

MINERVA S.A.

Independent auditors' report

Individual and Consolidated Financial  
statement as of December 31, 2021

MINERVA S.A.

Financial statement Individual and Consolidated  
December 31, 2021

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# EARNINGS RELEASE

**Barretos, February 23, 2022** – Minerva S.A. (BM&FBOVESPA: BEEF3 | OTC - Nasdaq International: MRVSY), the South American leader in the export of fresh beef and cattle byproducts, which also operates in the processed foods segment, announces today its results for the fourth quarter (4Q21) and full year of 2021. The financial and operational information herein is presented in BRGAAP and Brazilian reais (R\$), according to International Financial Reporting Standards).

## 4Q21 and 2021 HIGHLIGHTS

### Minerva (BEEF3)

Price on February 22, 2022:  
R\$ 10,17  
Market cap:  
R\$6,170.1 million  
607,283,407 shares  
Free Float:  
43.3%

### Conference Calls

February 24, 2022

#### Portuguese

10:00 a.m. (Brasília)

8:00 a.m. (US EST)

Phone: +55 (11) 4090-1621

Code: Minerva

#### English

10:00 a.m. (Brasília)

8:00 a.m. (US EST)

Phone: +1 (412) 717-9627

Code: Minerva

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click here or scan

- In line with our dividend policy, which provides for paying at least 50% of Net Income whenever net leverage is lower than or equal to 2.5x the Net Debt/LTM EBITDA ratio, the Company's Management proposed to the Shareholders' Meeting the payment of additional dividends totaling R\$200.0 million, or around R\$0.34/share. The payout for FY 2021 totaled R\$400.0 million, accounting for 67% of the net income for the year, and a dividend yield of approximately 6.5%.
- Net income stood at R\$150.3 million in 4Q21 and R\$598.9 million in 2021. The accumulated net income totaled R\$1.3 billion in the 2020-2021 period.
- Free cash flow after financial expenses, Capex, and working capital was positive for the sixteenth consecutive quarter, totaling R\$110.1 million on a recurring basis and R\$213.1 million after the cash effect of the FX hedge. Free cash flow totaled R\$1.0 billion in 2021, a free cash flow yield of more than 15.8%\* Since 2018, the Company's free cash generation has totaled approximately R\$4.5 billion.
- Consolidated gross revenue totaled R\$28.6 billion in 2021, 39% higher than in 2020 and an all-time high for the Company. In 2021, exports accounted for 68% of gross revenue, maintaining Minerva Foods' position as the leading beef exporter in South America, with a market share of approximately 23% on the continent.
- Minerva Foods' net revenue reached R\$7.5 billion in 4Q21, a growth of 32% over 4Q20 and 1.9% over 3Q21. In 2021, net revenue reached R\$26.9 billion, 39% more than in 2020.
- EBITDA reached an all-time high of R\$735.3 million in 4Q21, increasing 19% over 4Q20, with an EBITDA margin of 9.8%. In 2021, EBITDA also hit an all-time high of R\$2.4 billion, 12.6% more than in 2020, with a margin of 9.0%.
- Net leverage, measured by the Net Debt/LTM EBITDA ratio and adjusted by early dividends, remained flat at 2.4x in 4Q21.
- Our commitment to sustainability: we strive for measurable and tangible results that actually address the issue of climate change. We have met our goal of 100% geographic monitoring in Paraguay and achieved 100% compliance in the Public Prosecutor's Office audit against deforestation in the Amazon.
- Program Remove: in each of the countries in which we operate, we have implemented efforts in order to track the carbon balance of ranchers, so that we may present to the public that low carbon, sustainable, and profitable livestock production is possible and is happening now. Our cattle production partners are a prime example of this progress.
- MyCarbon: beyond simply just measuring the carbon balance of the rural producers through scientific methodology. We are providing support for the development of carbon market projects and offering credits to those companies seeking to meet their greenhouse gas emission neutralization targets, all done with transparency and reliability.

\*Calculated based on BEEF3 price on the last trading day of the year: December 30, 2021.

## MESSAGE FROM MANAGEMENT

Minerva Foods ends 2021 with solid operational and financial results, strengthening our corporate strategy, and consolidating our leadership in Latin America as one of the main players in the global beef market. In 4Q21, net revenue totaled R\$7.5 billion and EBITDA came to R\$735.3 million, closing the quarter with a net income of R\$150.3 million. The generation of free cash, which remains one of Minerva Foods' priorities, was positive for the 16<sup>th</sup> consecutive quarter, reaching R\$213 million in 4Q21. Since 2018, cash generation has totaled around R\$4.5 billion, which, aligned with our operational consistency and risk management model, continues to protect our balance sheet and contribute to maintaining a healthy capital structure and balanced net leverage, which closed the year flat at 2.4x the Net Debt/LTM EBITDA ratio, adjusted by early dividends.

Similar to the previous year, the creation of value for shareholders remains one of the Company's main objectives and was one of the year highlights. In line with our capital discipline strategy and supported by sound operational and financial performance, Minerva Foods' Management will propose to the Shareholders' Meeting the payment of additional dividends totaling R\$200.0 million, or R\$0.34/share. The payout for FY 2021 should total R\$400.0 million, or R\$0.69 per share, with a dividend yield of 6.5% and payout of 67%. It is worth noting that over 2021, and considering cash proceeds, i.e. those actually paid in the year, Minerva Foods distributed R\$603.6 million, or R\$1.12/share, for its shareholder, which represents a dividend yield of 10.6%. In the last two years (2020 – 2021), the Company distributed R\$942.1 million in proceeds, equivalent to R\$1.72/share, and paid around R\$1.8 billion in the repurchase of shares and debt over the period, reinforcing Management's commitment to the creation of value for shareholders.

In 2021 and in a scenario of high volatility and logistics restrictions in global chains, I would like to highlight our geographical diversification strategy, one of the main pillars of our business model that is still necessary for the maintenance of our profitability and as an important risk-mitigating agent. Minerva Foods' operational footprint, distributed throughout South America, is still crucial in the commercial and financial performance delivered by the Company over the quarters. At the end of 2021, we furthered progressed with the start of our operation in the Australian market, expanding our geographic positioning and increasing our arbitration capacity in the global animal protein market, always respecting the Company's capital discipline and financial health.

Minerva Foods' performance in 2021, with 70% of consolidated gross revenue from exporters, ratifies the soundness of the international beef market, which remains buoyant, with great opportunities for exporters based in South America. The strong balance between supply and demand continues providing opportunities for the Company, especially in Asia and the Middle East, but also in premium markets, such as the United States, whose market share expanded to nearly 10% of our consolidated exports. Moreover, South America, with its matrix of grass-fed cattle production, continues to expand its competitiveness in a global environment marked by pressure on production costs and distribution of animal protein. Accordingly, Minerva Foods' geographical diversification strategy maximizes the Company's commercial performance, giving access to 100% of global beef demand and reducing the impact of temporary limitations, such as the Chinese restriction on Brazilian beef at the end of 2021. The shift of this demand to our plants in Uruguay and Argentina ratifies the benefits generated by the geographical diversification strategy.

I would also like to highlight our sound performance in the domestic markets, which recorded consolidated revenue of R\$9.3 billion in 2021, a significant increase of 38% over 2020, despite the difficulties in the macroeconomic scenario in South America. Over 2021, the distribution operation remained focused on more profitable segments, such as food service that continues growing over the quarters with the cooling down of the pandemic, and premium and niche products. In addition, we are working on initiatives that aim to bring our products closer to end consumers, such as *My Beef em Casa*, our iFood store, and the partnership with the *Zé Delivery* platform for the distribution of our products.

Our consolidated net revenue reached an all-time high of R\$27.0 billion in 2021, a year-over-year growth of 39%, EBITDA totaled R\$2.4 billion, the highest ever recorded by Minerva Foods, and growth of 13% over 2020. As a result of our operational and financial excellence, the accumulated net income totaled R\$598.9 million in 2021, a net result of R\$1.3 billion in the 2020 – 2021 period. One of Management's main priorities, free cash flow, was positive for the 16<sup>th</sup> consecutive quarter, totaling R\$1.0 billion in 2021.

We certainly are proud to have made important advances in the area of sustainability and once again, as true pioneers, have led initiatives which have enabled us to become a leader in the animal protein industry. In addition, we have now ventured into the carbon credit market by means of our subsidiary MyCarbon, which has been created for the development and commercialization of these credits. We have also become the first company in the industry to monitor 100% of cattle suppliers in Paraguay, thereby achieving yet another goal of our ongoing commitment to real life application of our goals to the development of an industry which maintains the sustainability of the environment at its forefront. There is no doubt that technology will play a crucial role in helping us to achieve our goals. With the mindset of providing the essential technology needed to our partners, the rural producers throughout Brazil, we have ensured that they too can have access to the same geospatial technology that we ourselves use to monitor suppliers through the SMGeo Prospec application. Moreover, we have accelerated the integration of Visipecc into our monitoring system, and we have launched the Renove Program, designed to measure the carbon balance in the production chain and to encourage production practices that reduce greenhouse gas emissions.

In the midst of significant acknowledgements, Minerva Foods was the only company in the industry to join the 2021/2022 portfolio of the B3 Corporate Sustainability Index (ISE), a groundbreaking initiative in Latin America and the fourth sustainability index in the world, making this the second year in a row in which we have been part of this group. In addition, we have been recently evaluated by the Forest 500 Ranking as one of the companies in the animal protein industry which has the lowest risks of being linked to deforestation.

We would like to thank Minerva Foods' more than 21,000 employees for the results achieved in 2021. Their commitment and dedication were essential for us to reach the third decade as South America's leaders of beef exports. We started 2022 confident in the positive prospects for the global beef industry with the opening of new markets and recovery of the global economy towards the post-pandemic period, and reaffirm our commitment to capital discipline, and ethical and sustainable practices, as we believe this is the way to create value in the long term.

We are Minerva Foods - a Company committed to the sustainable future of the planet's food.

**Fernando Galletti de Queiroz**  
**Chief Executive Officer**

## RESULTS ANALYSIS

### Key Consolidated Indicators

R\$ million	4Q21	4Q20	Chg. (%)	3Q21	Chg. (%)	2021	2020	Chg. (%)
Total slaughter ('000 head)	890.9	857.9	3.8%	950.3	-6.3%	3,572.2	3,173.6	12.6%
Slaughter - Brazil	383.6	384.6	-0.3%	358.2	7.1%	1,375.2	1,484.8	-7.4%
Slaughter - Athena	507.4	473.3	7.2%	592.1	-14.3%	2,197.1	1,688.8	30.1%
Total sales volume ('000 tons)	288.0	300.3	-4.1%	297.5	-3.2%	1,161.0	1,051.8	10.4%
Volume - Brazil	129.2	144.1	-10.4%	118.1	9.4%	481.1	524.6	-8.3%
Volume - Athena	158.8	156.2	1.6%	179.4	-11.5%	679.9	527.2	29.0%
Gross Revenue	7,979.8	6,056.1	31.8%	7,814.6	2.1%	28,572.3	20,554.3	39.0%
Export market	5,125.5	3,890.9	31.7%	5,370.8	-4.6%	19,312.1	13,865.5	39.3%
Domestic market	2,854.3	2,165.2	31.8%	2,443.7	16.8%	9,260.2	6,688.8	38.4%
Net revenue	7,505.9	5,703.0	31.6%	7,368.2	1.9%	26,965.4	19,406.3	39.0%
EBITDA	735.3	616.9	19.2%	648.1	13.4%	2,413.2	2,142.8	12.6%
EBITDA margin	9.8%	10.8%	-1.0 p.p.	8.8%	1.0 p.p.	9.0%	11.0%	-2.0 p.p.
Net debt/LTM EBITDA (x)	2.4	2.4	-	2.4	-	2.4	2.4	-
Net income (loss)	150.3	114.1	31.7%	72.4	107.7%	598.9	697.1	-14.1%

(1) 3Q21 adjusted by: (i) R\$384.1 million (Bond 2028 cancellation); (ii) R\$251.8 million (subscription bonus);

(2) 4Q21 adjusted by early dividends of R\$200 million, effectively paid in November/21.

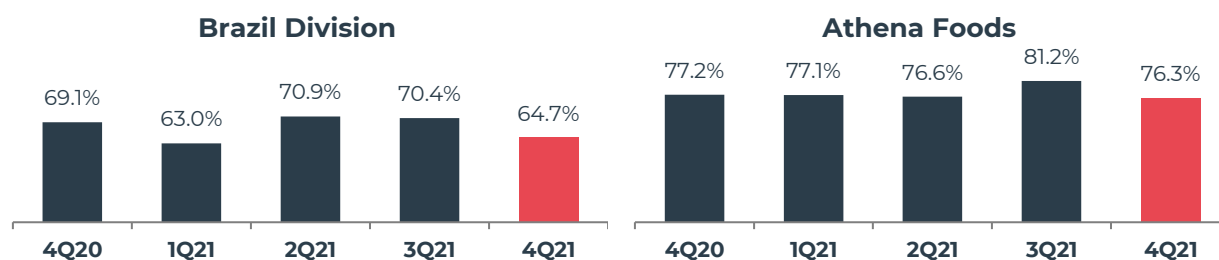
## Results by Division

### Slaughter

Slaughter volume in the Brazil Division came to 383,600 head of cattle in 4Q21, an increase of 7.1% over 3Q21, and flat over 4Q20, reaching a capacity utilization rate of 64.7%. In 2021, slaughter volume totaled 1.3 million head of cattle.

Slaughter volume in Athena Foods totaled 507,400 head of cattle in 4Q21, an increase of 7.2% year-over-year, and a decrease from 3Q21, due to the reduced operations in Paraguay. The capacity utilization rate ended the period at 76.3%. The consolidated slaughter volume at Athena Foods totaled 2.2 million head of cattle.

**Figures 1 and 2 - Installed Capacity Utilization**

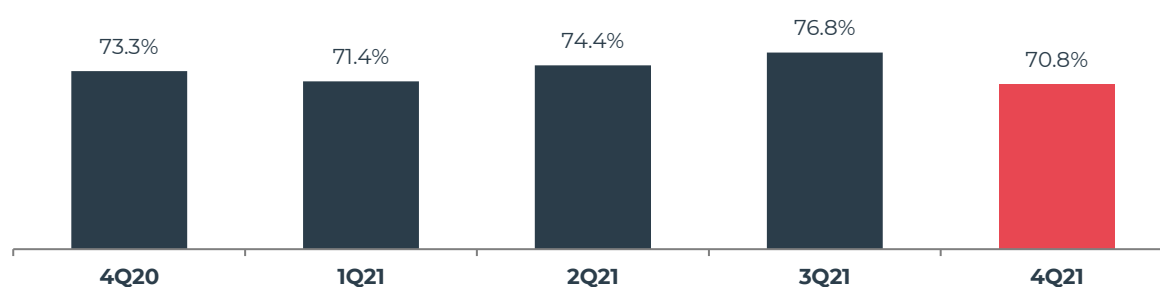


Source: Minerva

## MINERVA CONSOLIDATED

Consolidated slaughter volume totaled 890,900 head of cattle in 4Q21, growth of approximately 4% over 4Q20, with a capacity utilization rate of 70.8%. We point out that the Company uses the net utilization concept, which reflects the operational working days of each operating plant in our industrial park.

**Figure 3 - Installed Capacity Utilization - Consolidated**



Source: Minerva

### Gross Revenue by Division

#### BRAZIL DIVISION

Gross revenue from the Brazil Division totaled R\$3,276.8 million in 4Q21, up 2.8% over 4Q20 and 9.2% over 3Q21. In 2021, gross revenue from this division reached R\$11.9 billion, up 18.8% over 2020.

#### **Export Market – 62.8% of Gross Revenue from the Brazil Division in 4Q21 | 63.6% in 2021**

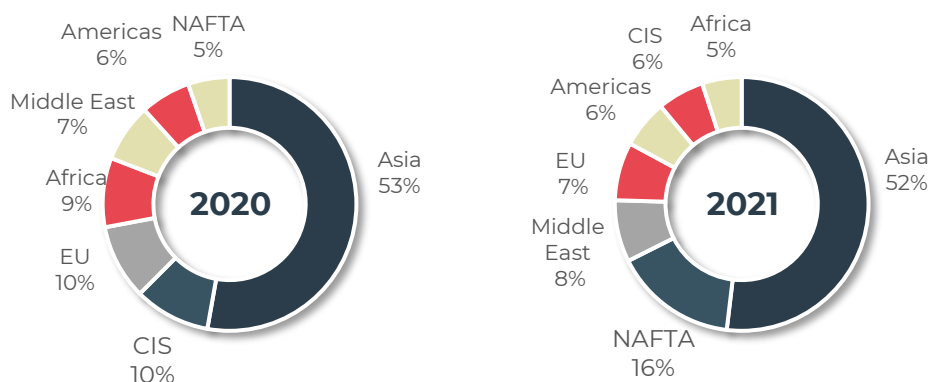
Exports from the Brazil Division generated revenue of R\$2,059.3 million in 4Q21, up 4.3% over 4Q20 and 8.3% over 3Q21. In 2021, export revenue from the division totaled R\$7.6 billion, up 15.4% over 2020.

The great performance of the Brazil Division's exports is a result of the growing global demand for beef, which, together with restrictions in beef supply, benefitted South America's export markets. We point out two major destinations for Brazilian beef in 2021: Asia, which accounted for 52% of exports, and NAFTA with 16% of the total exports of the Division.

We present below the Brazil Division's exports by region between 2020 and 2021:

- » **Africa:** Africa accounted for 5% of this division's exports in 2021, down 4 p.p. from 2020.
- » **Americas:** The Americas' share of this division's exports stood at 6% in 2021, flat over 2020.
- » **Asia:** The Asian continent accounted for 52% of Brazil Division's total exports in 2021, virtually flat over 2020, and remains as the main destination of beef produced in Brazil. It is worth noting that China reached a share of 39% despite the restrictions to Brazilian exports between the beginning of September and mid-December.
- » **CIS (Commonwealth of Independent States):** The Commonwealth of Independent States, represented mainly by Russia, was the destination of 6% of this division's exports in 2021, 4 p.p. less than in 2020.
- » **Europe:** Europe accounted for 7% of this division's exports, 3 p.p. less than in 2020.
- » **NAFTA:** NAFTA accounted for 16% of Brazil Division's exports, a significant growth of 11 p.p., becoming the second main destination of the division's exports, as a result of the resumption of Brazilian beef exports to the United States at the beginning of 2020.
- » **Middle East:** The Middle East was the destination of 8% of this division's exports in 2021, virtually flat over 2020.

### Figures 4 and 5 - Breakdown of Export Revenue by Region - Brazil Division:



Source: Minerva

### Domestic Market – 37.2% of Gross Revenue from the Brazil Division in 4Q21 | 36.4% in 2021

In 4Q21, gross revenue from the Brazil Division totaled R\$1,217.5 million, up 10.8% over 3Q21. In 2021, this division's gross domestic revenue came to R\$4.3 billion, a significant increase of 25.4% over 2020.

Revenue growth in the domestic market in 4Q21 was a result of the typical end-of-year seasonal demand effect, when demand increases due to vacation and festive periods, and higher product pricing, showing the Company's ability to pass on the rise in raw material acquisition costs.

