 | 02/28/2021 | 02/29/2020 | 02/28/2021 | 02/29/2020 |
| Assets | | | | | | |
| Current assets | **2,460,807** | 1,930,018 | **1,343,228** | 770,163 | **3,804,035** | 2,700,181 |
| Noncurrent assets | **1,626,847** | 1,492,681 | **735,905** | 616,527 | **2,362,752** | 2,109,208 |
| **Total assets** | **4,087,654** | 3,422,699 | **2,079,133** | 1,386,690 | **6,166,787** | 4,809,389 |
| Liabilities | | | | | | |
| Current liabilities | **1,114,223** | 1,041,339 | **486,602** | 203,502 | **1,600,825** | 1,244,841 |
| Noncurrent liabilities | **1,558,309** | 1,189,245 | **298,945** | 125,931 | **1,857,254** | 1,315,176 |
| **Total liabilities** | **2,672,532** | 2,230,584 | **785,547** | 329,433 | **3,458,079** | 2,560,017 |

(In thousands of reais – R$, unless otherwise stated)

| | Food products - Brazil | | Food products – | | Food products – | |
|---|---|---|---|---|---|---|
| | 02/28/2021 | 02/29/2020 | 02/28/2021 | 02/29/2020 | 02/28/2021 | 02/29/2020 |
| Gross sales revenue | | | | | | |
| Domestic market | **5,902,934** | 4,422,004 | **1,556,450** | 1,121,277 | **7,459,384** | 5,543,281 |
| Foreign market | **300,807** | 202,721 | **735,875** | 505,210 | **1,036,682** | 707,931 |
| | **6,203,741** | 4,624,725 | **2,292,325** | 1,626,487 | **8,496,066** | 6,251,212 |
| Sales deductions | | | | | | |
| Sales taxes | **(463,753)** | (370,098) | **(50,180)** | (37,430) | **(513,933)** | (407,528) |
| Returns and rebates | **(385,585)** | (339,794) | **(130,568)** | (107,778) | **(516,154)** | (447,572) |
| | **(849,338)** | (709,892) | **(180,748)** | (145,208) | **(1,030,087)** | (855,100) |
| Sales revenue, net | **5,354,402** | 3,914,833 | **2,111,577** | 1,481,279 | **7,465,979** | 5,396,112 |
| Cost of sales and services | **(4,256,494)** | (3,054,648) | **(1,548,500)** | (1,090,627) | **(5,804,994)** | (4,145,275) |
| Gross profit | **1,097,909** | 860,185 | **563,076** | 390,652 | **1,660,985** | 1,250,837 |
| Selling expenses | **(425,853)** | (447,540) | **(275,368)** | (195,401) | **(701,221)** | (642,941) |
| General and administrative expenses | **(152,181)** | (131,498) | **(43,853)** | (36,560) | **(196,034)** | (168,058) |
| Depreciation and amortization | **(101,049)** | (96,832) | **(63,775)** | (46,647) | **(164,824)** | (143,479) |
| Other operating income (expenses) and equity pickup | **23,422** | 1,131 | **(136)** | 750 | **23,287** | 1,881 |
| Income before finance income and costs | **442,248** | 185,446 | **179,944** | 112,794 | **622,192** | 298,240 |
| Finance costs | **(318,823)** | (161,652) | **(44,412)** | (27,677) | **(363,235)** | (189,329) |
| Finance income | **252,655** | 108,546 | **25,551** | 18,699 | **278,206** | 127,245 |
| Income before taxes | **376,079** | 132,340 | **161,084** | 103,816 | **537,163** | 236,156 |
| IRPJ and CSLL | **(33,287)** | 28,324 | **(41,200)** | (24,852) | **(74,487)** | 3,472 |
| **Net income** | **342,792** | 160,664 | **119,884** | 78,964 | **462,676** | 239,628 |

See accompanying notes.

(In thousands of reais – R$, unless otherwise stated)

## 27. Insurance

The Company has a risk management program that seeks market coverage compatible with its size and operations. The Company took out insurance coverage in the following amounts, considered sufficient by management to cover any losses, considering the nature of its activity, operational risks involved and the guidance of insurance advisors.