We present below a complete breakdown of the Brazil Division:

Gross Revenue (R\$ million)	4Q21	4Q20	Chg. (%)	3Q21	Chg. (%)	2021	2020	Chg. (%)
Fresh beef – EM	1,816.8	1,760.6	3.2%	1,688.1	7.6%	6,722.2	5,921.8	13.5%
Byproducts – EM	211.1	183.1	15.3%	189.0	11.7%	747.2	536.5	39.3%
Processed foods – EM	31.5	31.0	1.6%	23.8	32.4%	91.0	93.1	-2.3%
<b>Subtotal – EM</b>	<b>2,059.3</b>	<b>1,974.8</b>	<b>4.3%</b>	<b>1,900.9</b>	<b>8.3%</b>	<b>7,560.3</b>	<b>6,551.4</b>	<b>15.4%</b>
Fresh beef – DM	690.3	805.4	-14.3%	664.9	3.8%	2,634.8	2,309.0	14.1%
Byproducts – DM	427.3	314.3	35.9%	338.9	26.1%	1,326.4	878.3	51.0%
Processed foods – DM	99.9	92.5	8.0%	95.0	5.1%	360.9	259.3	39.2%
<b>Subtotal – DM</b>	<b>1,217.5</b>	<b>1,212.2</b>	<b>0.4%</b>	<b>1,098.8</b>	<b>10.8%</b>	<b>4,322.1</b>	<b>3,446.6</b>	<b>25.4%</b>
<b>Total</b>	<b>3,276.8</b>	<b>3,187.0</b>	<b>2.8%</b>	<b>2,999.7</b>	<b>9.2%</b>	<b>11,882.5</b>	<b>9,998.0</b>	<b>18.8%</b>

Volume ('000 tons)	4Q21	4Q20	Chg. (%)	3Q21	Chg. (%)	2021	2020	Chg. (%)
Fresh beef – EM	56.2	60.7	-7.4%	50.4	11.5%	214.3	237.3	-9.7%
Byproducts – EM	21.6	27.0	-20.1%	17.2	25.6%	72.8	75.6	-3.6%
Processed foods – EM	0.7	0.9	-17.0%	0.6	15.7%	2.3	2.7	-16.2%
<b>Subtotal – EM</b>	<b>78.5</b>	<b>88.6</b>	<b>-11.4%</b>	<b>68.2</b>	<b>15.1%</b>	<b>289.3</b>	<b>315.5</b>	<b>-8.3%</b>
Fresh beef – DM	23.4	33.3	-29.7%	23.8	-1.7%	97.2	112.4	-13.5%
Byproducts – DM	23.2	17.8	30.0%	22.0	5.2%	79.4	83.1	-4.4%
Processed foods – DM	4.1	4.4	-7.6%	4.0	1.3%	15.2	13.6	11.7%
<b>Subtotal – DM</b>	<b>50.7</b>	<b>55.5</b>	<b>-8.8%</b>	<b>49.9</b>	<b>1.6%</b>	<b>191.8</b>	<b>209.1</b>	<b>-8.3%</b>
<b>Total</b>	<b>129.2</b>	<b>144.1</b>	<b>-10.4%</b>	<b>118.1</b>	<b>9.4%</b>	<b>481.1</b>	<b>524.6</b>	<b>-8.3%</b>

Average Price – EM (US\$/kg)	4Q21	4Q20	Chg. (%)	3Q21	Chg. (%)	2021	2020	Chg. (%)
Fresh beef – EM	5.8	5.4	7.7%	6.4	-9.6%	5.8	4.8	20.1%
Byproducts – EM	1.8	1.3	39.3%	2.1	-16.7%	1.9	1.4	38.1%
Processed foods – EM	7.8	6.6	18.3%	7.3	7.1%	7.5	6.7	11.4%
<b>Total</b>	<b>4.7</b>	<b>4.1</b>	<b>13.7%</b>	<b>5.3</b>	<b>-11.8%</b>	<b>4.8</b>	<b>4.0</b>	<b>20.2%</b>
Average dollar (source: BACEN)	5.58	5.39	3.5%	5.22	6.8%	5.39	5.15	4.7%

Average Price – EM (R\$/kg)	4Q21	4Q20	Chg. (%)	3Q21	Chg. (%)	2021	2020	Chg. (%)
Fresh beef – EM	32.3	29.0	11.4%	33.5	-3.5%	31.4	25.0	25.7%
Byproducts – EM	9.8	6.8	44.2%	11.0	-11.1%	10.3	7.1	44.5%
Processed foods – EM	43.7	35.7	22.4%	38.2	14.4%	40.4	34.6	16.6%
<b>Total</b>	<b>26.2</b>	<b>22.3</b>	<b>17.6%</b>	<b>27.9</b>	<b>-5.9%</b>	<b>26.1</b>	<b>20.8</b>	<b>25.8%</b>

Average Price – DM (R\$/kg)	4Q21	4Q20	Chg. (%)	3Q21	Chg. (%)	2021	2020	Chg. (%)
Fresh beef – DM	29.5	24.2	21.9%	27.9	5.6%	27.1	20.5	32.0%
Byproducts – DM	18.4	17.6	4.6%	15.4	19.8%	16.7	10.6	58.0%
Processed foods – DM	24.6	21.0	16.8%	23.7	3.7%	23.8	19.1	24.7%
<b>Total</b>	<b>24.0</b>	<b>21.8</b>	<b>10.1%</b>	<b>22.0</b>	<b>9.1%</b>	<b>22.5</b>	<b>16.5</b>	<b>36.7%</b>

EM - Export Market, DM - Domestic Market

## ATHENA FOODS

Gross revenue from Athena Foods, which comprises the operations of the units in Paraguay, Argentina, Uruguay, and Colombia, totaled R\$4,119.9 million in 4Q21, a significant increase of 70.4% over 4Q20. In 2021, gross revenue totaled R\$14,935.6 million, a substantial growth of 69.5% over 2020.

### Export Market – 72.1% of Gross Revenue from Athena Foods in 4Q20 | 75.8% in 2021

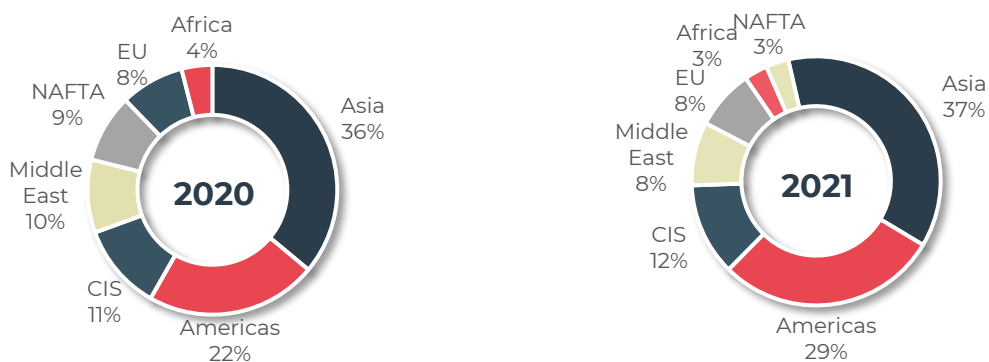
Gross export revenue from Athena Foods totaled R\$2,970.8 million in 4Q21, around 66% more than in 4Q20. In 2021, export revenue from Athena Foods totaled R\$11,314.0 million, up 70.4% over 2020.

In line with the increase of the Brazil Division, Athena Foods's higher exports were due to the buoyant demand for beef in the international market. Athena Foods takes full advantage of this opportunity because of its increasingly comprehensive customer portfolio, resulting from a diversified production matrix throughout the continent.

We present below Athena Foods' export revenue by region between 2020 and 2021:

- » **Africa:** Africa accounted for 3% of this division's exports in 2021, in line with the previous year.
- » **Americas:** The Americas accounted for 29% of Athena Foods division's exports in 2021, up 7 p.p. over 2020, and remains the second main destination of the Division's exports.
- » **Asia:** Asia continued to be the main destination of this division's exports, with 37% of the total in 2021, flat over 2020. China alone accounted for around 31% of total exports.
- » **CIS (Commonwealth of Independent States):** The Commonwealth of Independent States, mainly represented by Russia, accounted for 12% of Athena Foods' exports in 2021, flat over 2020.
- » **Europe:** Europe was the destination of 8% of Athena Foods' exports in 2021, in line with 2020.
- » **NAFTA:** NAFTA accounted for 3% of Athena Foods' exports in 2021, down 6 p.p. from 2020.
- » **Middle East:** The Middle East accounted for 8% of Athena Foods' exports in 2021, down 2 p.p. from 2020.

Figures 6 and 7 – Breakdown of Exports by Region – Athena Foods



Source: Minerva

## Domestic Market – 27.9% of Gross Revenue from Athena Foods in 4Q21 | 24.2% in 2021

Athena Foods recorded domestic revenue of R\$1,149.1 million in 4Q21, an increase of 82.7% over 4Q20 and 11.4% over 3Q21. In 2021, domestic revenue reached R\$3.6 billion, 66.9% more than in 2020.

We present below a complete breakdown of Athena Foods:

Gross Revenue (R\$ million)	4Q21	4Q20	Chg. (%)	3Q21	Chg. (%)	2021	2020	Chg. (%)
Fresh beef – EM	2,667.6	1,599.7	66.8%	2,992.4	-10.9%	10,146.8	5,984.0	69.6%
Byproducts – EM	297.3	182.9	62.5%	324.4	-8.4%	1,147.9	641.9	78.8%
Processed foods – EM	6.0	5.9	1.7%	2.0	194.7%	19.3	15.6	24.1%
<b>Subtotal – EM</b>	<b>2,970.8</b>	<b>1,788.4</b>	<b>66.1%</b>	<b>3,318.8</b>	<b>-10.5%</b>	<b>11,314.0</b>	<b>6,641.5</b>	<b>70.4%</b>
Fresh beef – DM	681.5	429.8	58.6%	551.3	23.6%	2,076.7	1,359.3	52.8%
Byproducts – DM	190.4	88.0	116.4%	228.4	-16.7%	673.4	255.7	163.3%
Processed foods – DM	277.2	111.1	149.5%	251.4	10.2%	871.5	554.5	57.2%
<b>Subtotal – DM</b>	<b>1,149.1</b>	<b>628.9</b>	<b>82.7%</b>	<b>1,031.2</b>	<b>11.4%</b>	<b>3,621.6</b>	<b>2,169.6</b>	<b>66.9%</b>
<b>Total</b>	<b>4,119.9</b>	<b>2,417.3</b>	<b>70.4%</b>	<b>4,350.0</b>	<b>-5.3%</b>	<b>14,935.6</b>	<b>8,811.1</b>	<b>69.5%</b>

Volume ('000 tons)	4Q21	4Q20	Chg. (%)	3Q21	Chg. (%)	2021	2020	Chg. (%)
Fresh beef – EM	85.0	78.0	8.9%	100.9	-15.8%	369.9	276.8	33.6%
Byproducts – EM	21.4	21.6	-0.9%	26.2	-18.1%	90.0	77.4	16.3%
Processed foods – EM	0.3	0.4	-34.1%	0.1	158.7%	1.1	1.0	10.9%
<b>Subtotal – EM</b>	<b>106.7</b>	<b>100.1</b>	<b>6.6%</b>	<b>127.2</b>	<b>-16.1%</b>	<b>461.0</b>	<b>355.2</b>	<b>29.8%</b>
Fresh beef – DM	22.9	20.1	13.7%	20.9	9.3%	81.6	69.0	18.2%
Byproducts – DM	16.6	25.3	-34.5%	19.1	-13.4%	80.3	63.0	27.4%
Processed foods – DM	12.6	10.6	18.5%	12.1	3.9%	57.1	40.0	42.9%
<b>Subtotal – DM</b>	<b>52.1</b>	<b>56.1</b>	<b>-7.1%</b>	<b>52.2</b>	<b>-0.3%</b>	<b>219.0</b>	<b>172.0</b>	<b>27.3%</b>
<b>Total</b>	<b>158.8</b>	<b>156.2</b>	<b>1.6%</b>	<b>179.4</b>	<b>-11.5%</b>	<b>679.9</b>	<b>527.2</b>	<b>29.0%</b>

Average Price – EM (US\$/kg)	4Q21	4Q20	Chg. (%)	3Q21	Chg. (%)	2021	2020	Chg. (%)
Fresh beef – EM	5.6	3.8	48.0%	5.7	-0.9%	5.1	4.2	21.2%
Byproducts – EM	2.5	1.6	58.5%	2.4	4.8%	2.4	1.6	47.0%
Processed foods – EM	3.7	2.5	49.1%	3.5	6.7%	3.1	2.9	7.0%
<b>Total</b>	<b>5.0</b>	<b>3.3</b>	<b>50.6%</b>	<b>5.0</b>	<b>-0.1%</b>	<b>4.6</b>	<b>3.6</b>	<b>25.4%</b>
Average dollar (source: BACEN)	5.58	5.39	3.5%	5.22	6.8%	5.39	5.15	4.7%

Average Price – EM (R\$/kg)	4Q21	4Q20	Chg. (%)	3Q21	Chg. (%)	2021	2020	Chg. (%)
Fresh beef – EM	31.4	20.5	53.2%	29.7	5.9%	27.4	21.6	26.9%
Byproducts – EM	13.9	8.5	64.0%	12.4	11.9%	12.8	8.3	53.8%
Processed foods – EM	20.6	13.3	54.3%	18.1	13.9%	17.0	15.1	11.9%
<b>Total</b>	<b>27.8</b>	<b>17.9</b>	<b>55.9%</b>	<b>26.1</b>	<b>6.7%</b>	<b>24.5</b>	<b>18.7</b>	<b>31.3%</b>

Average Price – DM (R\$/kg)	4Q21	4Q20	Chg. (%)	3Q21	Chg. (%)	2021	2020	Chg. (%)
Fresh beef – DM	29.8	21.3	39.5%	26.3	13.1%	25.5	19.7	29.3%
Byproducts – DM	11.5	3.5	230.5%	11.9	-3.7%	8.4	4.1	106.7%
Processed foods – DM	22.0	10.4	110.5%	20.7	6.1%	15.3	13.9	10.0%
<b>Total</b>	<b>22.1</b>	<b>11.2</b>	<b>96.8%</b>	<b>19.7</b>	<b>11.7%</b>	<b>16.5</b>	<b>12.6</b>	<b>31.1%</b>

EM - Export Market, DM - Domestic Market

## TRADING DIVISION

Gross revenue from the Trading Division, which consists of the result from live cattle exports, protein trading, energy trading, and resale of third-party products, totaled R\$583.1 million in 4Q21. In 2021, gross revenue from this division stood at R\$1,754.2 million.

### Export Market – 16.4% of Gross Revenue from the Trading Division in 4Q21 | 25.0% in 2021

Gross export revenue from the Trading division reached R\$95.4 million in 4Q21, totaling R\$437.7 million in 2021.

### Domestic Market – 83.6% of Gross Revenue from the Trading Division in 4Q21 | 75.0% in 2021

Domestic sales from this division reached R\$487.7 million in 4Q21 and R\$1,316.5 million in 2021.

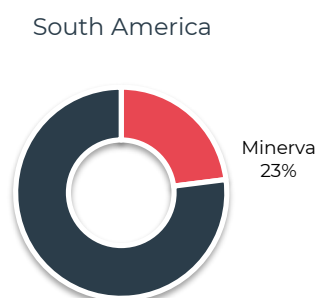
Gross Revenue (R\$ million)	4Q21	4Q20	Chg. (%)	3Q21	Chg. (%)	2021	2020	Chg. (%)
<b>Gross Revenue - Trading</b>	<b>583.1</b>	<b>451.8</b>	<b>29.1%</b>	<b>464.8</b>	<b>25.4%</b>	<b>1,754.2</b>	<b>1,745.2</b>	<b>0.5%</b>
Export market	95.4	127.8	-25.3%	151.1	-36.9%	437.7	672.6	-34.9%
Domestic market	487.7	324.1	50.5%	313.8	55.4%	1,316.5	1,072.6	22.7%

## Consolidated Results Analysis

### Exports - Market Share by Country

In 4Q21, Minerva Foods remained the leading beef exporter on the continent. The Company accounted for approximately 23% of South American beef exports in the period.

**Figure 8 – 4Q21 Market Share (% of Revenue)**



Sources: Minerva, Secex, Penta-transaction, OCIT, INDEC/ICA, and Legiscomex

### Gross Revenue

Based on the performance of its three divisions (the Brazil Division, Athena Foods, and the Trading Division), the Company's consolidated gross revenue came to R\$7,979.8 million in 4Q21, up 31.8% over 4Q20 and 2.1% over 3Q21. Consolidated gross revenue totaled R\$28.6 billion in 2021, up 39.0% over 2020 and an all-time high for the Company.

R\$ million	4Q21	4Q20	Chg. (%)	3Q21	Chg. (%)	2021	2020	Chg. (%)
<b>Gross revenue</b>	<b>7,979.8</b>	<b>6,056.1</b>	<b>31.8%</b>	<b>7,814.6</b>	<b>2.1%</b>	<b>28,572.3</b>	<b>20,554.2</b>	<b>39.0%</b>
Brazil Division	3,276.8	3,187.0	2.8%	2,999.7	9.2%	11,882.5	9,998.0	18.8%
Athena Foods	4,119.9	2,417.3	70.4%	4,350.0	-5.3%	14,935.6	8,811.1	69.5%
Trading Division	583.1	451.8	29.1%	464.8	25.4%	1,754.2	1,745.2	0.5%

### Net Revenue

Consolidated net revenue reached R\$7,505.9 million in 4Q21, up approximately 31.6% over 4Q20 and 1.9% higher than in 3Q21. In 2021, consolidated net revenue stood at R\$26,965.4 million, 39.0% higher than in 2020.

R\$ million	4Q21	4Q20	Chg. (%)	3Q21	Chg. (%)	2021	2020	Chg. (%)
Gross Revenue	7,979.8	6,056.1	31.8%	7,814.6	2.1%	28,572.3	20,554.3	39.0%
Deductions and discounts	-473.9	-353.1	34.2%	-446.3	6.2%	-1,606.9	-1,147.9	40.0%
<b>Net revenue</b>	<b>7,505.9</b>	<b>5,703.0</b>	<b>31.6%</b>	<b>7,368.2</b>	<b>1.9%</b>	<b>26,965.4</b>	<b>19,406.3</b>	<b>39.0%</b>
Gross revenue (%)	94.1%	94.2%	-0.1 p.p.	94.3%	-0.2 p.p.	94.4%	94.4%	0.0 p.p.

### Cost of Goods Sold (COGS) and Gross Margin

COGS accounted for 81.3% of net revenue in 4Q21, with a gross margin of 18.7%, a QoQ growth of 160 bps, and slightly higher than in 4Q20. In 2021, COGS accounted for 82.8% of net revenue, with a gross margin of 17.2%.

R\$ million	4Q21	4Q20	Chg. (%)	3Q21	Chg. (%)	2021	2020	Chg. (%)
Net Revenue (R\$ million)	7,505.9	5,703.0	31.6%	7,368.2	1.9%	26,965.4	19,406.3	39.0%
<b>COGS (R\$ million)</b>	<b>-6,104.4</b>	<b>-4,645.6</b>	<b>31.4%</b>	<b>-6,112.0</b>	<b>-0.1%</b>	<b>-22,320.3</b>	<b>-15,571.4</b>	<b>43.3%</b>
Net Revenue (%)	81.3%	81.5%	-0.1 p.p.	83.0%	-1.6 p.p.	82.8%	80.2%	2.5 p.p.
Gross Profit (R\$ million)	1,401.5	1,057.4	32.5%	1,256.3	11.6%	4,645.0	3,834.9	21.1%
<b>Gross Margin</b>	<b>18.7%</b>	<b>18.5%</b>	<b>0.2 p.p.</b>	<b>17.0%</b>	<b>1.6 p.p.</b>	<b>17.2%</b>	<b>19.8%</b>	<b>-2.5 p.p.</b>

### Selling, General and Administrative Expenses

Selling expenses accounted for 6.9% of net revenue in 4Q21, while general and administrative expenses accounted for 3.3%. In 2021, selling expenses accounted for 6.6% of net revenue, while general and administrative expenses accounted for 3.2%.

R\$ million	4Q21	4Q20	Chg. (%)	3Q21	Chg. (%)	2021	2020	Chg. (%)
<b>Selling expenses</b>	<b>-516.9</b>	<b>-348.2</b>	<b>48.4%</b>	<b>-502.2</b>	<b>2.9%</b>	<b>-1,766.6</b>	<b>-1,304.0</b>	<b>35.5%</b>
Net revenue (%)	6.9%	6.1%	0.8 p.p.	6.8%	0.1 p.p.	6.6%	6.7%	-0.2 p.p.
<b>G&amp;A expenses</b>	<b>-249.0</b>	<b>-158.4</b>	<b>57.2%</b>	<b>-210.7</b>	<b>18.2%</b>	<b>-857.6</b>	<b>-705.8</b>	<b>21.5%</b>
Net revenue (%)	3.3%	2.8%	0.5 p.p.	2.9%	0.5 p.p.	3.2%	3.6%	-0.5 p.p.

### EBITDA

Minerva Foods' consolidated EBITDA totaled R\$735.3 million in 4Q21, the highest quarterly EBITDA ever recorded by the Company, up 19.2% over 4Q20 and 13% over 3Q21. The EBITDA margin reached 9.8% in 4Q21, a growth of around 100 bps over 3Q21.

In 2021, EBITDA totaled R\$2,413.2 million, another all-time high for the Company, up approximately 13% over 2020. The EBITDA margin reached 9.0% in 2021.

R\$ million	4Q21	4Q20	Chg. (%)	3Q21	Chg. (%)	2021	2020	Chg. (%)
Net income (loss)	150,3	114,1	31,7%	72,4	107,7%	598,9	697,1	-14,1%
(+/-) Deferred income and social contribution taxes	-58,1	-9,4	515,7%	12,4	-566,7%	-13,3	68,9	N/A
(+/-) Financial result	542,6	435,8	24,5%	464,0	16,9%	1.449,8	1.027,8	41,1%
(+/-) Depreciation and amortization	94,9	69,9	35,7%	90,1	5,3%	346,8	308,7	12,4%
(+/-) Other expense adjustments	5,6	6,4	-12,8%	9,2	-39,2%	31,0	40,4	-23,2%
<b>EBITDA</b>	<b>735,3</b>	<b>616,9</b>	<b>19,2%</b>	<b>648,1</b>	<b>13,4%</b>	<b>2.413,2</b>	<b>2.142,8</b>	<b>12,6%</b>
<b>EBITDA margin</b>	<b>9,8%</b>	<b>10,8%</b>	<b>-1,0 p.p.</b>	<b>8,8%</b>	<b>1,0 p.p.</b>	<b>9,0%</b>	<b>11,0%</b>	<b>-2,1 p.p.</b>

### Financial Result

The Company recorded a net financial loss of R\$542.6 million in 4Q21, mainly due to the negative non-cash effect of R\$287.7 million from the depreciation of the Brazilian real against the U.S. dollar.

R\$ million	4Q21	4Q20	Chg. (%)	3Q21	Chg. (%)	2021	2020	Chg. (%)
Financial expenses	-267.9	-265.9	0.7%	-262.8	1.9%	-1,013.9	-1,046.3	-3.1%
Financial income	24.4	11.6	110.3%	22.4	8.9%	75.0	74.9	0.2%
Monetary correction	-44.3	-16.8	164.1%	-42.5	4.2%	-179.9	-63.0	185.6%
FX variation	-287.7	310.3	N/A	-119.3	141.2%	-405.3	-416.7	-2.7%
Other expenses	32.9	-475.0	N/A	-61.8	N/A	74.1	423.2	-82.5%
<b>Financial Result</b>	<b>-542.6</b>	<b>-435.8</b>	<b>24.5%</b>	<b>-464.0</b>	<b>16.9%</b>	<b>-1,449.9</b>	<b>-1,027.9</b>	<b>41.1%</b>
Average dollar (R\$/US\$)	5.58	5.39	3.5%	5.22	6.8%	5.4	5.15	4.7%
Closing dollar (R\$/US\$)	5.58	5.20	7.4%	5.44	2.6%	5.6	5.20	7.4%

R\$ million	4Q21	4Q20	Chg. (%)	3Q21	Chg. (%)	2021	2020	Chg. (%)
FX hedge	103.0	-389.9	N/A	30.3	239.9%	355.1	663.3	-46.5%
Commodities hedge	-3.1	-19.2	-83.9%	-44.9	-93.1%	-67.0	-33.1	102.4%
Fees, commissions and other financial expenses	-67.0	-65.9	1.7%	-47.2	41.9%	-214.0	-207.0	3.4%
<b>Total</b>	<b>32.9</b>	<b>-475.0</b>	<b>n.a</b>	<b>-61.8</b>	<b>n.a</b>	<b>74.1</b>	<b>423.2</b>	<b>-82.5%</b>

## Net Income

Net income totaled R\$150.3 million in 4Q21, up 108% over 3Q21 and 32% over 4Q20. In 2021, the Company's net income stood at R\$598.9 million.

Minerva Foods' accumulated net income totaled R\$1.3 billion in the 2020-2021 period.

R\$ million	4Q21	4Q20	Chg. (%)	3Q21	Chg. (%)	2021	2020	Chg. (%)
Net income (loss) before income and social contribution taxes	92.2	104.7	-11.9%	84.8	8.7%	585.6	766.0	-23.6%
Income tax and social contribution	58.1	9.4	515.7%	-12.4	N/A	13.3	-68.9	N/A
<b>Net income (loss)</b>	<b>150.3</b>	<b>114.1</b>	<b>31.7%</b>	<b>72.4</b>	<b>107.7%</b>	<b>598.9</b>	<b>697.1</b>	<b>-14.1%</b>
<b>Net margin (%)</b>	<b>2.0%</b>	<b>2.0%</b>	<b>0.0 p.p.</b>	<b>1.0%</b>	<b>1.0 p.p.</b>	<b>2.2%</b>	<b>3.6%</b>	<b>-1.4 p.p.</b>

## Cash Flow

### Operating Cash Flow

Operating cash flow was a positive R\$648.8 million in 4Q21. The variation in working capital requirements was negative by R\$63.5 million, mainly impacted by the inventories line. In 2021, the Company's operating cash flow totaled R\$2.6 billion.

R\$ million	4Q21	4Q20	3Q21	2021
Net income	150.3	114.1	72.4	598.9
(+) Net income (loss) adjustments	561.9	-47.2	543.8	1,980.8
(+) Variation in working capital requirements	-63.5	-226.8	-204.1	15.0
<b>Operating cash flow</b>	<b>648.8</b>	<b>-159.9</b>	<b>412.0</b>	<b>2,594.7</b>

### Free Cash Flow

Free cash flow after Capex, interest payments, and working capital was a positive R\$213.1 million in 4Q21, and the Company recorded positive cash generation for the sixteenth consecutive quarter. In 2021, free cash flow totaled R\$1.0 billion.

Free cash generation since 2018 has amounted to approximately R\$4.5 billion.

R\$ million	4Q21	3Q21	2Q21	1Q21	2021
EBITDA	735.3	648.1	544.9	484.9	2,413.2
CAPEX	-230.7	-194.9	-69.5	-73.4	-568.5
Financial result (on a cash basis)	-228.0	-182.0	-457.0	21.0	-846.0
Variation in working capital requirements	-63.5	-204.1	406.3	-123.7	15.0
<b>Free Cash Flow</b>	<b>213.1</b>	<b>67.1</b>	<b>424.7</b>	<b>308.8</b>	<b>1,013.7</b>

## Capital Structure

At the end of 2021, Minerva's cash position reached R\$7.3 billion, which is sufficient to amortize its debt through 2026 and is in line with the Company's conservative cash management and capital discipline. On December 31, 2021, around 73% of the gross debt was pegged to the U.S. dollar and, according to our hedge policy, the Company hedges at least 40% of the long-term FX exposure, protecting its balance sheet at times of high exchange rate volatility.

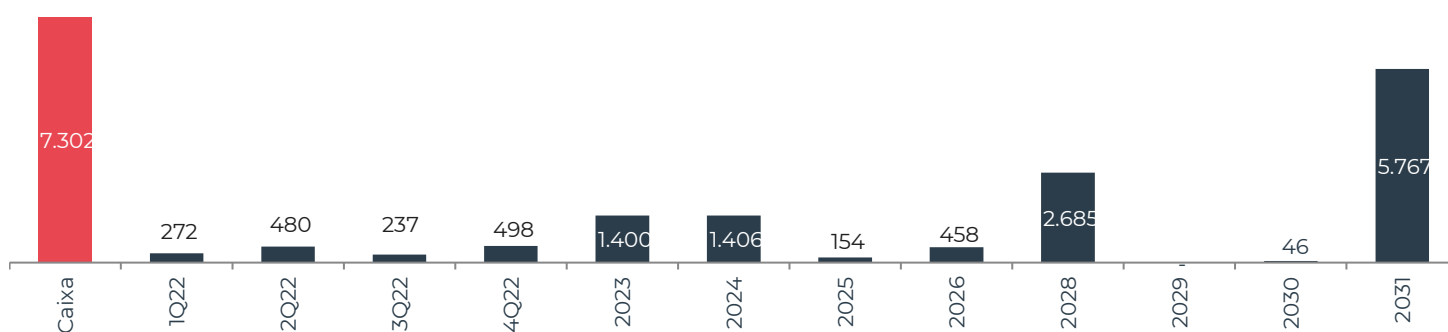
Net leverage, measured by the Net Debt/LTM EBITDA ratio, closed 4Q21 at 2.4x, adjusted by the payment of early dividends of R\$200.00 million in November, as shown below. Excluding this effect, net leverage remains flat at 2.5x in 2021.

Continuing the Company's financial liability management process, in October Minerva Foods carried out its 11th debenture issue, totaling R\$400 million and yielding CDI + 1.60% p.a. The proceeds from the transaction were used to pay the Company's 6th debenture issue, maturing on May 15, 2022 and yielding CDI + 1.80% p.a., thus extending our debt profile and reducing the annual cost of debt.

Moreover, in the pursuit of a more balanced and less costly capital structure, approximately US\$83 million from Bonds 2028 and 2031 were repurchased in 4Q21. Year-to-date, repurchases totaled approximately USD 172 million, of which USD 154 million were effectively canceled at the end of 2021 and the balance at the beginning of January 2022, always focusing on improving our capital structure.

The debt duration expanded to approximately 5.8 years at the end of 4Q21.

**Figure 9 – Debt Amortization Schedule on 12/31/2021  
(R\$ million)**



R\$ million	4Q21	4Q20	Chg. (%)	3Q21	Chg. (%)
<b>Short-term Debt</b>	<b>1,488.4</b>	<b>2,199.6</b>	<b>-32.3%</b>	<b>1,806.9</b>	<b>-17.6%</b>
Short-term debt (%)	11.1%	19.0%	-7.9 p.p.	13.1%	-1.9 p.p.
Local currency	233.3	471.0	-50.5%	685.1	-65.9%
Foreign currency	1,255.1	1,728.6	-27.4%	1,121.8	11.9%
<b>Long-term Debt</b>	<b>11,916.3</b>	<b>9,372.5</b>	<b>27.1%</b>	<b>12,038.8</b>	<b>-1.0%</b>
Long-term debt (%)	88.9%	81.0%	7.9 p.p.	86.9%	1.9 p.p.
Local currency	3,349.8	2,017.2	66.1%	3,282.9	2.0%
Foreign currency	8,566.5	7,355.3	16.5%	8,755.9	-2.2%
<b>Total Debt</b>	<b>13,404.7</b>	<b>11,572.0</b>	<b>15.8%</b>	<b>13,845.7</b>	<b>-3.9%</b>
Local currency	3,583.1	2,488.2	44.0%	3,968.0	-1.9 p.p.
Foreign currency	9,821.6	9,083.9	8.1%	9,877.7	-65.9%
<b>Cash and cash equivalents</b>	<b>7,302.0</b>	<b>6,391.4</b>	<b>14.2%</b>	<b>8,030.7</b>	<b>-9.1%</b>
Early dividends	200.0	-	-	-	-
<b>Net debt <sup>(1)(2)</sup></b>	<b>5,902.7</b>	<b>5,170.5</b>	<b>18.0%</b>	<b>5,563.2</b>	<b>6.1%</b>
<b>Net debt/EBITDA (x)</b>	<b>2.4</b>	<b>2.4</b>	<b>-</b>	<b>2.4</b>	<b>-</b>

(1) 3Q21 adjusted by: (i) R\$384.1 million (Bond 2028 cancellation); (ii) R\$251.8 million (subscription bonus);  
(2) Net debt includes the subordinated shares of the FIDC in the amount of R\$10.1 in 4Q20.

## Capex

In 4Q21, investments totaled R\$230.8 million. Of the total amount, R\$97.2 million went to the maintenance of the Company's operating units and R\$133.5 million to expansion, including related to the acquisition of plants in Australia.

In 2021, investments totaled R\$568.5 million and reflect the efforts to maintain and improve our production facility, the geographical expansion (Australia), and the Corporate Venture Capital initiatives developed over the year.

See below a breakdown of investments (cash effect) by quarter and in 2021:

R\$ million	4Q21	3Q21	2Q21	1Q21	2021
Maintenance	97.2	83.7	40.9	33.9	255.7
Expansion	133.5	111.2	28.6	39.5	312.8
<b>Total</b>	<b>230.7</b>	<b>194.9</b>	<b>69.5</b>	<b>73.4</b>	<b>568.5</b>

## Value Creation

### Dividends

On November 4, 2021, Minerva Foods' Board of Directors approved the early payment of dividends of R\$200.0 million, or around R\$0.35/share. To supplement the early distribution, the Company's Management proposed to the Annual Shareholders' Meeting the additional payment of dividends totaling R\$200.0 million, or R\$0.34, per share, excluding 23.1 million treasury shares. The payout for FY 2021 should total R\$400.0 million, or R\$0.69 per share, totaling a dividend yield of 6.5% and payout of 67%, as shown in figure 11.

Considering cash proceeds, i.e. those actually paid in 2021, the amount distributed by Minerva Foods totaled R\$603.6 million or R\$1.12/share in 2021, which represents a dividend yield of 10.6%, one of the highest in the Brazilian market.

In retrospect, and considering the last two years (2020 – 2021), the Company distributed R\$942.1 million in proceeds, equivalent to R\$1.72/share. Additionally, around R\$1.8 billion was paid in the repurchase of shares and debt in the same period. These initiatives reinforce Minerva Foods' commitment to financial discipline and the creation of value for shareholders.

It is worth noting that the Company's Management reaffirms its commitment to the pursuit of an increasingly efficient and less costly capital structure. Accordingly, even after the additional payment of R\$200.0 million proposed as additional dividends, the Net Debt/LTM EBITDA ratio remained virtually flat at 2.6x, as shown in figure 14.

**Figure 10 – Dividends (FY 2020)**

	R\$ million	R\$/share
Interest on Equity*	19.3	0.04
Early dividends	138.5	0.26
Additional dividends	384.3	0.73
<b>Total Dividends</b>	<b>542.1</b>	<b>1.03</b>
<b>**Dividend Yield</b>	<b>10.1%</b>	

**Figure 11 – Dividends (FY 2021)**

	R\$ million	R\$/share
Early dividends	200.0	0.35
Additional dividends	200.0	0.34
<b>Total Dividends</b>	<b>400.0</b>	<b>0.69</b>
<b>**Dividend Yield</b>	<b>6.5%</b>	

**Figure 12 – Dividends (Cash Effect 2021)**

	R\$ million	R\$/share
Interest on Equity*	19.3	0.04
Additional dividends FY20	384.3	0.73
Early dividends FY21	200.0	0.35
<b>Cash Dividends</b>	<b>603.6</b>	<b>1.12</b>
<b>**Dividend Yield</b>	<b>10.6%</b>	

**Figure 13 – Total Dividends (2020 and 2021)**

	R\$ million	R\$/share
FY 2020	542.1	1.03
FY 2021	400.0	0.69
<b>Total Dividends</b>	<b>942.1</b>	<b>1.72</b>

**Figure 14 – Leverage after Dividends**

	R\$ million
2021 EBITDA	2,413.2
2021 Net Debt	6,102.7
Additional dividends (FY21)	200.0
<b>Net debt/Adjusted EBITDA(x) After Dividends</b>	<b>2.6x</b>

\*Net IoE funds

\*\* Dividend yield based on BEEF3 price on the last trading day of the year: 12/30/20 and 12/30/21  
FY 2020 = Fiscal Year 2020 | FY 2021 = Fiscal Year 2021

## ESG

Significant advances have left a lasting impression for 2021 in respect to our ongoing strategy towards addressing environmental, social and governance factors (ESG). As an industry leader in the fight against climate change, we the company, Minerva Foods, have made a lasting commitment to the public, our customers, suppliers, employees and investors, by announcing our goal of becoming a carbon neutral company by 2035 (zero net emissions in scopes 1, 2 and 3). This target is in line with one of the five defining principles of the Minerva Foods Culture - Sustainability.

Our goal is supported by published findings that provide solid evidence of our continued leadership in monitoring the supply chain in South America and in fighting illegal deforestation. The Minerva Foods Commitment to Sustainability is driven by our contribution to a healthy planet, and prosperous communities, through ongoing support of the South American producer, and by providing guidance in implementing practices that capture and store carbon, protect biodiversity, and that increase the resilience of their businesses.

In order to achieve the goal of net zero emissions by 2035 in scopes 1, 2, and 3, the company will work on 3 key aspects:

1. Scopes 1 and 2 - Environmental Efficiency of operations:
  - 1.1. Reduce the intensity of greenhouse gas emissions by 30% in scopes 1 and 2 by 2030.
  - 1.2. Carbon neutral energy matrix (zero net emissions in scope 2 - target achieved in 2020).
2. Scope 3 - Geospatial monitoring of the supply chain to combat illegal deforestation:
  - 2.1. No illegal deforestation throughout the supply chain (direct and indirect suppliers) for all South American countries of operation by 2030.
  - 2.2. Geographic monitoring of 100% of direct suppliers in Paraguay by December 2021 (target achieved in December), Colombia by 2023, Uruguay by 2025, and expanded to the other South American countries by 2030.
  - 2.3. Monitoring program for indirect suppliers in all countries of operation throughout South America by 2030, including:
    - i. Integration of the Visipec tool into the geographic monitoring system for the Amazon by December 2021 (target achieved four months ahead of schedule).
    - ii. In partnership with Niceplanet Geotecnologia, supply an application for the verification of indirect supply farms in Brazil by December 2021 (goal achieved two months ahead of schedule).
3. Scope 3 - *Programa Renove* (Renove Program) - low carbon emission in the production chain:
  - 3.1. Participation of 50% of the beef suppliers in the program *Renove* by 2030.
  - 3.2. Joint efforts with research institutions for the implementation of a monitoring approach to report and verify the carbon balance of suppliers in the South American countries in which the company operates, with preliminary results expected in 2021 (target achieved with the release of the results during the United Nations Climate Change Conference - COP26).

Integration of the Visipec tool into the Company's internal systems to analyze the risks of indirect suppliers in the Amazon has been one of the highlights of our pioneering initiatives to combat illegal deforestation in the supply chain. This process was carried out ahead of schedule by four months, originally planned for December 2021, achieved in August 2021. As a result, Minerva improved its analysis of both direct and

indirect suppliers and enhanced the work of mapping risks in the supply chain, making it broader, more efficient and agile.

In addition, in 2021, Minerva began to provide rural producers throughout Brazil the same geospatial technology that it uses to monitor its suppliers; through the SMGeo Prospec application, developed by Niceplanet Geotecnologia, the Company began to transfer the most advanced technology, used in its analysis and monitoring systems, into the palm of the hand of the cattle rancher. This is the same technology which has awarded Minerva Foods the expertise in traceability -and subsequently- the best results among the major players in the audit by the Public Prosecutor's Office, the main and most reliable third-party verification process in the agricultural and cattle production chain. This app allows the rural producers to conduct detailed research, giving them access to the history and analysis of the social and environmental compliance of properties.

With the expansion of our geographic monitoring in 2021, we became the first company in the industry to monitor 100% of direct cattle suppliers in Paraguay, achieving yet another milestone in our commitment to sustainability. In this way, the Company can guarantee that its products will be free from illegal deforestation, overlaps with indigenous lands, and areas of environmental protection within the country. In Colombia, we have finalized the study of environmental legislation necessary for geospatial monitoring and the geographic analysis by means of buffer zones, with the purpose of analyzing the size of rural properties in different regions of Colombia and the applicable criteria for geospatial monitoring.

At the organizational level, we have received several significant recognitions. We are the first Brazilian company to receive the Renewable Energy Seal, issued by Instituto Totum, in partnership with the *Associação Brasileira de Energia Eólica (ABEEólica)* and the *Associação Brasileira de Energia Limpa (Abragel)*, for all of our units in Brazil. We received the Gold Seal on our Corporate Greenhouse Gas Emissions Inventory from the Brazilian GHG Protocol Program. We are the only company in the beef protein industry listed on the 2021/2022 portfolio of the B3 Corporate Sustainability Index (ISEB3), the fourth sustainability index in the world. In addition, for the second consecutive year, we are listed on the B3 Carbon Efficient Index (ICO2B3). As part of the Carbon Disclosure Project (CDP), Minerva Foods was evaluated on three aspects: climate change, forests, and water security. Regarding climate change, our performance rose for the third consecutive year. Furthermore, we were evaluated by the Forest 500 Ranking as one of the companies in the protein industry that presents the lowest risks of ties to deforestation or potential exposure to supply chains of forest risk commodities. According to the ranking, for 2022, Minerva Foods is among the top 5 Brazilian companies when it comes to sustainability policies.

In line with our Sustainability strategy, Minerva Foods has become a signatory member of the United Nations (UN) Global Compact. As a signatory, the Company reinforces the universal principles of the Global Compact in its operating strategy, in addition to reporting on the progress made on an annual basis.

### ***Programa Renove***

2021 saw the launch of the *Programa Renove*, a program developed as a means to engage and collaborate with cattle ranchers that supply Minerva Foods, in the adoption of low-carbon cattle ranching practices. In its first year, the program conducted three projects with key partners in South America.

A joint project with Embrapa calculated the carbon balance of 22 different ranches across Brazil (period from June 2020 to July 2021). The study comprised an area totaling 71,400 hectares and more than 250,000 head of cattle. The participating 22 ranches provided 12% of the volume of cattle purchased in Brazil for 2021. Initial results indicate that 21 of the ranches emit less than the national average for livestock activity, and that 10 of the ranches analyzed, sequester more carbon than they emit through the use of carbon-negative best practices.