Below is a table summarizing the insurance policies effective at February 28, 2021:

| | | Individual | | Consolidated | |
|---|---|---|---|---|---|
| Risk | Coverage | Amount at risk | Policy cost | Amount at risk | Policy cost |
| Operational risks | Coverage against property damages to buildings, facilities, inventories, machinery and equipment, loss of profits | 192,663 | 1,453 | 1,979,490 | 3,841 |
| Freight transport | Goods in transit | 1,000 | 1,063 | 580,031 | 2,110 |
| Civil liability | Coverage of repairs for pain and suffering and/or property damages caused to third parties, as a result of the Company's operations | 7,000 | 21 | 42,611 | 256 |
| Civil liability (D&O) | Coverage against financial losses arising from claims filed against insured parties due to tort for which liability is sought | 60,000 | 92 | 61,383 | 140 |
| Legal proceedings | Coverage against various legal proceedings | 136,399 | 1,080 | 136,399 | 1,080 |
| Vehicles | Coverage against various claims | 100% of the FIP table | 24 | * | 442 |
| Engineering risks | Coverage for construction work and against civil risks | - | - | - | - |
| Environmental insurance | Third-party claims relating to transport, personal injury, property damages and cleaning costs | 800 | 14 | 800 | 14 |
| Trade accounts receivable | Coverage of 90% of the debt of customers in default | 90% of sales | 150 | 90% of sales | 526 |
| Real estate lease insurance | Default by the Company related to property lease | 17,460 | 55 | 17,460 | 55 |
| Guarantee Insurance | Coverage to labor claims. | 320 | 9 | 320 | 9 |

* The amount at risk in the Consolidated comprises policies of Parent Company Camil Alimentos S.A., for which the insured amount corresponds to 100% of the FIP table in force and of subsidiary Ciclo Logística Ltda., for which the insurance policy ensures 80% of the FIP table.

See accompanying notes.

## 28. Events after the reporting period

a) Share buyback program

On March 9, 2021, the Company completed its fourth share buyback program approved by the Board of Directors on August 27, 2020 ("Buyback Program"), through which 4,000,000 (four million) common shares were acquired, partially used to meet the grants made under the Company's stock option plan, with 3,986,500 shares remaining in treasury to meet grants, cancellation, holding in treasury or sale, under the terms of the applicable legislation.

On March 31, 2021, the Board of Directors approved the fifth share buyback program for the acquisition of up to 4,000,000 common shares issued by the Company, observing the limits of CVM Ruling No. 567/2015. The purpose of the buyback program was to carry out the acquisition of shares issued by the Company in the scope of grants already performed under the Company's stock option plan, as well as for cancellation, being held in treasury or being disposed of, without reducing capital, in order to efficiently apply the funds available in cash. The program is valid for 12 months, starting on April 1, 2021 (inclusive) and ending on March 31, 2022. The financial institution that operates as an intermediary for the Buyback Program is Ágora Investimentos.

b) Granting of new stock options

On March 31, 2021, the Company's Board of Directors approved the fifth granting of new stock options to beneficiaries under the Stock Option Plan, approved in the Company's General held on August 28, 2017 ("Call Option Plan").

The Company may grant options to purchase shares issued by the Company up to the limit of 3,063,395 common shares issued by the Company, respecting the global limit of 4% of the share capital. The exercise price of each New Option will correspond to R$10.73 (ten reais and seventy-three cents) per share.

c) Issuance of debentures

On April 30, 2021, the Board of Directors approved the 10th (tenth public) issuance of simple debentures, not convertible into shares, of unsecured type, in a single series, for distribution with restricted efforts, of the Company in the amount of R$600,000.

The nominal unit value of R$1,000.00 (one thousand reais), on the issue date, is not applicable to monetary restatement or correction by any index. The Debentures will only make the remuneration interest corresponding to 100% of the accumulated variation of the daily rates of DI - Interbank Deposits of one day, expressed as a percentage per year, base 252 (two hundred and fifty-two) business days, calculated and disclosed daily by B3 SA - Brasil, Bolsa, Balcão, in the daily newsletter available on its website (http://www.b3.com.br), plus a surcharge of 1.70% (one hundred and seventy hundredths percent) ) per year, based on a year of 252 (two hundred and fifty-two) business days, with a term of validity of 3 (three) years from the date of issue.

**MINUTES OF THE FISCAL COUNCIL MEETING**
**HELD IN MAY 5, 2021**

## APPENDIX I – OPINION OF THE FISCAL COUNCIL

The Fiscal Council of Camil Alimentos S.A. ("Camil" or "Company"), in fulfilling its statutory and legal duties disclosed on art. 163 Law 6.404/76, reviewed the Financial Statements and corresponding to the Notes of the Financial Statements, Management Report, Report issued by the Independent Auditors and other materials of the Company regarding the year ended on February 28, 2021.