# Project with Embrapa

## Results



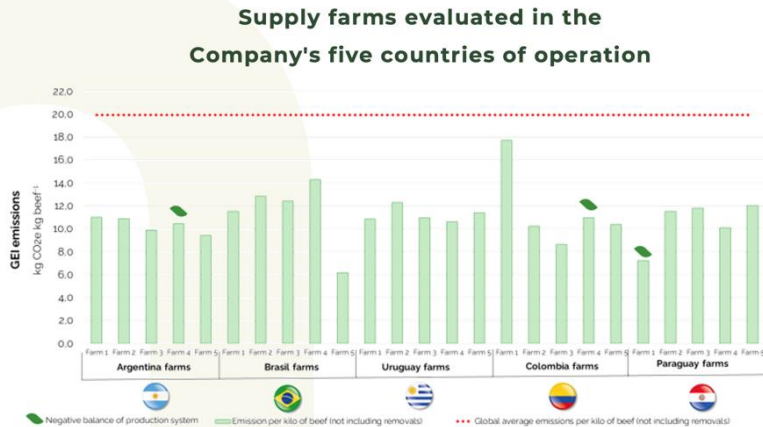
**95%** of the farms are below the national average for emissions



The project, carried out in partnership with Imaflora, calculated the carbon balance and the intensity of emissions on five ranches in each of the countries of operation, Argentina, Brazil, Colombia, Paraguay, and Uruguay, for a total of 25 ranches, 490 thousand hectares, and 232 thousand heads of cattle. Based on the analysis of more than 30 scientific papers, the estimated intensity of emissions for global beef production was 19.9 tons of CO<sub>2</sub>e per ton of beef produced. The 25 ranches that supply Minerva Foods are ranked between 11% and 69% below the global average of emissions, with an average of 44% below the global average.

# Project with Imaflora and Preferred by Nature

## Results



**44%** less emissions than the global average



Upon assessment of the carbon balance of the production system of each of these ranches, which includes both carbon emissions and removals that occur on the property, three of the ranches were found to be carbon negative. These results have been presented at the UN's World Climate Conference (COP26). All the data has been published and is available at <https://carbonontrack.imaflora.org/>

Those ranches whose carbon footprint has been measured, are undergoing certification in partnership with Preferred by Nature, a non-profit organization with 25 years of experience in the area of certification, in over 100 different countries. The Preferred by Nature Carbon Footprint Verification and Support (CFM) Program is assisting Minerva Foods in implementing credible and responsible climate actions that are aligned with internationally recognized standards such as the GHG Protocol, PAS standards, and ISO 14064.

These projects will allow for the routine monitoring of the carbon footprint of suppliers, and the establishment of goals and strategies for the reduction of emissions across the different stages of production. By means of annual audits, it will be possible to monitor the activities of agriculture and cattle ranching, identifying areas for improvement in the carbon balance of the ranches, through the use of low emission practices, such as enhancements, rotation systems, integrated systems, and decreasing the age at slaughter, amongst others. In December 2021, audits were conducted for the ranches in Uruguay, in order to obtain certification in the first quarter of 2022.

The third project, conducted in partnership with Santos Lab and Biofílica Ambipar Environment, remote scanning technologies were used to analyze the presence of environmental assets on 382 ranches in Brazil and Paraguay. Of these, 60 suppliers were invited to participate in the pilot program, of which 10 were ranches in the Paraguayan Chaco and 50 in Brazil. The project seeks to connect these farms with the voluntary carbon market, green finance, and training. The objective is to create incentives for the expansion of low carbon practices in cattle ranching.

Through the Renove Program, we aim to expand these activities during the 2022 year, continuously improving our methodology in order to maintain solidity and scientific credibility, thus contributing to the recognition of the sustainability of South American cattle breeding.

### **MyCarbon**

Created in 2021, MyCarbon is a subsidiary of Minerva Foods and aims to provide support to companies in their efforts to meet their greenhouse gas emission neutralization targets by means of carbon offsets in a transparent, reliable and sustainable manner. The company develops projects, originates and sells carbon credits, in line with international standards; thus creating financial opportunities for the preservation of the environment, increasing the speed of activities in the fight against climate change and promoting a low carbon future.

MyCarbon is part of the efforts Minerva Foods has undertaken to implement initiatives that promote a more sustainable, low-carbon cattle industry, and to support farmers throughout South America in adopting technological production systems that will reduce emissions in the value chain. In 2021, MyCarbon carried out its first contract for certified emission reductions.

In all, 50 thousand carbon equivalent units (Verified Carbon Units) were traded. Each carbon unit corresponds to one ton of CO<sub>2</sub> that was not released into the atmosphere, thus transforming this commercialization into an effective way of reducing the planet's greenhouse gas emissions.

### **Transparency**

We endeavor to continue our engagement with Sustainability in the Minerva value chain in ways that are evident, focused on reducing our carbon footprint, reducing our water footprint and, most importantly, fighting climate change as a result of land use conversion. In order to achieve our goals, geographic monitoring of the supply chain is a fundamental approach, so we will continue to invest in the program Renove and in geographic monitoring technologies across the countries in which we operate.

Our commitment, here at Minerva Foods is evidenced through tangible results today, contributing now to the sustainability of our planet.

## Subsequent Events

### Capital Increase as a Result of the Exercise of Subscription Warrants

	January 12, 2022
<b>Share capital</b>	R\$1,678,785,544.94
<b>Total shares issued</b>	607,283,407
<b>Total warrants exercised</b>	149,756,250
<b>Unexercised warrants</b>	512,448
<b>Capital Increase (subscription warrants)</b>	R\$898,664,228.61

On January 12, 2022, the Company's Board of Directors ratified the last capital increase approved in the Extraordinary Shareholders' Meeting held on October 15, 2018, and approved at the Board of Directors' Meeting of December 20, 2018. In all, 149,756,250 subscription warrants were exercised, resulting in a capital increase of R\$898.7 million over the period. Accordingly, and with the end of the subscription warrant period, 607,283,407 shares were issued by the Company. It is worth noting that of the total subscription warrants issued, 512,448 were not exercised and, consequently, expired.

### Bond Repurchase and Cancellation

On January 26, 2022, the Company concluded the repurchase and cancellation process of another portion of Bonds 2028 and 2031, as shown below:

Bond	Coupon	Total Repurchased
<b>2028</b>	5.875%	US\$38,055,000
<b>2031</b>	4.375%	US\$10,000,000

## About Minerva S.A.

Minerva Foods is the South American leader in beef exports, and also operates in the processed foods segment, selling its products to over 100 countries. Present in Brazil, Paraguay, Argentina, Uruguay, and Colombia, Minerva operates 25 slaughter and deboning plants and 3 processing plants. In 2021, the Company recorded gross sales revenue of R\$28.6 billion, 39% more than in 2020.

### *Relationship with Auditors*

Under CVM Instruction 381/03, we announce that our auditors did not provide services other than those related to the external audit in 2019, 2020, and 2021.

### *Statement from Management*

Under CVM Instructions, Management declares that it has discussed, reviewed, and agreed with the individual and consolidated accounting information for the fiscal year ended December 31, 2021, and the opinions expressed in the independent auditors' review report, hereby authorizing their disclosure.

## APPENDIX 1 – ATHENA FOODS (US\$)

Athena Foods' gross revenue totaled US\$733.9 million in 4Q21, an increase of 48% over 4Q20. In 2021, Athena Foods' gross revenue reached US\$2.8 billion, up 61% over 2020.

US\$ million	4Q21	3Q21	2Q21	1Q21	2021
Argentina	207.5	196.7	145.5	129.6	679.2
Chile	34.5	35.6	24.6	11.0	105.7
Colombia	70.2	111.4	60.2	73.9	315.8
Paraguay	203.9	257.5	285.9	218.9	966.2
Uruguay	217.8	210.7	165.3	135.3	729.0
<b>Total Athena Foods</b>	<b>733.9</b>	<b>811.9</b>	<b>681.5</b>	<b>568.6</b>	<b>2,795.9</b>

## APPENDIX 2 - INCOME STATEMENT (CONSOLIDATED)

(R\$ thousand)	4Q21	4Q20	3Q21	LTM4Q21	LTM4Q20
<b>Net operating revenue</b>	<b>7,505,928</b>	<b>5,702,961</b>	<b>7,368,241</b>	<b>26,965,360</b>	<b>19,406,344</b>
Cost of goods sold	-6,104,381	-4,645,577	-6,111,980	-22,320,336	-15,571,421
<b>Gross profit</b>	<b>1,401,547</b>	<b>1,057,384</b>	<b>1,256,261</b>	<b>4,645,024</b>	<b>3,834,923</b>
Selling expenses	-516,900	-348,215	-502,198	-1,766,570	-1,304,005
General and administrative expenses	-249,005	-158,434	-210,685	-857,581	-705,834
Other operating revenues (expenses)	-857	-10,193	5,428	14,545	-31,311
<b>Result before financial expenses</b>	<b>634,785</b>	<b>540,542</b>	<b>548,806</b>	<b>2,035,418</b>	<b>1,793,773</b>
Financial expenses	-267,890	-265,930	-262,785	-1,013,896	-1,046,285
Financial revenue	24,354	11,583	22,371	75,015	74,897
Monetary correction	-44,282	-16,765	-42,491	-179,854	-62,968
FX variation	-287,693	310,287	-119,275	-405,287	-416,700
Other expenses	32,940	-475,021	-61,807	74,211	423,297
<b>Financial Result</b>	<b>-542,571</b>	<b>-435,846</b>	<b>-463,987</b>	<b>-1,449,811</b>	<b>-1,027,759</b>
<b>Result before taxes</b>	<b>92,214</b>	<b>104,696</b>	<b>84,819</b>	<b>585,607</b>	<b>766,014</b>
Income and social contribution taxes - current	-534	-22,547	-25,049	-64,918	-93,734
Income and social contribution taxes - deferred	58,609	31,979	12,604	78,190	24,812
<b>Result before non-controlling interest</b>	<b>150,289</b>	<b>114,128</b>	<b>72,374</b>	<b>598,879</b>	<b>697,092</b>
Controlling shareholders	150,289	114,128	72,374	598,879	697,092
<b>Profit (loss) for the period</b>	<b>150,289</b>	<b>114,128</b>	<b>72,374</b>	<b>598,879</b>	<b>697,092</b>

**APPENDIX 3 - BALANCE SHEET (CONSOLIDATED)**

(R\$ thousand)	4Q21	4Q20
<b>ASSETS</b>		
Cash and cash equivalents	7,302,009	6,391,429
Trade receivables	2,598,563	2,143,997
Inventories	2,115,294	997,963
Biological assets	467,960	351,230
Taxes recoverable	805,076	1,011,815
Other receivables	478,198	389,879
<b>Total current assets</b>	<b>13,767,100</b>	<b>11,286,313</b>
Taxes recoverable	106,942	192,285
Deferred tax assets	415,665	448,832
Other receivables	148,165	53,469
Judicial deposits	22,202	22,250
Capex	199,841	21,374
Fixed assets	4,581,352	4,122,509
Intangible assets	828,195	776,219
<b>Total non-current assets</b>	<b>6,302,362</b>	<b>5,636,938</b>
<b>Total assets</b>	<b>20,069,462</b>	<b>16,923,251</b>
<b>LIABILITIES</b>		
Loans and financing	1,488,416	2,199,564
Commercial leasing	10,435	10,280
Trade payables	3,724,242	2,344,593
Labor and tax liabilities	400,727	324,990
Other payables	1,614,550	1,516,235
<b>Total current liabilities</b>	<b>7,238,370</b>	<b>6,395,662</b>
Loans and financing	11,916,289	9,372,474
Commercial leasing	29,272	36,611
Labor and tax liabilities	53,179	59,706
Provision for contingencies	43,377	40,274
Accounts payable	18,524	31,095
Deferred tax liabilities	116,320	147,357
<b>Total non-current liabilities</b>	<b>12,176,961</b>	<b>9,687,517</b>
<b>Shareholders' equity</b>		
Share capital	1,616,138	1,303,984
Capital reserves	118,271	118,271
Revaluation reserves	47,518	49,066
<b>Profit reserves</b>	353,865	153,438
Additional dividend proposed	200,000	376,092
Retained earnings (accumulated loss)	-	-
Treasury shares	-242,768	-242,768
Equity valuation adjustments	-1,438,893	-918,011
<b>Total shareholders' equity attributed to controlling shareholders</b>	<b>654,131</b>	<b>840,072</b>
<b>Total shareholders' equity</b>	<b>654,131</b>	<b>840,072</b>
<b>Total liabilities and shareholders' equity</b>	<b>20,069,462</b>	<b>16,923,251</b>

## APPENDIX 4 – CASH FLOW (CONSOLIDATED)

(R\$ thousand)	4Q21	4Q20	3Q21	2021	2020
<b>Cash flow from operating activities</b>					
Net income (loss)	150,289	114,128	72,374	598,879	697,092
<b>Adjustments to reconcile net income provided by operating activities:</b>					
Depreciation and amortization	94,892	69,911	90,106	346,786	308,662
Estimated loss with doubtful accounts	457	4,682	2,662	7,039	24,802
Proceeds from the sale of fixed assets	1,036	55	289	4,955	1,746
Fair value of biological assets	-19,978	7,399	33,039	-40,341	-54,940
Realization of deferred taxes – temporary differences	-58,609	-31,979	-12,604	-78,190	-24,812
Financial charges	267,890	266,862	262,785	1,013,896	1,047,217
FX variation – not realized	230,809	-378,885	123,322	543,698	848,932
Monetary correction	44,282	16,765	42,491	179,854	62,968
Provision for contingencies	1,168	-2,036	1,678	3,103	2,002
Trade receivables and other receivables	130,449	12,092	-506,122	-644,620	-512,767
Inventories	-263,043	116,071	-467,801	-1,117,331	-283,398
Biological assets	20,333	33,870	-16,329	-76,389	-60,517
Taxes recoverable	55,726	-51,716	291,170	292,082	-261,486
Judicial deposits	543	-3,224	-3,020	48	2,300
Trade payables	181,645	161,462	725,351	1,379,649	982,224
Labor and tax liabilities	-39,703	-10,282	100,014	69,210	-13,509
Other payables	-149,433	-485,120	-327,378	112,333	457,311
<b>Cash flow from operating activities</b>	<b>648,753</b>	<b>-159,945</b>	<b>412,027</b>	<b>2,594,661</b>	<b>3,223,827</b>
<b>Cash flow from investing activities</b>					
Investment acquisition	-19,700	-21,374	-15,636	-64,336	-21,374
Acquisition of intangible assets	-12,165	-1,115	-17,690	-36,283	-27,697
Acquisition of fixed assets	-198,902	-77,005	-161,562	-467,902	-327,027
<b>Cash flow from investing activities</b>	<b>-230,767</b>	<b>-99,494</b>	<b>-194,888</b>	<b>-568,521</b>	<b>-376,098</b>
<b>Cash flow from financing activities</b>					
Loans and financing raised	1,219,037	759,062	2,584,366	7,031,604	3,464,037
Loans and financing settled	-2,671,452	-1,218,038	-1,681,116	-8,702,320	-6,334,768
Commercial leasing	-3,181	-2,557	-2,768	-11,137	-11,259
Capital payment in cash	304,383	83	73	312,154	1,455,990
Payment of interest on equity	-	-	-	-19,240	-
Payment of additional proposed dividends	-	-	-	-383,441	-
Payment of interim dividends	-200,000	-138,454	0	-200,000	-138,454
Treasury shares	-	-210,073	-	-	-210,073
(-) Transition cost in the issue of shares	-	-	-	-	-53,813
<b>Cash flow from financing activities</b>	<b>-1,351,213</b>	<b>-809,977</b>	<b>900,555</b>	<b>-1,972,380</b>	<b>-1,828,340</b>
FX variation on cash and cash equivalents	204,527	120,194	571,062	856,820	902,353
<b>Net increase/decrease in cash and cash equivalents</b>	<b>-728,700</b>	<b>-949,222</b>	<b>1,688,756</b>	<b>910,580</b>	<b>1,921,742</b>
Cash and cash equivalents					
Beginning of the period	8,030,709	7,340,651	6,341,953	6,391,429	4,469,687
End of the period	7,302,009	6,391,429	8,030,709	7,302,009	6,391,429
<b>Net increase/decrease in cash and cash equivalents</b>	<b>-728,700</b>	<b>-949,222</b>	<b>1,688,756</b>	<b>910,580</b>	<b>1,921,742</b>

## APPENDIX 5 – EXCHANGE RATE

	4Q21	3Q21	4Q20
(US\$ - Closing)			
<b>Brazil (R\$/US\$)</b>	5.58	5.44	5.20
<b>Paraguay (PYG/US\$)</b>	6,876.90	6,907.00	6,911.60
<b>Uruguay (UYU/US\$)</b>	44.69	42.94	42.35
<b>Argentina (ARS/US\$)</b>	102.74	98.74	84.15
<b>Colombia (COP/US\$)</b>	4,080.32	3,807.80	3,429.73

## INDEPENDENT AUDITOR'S REPORT ON THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

To  
Shareholders, Advisers and Board of Directors of  
Minerva S.A.  
São Paulo - SP

### Opinion on the individual and consolidated financial statements

We have examined the individual and consolidated financial statements of Minerva S.A. ("Company"), identified as the "Parent company" and "Consolidated", respectively, which comprise the statement of financial position as of December 31, 2021 and the related statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, as well as the related explanatory notes, including a summary of the main accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the individual and consolidated financial position of Minerva S.A. as of December 31, 2021, the individual and consolidated performance of its operations and their respective individual and consolidated cash flows for the year then ended, in accordance with accounting practices adopted in Brazil and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

### Basis for opinion on the individual and consolidated financial statements

Our audit was conducted in accordance with Brazilian and international auditing standards. Our responsibilities, in accordance with such standards, are described in the following section entitled "Auditor's Responsibilities for the Audit of the Individual and Consolidated Financial Statements." We are independent in relation to the Company and its subsidiaries, in accordance with the relevant ethical principles set forth in the Professional Code of Ethics of the Accountant and the professional standards issued by the Federal Accounting Council, and we comply with the other ethical responsibilities in accordance with these standards. We believe that the audit evidence we have obtained is sufficient and appropriate to substantiate our opinion.

### Key audit matter

Key audit matter (KAMs) are those matters that, in our professional judgment, were the most significant in our audit 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 on these individual and consolidated financial statements and therefore, we do not express a separate opinion on these matters.

## Derivative Financial Instruments

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As disclosed in Notes 3 (h) and 25, the Company uses derivative financial instruments to hedge the risks associated with certain financial exposures related to the business, resulting in financial impacts on its individual and consolidated financial statements.

The Company's management is responsible for monitoring and managing financial risks, evaluating the exposure to interest rate risks, indices of fluctuation in the bovine arroba price and exchange rate existing in the assets, liabilities and operations that are being covered, as a result of different factors, such as, among others, the differences between the contracting dates and the maturity and settlement dates, or differences in spreads on the financial assets and liabilities to be hedged and the spreads corresponding to the differences between the dates of the transactions. Such derivative financial instruments are measured at fair value through valuation methodologies, which take into account professional judgment. The use of different market information and/or valuation methodologies may have a material effect on the estimated fair value amount and, consequently, on the Company's individual and consolidated financial statements. For these reasons, we considered this matter to be significant in our audit, again in the current year.

## Audit response to the matter

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Our audit procedures included, among others:

- the evaluation and understanding of the process, operational controls and risk management strategies adopted by the Company's management in derivative financial instrument contracts, as well as their measurement and accounting recognition;
- We evaluated the adequacy of the documentation supporting the records, the measurement and the form of recognition of derivative financial instruments in the individual and consolidated financial statements;
- Additionally, we analyzed the methodology and the reasonableness of the main assumptions used by the Company's management, such as rates, terms, among other information. We also examined the adequacy of disclosures on derivative financial instruments and calculation methodology for measurement and recording in the individual and consolidated financial statements;
- We carry out confirmation procedures with counterparties of derivative contracts in order to confirm the existence, completeness and integrity of operations, as well as confirm the main contractual clauses.

Based on the audit approach and the procedures performed, we understand that the balances presented in the individual and consolidated financial statements by the Company related to the measurement and recognition of derivative financial instruments and the corresponding disclosures are reasonable in the context of the individual and consolidated financial statements, taken together, taken as a whole.

## Revenue Recognition

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According to Explanatory Notes 3 (v) No. 21, the Company's revenues derive essentially from the sales of products to domestic and foreign markets. The Company has significant amounts of revenue recognized for the foreign market, subject to evaluations and judgments in determining the accounting recognition by the Company's Management based on estimates of average delivery terms. Considering the scope of transactions in the foreign market that requires judgment by the Company's management in determining the controls for the identification and measurement of invoiced and undelivered sales at the end of the year, we consider the recognition of sales revenue as one of the main issues of audit again in the current year.

## Audit response to the matter

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Our audit procedures included, among others:

- The understanding and evaluation of the processes and operational controls aimed at the recognition of revenue from sales to the foreign market, as well as the design of relevant internal controls related to the sales process at the end of the year;
- We carry out substantive procedures for product sales through statistical sampling, with the objective of analyzing and validating the recognition and measurement of revenues;
- Additionally, we analyzed the settlement and realization in subsequent periods, in addition to evaluating the average delivery terms used by the Company to estimate the calculation of invoiced and undelivered sales at the end of the year;
- Review of adequate disclosure in the notes to the individual and consolidated financial statements.

Based on the results of the audit procedures performed, we understand that the criteria and assumptions adopted by the Company for the measurement, recognition and disclosure performed are reasonable in the context of the individual and consolidated financial statements taken as a whole.

## Intangible assets with indefinite useful lives (Goodwill) - Impairment

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According to Explanatory Notes No. 3 (p) and No. 12, the Company has recorded, on December 31, 2021, goodwill for expected future profitability ("Goodwill") in the amounts of R\$ 259,691 thousand and R\$ 659,390 thousand, respectively, parent company and consolidated, resulting from acquisitions of companies, whose recoverable value must be evaluated annually, as required by Technical Pronouncement NBC TG 01 (R4)/IAS 36 - Reduction to the Recoverable Value of Assets.

Determining the recoverable amount of these non-financial assets involves significant judgments in defining the assumptions used in cash flow projections, with a high degree of subjectivity on the part of the Company's management based on the discounted cash flow method, which considers assumptions such as discount rates, economic growth, inflation projection, among other estimates. In this context, the Company's management hired external experts to prepare a specific report on this matter, aiming to comply with the accounting standard. These determinations and measurements are based on assumptions that may change due to future and unexpected conditions, whether due to internal factors, market or macroeconomic conditions, which is why we considered the matter relevant for our audit.

### Other matters

#### Statements of Value Added

The individual and consolidated statements of value added (DVA) for the year ended December 31, 2020, prepared under the responsibility of the Company's Executive Board, and presented as supplementary information for IFRS purposes, were subject to jointly executed auditing procedures with the audit of the Company's financial statements. For the purposes of forming our opinion, we assess whether these statements are reconciled with the financial statements and accounting records, as applicable, and if their form and content comply with the criteria set forth in Technical Pronouncement CPC 09 - Statement of Added Value. In our opinion, these statements of value added have been properly prepared, in all material respects, in accordance with the criteria set forth in this Technical Pronouncement and are consistent with the individual and consolidated financial statements taken as a whole.

## Audit response to the matter

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Our audit procedures included, among others:

- Involvement of our specialists in corporate finance to evaluate and challenge the cash flow projections of the Cash Generating Units (CGUs), including the comparison with the strategic business plans approved by the Company's Board of Directors;
- We question the main assumptions adopted by management, such as the long-term growth rates in the projections, comparing them with economic forecasts for the sector, as well as the discount rates used and other macroeconomic conditions;
- Additionally, we compared the recoverable amount calculated based on the discounted cash flows of the CGUs with the respective book values and evaluated the disclosures related to the recoverable amount of goodwill arising from business combinations and other non-financial assets recorded in the individual and consolidated.

Based on the audit approach and procedures performed, we consider that the methodology and assumptions used by the Company to assess the recoverable amount of said assets are reasonable, with the information being properly recognized and presented in the individual and consolidated financial statements taken as a whole.



Review of amounts corresponding to the previous year

The individual and consolidated financial statements for the year ended December 31, 2020, presented for comparison purposes with the year ended December 31, 2021, were audited by other Independent Auditors, who issued a report without modification of opinion on February 25, 2021

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

The Company's Executive Board is responsible for such other information that includes 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 on this report.

In connection with the audit of the individual and consolidated financial statements, our responsibility is to read the Management Report and, in so doing, to consider whether this report is materially inconsistent with the financial statements or with our knowledge obtained in the audit or otherwise appear to be materially misstated. If, based on our work we have performed, we concluded 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 Executive Board and those charged with governance by the individual and consolidated financial statements

The Executive Board is responsible for the preparation and adequate 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 which it has determined as necessary to enable the preparation of financial statements free of material misstatement, whether due to fraud or error.

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

Those responsible for the governance of the Company and its subsidiaries are those responsible for supervising the process of preparing the individual and consolidated financial statements.

#### Responsibilities of the auditor for the audit of the individual and consolidated financial statements

Our objectives are to obtain reasonable assurance that the individual and consolidated financial statements as whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that included our opinion. Reasonable assurance is a high level of assurance, but not a guarantee that the audit conducted in accordance with Brazilian and international auditing standards will always detect a material misstatement when it exist. 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 the users take on the basis of these referred financial statements.

As part of the audit conducted in accordance with Brazilian and international auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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;
- Obtain an understanding of the internal controls relevant to the audit to plan audit procedures appropriate to the circumstances, but not, in order to express an opinion on the effectiveness of the Company's and its subsidiaries' internal controls;
- Obtain 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 controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Executive Board;
- Conclude on the appropriateness of the Executive Board'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 significant doubt on the Company's and its subsidiaries 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 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;
- Evaluate the overall presentation, structure and content of financial statements, including disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities of the group to express an opinion on the 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 responsible for governance regarding, among others aspects, the planned scope, timing of the audit and significant audit findings, including any significant deficiencies in the internal controls that we have identified during our work.

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

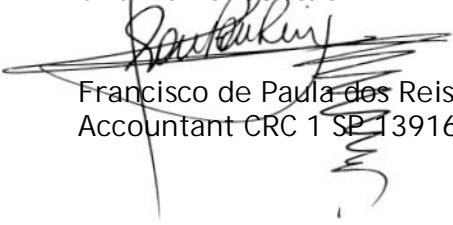


From the matters communicated with those charged with governance, we determine those matters that we were of the most significance in the audit of the individual and consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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, February 23, 2022.



BDO RCS Auditores Independentes SS  
CRC 2 SP 013846/O-1



Francisco de Paula dos Reis Junior  
Accountant CRC 1 SP 139168/O-6

# MINERVA S.A.

## Statements of financial position For the years ended December 31, 2021 and 2020 (In thousands of Brazilian Reais)

ASSETS					
	Note	Parent company		Consolidated	
		12/31/2021	12/31/2020	12/31/2021	12/31/2020
<b>Current</b>					
Cash and cash equivalents	5	4,894,639	5,422,755	7,302,009	6,391,429
Trade receivables	6	1,251,602	901,869	2,598,563	2,143,997
Inventories	7	654,618	461,807	2,115,294	997,963
Biological assets	8	342,334	263,221	467,960	351,230
Recoverable taxes	9	374,157	621,895	805,076	1,011,815
Other receivables	-	216,644	189,562	478,198	389,879
		<u>7,733,994</u>	<u>7,861,109</u>	<u>13,767,100</u>	<u>11,286,313</u>
<b>Non-current</b>					
Other receivables	-	125,232	47,836	148,165	53,469
Related parties	10	5,847,272	3,213,680	-	-
Recoverable taxes	9	106,942	192,285	106,942	192,285
Deferred assets	18	467,739	447,540	415,665	448,832
Court deposits	-	15,626	16,184	22,202	22,250
Investments	11	4,389,650	3,425,014	199,841	21,374
Property, plant and equipment	12	1,947,378	1,855,858	4,581,352	4,122,509
Intangible assets	13	324,572	302,083	828,195	776,219
		<u>13,224,411</u>	<u>9,500,480</u>	<u>6,302,362</u>	<u>5,636,938</u>
<b>Total assets</b>		<u><u>20,958,405</u></u>	<u><u>17,361,589</u></u>	<u><u>20,069,462</u></u>	<u><u>16,923,251</u></u>

The accompanying notes are an integral part of these individual and consolidated financial statements.

# MINERVA S.A.

## Statements of financial position For the years ended December 31, 2021 and 2020 (In thousands of Brazilian Reais)

### LIABILITIES AND EQUITY

	Nota	Parent company		Consolidated	
		12/31/2021	12/31/2020	12/31/2021	12/31/2020
<b>Current</b>					
Loans and financing	14	1,547,580	2,002,767	1,488,416	2,199,564
Leases	12.b	9,265	9,767	10,435	10,280
Trade payables	15	2,511,018	1,648,810	3,724,242	2,344,593
Payroll, related charges and taxes payable	16	122,699	114,521	400,727	324,990
Other payables	17	1,306,668	1,410,464	1,614,550	1,516,235
		<u>5,497,230</u>	<u>5,186,329</u>	<u>7,238,370</u>	<u>6,395,662</u>
<b>Non-current</b>					
Loans and financing	14	9,916,964	6,845,820	11,916,289	9,372,474
Leases	12.b	23,807	31,291	29,272	36,611
Payroll, related charges and taxes payable	16	45,112	50,755	53,179	59,706
Provisions for tax, labor and civil risks	19	27,959	27,968	43,377	40,274
Allowances for investment losses	11	3,472,062	2,910,228	-	-
Related parties	10	1,321,140	1,469,126	-	-
Other payables	17	-	-	18,524	31,095
Deferred taxes	18	-	-	116,320	147,357
		<u>14,807,044</u>	<u>11,335,188</u>	<u>12,176,961</u>	<u>9,687,517</u>
<b>Equity</b>					
Capital stock	20	1,616,138	1,303,984	1,616,138	1,303,984
Capital reserve		118,271	118,271	118,271	118,271
Revaluation reserve		47,518	49,066	47,518	49,066
Profit reserves		353,865	153,438	353,865	153,438
Additional proposed dividends		200,000	376,092	200,000	376,092
Treasury shares		(242,768)	(242,768)	(242,768)	(242,768)
Other comprehensive income		(1,438,893)	(918,011)	(1,438,893)	(918,011)
		<u>654,131</u>	<u>840,072</u>	<u>654,131</u>	<u>840,072</u>
<b>Non-controlling shareholders</b>					
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>654,131</u>	<u>840,072</u>	<u>654,131</u>	<u>840,072</u>
<b>Total equity</b>		<u><u>20,958,405</u></u>	<u><u>17,361,589</u></u>	<u><u>20,069,462</u></u>	<u><u>16,923,251</u></u>

The accompanying notes are an integral part of these individual and consolidated financial statements.

MINERVA S.A.

Statements of profit or loss

For the years ended December 31, 2021 and 2020

(In thousands Brazilian Reais, unless otherwise stated)

	Nota	Parent company		Consolidated	
		12/31/2021	12/31/2020	12/31/2021	12/31/2020
Net operating revenue	22	12,113,113	10,103,374	26,965,360	19,406,344
Cost of sales	-	(9,745,007)	(7,913,815)	(22,320,336)	(15,571,421)
Gross profit		2,368,106	2,189,559	4,645,024	3,834,923
Operating income (expenses):					
Selling expenses	23	(676,312)	(625,570)	(1,766,570)	(1,304,005)
General and administrative expenses	23	(432,532)	(369,264)	(857,581)	(705,834)
Other operating income (expenses)	23	1,975	(29,837)	14,545	(31,311)
Equity in earnings of subsidiaries	11	799,935	245,846	-	-
Income (loss) before financial income (loss) and taxes		2,061,172	1,410,734	2,035,418	1,793,773
Financial expenses	24	(1,105,833)	(290,411)	(939,685)	(622,988)
Financial income	24	49,605	48,887	75,015	74,897
Monetary correction	24	-	-	(179,854)	(62,968)
Exchange rate variation, net	24	(426,263)	(478,808)	(405,287)	(416,700)
Net financial result		(1,482,491)	(720,332)	(1,449,811)	(1,027,759)
Income before taxes		578,681	690,402	585,607	766,014
Income tax and social contribution - current	18	-	(15,264)	(64,918)	(93,734)
Income tax and social contribution - deferred	18	20,198	21,954	78,190	24,812
Net income for the year		598,879	697,092	598,879	697,092
Attributable to:					
Company shareholders		598,879	697,092	598,879	697,092
Non-controlling shareholders		-	-	-	-
Net income for the year		598,879	697,092	598,879	697,092
Earnings per share:					
Basic earnings per share - R\$	24	1.03	1.33	1.03	1.33
Diluted earnings per share - R\$	24	1.03	1.33	1.03	1.33

The accompanying notes are an integral part of these individual and consolidated financial statements.

MINERVA S.A.

Statements of comprehensive income  
For the years ended December 31, 2021 and 2020  
(In thousands Brazilian Reais)

	Parent company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Net income	598,879	697,092	598,879	697,092
Other comprehensive income to be reclassified to income statement in subsequent period:				
Cumulative translation adjustments	(520,882)	(598,352)	(520,882)	(598,352)
Total other comprehensive income for the year	77,997	98,740	77,997	98,740
Comprehensive income attributable to:				
Company shareholders	77,997	98,740	77,997	98,740
Non-controlling shareholders	-	-	-	-
Comprehensive income attributable to:	77,997	98,740	77,997	98,740

The accompanying notes are an integral part of these individual and consolidated financial statements.

## MINERVA S.A.

Statements of changes in equity - Parent company and consolidated  
For the year ended December 31, 2021

(In thousands of Brazilian Reais)

	Capital stock	Capital reserve	Revaluation reserve	Profit reserves			Additional proposed dividends	Retained earnings	Treasury shares	Other comprehensive income	Total attributable to Company's shareholders	Non-controlling shareholders	Total equity
				Legal Reserve	Statutory reserve	Earnings retention - Art. 196							
Balances as of January 1st, 2021	1,303,984	118,271	49,066	34,855	-	118,583	376,092	-	(242,768)	(918,011)	840,072	-	840,072
Net income for the year	-	-	-	-	-	-	-	598,879	-	-	598,879	-	598,879
Cumulative translation adjustments	-	-	-	-	-	-	-	-	-	(520,882)	(520,882)	-	(520,882)
Total comprehensive income (loss), net from taxes	-	-	-	-	-	-	-	598,879	-	(520,882)	77,997	-	77,997
Capital Increase	312,154	-	-	-	-	-	-	-	-	-	312,154	-	312,154
Legal reserve	-	-	-	29,944	-	-	-	(29,944)	-	-	-	-	-
Statutory reserve	-	-	-	-	170,483	-	-	(170,483)	-	-	-	-	-
Earnings retention - Art. 196	-	-	-	-	-	-	-	-	-	-	-	-	-
(-) Ações em tesouraria	-	-	-	-	-	-	-	-	-	-	-	-	-
Realization of revaluation reserve	-	-	(1,548)	-	-	-	-	1,548	-	-	-	-	-
Payment of additional proposed dividends	-	-	-	-	-	-	(376,092)	-	-	-	(376,092)	-	(376,092)
Interim dividend distribution	-	-	-	-	-	-	-	(200,000)	-	-	(200,000)	-	(200,000)
Additional proposed dividends	-	-	-	-	-	-	200,000	(200,000)	-	-	-	-	-
Balances as of December 31, 2021	1,616,138	118,271	47,518	64,799	170,483	118,583	200,000	-	(242,768)	(1,438,893)	654,131	-	654,131

The accompanying notes are an integral part of these individual and consolidated financial statements.

MINERVA S.A.

Statements of changes in equity - Parent company and consolidated  
For the year ended December 31, 2020

(In thousands of Brazilian Reais)

	Capital stock	Capital reserve	Revaluation reserve	Profit reserves		Additional proposed dividends	Retained earnings (losses)	Treasury shares	Other comprehensive income	Total attributable to Company's shareholders	Non-controlling shareholders	Total equity
				Legal Reserve	Earnings retention - Art.196							
Balances as of January 1st, 2020	282,017	118,271	50,614	-	-	-	(380,210)	(32,695)	(319,659)	(281,662)	-	(281,662)
Net income for the year	-	-	-	-	-	-	697,092	-	-	697,092	-	697,092
Cumulative translation adjustments	-	-	-	-	-	-	-	-	(598,352)	(598,352)	-	(598,352)
Total comprehensive income (loss), net from taxes	-	-	-	-	-	-	697,092	-	(598,352)	98,740	-	98,740
Capital increase	1,455,990	-	-	-	-	-	-	-	-	1,455,990	-	1,455,990
(-) Expenses on capital increase	(53,813)	-	-	-	-	-	-	-	-	(53,813)	-	(53,813)
Absorption of losses from accumulated losses through capital	(380,210)	-	-	-	-	-	380,210	-	-	-	-	-
Legal reserve	-	-	-	34,855	-	-	(34,855)	-	-	-	-	-
Earnings retention - Art. 196	-	-	-	-	118,583	-	(118,583)	-	-	-	-	-
(-) Treasury shares	-	-	-	-	-	-	-	(210,073)	-	(210,073)	-	(210,073)
Realization of revaluation reserve	-	-	(1,548)	-	-	-	1,548	-	-	-	-	-
Interim dividend distribution	-	-	-	-	-	-	(138,454)	-	-	(138,454)	-	(138,454)
Supplement to the mandatory dividend	-	-	-	-	-	-	(8,204)	-	-	(8,204)	-	(8,204)
Additional proposed dividends	-	-	-	-	-	376,092	(376,092)	-	-	-	-	-
Interest on equity distribution	-	-	-	-	-	-	(22,452)	-	-	(22,452)	-	(22,452)
Balances as of December 31, 2020	1,303,984	118,271	49,066	34,855	118,583	376,092	-	(242,768)	(918,011)	840,072	-	840,072

The accompanying notes are an integral part of these individual and consolidated financial statements.

# MINERVA S.A.

## Statements of cash flows - Indirect method

For the years ended December 31, 2021 and 2020

(In thousands Brazilian Reais)

	Parent company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Cash flow from operating activities				
Net income for the year	598,879	697,092	598,879	697,092
Adjustments to reconcile net income:				
Depreciation and amortization	168,450	150,191	346,786	308,662
Allowance for expected credit losses	6,819	12,741	7,039	24,802
Gains on sale of fixed assets	2,864	884	4,955	1,746
Fair value of biological assets	(47,767)	(32,394)	(40,341)	(54,940)
Realization of deferred taxes	(20,198)	(21,954)	(78,190)	(24,812)
Equity in earnings (losses) of subsidiaries	(799,935)	(245,846)	-	-
Finance charges	745,485	657,832	1,013,896	1,047,217
Unrealized exchange rate changes	363,906	876,792	543,698	848,932
Monetary correction	-	-	179,854	62,968
Provision for legal claims	(9)	666	3,103	2,002
Trade and other receivables	(461,030)	(457,814)	(644,620)	(512,767)
Inventories	(192,811)	(31,262)	(1,117,331)	(283,398)
Biological assets	(31,346)	(27,654)	(76,389)	(60,517)
Recoverable taxes	333,081	(97,136)	292,082	(261,486)
Court deposits	558	7,369	48	2,300
Trade payables	862,208	734,382	1,379,649	982,224
Payroll, related charges and taxes payable	2,535	(2,788)	69,210	(13,509)
Other payables	(77,208)	411,218	112,333	457,311
Net cash provided from operating activities	1,454,481	2,632,319	2,594,661	3,223,827
Cash flow from investing activities				
Acquisition of investments	(123,749)	(277,589)	(64,336)	(21,374)
Acquisition of intangible assets, net	(35,995)	(27,461)	(36,283)	(27,697)
Acquisition of property, plant and equipment, net	(247,122)	(110,895)	(467,902)	(327,027)
Net cash used in investing activities	(406,866)	(415,945)	(568,521)	(376,098)
Cash flow from financing activities				
Raising of loans and financing	4,425,055	2,876,598	7,031,604	3,464,037
Payments of loans and financing	(3,643,278)	(4,285,662)	(8,702,320)	(6,334,768)
Payments of leases	(10,192)	(10,086)	(11,137)	(11,259)
Related parties	(2,781,578)	(1,193,946)	-	-
Capital stock increase	312,154	1,455,990	312,154	1,455,990
Payment of additional proposed dividends	(383,441)	-	(383,441)	-
Payment of Interim dividend distribution	(200,000)	(138,454)	(200,000)	(138,454)
Treasury of shares	-	(210,073)	-	(210,073)
Transaction costs in the issue of shares	-	(53,813)	-	(53,813)
Payment of Interest on Equity	(19,240)	-	(19,240)	-
Net cash used in financing activities	(2,300,520)	(1,559,446)	(1,972,380)	(1,828,340)
Exchange rate changes on cash and cash equivalents	724,789	741,767	856,820	902,353
Net increase (decrease) in cash and cash equivalents	(528,116)	1,398,695	910,580	1,921,742
Cash and cash equivalents:				
At the beginning of year	5,422,755	4,024,060	6,391,429	4,469,687
At the end of year	4,894,639	5,422,755	7,302,009	6,391,429
Net increase (decrease) in cash and cash equivalents	(528,116)	1,398,695	910,580	1,921,742

The accompanying notes are an integral part of these individual and consolidated financial statements.