The Fiscal Council, during the year, accompanied the Company's reports through its meetings with representatives of the Management and Independent Auditors.

**CONCLUSION**: Based on the reports, evidence and the report issued by Ernst & Young Auditores Independentes S.S., dated as of May 6, 2021, with no objections, the members of the Fiscal Council issued an opinion that the financial statements, its notes and the management report, reffering to the year ended in February 28, 2021, appropriately are presented in a position to be considered by the shareholders in Annual General Meeting.

São Paulo, May 6, 2021.

EDUARDO AUGUSTO ROCHA POCETTI
President

MARIANA DA SILVA OLIVEIRA CAMPOS
Secretary

Members present at the meeting:

EDUARDO AUGUSTO ROCHA POCETTI

MARCOS SILVEIRA

MARIA ELENA CARDOSO FIGUEIRA

**Annual Statutory Audit Committee Summarized Report on Camil Alimentos S.A.**

About the Audit Committee

The statutory Audit Committee (“Committee”) at Camil Alimentos S.A. (“Company”), is a permanent and consulting committee created by the Board of Directors on January 11th, 2018, with the role of advising the referred Board, in comply and conducted by the 308 CVM instruction, January 14th, 1999, changed by 506 CVM Instruction of November 16th, 2011, and other applicable regulations.

The Committee is composed of 3 (three) independent members, elected by the Board of Directors on June 30, 2020.

Mr. Carlos Roberto de Albuquerque Sá, the Committee´s coordinator, meets the requirements of renowned Corporate and Managerial Accounting experience, Mr. Rodrigo Tadeu Alves Colmonero also plays as a member of the Company’s Board of Directors and Mr. Marcelo Marcondes Leite de Souza is also an effective member of the Company´s Audit Committee. It is worth highlighting that none of the Committee´s members takes part in the Company’s management.

The Committee operates in accordance with the best practices of Corporate Governance and its Internal Regulations, it is incumbent upon the committee to advise the Board of Directors, with focus on the following subjects:

(a) Monitor and propose improvements to the Board of Directors in processes and matters related to accounting, financial reporting, risk management, internal controls, auditing and compliance;
(b) Opinion on the hiring and dismissal of the independent auditors for the preparation of an independent external audit or for any other service, as well as giving an opinion on and / or proposing the remuneration of the independent auditors and the proposed terms of their contract;
(c) Supervise the activities of the independent auditors in order to assess: (i) their independence; (ii) the quality of the services provided; (iii) the adequacy of the services provided to the needs of the Company;
(d) Evaluate the annual work plan of the independent auditor and issue an opinion with proposals for improvements, if necessary, to the Board of Directors;
(e) Supervise the activities of the areas of internal audit, risk management, internal controls, compliance and responsible for the preparation of the Company's financial statements, monitoring the effectiveness and sufficiency of the respective structures, as well as the quality and integrity of its processes and mechanisms, proposing to the Board of Directors the necessary actions to improve them;
(f) To guarantee the independence and autonomy of the Company's internal audit activities;

(g) When applicable, monitor the quality and integrity of the information and measurements disclosed based on adjusted accounting data and non-accounting data that add elements not provided for in the structure of the usual financial statement reports;

(h) Evaluate and monitor the quality and integrity of the quarterly financial information, the interim financial statements and the financial statements of the Company, making the recommendations it deems necessary to the Board of Directors;

(i) Evaluate and monitor the Company's risk exposures and the early warning systems for effective and potential risks, as well as the Company's risk management policy, and, if necessary, may require detailed information on policies and procedures related to the scope of the Committee;

(j) Evaluate, monitor and recommend to the Board of Directors the correction or improvement of the Company's internal policies, including the policy of transactions between related parties, as well as the adequacy of the transactions carried out by the Company and their respective disclosures;

(k) Assess the compliance by the Company's management with the recommendations made by the Committee and the recommendations made by the independent or internal auditors;

(l) Evaluate, monitor and propose improvements in the Company's accounting principles and practices;

(m) Understand and analyze matters that may have financial impacts on the Company;

(n) To monitor the performance of regulatory and supervisory bodies on relevant issues, as well as the information, communications and reports addressed to them;

(o) Evaluate, monitor and propose improvements in the Company's compliance practices;

(p) Prepare a summarized annual report, to be presented together with the financial statements, and a detailed annual report, to be filed by the Company, containing, at least, the following information: (i) the activities carried out in the period, the results and conclusions achieved; (ii) the assessment of the effectiveness of the Company's internal control systems; (iii) the description of the recommendations presented to the Company's management and the evidence of their implementation; (iv) assessing the effectiveness of internal and external audits; (v) the evaluation of the quality of the financial reports, of internal controls related to the period; and (vi) any situations in which there is a significant divergence between the Company's management, the independent auditors and the Committee in relation to the Company's financial statements; and

(q) Give an opinion on the matters submitted to it by the Board of Directors, as well as those that it considers relevant.