# MINERVA S.A.

## Statement of value added For the years ended December 31, 2021 and 2020 (In thousands of Brazilian Reais)

	Parent company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Revenue	12,062,958	10,215,133	27,906,848	19,677,645
Sales of goods, products and services	12,011,103	10,182,795	27,824,321	19,638,480
Other revenue	51,855	32,338	82,527	39,165
Inputs acquired from third parties (includes taxes amounts - ICMS, IPI, PIS, and COFINS)	(11,229,358)	(9,277,942)	(24,897,878)	(17,022,642)
Cost of products, goods and services sold	(10,456,358)	(8,554,829)	(22,567,184)	(15,208,883)
Materials, electric power, third-party services and other	(773,000)	(723,113)	(2,330,694)	(1,813,759)
Gross value added	833,600	937,191	3,008,970	2,655,003
Depreciation, amortization and depletion	(168,450)	(150,191)	(346,786)	(308,662)
Net added value generated by the company	665,150	787,000	2,662,184	2,346,341
Net added value by transfer	849,540	294,733	75,015	74,897
Equity in earnings of subsidiaries	799,935	245,846	-	-
Financial income	49,605	48,887	75,015	74,897
Net total added value to be distributed	1,514,690	1,081,733	2,737,199	2,421,238
Distribution of value added	1,514,690	1,081,733	2,737,199	2,421,238
Personnel	246,568	211,844	1,161,093	872,075
Taxes, fees and contribution	13,373	(32,890)	322,493	301,918
Capital remuneration from third parties	655,870	205,687	654,734	550,153
Interests	652,250	200,379	645,257	540,063
Rents	3,620	5,308	9,477	10,090
Remuneration of equity capital	598,879	697,092	598,879	697,092
Net income for the year	598,879	697,092	598,879	697,092

The accompanying notes are an integral part of these individual and consolidated financial statements.

## 1. General information

Minerva S.A. (Company) is a publicly held company listed at the “Novo Mercado” corporate governance segment with shares are traded on “B3” - Bolsa, Brasil, Balcão. The Company’s main activities include the slaughtering of livestock and processing of meat, sale of fresh chilled, frozen and processed meat and the exporting of live cattle.

The Company’s shares are traded on “B3” - Bolsa, Brasil, Balcão, under the ticker symbol “BEEF3” and its Level 1 American Depositary Receipts (ADRs) are traded on the OTC market OTCQX International Premier, a segment of the electronic trading platform operated by the OTC Markets Group Inc., in the United States.

### Parent company

The Company is headquartered at Av. Antônio Manso Bernardes, S/N - Chácara Minerva, in Barretos (SP) and has manufacturing units located in José Bonifácio (SP), Palmeiras de Goiás (GO), Araguaína (TO), Goianésia (GO), Barretos (SP), Campina Verde (MG), Janaúba (MG), Paranatinga (MT), Mirassol D’Oeste (MT), and Rolim de Moura (RO). The distribution centers for the domestic market are located in the cities of Aparecida de Goiânia (GO), Brasília (DF), Cariacica (ES), São Paulo (SP), Araraquara (SP), Taboão da Serra (SP), Cubatão (SP), Santos (SP), Belo Horizonte (MG), Maracanaú (CE), Uberlândia (MG), Cabo de Santo Agostinho (PE), Itajaí (SC) and Caraguatatuba (SP).

As of december 31, 2021, the Company’s consolidated industrial complex had a daily slaughtering capacity of 26,180 heads and a deboning capacity of 4,616 tons, taking into account subsidiaries Athena Foods S.A (Chile) - in Uruguay (Pulsa S/A and Frigorífico Carrasco S/A), in Colombia (Red. Cárnica S.A.), in Paraguay (Frigomerc S/A) and in Argentina (Pul Argentina S.A., which is the parent of Swift Argentina S.A). All plants are compliant with sanitary requirements applicable to exports to countries across the five continents. The Barretos manufacturing unit (SP) has a beef processing line “cubedbeef” and “roastbeef” which is mainly intendend for exports.

### Direct and indirect subsidiaries

#### Direct subsidiaries located in Brazil:

- Minerva Dawn Farms S.A. (Minerva Fine Foods): located in Barretos (SP), this unit started operations in 2009. to produce, in varying scales, and sell beef, pork and poultry products meeting domestic and foreign demand in the “Food Services” segment;

- CSAP - Companhia Sul Americana de Pecuária S.A.: located in Barretos (SP), this unit started operations in 2014 to mainly engage in livestock and farming, by breeding and selling live cattle, lambs, pigs and other live animals;
- Minerva Comercializadora de Energia Ltda.: located in São Paulo (SP), this unit started operations in 2016 and is mainly engaged in trading and selling electric power;
- Minerva Venture Capital Fundo de Investimento em Participações Multiestrategicas - Investimento no Exterior: started its activities in 2020 being headquartered in Brazil, its main activity is investment fund, having as direct subsidiary MF 92 Ventures LLC;
- MYCarbom3 Ltda.: Created in 2021, it is a subsidiary that aims to support companies in meeting their goals of neutralizing greenhouse gas emissions through carbon offsetting, in a transparent, reliable and sustainable manner. The company develops projects, originates and sells carbon credits, in line with international standards, creating financial opportunities for the preservation of nature, accelerating action to combat climate change and promoting a low-carbon future. In 2021, being headquartered in Brazil, its main activity is the trading of carbon credits;
- Fundo de Investimento em Quotas de Fundo de Investimentos Multimercado Portifólio 1839: started its activities in 2021 being headquartered in Brazil, its main activity is investment fund, having as direct subsidiary Minerva Venture Capital Fundo de Investimento em Participações Multiestrategicas - Investimento no Exterior;

Direct foreign subsidiaries:

- Athena Foods S.A.: Based in Santiago, Chile (CL), Athenas Foods S.A. started operations in 2018 primarily to manage equity interests and own assets in Mercosur. The company has the following direct subsidiaries: Pulsa S.A. (UY), Frigorífico Carrasco S.A. (UY), Frigomerc S.A. (PY), Pul Argentina S.A. (AR), Red Cárnica S.A.S (CO), Red Industrial Colombiana S.A.S (CO), and Minerva Foods Chile SPA (CL);
- Lytmer S.A.: located in Montevideo, Uruguay (UY), engaged in selling live cattle to the foreign market and trading food products;
- Friasa S.A.: located in Asunción, Paraguay (PY);
- Minerva Middle East: office located in Lebanon to market and sell the Company's products;
- Minerva Colombia SAS: Based in Ciénaga de Oro, next to Montería, in the Córdoba region, Colombia, mainly engaged in the sale of livestock to the foreign market;
- Minerva Live Cattle Export SPA: located in Santiago, Chile, primarily engaged in selling live cattle to the foreign market;
- Minerva Meats USA.: located in Chicago (USA), this unit started operations in 2015 and is mainly engaged in trading food products;

## MINERVA S.A.

Notes to the individual and consolidated financial statements  
For the year ended December 31, 2021  
(In thousands of Brazilian Reais - R\$, unless otherwise stated)

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- Minerva Australia Holdings PTY Ltd.: Located in Brisbane (Australia), this unit started operations in 2016 and has Minerva Ásia Foods PTY Ltd. as its direct subsidiary; and
- Minerva Europe Ltd.: Based in London, England, this unit started operations in 2017 and is mainly engaged in trading food products;
- Minerva Foods FZE: Based in the Arab Emirates, the company started operations in 2020 and is mainly engaged in trading food products; and
- Athn Foods Holdings S.A.: Started its activities in 2021 and is headquartered in Spain, its main activity is the management of equity interests and the administration of its own assets.
- Fortune Foods PTE. LTD.: Started its activities in 2021 being headquartered in Singapore, its main activity is the management of equity interests and administration of own assets.

### Indirect foreign subsidiaries:

- Pulsa S.A.: meatpacking company acquired in January 2011, located in the Province of Cerro Largo, near the capital Melo, in Uruguay (UY). Engaged in slaughtering and deboning activities, with 85% of its sales intended for the foreign market, primarily the North American and the European markets;
- Frigorífico Canelones S.A.: a meatpacking company acquired in July 2017 by the indirect subsidiary Pulsa S.A., located in Canelones, Uruguay (UY). Engaged in the cattle slaughtering and deboning and processing of meat, especially fresh chilled and frozen meat for exports;
- Frigorífico Carrasco S.A.: meatpacking company acquired in April 2014, located in Montevideo, Uruguay (UY). Engaged in slaughtering, deboning and processing beef and sheep meat, with approximately 68% of its sales intended for the foreign market;
- Frigomerc S.A.: Meatpacking company acquired in October 2012, located in Asunción, Paraguay (PY), engaged in slaughtering, deboning and processing activities, operating in the domestic and foreign markets;
- BEEF Paraguay S.A.: a meatpacking company acquired in July 2017 by the indirect subsidiary Frigomerc S.A., located in Assuncion, Paraguay (PY), to engage in cattle slaughtering and deboning and processing of meat;
- Indústria Paraguaya Frigorífica S.A.: a meatpacking company acquired in July 2017 by the indirect subsidiary Frigomerc S.A., located in Assuncion, Paraguay (PY), to engage in cattle slaughtering and deboning and processing of meat;
- Pul Argentina S.A.: Based in Buenos Aires, Argentina, the company started activities in 2016 and has Swift Argentina S.A. as its direct subsidiary;
- Swift Argentina S.A.: a meatpacking company acquired in July 2017 by the indirect subsidiary Pul Argentina S.A. located in Buenos Aires (AR) to process and produce meat and sell own and third parties' brands, especially Swift products;

Notes to the individual and consolidated financial statements  
For the year ended December 31, 2021  
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- Red. Cárnica SAS: a meatpacking company acquired in July 2015, located in Ciénaga de Oro, near Montería, Córdoba region, in Colombia (CO) having also acquired on August 5, 2020 an industrial plant belonging to Vijagual meatpacking located in Bucaramanga in the department of Santander in Colombia (CO). They operate in slaughter, deboning and processing activities in the domestic and foreign markets;
- Red. Industrial Colombiana SAS: plant acquired in July 2015, located in Ciénaga de Oro, near Montería, in the Córdoba region, Colombia (CO), whose main purpose is the preparation of products for animals, specifically, meat/bone meal, blood and tallow;
- Minerva Foods Chile SPA: Located in Santiago, Chile, primarily engaged in trading and selling the Company's products;
- Minerva Ásia Foods PTY Ltd: this unit is mainly engaged in trading food products; and
- MF 92 Ventures LLC: Located in the United States, this unit started operations in 2020 and is mainly engaged in holding investments.

Cargo transportation

- Transminerva Ltda.: located in Barretos (SP), it is engaged in cargo transportation to support the Company, reducing its freight expenses in Brazil.

Special Purpose Entities (SPE) for fundraising

- Minerva Overseas I: located in the Cayman Islands, it was incorporated in 2006 to issue Bonds and receive the respective financial resources, totaling US\$200 million, in January 2007;
- Minerva Overseas II: Located in the Cayman Islands, it was incorporated in 2010 to issue Bonds and receive the respective financial resources, totaling US\$250 million, on that date; and

## MINERVA S.A.

### Notes to the individual and consolidated financial statements

For the year ended December 31, 2021

(In thousands of Brazilian Reals - R\$, unless otherwise stated)

- Minerva Luxembourg S.A.: located in Luxembourg, it was incorporated in 2011 for the specific purpose of issuing Bonds and receiving the respective financial resources, totaling US\$350 million, and the subsequent re-tap of US\$100 million, occurred in February and March 2012, respectively. Also in the first quarter of 2013, the company conducted the “offer to buyback debt notes” using the proceeds from the issue of 2023 Notes in the amount of US\$850 million bearing interest of 7.75% per year. In the third quarter of 2014, the company carried out the re-tap of the 2023 Notes in the amount of US\$200 million. During the third quarter of 2016, the company carried out an offering of US\$1 billion bearing interest of 6.50% per annum, buying back the 2023 Notes in the amount of US\$617,874. In the second quarter of 2017, the company carried out a re-tap operation for its 2026 Notes, in the amount of US\$350 million. During the fourth quarter of 2017, the company carried out an offering of US\$500 million bearing interest of 5.875% per year, buying back the 2023 Notes in the amount of US\$198,042. During the first quarter of 2021, it made an offer of US\$1 billion with interest of 4.375% per year, where it repurchased the 2026 notes in the amount of US\$911,719. During the 4th quarter of 2021, it repurchased and canceled a portion of the 2028 Notes that were outstanding in the amount of US\$ 70,606, which has an interest coupon of 5.875% per year.

#### Other subsidiaries in pre-operational stage

- Minerva Log S.A. (logistics)

The direct and indirect subsidiaries mentioned above are included in the Company’s individual and consolidated financial statements. The equity interest in each subsidiary is as shown below:

	12/31/2021	12/31/2020
Direct subsidiaries		
Minerva Dawn Farms S/A	100.00%	100.00%
Friasa S/A	99.99%	99.99%
Minerva Overseas I	100.00%	100.00%
Minerva Overseas II	100.00%	100.00%
Minerva Middle East	100.00%	100.00%
Transminerva Ltda.	100.00%	100.00%
Minerva Log	100.00%	100.00%
Minerva Colômbia S.A.S	100.00%	100.00%
Lytmer S.A.	100.00%	100.00%
Minerva Luxembourg S.A.	100.00%	100.00%
Minerva Live Cattle Export Spa	100.00%	100.00%
CSAP - Companhia Sul Americana de Pecuária S.A.	100.00%	100.00%
Minerva Meats USA Inc.	100.00%	100.00%
Minerva Comercializadora de Energia Ltda	100.00%	100.00%
Minerva Australia Holdings PTY Ltd	100.00%	100.00%
Minerva Europe Ltd.	100.00%	100.00%
Minerva Venture Capital Fundo de Investimento em Participações		
Multiestratégicas - Investimento no Exterior	100.00%	100.00%
Minerva Foods FZE	100.00%	100.00%
Athena Foods S.A.	100.00%	100.00%
Athn Foods Holdings S.A.	100.00%	-
Fortuna Foods PTE. LTD.	100.00%	-
Fundo de Investimento em Quotas de Fundo de Investimento Multimercado		
Portifolio 1839	100.00%	-

## MINERVA S.A.

### Notes to the individual and consolidated financial statements For the year ended December 31, 2021 (In thousands of Brazilian Reais - R\$, unless otherwise stated)

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	12/31/2021	12/31/2020
Indirect subsidiaries		
Frigorífico Carrasco S.A.	100.00%	100.00%
Minerva Foods Chile Spa	100.00%	100.00%
Red Cárnica S.A.S	100.00%	100.00%
Red Industrial Colombiana S.A.S	100.00%	100.00%
Pulsa S.A.	100.00%	100.00%
Frigorífico Canelones S.A.	100.00%	100.00%
Frigomerc S/A	100.00%	100.00%
BEEF Paraguay S.A.	99.99%	99.99%
Industria Paraguaya Frigorífica S.A.	99.99%	99.99%
Pul Argentina S.A.	100.00%	100.00%
Swift Argentina S.A.	99.99%	99.99%
Minerva Asia Foods PTY Ltd	100.00%	100.00%
MF 92 Ventures LLC	100.00%	100.00%

#### Hyperinflationary economy - Argentina

On June 30, 2018, according to an evaluation conducted by different market players, Argentina's economy was considered hyperinflationary beginning July 01, 2018. The Argentinean peso devaluation and an increase in the overall price level in recent periods resulted in inflation indices exceeding 100% on a three-year cumulative basis.

In accordance with IAS 29, (CPC 42), non-monetary assets and liabilities, equity and the income statement of subsidiaries operating in a highly inflationary economy must be restated for the changes in the pricing power of the functional currency by applying a general price index.

We concluded that the effects of this hyperinflationary impact, certainly not relevant, arising from our Argentinean subsidiaries, were initially determined on a consistent basis and accounted for in our individual and consolidated financial statements for the year ended December 31, 2018.

#### Covid-19

##### Economic impacts

The Covid-19 pandemic required the Company to adjust its facilities and incur some expenses relating to the acquisition of personal protection equipment, tests for employees and community support initiatives involving donations of equipment, food and health and personal care items. Through December 31, 2021, these expenses totaled approximately R\$ 30,992 (R\$40,350 on December 31, 2020).

Regarding operations, there was a sharp decline in purchases of the food service segment in Brazil and Europe, which were offset by a rise in foreign sales to Asian countries, especially China. The Real (BRL) depreciation in the year positively impacted profitability, revenue and the operating profit from export transactions in this period. The Company's gross consolidated revenue reached R\$28,572,294 in 2021 (R\$20,554,274 on December 31, 2020). In 2021, exports accounted for 67.59% of gross revenue (67.46% on December 31, 2020), reinforcing the Company's position as the leading exporter of beef to South America.

On the other hand, we also recorded an adverse impact on the total foreign currency debt, which eventually increased. Nevertheless, the Company's currency hedging policy was efficient, since it amortized the impacts of the currency depreciation, reducing the final effect on the Company's net debt.

In a year full of uncertainty arising from the pandemic, the Company's management prioritized the identification of risks, assessment of impacts, and adjustment of operations. All our efforts were directed to ensuring the offering of products while protecting our employees and supporting our customers and suppliers.

The Company continues to help fight against the novel coronavirus through solidarity actions, donations and support to our communities.

Based on the information available, Management evaluated the impacts of the Covid-19 on the Company's operations and individual and consolidated financial position as of December 31, 2021, and concluded that, to date, there are no significant information to be disclosed.

## ESG

The Company's management has carried out all its planning and actions aimed at the continuity of its business, thus evaluating that it is able to make available all resources for the continuity of its operations, including assessing the impacts of COVID-19 and the environmental impacts of its operation and climatic/environmental effects that may impact the Company with structural and non-structural actions aimed at mitigating their effects.

The year 2021 was marked by relevant advances in the ESG agenda. The company, a sector leader in the fight against climate change, assumed a commitment to society, customers, suppliers, employees and investors, by announcing the goal of becoming a carbon neutral company by 2035 (zero net emissions in scopes 1, 2 and 3). The goal is aligned with one of the five values of the Minerva Foods Culture - Sustainability.

Our goal is based on public results that prove leadership in monitoring the supply chain in South America and in combating illegal deforestation. The Company's commitment to Sustainability is guided by the contribution to a healthy planet and prosperous communities, supporting South American producers in the implementation of practices that sequester and store carbon, protect biodiversity and increase the resilience of their businesses.

The company will work on 3 main axes to reach the goal of net zero emissions by 2035 in scopes 1, 2 and 3:

Scopes 1 and 2 - Environmental Efficiency of operations:

- Reduce the intensity of greenhouse gas emissions by 30% in scopes 1 and 2 by 2030.
- Carbon neutral energy matrix (zero net emissions in scope 2 - target achieved in 2020).

Scope 3 - Combating illegal deforestation through geospatial monitoring of the supply chain:

- Zero illegal deforestation in the entire supply chain (direct and indirect supply farms) for all South American countries of operation by 2030.
- 100% of the geographic monitoring of direct supplier farms in Paraguay until December 2021 (target reached in December), Colombia in 2023, Uruguay in 2025 and expansion to other South American countries until 2030.
- Monitoring program of indirect supplier farms in all countries of operation in South America until 2030, including:
  - i. Integration of the Visipec tool in the geographic monitoring system for the Amazon by December 2021 (target reached four months earlier than planned);
  - ii. Availability of an application to verify indirect supplier farms in Brazil, in partnership with Niceplanet Geotecnologia, until December 2021 (target reached two months earlier than planned).

Scope 3 - Renew Program - low carbon emission in the production chain:

- 50% of beef suppliers participating in the Renew program by 2030.
- Partnership with research institutions to apply a methodology to monitor, report and verify the carbon balance of supplier farms in the countries of operation in South America, with preliminary results expected in 2021 (target reached with the disclosure during the United Nations Conference on Climate Change - COP26).

The pioneering spirit in combating illegal deforestation in the supply chain was highlighted by the integration of the Visipec tool with the Company's internal systems to analyze the risks of indirect suppliers in the Amazon. This process was brought forward by four months, from December to August 2021. With this action, Minerva Foods improved its analysis of direct and indirect suppliers and made the supply chain risk mapping work even broader, more efficient and agile.

Also in 2021, the Company began to provide rural producers throughout Brazil with the same geospatial technology that it uses to monitor its suppliers, through the SMGeo Prospec application, developed by Niceplanet Geotecnologia. In this way, the Company transfers the highest technology, used in its analysis and monitoring systems, to the palm of the hands of ranchers - the same technology that guarantees Minerva Foods expertise in traceability and, successively, the best results among the major players in the audit of the Federal Public Ministry, the main and most reliable third-party verification procedure in the agricultural chain. The app allows rural producers to carry out detailed research, with access to the history and analysis of socio-environmental compliance of farms.

With the expansion of our geographic monitoring, in 2021 we became the first company in the sector to monitor 100% of the direct supplier farms in Paraguay, achieving yet another goal of our commitment.

With this, the Company guarantees products free from illegal deforestation, overlapping indigenous lands and environmental protection areas in the country. For operations in Colombia, we completed the study of environmental and land legislation applicable to geospatial monitoring and geographic diagnosis through buffer zones, with the aim of analyzing the size of rural properties in different regions of Colombia and the parameters applicable for geospatial monitoring.