**1. Activities of the Audit Committee in 2020/2021**

During the fiscal year between March 2020 and February 2021, the Committee assembled twelve (12) times, in ordinary sessions. Besides the Committee´s Coordinator participation in the Company´s General Shareholder Meeting, the Committee assembled it´s members in an opportunity with the Board of Directors to discuss the main topics overseen during the period.

The meetings counted, when necessary and taking in consideration the meeting´s agenda, with the participation of the Company´s Chief Executive Officer, Chief Financial and Investor Relations Officer, and other Company Officers, Executive Managers, Managers for Internal Audit, Internal Controls and Risk Management, Independent Auditors and external advisors to allow the understanding of processes, internal controls, risks, possible deficiencies and eventual improvement plans, as well as to issue their recommendations to the Board of Directors and to the Company´s management.

Among the activities carried out during the year, we highlight the following:

- Discussion, approval and monitoring of the Annual Internal Audit Plan for the period between March 2020 and February 2021, its execution, reports issued, knowledge of the points raised and recommendations, as well as the measures taken by the Management;

- Knowledge, discussion and evaluation of the planning of the work of the independent auditors for the period from March 2020 to February 2021, the levels of relevance and the areas of risk identified by them, as well as their satisfaction in obtaining evidence on the Company's main operations;

- Analysis and discussion with the Management, of the issues presented by the independent audit in its annual letter of recommendations regarding the structure of the Company's internal controls, as well as validation and monitoring of the internal controls and action plans prepared by the Management to mitigate the risks presented by the independent auditors, avoiding records, by the auditors, of any significant deficiencies or, still, material weakness, related to the Company's control environment;

- Discussion and approval of annual plans in the areas of Risk Management and Internal Controls for the period between March 2020 and February 2021;

- Monitoring of the internal control system and mapping and risk management, based on meetings with internal auditors, independent auditors and Management;

- Monitoring of strategic projects in the implementation phase by the Information Technology (“IT”) area, with a request to prepare a risk map for business continuity and information security;

- Monitoring the process of preparing the financial statements and quarterly information, through meetings with the management and independent auditors;

- Evaluation and monitoring, together with Management and independent auditors, the adequacy of transactions with related parties carried out by the Company and their respective disclosures;

- Monitoring of the activities of the tax and legal areas, mainly in relation to the active and passive processes in progress and their recognition or not, in accounting;

- Analysis and discussion of the approaches and methodologies adopted by the Company to manage its risks, by reviewing its Risk Management Policy and issuing a Declaration of Risk Appetite;

- Knowledge and analysis of the Budget of the year;

- Knowledge of the work of important areas of the Company, such as information technology, controllership, commercial, among others;

- Monitoring of the Company's critical processes;

- Follow-up and monitoring of the Company's contractual covenants, with Management and independent auditors;

- Monitoring the implementation, by the Company, of the Policies and other regulations recommended by the IBGC;

- Review of the Company's Reference Form disclosed to the market;

- Monitoring of the Company's compliance with the General Law on the Protection of Personal Data ("LGPD");

- Monitoring the results of the Ethics Campaign, which included acceptance of the Code of Ethics and training, and disclosure of the Ethics Channel to all employees;

- Validation of the flow of complaint handling and monitoring of the indicators of the Camil Ethics Channel and of highly critical complaints;

- Approval of the Camil Integrity Program and its implementation schedule.

**2. Independent Auditors**

Ernst & Young Auditores Independentes S.S. ("EY") is the firm responsible for examining and issuing the independent auditors' report on the financial statements and for issuing special reports on the reviews.

The Committee maintains a periodic communication with the independent auditors for a wide discussion of the results of their work and relevant accounting aspects, in a way that allows its members to base their opinion on the integrity of the financial statements and financial reports. In the period from March 2020 to February 2021, the Committee met with the independent auditors to discuss the Company's quarterly financial statements (ITRs), timely recommending their appreciation by the Board of Directors.

Finally, the Committee met with EY, took note of the independent auditors' opinion, and was satisfied with the information and clarifications provided, in relation to the Company's financial statements, corresponding to the fiscal year ended on February 28, 2021.

In the progress of the work, there was no significant divergence between the Company's Management, the independent auditors and the Committee in relation to the financial statements.

**3. Internal Audit**

The Internal Audit, Internal Controls and Risk Management (“Internal Audit Management”) is linked to the structure of the Company's Financial and Investor Relations Executive Management, but it is functionally reporting to the Board of Directors and is directly supervised, by the Audit Committee, which allows it to develop its functions in a broad and independent manner, carrying out its work based on an annual plan, previously approved by the Committee, covering, in priority, all relevant operations and business units of the Company.

The Committee monitored the work carried out by the Internal Audit Management, by holding periodic meetings and approving the planning of its work for the fiscal year between March 2020 and February 2021 and monitoring its execution.

**4. Crisis Management Committee**

Although considered as a subsequent event to the end of the fiscal year of February 28, 2021, the Committee has followed the execution of the action plans prepared by the Crisis Management Committee, established by the Company with the objective of discussing the main actions to be implemented by the Company as a result of the COVID-19 virus pandemic.

In a meeting held on March 25, 2020 and July 21, 2020, the Committee became aware of the mains actions taken by the Company to prevent and deal with the pandemic and have been following the work since then.

## 5. Recommendations

During the year between March 2020 and February 2021, the Committee periodically reported to the Board of Directors on the progress of its work, presenting opinions and making recommendations on various matters within its competence.

**AUDIT COMMITTEE REPORT**

The members of the Audit Committee of Camil Alimentos S.A. (“Company”), in the exercise of their duties and legal responsibilities, as provided for in its Internal Regulations, proceeded to the examination and analysis of the financial statements for the year ended on February 28, 2021, accompanied by the report, without reservations, by the independent auditors Ernst & Young Auditores Independentes S.S. (“EY”), of May 6, 2021, and the Management's annual report, and considering the information provided by the Company's Management and the external auditors, they are unanimously of the opinion that these documents adequately reflect the equity situation, the financial position and the activities carried out by the Company in the period and meet the conditions to be submitted to the appreciation and approval of the Board of Directors and their submission to the Annual General Meeting, for deliberation by the shareholders, under the terms of the Brazilian Corporation Law..

São Paulo, May 6, 2021.

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CARLOS ROBERTO DE ALBUQUERQUE SÁ
Committee Coordinator

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RODRIGO TADEU ALVES COLMONERO
Member of the Committee

________________________________________

MARCELO MARCONDES LEITE DE SOUZA
Member of the Committee

**Officer´s Declaration on Financial Statements**

Camil Alimentos S.A.'s Officers declared that they have reviewed, discussed and agreed on the Financial Statements referring to the fiscal year ended on February 28, 2021.

The Company's management approved and authorized the publication of Financial Statements of February 28, 2021.

São Paulo, May 6, 2021.

Luciano Maggi Quartiero

Chief Executive Officer

Flavio Jardim Vargas

Chief Financial, Investor Relations and Tax Officer

Camil

**Declaration of the Officers on the Independent Auditor Report**

Camil Alimentos S.A.'s Executive Officers declares that it has reviewed, discussed and approved the Independent Auditor Report for the year ended February 28, 2021.

São Paulo, May 6, 2021.

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Luciano Maggi Quartiero

Chief Executive Officer

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Flavio Jardim Vargas

Chief Financial, Investor Relations and Tax Officer

## CAPITAL BUDGETING PROPOSAL

### Capital Budgeting Proposal for 2021

The Company presents its capital budget proposal for the year from March 1, 2021 to February 28, 2022 for further approval at the Shareholders Meeting in the amount of R$77,884,466.83 (seventy-seven million, eight hundred and eighty-four thousand, four hundred and sixty-six reais and eighty-three cents), approved by the Board of Directors on May 6, 2021.

| | |
|---|---|
| **Source** | |
| Profit reserve from the year ended on February 28, 2021 (art. 196 of Law No. 6,404/1976). | R$77,884,466.83 |
| **Investment** | |
| Investment planned to meet the Company's commitments for its growth strategy in expansion, production capacity and process improvement. | R$77,884,466.83 |