In the institutional scope we received important recognitions. We became the first Brazilian company to receive the Renewable Energy Seal, issued by the Totum Institute, in partnership with the Brazilian Wind Energy Association (ABEEólica) and the Brazilian Clean Energy Association (Abrage), for all units in Brazil; we won the Gold Seal in our Corporate Inventory of Greenhouse Gas Emissions of the Brazilian GHG Protocol Program; we are the only company in the beef protein sector listed in the 2021/2022 portfolio of the B3 Corporate Sustainability Index (ISEB3), the fourth sustainability index in the world; for the second year running, we also joined the B3 Carbon Efficient Index (ICO2B3) portfolio. Regarding the Carbon Disclosure Project (CDP), Minerva Foods was evaluated on three fronts: climate change, forests and water security. On the climate change front, our performance rose for the third consecutive year. In addition, we were evaluated by the Forest 500 Ranking as one of the companies in the protein sector that presents the lowest risks of being linked to deforestation or of potential exposure to forest risk commodity supply chains. In 2022, Minerva Foods ranks among the 5 best Brazilian companies in sustainability policies, according to the ranking.

In line with our Sustainability strategy, Minerva Foods became a signatory member of the United Nations (UN) Global Compact. With the adherence, the Company reinforces the universal principles of the Global Compact in its operating strategy, in addition to reporting, annually, the progress made.

#### Transparency

We will continue to be engaged with the Sustainability of the Company's value chain in a material way, focused on reducing our carbon footprint, reducing our water footprint and, above all, fighting climate change related to land use conversion. The geographic monitoring of the supply chain proves to be a key path towards achieving our goals, so we will continue to invest in the low carbon emission program in the production chain - Renove, and in geographic monitoring technologies in the countries where we have operations.

The Company's commitment is demonstrated with material results today, now contributing to the sustainability of our planet

## 2. Basis of preparation

### Statement of compliance (with IFRSs and CPC standards)

The individual and consolidated financial statements were prepared and are being presented in accordance with the accounting practices adopted in Brazil, which include the provisions contained in the Brazilian Corporation Law, rules of the Brazilian Securities and Exchange Commission ("CVM") and the pronouncements of the Accounting Pronouncements Committee ("CPC"), as well as international accounting standards (International Financial Reporting Standards), or "IFRS" issued by the International Accounting Standards Board ("IASB").

The Company's individual and consolidated financial statements are being presented in accordance with Technical Guidance OCPC 07, which deals with the basic requirements for preparation and disclosure to be observed when disclosing the accounting and financial reports, especially those contained in the explanatory notes. Management confirms that all relevant information specific to the individual and consolidated financial statements is being evidenced and that these correspond to those used in its management.

The presentation of the Statement of Added Value (DVA), individual and consolidated, is required by the Brazilian Corporate Law and the accounting practices adopted in Brazil applicable to publicly-held companies, in accordance with CPC 09 - Statement of Added Value. IFRS standards do not require the presentation of this statement. As a result, under IFRS, this statement is presented as supplementary information, without prejudice to the set of individual and consolidated financial statements.

The individual and consolidated financial statements are presented in Brazilian reais (R\$), which also is the Company's functional currency.

The significant accounting policies adopted in preparing the individual and consolidated financial statements are summarized below. These accounting policies were applied consistently to all periods reported, unless stated otherwise.

The individual and consolidated financial statements were approved for issue by the Company's Management on February 23, 2022.

### 3. Summary of significant accounting policies

#### a) Basis of measurement

The individual and consolidated financial statements have been prepared using historical cost as the basis of value, except for recognized revaluations and for the valuation of certain assets and liabilities such as financial instruments and biological assets, which are measured at fair value.

#### b) Functional and presentation currency

The financial statements of each subsidiary included in the Company's consolidation and those used as a basis for valuing investments using the equity method are prepared using the functional currency of each entity. An entity's functional currency is the currency of the primary economic environment in which it operates.

When defining the functional currency of each of its subsidiaries, Management considered the currency that significantly influences the sales price of its products and services, and the currency in which most of the cost of its production inputs is paid or incurred.

The financial statements are presented in reais (R\$), which is the parent company's functional and presentation currency. All accounting information is presented in thousands of reais, unless otherwise stated.

#### c) Foreign operations

The foreign direct and indirect subsidiaries adopted the following functional currencies for the financial statements as of December 31, 2021:

- Guarani (Paraguai-PY) - Friasa S.A.;
- US Dollar (US\$) - Athena Foods S.A., Frigomerc S.A., Pulsa S.A., Frigorífico Carrasco S.A., Lytmer S.A.; Minerva Overseas I, Minerva Overseas II, Minerva Meat USA, Minerva USA LLC, Minerva Venture Capital Fundo de Investimento em Participações Multiestrategicas - Investimento no Exterior, MF92 Venture LLC, and Minerva Luxembourg;
- Sterling pound (GBP) - Minerva Europe Ltd.;
- Chilean Peso - Minerva Foods Chile SpA and Minerva Live Cattle Export SPA;
- Colombian Peso - Minerva Colombia S.A.S, Red Cárnica S.A.S, and Red Industrial Colombiana S.A.S.;
- Australian Dollar - Minerva Australia Holdings PTY Ltd.; Minerva Asia Foods PTY Ltd.;
- Argentinean Peso - Pul Argentina S.A.; and
- Euro - Athn Foods Holdings S.A.
- Singapore Dollar Currency: Fortuna Foods PTE. LTD.

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The individual and consolidated financial statements, when applicable, are adjusted to conform to the accounting practices adopted in Brazil and translated into Brazilian reais (R\$) by applying the following procedures:

- Monetary assets and liabilities are translated using the closing rate of the respective currency for the Brazilian real (R\$) at the end of the respective balance sheets;
- In the last balance sheet corresponding to equity translated at the historical exchange rate prevailing at that time and the changes in equity for the current period/year are translated at the historical exchange rates on the dates of the transactions, and the profit earned or loss incurred is translated and accumulated at an average historical monthly exchange rate, as indicated in the topic below;
- Revenues, costs and expenses for the current year are translated and accrued at an average historical monthly exchange rate;
- The changes in foreign exchange balances arising from the items above are recognized in a specific equity account, under "Other comprehensive income":
- The balances of investments, assets and liabilities, revenues and expenses from transactions between "Minerva Group" companies included in the consolidated financial statements are eliminated.

d) Foreign currency-denominated transactions and balances

Foreign currency-denominated transactions and balances, i.e., all transactions conducted in a currency other than the functional currency, are translated at the exchange rate prevailing on the respective trade date, as required by CPC 02 (R2) - Effects of Changes in Exchange Rates and Translation of Financial Statements.

Assets and liabilities subject to currency fluctuations are adjusted using the exchange rates prevailing on the last business day of each year or reporting periods. Gains and losses arising from changes in foreign investments are recognized directly in equity, under "Other comprehensive income", and recognized in the statement of profit or loss when these investments are fully or partially sold.

Nonmonetary items that are measured at historical cost in a foreign currency are translated using the exchange rates prevailing on the transaction date.

e) Use of estimates and judgment

The preparation of the individual and consolidated financial statements in conformity with IFRS and CPC standards requires Management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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Estimates and assumptions are revised on an ongoing basis. Revisions related to accounting estimates are recognized in the year in which estimates are revised and in any affected future periods.

f) Basis of consolidation

Business combinations

Acquisitions completed on or after January 1, 2009

For acquisitions made as of or after January 01, 2009, the Company measured goodwill as the fair value of the consideration transferred, including the recognized amount of any noncontrolling interest in the acquired company, less the net recognized value of the identifiable assets and liabilities assumed at fair value, all measured as at the acquisition date.

For each business combination, the Company assesses if it will measure the non-controlling interests at their fair value or based on the proportionate equity interest of the noncontrolling interests on the identifiable net assets determined on the acquisition date.

Transaction costs, whether or not associated to the issuance of debt securities or equity securities, incurred by the Company and its subsidiaries on a business combination, are recognized as expenses as they are incurred.

Subsidiaries and jointly controlled subsidiaries

The subsidiaries' financial statements are included in the consolidated financial statements as from the date control starts to be exercised through the date it ceases to exist.

Transactions eliminated in consolidation

All intragroup transactions, and any intragroup revenue and expenses are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with investees and recorded under the equity method are eliminated against the investment proportionately to the Company's equity interest in the investees. Unrealized losses, if any, are not eliminated the same way as unrealized gains, but only to the extent that there is no indication of impairment.

g) Cash and cash equivalents and securities

Cash and cash equivalents include cash on hand, bank deposits and highly liquid short-term investments. See Note 4 for details on the Company's and its subsidiaries' cash and cash equivalents.

h) Financial instruments

The Company's and its subsidiaries' financial instruments are in accordance with the accounting pronouncement financial instruments (CPC 48), effective beginning January 01, 2018, and were recorded under this standard.

### Financial assets

Financial assets are classified into the following specific categories: assets measured at amortized cost; fair value through profit or loss and fair value through other comprehensive income. Assets are classified based on the Company's business model and the cash flow characteristics of the financial asset.

### Recognition and measurement

The Company classifies its financial assets on initial recognition into three categories:

- i) assets measured at amortized cost;
  - ii) fair value through profit or loss; or
  - iii) fair value through other comprehensive income.
- Amortization cost: Assets should be measured at amortized cost if both of the following conditions are met: i) the financial asset is held within the business model whose objective is to hold assets in order to collect contractual cash flow; and ii) 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. The Company should recognize its interest income, exchange gains and losses, and impairment directly in profit or loss;
  - Fair value through profit or loss: Financial assets should be measured at fair value through profit or loss only if they may not be classified as assets measured at amortized cost or fair value through other comprehensive income. The Company should recognize its interest income, exchange gains and losses, and impairment together with other net profit or loss, directly in profit or loss;
  - Fair value through other comprehensive income: Financial assets should be measured at fair value through comprehensive income only if the following conditions are met: i) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash when contractual cash flows are collected from the sale of financial assets; and ii) the contractual terms of the financial asset give rise on specified dates to interest on the principal amount outstanding.

Assets measured at fair value through other comprehensive income are classified into two categories: i) debt instruments: interest income calculated under the effective interest method, exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized directly in the Company's equity, in "other comprehensive income". In the waiver of recognition, the cumulative gains or losses in other comprehensive income is reclassified to profit or loss; or ii) equity instruments are measured at fair value. Dividends are recognized as gains in profit or loss, unless the dividend clearly represents a recovery of a portion of the investment cost.

Other net gains and losses are recognized directly in the Company's equity, in "other comprehensive income" and are never classified to profit or loss.

Fair values of investments quoted in a public market are based on current purchase prices. If the market of a financial asset (and bonds not listed on the stock exchange) is not active, the Company establishes the fair value through valuation techniques.

These techniques include using recent arm's length market transactions between knowledgeable, willing parties, reference to other instruments that are substantially the same, the analysis of discounted cash flows, and option pricing models that make maximum use of market inputs and rely as little as possible on entity-specific inputs.

Regular-way purchases and sales of financial assets are recognized on a trade date basis, i.e., the date on which the Company agrees to buy or sell the asset.

- Derecognition of financial assets: Financial assets are written off when the rights to receive cash flows from the investments expire or are transferred; in the latter case, provided that the Company has significantly transferred all the risks and rewards of the ownership. If the Entity retains substantially all the risks and rewards of ownership of the financial asset, the Company should continue to recognize the financial asset.

#### Financial liabilities

Financial assets are classified into the following categories: financial liabilities at amortized cost or fair value through profit or loss. Management determines the classification of its financial liabilities at the time of initial recognition.

- Financial liability at amortized cost: The Company should classify all of its financial liabilities as amortized cost, except financial liabilities classified at fair value through profit or loss, derivative liabilities warranty agreement. Other financial liabilities are measured at amortized cost under the effective interest method. Interest expense, exchange gains and losses are recognized in profit or loss. The Company has the following non-derivative financial liabilities: borrowings, financing and debentures and trade payables. The Company has the following non-derivative financial liabilities: borrowings, financing and debentures and trade payables.
- Financial liabilities at fair value through profit or loss: Financial liabilities classified into the fair value through profit or loss category are financial liabilities held for trading or those designated at initial recognition. Derivatives are also classified as trading securities, unless they have been designated as effective hedging instruments. Gains and losses on financial liabilities classified at fair value through profit or loss are recognized in profit or loss.

- Derecognition of financial liabilities: Financial liabilities are derecognized only when the obligation specified in the relevant contract is discharged, cancelled or expires. The Company also waives the recognition of a financial liability when the terms are modified, and the liability cash flow are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value.

#### Offset of financial instruments

Financial assets and financial liabilities are offset, and the net amount is disclosed in the balance sheet when there is a legally enforceable right to set off recognized amounts and the intention to either settle them on a net basis or to realize the asset and settle the liability simultaneously.

#### Derivative financial instruments

The fair value of derivative financial instruments is calculated by the Company's treasury department based on information on each transaction and related market inputs at the end of the reporting period, such as interest rates and exchange coupon. When applicable, this information is compared to the positions informed by the trading desks of each financial institution involved.

Transactions involving derivative financial instruments that were contracted by the Company and its subsidiaries can be summarized as cattle futures contracts, options on cattle contracts and Non-Deliverable Forward (NDF), all aiming exclusively to minimize the impact of price fluctuations per "arroba" of cattle in the statement of profit or loss, and to hedge against exchange risks related to statement of financial position accounts plus cash flows projected in foreign currency.

#### Derivative financial instruments and hedging activities

Derivatives are initially recognized at their fair values at the commencement of the derivative agreement and are subsequently remeasured at fair value, whose changes in fair value are recorded in profit or loss.

Although the Company uses derivatives for hedging purposes, it did not choose the hedge accounting method. This accounting method is optional and, therefore, not mandatory.

#### j) Trade receivables

Trade receivables are carried at their present and realizable values. Trade receivables from foreign customers are adjusted based on exchange rates prevailing at the end of the financial statements. An allowance for expected credit losses is recognized in an amount considered sufficient by Management, based on monitoring of past-due receivables and trade notes and the risk of not collecting installment sales.

k) Inventories

Inventories are stated at the lower of cost and net realizable value, adjusted to market value and for any losses, when applicable. The inventory cost includes expenditures incurred on purchase of inventories, manufacturing and transformation costs and other costs incurred in bringing the inventories to their present location and condition.

l) Biological assets

Biological assets are measured at fair value. Changes in fair value are recognized in profit or loss. Agricultural activities, such as cattle herd growth, arising from confinement of cattle or grazing cattle, and growth of different crops, are subject to fair value measurement based on the mark to market (MtM) concept.

m) Property, plant and equipment

Recognition and measurement

Property, plant and equipment items are measured at the historical purchase or construction cost, less accumulated depreciation and, where applicable, accumulated impairment losses.

The cost of certain property, plant and equipment items was determined by reference to the revaluation carried out prior to the enactment of Law No. 11.638/2007, effective January 1, 2008, thus not requiring the appraisal of the deemed cost at that time.

Cost includes expenses that are directly attributable to the purchase of an asset. The cost of assets constructed by the Company and its subsidiaries includes the cost of materials and direct labor, as well as any costs incurred to bring the asset to the location and condition necessary for them to be able to operate in the manner intended by Management. Borrowings costs on qualifying assets have been capitalized since January 1, 2009.

Rights on tangible assets intended for the maintenance of the Company's and its subsidiaries' activities, arising from finance lease transactions, are recognized as if they were a financed purchase. At the start of each transaction, a property, plant and equipment item and a financing liability are recognized, with assets being subject to depreciation calculated in accordance with the estimated useful lives of the respective assets or over the lease agreement.

Gains and losses on the disposal of a property, plant and equipment item are calculated by comparing the disposal proceeds with the carrying amount of the item and are recognized in other operating income (expenses), in profit or loss.

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### Depreciation

Depreciation is recognized in profit or loss on a straight-line basis, based on the estimated useful lives of each part of a property, plant and equipment item, as this method is more representative of the time pattern in which economic benefits from the asset are consumed.

The average useful lives estimated by the Company's Management, based on technical studies for the current and comparative periods, are as follows:

	Parent company (annual rate)	Consolidated (annual rate)
Buildings	2.99%	2.49%
Machinery and equipment	9.15%	8.81%
Furniture and fixtures	10.53%	9.08%
Vehicles	7.31%	7.05%
Computer hardware	26.31%	24.00%

The depreciation methods, the estimated useful lives and the residual values are revised at each yearend, and possible adjustments are recognized as accounting estimates are changed.

As permitted by Law No. 11638/07 and mentioned in Note 20, the revaluation reserve balance will be held until its 100% amortization, either by full depreciation or sale of the assets.

### n) Leases

Agreements are considered as leases when the following both conditions are satisfied:

- An identifiable asset explicitly or implicitly specified. In this case, the supplier does not have the practical ability to substitute the asset, or the supplier would not benefit economically from exercising its right to substitute the asset;
- The right of use of the asset over the term of the agreement. In this case, the Company should have authority to make decisions on the use of the asset and the ability to obtain substantially all economic benefits from the use of the asset.

The right of use is initially measured at cost and includes the initial amount of the lease liability adjusted by any payments made on or before the effective date of the agreement, plus any initial direct costs and estimated costs on the disassembly, removal, and restoration of the asset at the place it is located, less any incentive received.

The right-of-use asset is depreciated subsequently using the straight-line method from the start to the end of the useful life of the right of use or the termination of the lease term.

The lease liability is initially measured at the present value of the payments yet to be made, discounting the lessee's incremental borrowing rate. The lease liability is measured subsequently at the amortized cost using the effective interest method.

A lessee recognizes a right-of-use asset that represents their right to use the leased asset and a lease liability that represents their obligation to make lease payments. Optional exemptions are available for short-term leases and low-value assets.

o) Intangible assets

Intangible assets acquired separately are measured upon initial recognition, at acquisition cost, subsequently, deducted from accumulated amortization and impairment losses, where applicable.

Intangible assets with finite useful lives are amortized over their estimated economic useful lives and, when there are indications of impairment, are tested for impairment. Intangible assets with finite useful life are not amortized and are annually tested for impairment.

Goodwill on acquisition of subsidiaries

Goodwill arising on the acquisition of subsidiaries is carried in intangible assets in the consolidated financial statements .

p) Impairment test

Financial assets

The Company annually analyzes if there is an objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is considered as unrecoverable when there is indication of loss of the asset's economic value.

Nonfinancial assets

Management annually tests the carrying amount of assets for impairment to determine whether events or changes in economic, operating or technological circumstances indicate that they might be impaired. Whenever an evidence of impairment is identified and the carrying amount exceeds the recoverable value, an allowance for impairment is recognized to adjust the carrying amount of the asset to its recoverable value.

The recoverable amount of an asset or cash-generating unit is the higher of the value in use and net sales price.

In estimating the value in use of an asset, estimated future cash flows are discounted to their present values, using a pretax discount rate that reflects the weighted average cost of capital in the industry where the cash-generating unit operates. Whenever possible, the net sales price is determined based on a binding sale agreement conducted on an arm's length basis between the parties, adjusted by expenses attributable to the asset sale. If there is no such binding agreement, it should be based on the market price defined in an active market, or in the most recent transaction price with similar assets.

The following criterion is also applied for determining impairment losses on specific assets:

Goodwill based on expected future earnings

Goodwill is tested for impairment at least annually, or when circumstances indicate a loss due to impairment of the carrying amount.

Intangible assets with indefinite useful lives

Intangible assets with indefinite useful lives are tested for impairment at least annually, individually or at the level of the cash-generating unit, as the case may be or when circumstances indicate a loss due to impairment of the carrying amount.

q) Other current and noncurrent assets and liabilities

An asset is recognized in the balance sheet when it is probable that future economic benefits will be generated in favor of the Company and its subsidiaries, and its cost or value can be reliably estimated.

A liability is recognized in the balance sheet when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of resources will be required to settle it. Liabilities include charges, inflation adjustments or exchange rate changes incurred and adjustments to present value. Provisions are recorded based on the best estimates of the risk involved.

Assets and liabilities are classified as current when their realization or settlement is likely to occur within the next twelve months. Otherwise, they are stated as noncurrent.

r) Adjustment to present value of assets and liabilities

Noncurrent monetary assets and liabilities are adjusted, when material, to their present value, and current assets and liabilities are adjusted when the effect is considered material in relation to the individual and consolidated financial statements information.

To calculate the discount to present value, the Company and its subsidiaries consider the amount to be discounted, the realization and settlement dates, according to discount rates that reflect the Company's and its subsidiaries' value of money in time, which was approximately 8.7% per year, calculated according to the Company's and its subsidiaries' weighted average cost of capital, as well as the specific risks related to the expected cash flows for the respective financial flows.

The receipt and payment terms of accounts receivable and payable arising from the Company's and its subsidiaries' operating activities are short, thus resulting in a discount amount considered immaterial for recording and disclosure, since the cost of generating information exceeds its benefit. Noncurrent assets and liabilities are calculated and recorded, when applicable and material.

Calculations and analyses are revised on a quarterly basis.

s) Income tax and social contribution

The current and deferred income tax and social contribution for the current year or period of the Company and its subsidiaries located in Brazil are calculated at the rates of 15%, plus a 10% surtax on taxable income exceeding R\$240 for income tax and 9% on taxable income for social contribution, considering the offset of tax loss carryforwards limited to 30% of the annual taxable income.

Income tax and social contribution expenses comprise current and deferred income taxes. Current and deferred taxes are recognized in profit or loss unless they are related to business combinations or items recognized directly in equity or other comprehensive income.

The deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used for tax purposes. Deferred taxes are not accounted for on the following temporary differences: the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, and differences related to investments in subsidiaries and controlled entities when it is probable that they will not be reversed in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes imposed by the same tax authority on the same entity subject to taxation.

Deferred income and social contribution tax assets are recognized on tax losses, tax credits, differences in accounting practices (IFRS) and deductible temporary differences that were not utilized, when future taxable profits will be available and against which they can be utilized.

Deferred income tax and social contribution assets are revised at the end of each reporting year and reduced to the extent that their realization is no longer probable.

t) Contingent assets and contingent liabilities, and legal obligations

The accounting policies adopted to record and disclose contingent assets and contingent liabilities and legal obligations are as follows: (i) contingent assets are recognized only when there are collaterals or favorable, unappealable court decisions. Contingent assets assessed as probable gain are only disclosed in an explanatory note; (ii) a provision for risks on contingent liabilities is recorded when losses are assessed as probable and the involved amounts can be reliably measured.

Contingent liabilities assessed as possible losses are only disclosed in a note to the financial statements and contingent liabilities assessed as remote losses are neither provided for nor disclosed; and (iii) legal obligations are recorded as liabilities, regardless of the evaluation of the probabilities of success, for proceedings whereby the Company has challenged the constitutionality of taxes.

u) Employee benefits

The Company does not have post-employment benefits, such as defined benefit and/or contribution plans. All short-term benefits and paid leaves, as well as profit sharing and bonuses, are in accordance with the respective IFRS requirements.

v) Revenue recognition

The Company's revenues primarily derive from sales of products, are recognized when the performance obligation is satisfied. Goods are sold to domestic and foreign customers.

The revenues recognized in the domestic and foreign markets are subject to evaluations and judgments by the Company's management in determining their recognition by the Company.

Sales revenue is recognized net of related taxes and discounts. Taxes on sales are recognized when sales are billed and discounts are recognized when granted. Revenues from sales of products are recognized at the amount of the consideration to which the Company expects to have right, less returns, discounts and rebates and other deductions, if applicable, and are recognized as the Company fulfills its performance obligations.

The breakdown of sales revenue is shown in Note 21.

w) Earnings per share

Basic earnings per share are calculated by means of the profit for the year attributable to owners of the Company and the weighted average number of common shares outstanding in the related period. Diluted earnings per share are calculated by adjusting the weighted average number of common shares outstanding by instruments potentially convertible into shares with dilutive effect, during the reporting periods.

x) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Company's Board of Executive Officers, which is responsible for allocating funds and evaluating the performance by operating segment and strategic decision-making. This information is prepared in a manner consistent with the accounting policies used in the preparation of the financial statements.

y) New and revised standards and interpretations:

During the years 2020 and 2021, the IASB issued / revised some IFRS standards, which have their adoption for the year 2021 or later, and the Company is evaluating the impacts on its Financial Statements of the adoption of these standards:

- Amendment to IAS 1 standards - Classification of liabilities as Current or Non-current. Clarifies aspects to be considered for the classification of liabilities as Current Liabilities or Non-Current Liabilities. This amendment to the standard is effective for years beginning on or after 01/01/2023. The Company does not expect significant impacts on its Financial Statements;
- Annual improvements in IFRS standards 2018-2020 - Makes changes to IFRS 1 standards, addressing aspects of first adoption in a subsidiary; IFRS 9, addressing the 10% test criterion for reversing financial liabilities; IFRS 16, covering illustrative examples of leasing and IAS 41, covering aspects of measurement at fair value. These changes are effective for exercises beginning on or after 1/01/2022. The Company does not expect significant impacts on its Financial statements;
- Amendment to IAS 16 - Property, plant and equipment - Result generated before reaching the expected conditions of use. Clarifies aspects to be considered for the classification of items produced before the fixed asset is in the projected conditions of use. This amendment to the standard is effective for fiscal years beginning on or after 1/01/2022. The Company does not expect significant impacts on its Financial Statements;
- Amendment to IAS 37 standard - Onerous contract - Cost of fulfilling a contract. Clarifies aspects to be considered for the classification of costs related to the fulfillment of an onerous contract. This amendment to the standard is effective for fiscal years beginning on or after 1/01/2022. The Company does not expect significant impacts on its Financial Statements;

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- Amendment to IFRS 3 - References to the conceptual framework - Clarifies the conceptual alignments of this standard with the conceptual framework of IFRS. This amendment to the standard is effective for fiscal years beginning on or after 1/01/2022. The Company does not expect significant impacts on its Financial Statements;
- Amendment to IAS 1 and Disclosure of Accounting Practices 2 - Disclosure of Accounting Policies: Clarifies aspects to be considered in the disclosure of accounting policies. This standard change is effective for fiscal years beginning on/or after 1/01/2023. The Company does not expect significant impacts on its Financial Statements;
- Amendment to IAS 8 - Definition of accounting estimates: Clarifies aspects that should be considered when defining accounting estimates. This standard change is effective for fiscal years beginning on/or after 1/01/2023. The Company does not expect significant impacts on its Financial Statements;
- Amendment to IFRS 16 - Leases: Defines the treatment of changes in lease agreements that are directly related to the Covid-19 pandemic. This rule change is effective for fiscal years beginning on/or after 4/1/2021. The Company does not expect significant impacts on its Financial Statements; and
- Amendment to IAS 12 - Deferred tax related to assets and liabilities arising from a single transaction: Clarifies aspects to be considered in the recognition of deferred tax assets and liabilities related to taxable temporary differences and deductible temporary differences. This standard change is effective for fiscal years beginning on/or after 1/01/2023. The Company does not expect significant impacts on its Financial Statements.

z) Statements of value added

The Company prepared the individual and consolidated statements of value added (DVA) in accordance with CPC 09 - Statement of Value Added, which are presented as an integral part of the financial statements according to the accounting practices adopted in Brazil applicable to publicly-held companies, whereas they are considered by IFRS as supplemental financial information, required as part of the financial statements taken as a whole.

The objective of a statement of value added is to show the wealth created by the Company and its subsidiaries, its distribution to those that contributed to generate such wealth, such as employees, financial institutions, shareholders, government, as well as the undistributed portion of wealth.

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## 4. Cash and cash equivalents

The financial assets of the Company and its subsidiaries are comprised of the following:

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Cash	249	347	1,237	488
Banks - checking accounts	2,226	3,224	2,090,958	516,778
Cash and cash equivalents in foreign currencies	<u>3,981,478</u>	<u>4,270,748</u>	<u>3,983,438</u>	<u>4,271,075</u>
Total	3,983,953	4,274,319	6,075,633	4,788,341
Short-term investments				
In local currency				
Bank Certificates of Deposit (CDB)	329,655	1,006,220	365,070	1,102,768
Debentures	515,649	15,005	556,635	30,009
Other financial assets	<u>65,382</u>	<u>127,211</u>	<u>304,671</u>	<u>470,311</u>
Total	<u>910,686</u>	<u>1,148,436</u>	<u>1,226,376</u>	<u>1,603,088</u>
Total	<u>4,894,639</u>	<u>5,422,755</u>	<u>7,302,009</u>	<u>6,391,429</u>

The short-term investments of the Company and its subsidiaries were classified according to their characteristics and purposes, measured at fair value through profit or loss, that correspond to level 2 of the fair value hierarchy and as summarized below:

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Measured at fair value through profit or loss	<u>910,686</u>	<u>1,148,436</u>	<u>1,226,376</u>	<u>1,603,088</u>
Total	<u>910,686</u>	<u>1,148,436</u>	<u>1,226,376</u>	<u>1,603,088</u>

## 5. Trade receivables

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Trade notes - domestic customers	273,313	264,914	809,043	725,936
Trade notes - foreign customers	241,128	364,511	1,831,660	1,469,000
Receivables - related parties	<u>762,336</u>	<u>302,565</u>	-	-
Total	<u>1,276,777</u>	<u>931,990</u>	<u>2,640,703</u>	<u>2,194,936</u>
(-) Allowance for expected credit losses	(25,175)	(30,121)	(42,140)	(50,939)
Total	<u>1,251,602</u>	<u>901,869</u>	<u>2,598,563</u>	<u>2,143,997</u>

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The aging list of trade receivables is as follows:

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Current	1,190,073	688,290	2,348,912	1,841,173
Overdue:				
Up to 30 days	39,811	120,226	160,261	170,375
From 31 to 60 days	1,240	27,649	23,194	37,972
From 61 to 90 days	509	8,132	2,808	13,364
Above 91 days	45,144	87,693	105,528	132,052
Total	<u>1,276,777</u>	<u>931,990</u>	<u>2,640,703</u>	<u>2,194,936</u>

Changes in expected credit losses for the year ended December 31, 2021 and year ended December 31, 2020, are as follows:

	Parent Company	Consolidated
Balances of January 1, 2020	(20,444)	(27,879)
Allowance recognized	(12,741)	(24,802)
Recovered receivables	3,712	4,019
Written-off receivables	15	15
Exchange loss	(663)	(2,292)
Balances as of December 31, 2020	<u>(30,121)</u>	<u>(50,939)</u>
Allowance recognized	(6,819)	(7,039)
Recovered receivables	12,167	17,879
Exchange loss	(402)	(2,041)
Balances as of December 31, 2021	<u>(25,175)</u>	<u>(42,140)</u>

The Company has a Receivables Investment Fund (FIDC) for sale of part of its receivables from domestic customers in the amount of R\$202,384 (R\$164,735 as of December 31, 2020), without co-obligation or right of recourse, of which R\$21,015 (R\$10,115 as of December 31, 2020) is comprised of subordinated units.

The percentage of equity interest and the number of FIDC shares refer to the guarantee and risk limit under the Company's responsibility, which correspond to the entirety of the subordinated shares paid in and held by the Company with FIDC.

According to CVM Circular Letter No. 01/2017, for the purpose of presentation of definitive sale of receivables, the transferor cannot have control, involvement, or future settlement regarding the overdue FIDC notes and, consequently, exposure to the risks arising from it. Accordingly, the Company is exposed to default risk limited to its subordinated shares.

The Company follows a strict credit granting policy, which results in low levels of default, which may be evidenced by the low amounts recorded, when compared to the Company's and its subsidiaries' sales revenue.

The Company has no collaterals for past-due trade notes receivable.

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## 6. Inventories

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Finished products	617,069	427,140	1,885,560	862,211
Storeroom supplies and secondary materials	37,549	34,667	229,734	135,752
Total	654,618	461,807	2,115,294	997,963

## 7. Biological assets

The Company and its subsidiaries that have cattle activities, such as cattle herd growth arising from the confinement of cattle or grazing cattle operations, are subject to revaluation of its assets, in order to determine their fair value based on the mark to market (MtM) concept, less estimated selling expenses, at least on a quarterly basis, recognizing the effects of such revaluations directly in profit or loss for the years. The measurement of the fair value of biological assets falls within Level 1 of the measurement hierarchy at fair value, in accordance with the hierarchy of CPC 46, as these are assets with prices quoted on the market.

Operations related to the Company's biological assets are represented by grazing cattle (extensive) and short-term confinement cattle (intensive). The operation is conducted through the acquisition of biological assets for resale, whose mark to market is reliably measured due to the existence of active markets, and are represented as follows:

	Herd	
	Parent Company	Consolidated
Balance as of January 1, 2020	203,173	235,773
Increase due to acquisitions	234,352	523,025
Decrease due to sales	(205,309)	(462,462)
Net decrease due to births (deaths)	(1,389)	(1,787)
Translation adjustments	-	1,741
Change in fair value less estimated selling expenses	32,394	54,940
Balance as of December 31, 2020	263,221	351,230
Increase due to acquisitions	100,894	603,572
Decrease due to sales	(68,746)	(523,229)
Net decrease due to births (deaths)	(803)	(6,655)
Translation adjustments	-	2,700
Change in fair value less estimated selling expenses	47,768	40,342
Balance as of December 31, 2021	342,334	467,960

As of December 31, 2021, farm cattle held for sale was comprised of 54,229 heads (52,521 heads as of December 31, 2020), while confined cattle totaled 26,901 heads (24,744 heads as of December 31, 2020).

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As of December 31, 2021 and December 31, 2020, the Company did not have any type of biological assets with restricted ownership or offered as guarantee of obligations, and there were no other risks (financial, commitments, and weather-related) that would impact the Company's biological assets.

## 8. Recoverable taxes

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
PIS - Social Integration Program	51,312	99,983	52,289	99,988
COFINS - Contribution for the Financing of Social Security	180,079	307,463	184,557	307,509
Reintegra (special tax for exporting companies)	-	1,381	19,991	14,756
State VAT (ICMS)	103,504	92,509	120,761	108,691
Income tax and social contribution	135,708	292,738	187,777	346,336
VAT	-	-	235,092	251,052
Other recoverable tax	10,496	20,106	111,551	75,768
Total	<u>481,099</u>	<u>814,180</u>	<u>912,018</u>	<u>1,204,100</u>
Current	374,157	621,895	805,076	1,011,815
Non-current	106,942	192,285	106,942	192,285

### PIS and COFINS (taxes on revenue)

PIS and COFINS credits arise from the change in tax legislation, according to Law No. 10.637/02 and Law No. 10.833/03, which established non-cumulativeness for these taxes, thus generating credits for exporting companies. On May 30, 2018, the Federal Revenue Service (RFB) issued Law No. 13.670, which permitted entities to offset these credits to pay social security debts, thus significantly reducing cumulative credits.

Currently, the Brazilian Federal Revenue Service (RFB) completed its inspection of the Company and its subsidiaries, with most of the requests for reimbursement of credits being authorized by the RFB, which has been generating a significant amount of repayment of these credits, to continue throughout the years 2022 and 2023.

Based on studies carried out by the Company's Management regarding the expectation of refund of these tax credits, a portion of these credits was segregated from current assets to noncurrent assets, which as of December 31, 2021, totaled R\$75,386, Parent and consolidated. The estimates of realization of the Company's and its subsidiaries' tax credits are revised on a quarterly basis.

### State VAT (ICMS)

ICMS credits result from the fact that the Company's exports are greater than its domestic sales, thus generating credits which, after ratified by State Finance Department, are used to purchase inputs for production, which may also be sold to third parties, as provided for in current legislation.

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Out of the aforementioned credit balance, a substantial portion is under an inspection and ratification process by São Paulo State's Finance Department. The Company's Management expects to recover a significant portion of said credits throughout 2022 and 2023. Based on studies conducted by Management, an amount deemed sufficient to cover slower lawsuits was transferred from current assets to noncurrent assets, totaling R\$31,557, Parent and consolidated. The estimates of realization of the Company's and its subsidiaries' tax credits are revised on a quarterly basis.

## 9. Related parties

Related-party transactions, conducted under the following conditions, are summarized in the table below and comprise:

	Parent Company	
	12/31/2021	12/31/2020
Intragroup loans		
Minerva Dawn Farms S.A. (a)	34,128	16,445
Minerva Overseas Ltd (b)	743,218	692,103
Minerva Luxembourg S.A. (c)	3,842,348	1,361,990
Athena S.A. (d)	1,227,578	1,143,142
Total	<u>5,847,272</u>	<u>3,213,680</u>

- (a) Working capital loan granted to Minerva Dawn Farms S.A. ;  
 (b) Loan granted to Minerva Overseas Ltda. to be reimbursed;  
 (c) Loan granted to Minerva Luxembourg S.A. to be reimbursed; and,  
 (d) Loan granted to Atena S.A., to be reimbursed.

	Parent Company	
	12/31/2021	12/31/2020
Intragroup borrowings		
Minerva Overseas II (a)	1,321,138	1,469,124
Minerva Log S.A. (b)	2	2
Total	<u>1,321,140</u>	<u>1,469,126</u>

- (a) Loan from Minerva Overseas II to the Parent Company;  
 (b) Loan from Minerva Log S.A. to the Parent Company.

The Company, understanding the full integration of its operations with its subsidiaries, transfers cash as part of Minerva Group's business plan, always seeking to minimize the cost of its borrowings.

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The other balances and transactions with related parties are as follows:

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Payables - Suppliers				
Minerva Dawn Farms S.A.	5,190	5,582	-	-
CSAP - Companhia Sul Americana de Pecuária S.A.	6,434	8,575	-	-
Athena S.A.	35,348	27,439	-	-
Lytmer S.A.	-	5	-	-
Minerva Europe Ltd	-	162	-	-
Purchases from other related parties	8,565	14,805	8,565	14,805
Total	55,537	56,568	8,565	14,805

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Trade receivables				
Minerva Dawn Farms S.A.	2,315	222	-	-
CSAP - Companhia Sul Americana de Pecuária S.A.	17,698	11,737	-	-
Athena S.A.	41,515	27,206	-	-
Minerva Europe Ltd	-	1,416	-	-
Minerva Live Cattle Export S.A.	11,134	-	-	-
Minerva Meats USA, INC.	689,674	261,984	-	-
Total	762,336	302,565	-	-

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Sales revenue				
Minerva Dawn Farms S.A.	2,172	25	-	-
Minerva Comercializadora de Energia Ltda.	13,657	-	-	-
CSAP - Companhia Sul Americana de Pecuária S.A.	-	128	-	-
Athena S.A.	23,648	52,052	-	-
Minerva Europe Ltd	-	2,609	-	-
Minerva Meats USA, INC.	1,194,939	284,844	-	-
Total	1,234,416	339,658	-	-

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Purchases				
Minerva Dawn Farms S.A.	44,240	36,502	-	-
CSAP - Companhia Sul Americana de Pecuária S.A.	281,173	215,422	-	-
Minerva Comercializadora de Energia Ltda.	11,111	11,091	-	-
Athena S.A.	330,388	213,931	-	-
Total	666,912	476,946	-	-

Purchases of cattle				
Purchases from other related parties (a)	103,561	96,944	103,561	96,944
Total purchases from other related parties	103,561	96,944	103,561	96,944

(a) Balance payable to other related parties for purchases of cattle from companies belonging to the Company's shareholders. The transactions are carried out at usual market conditions.

During the years ended December 31, 2021 and 2020, no provisions for expected credit losses were recorded, and no bad debt expenses related to transactions with related parties were recognized.

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### Management compensation

As of December 31, 2021, the Company recorded expenses on key management personnel compensation (members of the Company's Board of Directors and Supervisory Board and Statutory Executive Officers) in the amount of R\$34,256 (R\$33,708 as of December 31, 2020). All compensation is short term, as shown below:

	2021 Members	12/31/2021	12/31/2020
Board of Executive Officers, Board of Directors and Supervisory Board	19	34,256	33,708
Total	19	34,256	33,708

The alternate members of the Board of Directors and Supervisory Board are compensated for each day they attend a Board of Directors' meeting.

The Company does not offer post-employment benefits in case of termination of employment contract. The Company's key management personnel are granted a share-based payment under a Stock Option Plan, as detailed in Note 19 (i). Below are changes in this Plan relating to key management personnel:

	12/31/2021		12/31/2020	
	Number of stock options	Weighted average price	Number of stock options	Weighted average price
Outstanding options at beginning of year	-	-	-	-
Options granted during the year	-	-	840,000	6.16
Exercised during the year	-	-	(840,000)	6.16
Forfeited during the year	-	-	-	-
Shares outstanding at period/year end	-	-	-	-

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10. Investments

Changes in investments in Minerva S.A.'s subsidiaries are as follows:

	Equity interest	Balance on 12/31/2020	Transfers	Translation adjustments	Capital payment	Share of profit (loss) of investees	Balance on 12/31/2021
Goodwill based on expected future profitability		133,667	-	-	-	-	133,667
Minerva Overseas Ltd	100.00%	255,096	-	18,842	-	(5)	273,933
Minerva Middle East	100.00%	37	-	-	-	-	37
Minerva Log S.A.	100.00%	22	-	-	-	-	22
Minerva Dawn Farms S.A.	100.00%	82,842	-	-	-	(26,725)	56,117
Minerva Colombia SAS	100.00%	5,782	-	(556)	-	(156)	5,070
Lytmer S.A.	100.00%	36,513	-	2,254	-	(8,971)	29,796
Minerva Live Cattle Export S.A.	100.00%	11,593	-	(1,245)	-	1,431	11,779
Minerva Meats USA LLC	100.00%	95,171	-	7,476	-	(9,017)	93,630
Minerva Comercializadora de Energia Ltda.	100.00%	245,109	-	-	-	(140,003)	105,106
Minerva Australia Holdings PTY Ltd. (*)	100.00%	69,697	-	699	43,391	9,044	122,831
Minerva Europe Ltd	100.00%	3,763	-	211	-	(438)	3,536
Transminerva Ltda.	100.00%	-	(286)	-	245	87	46
CSAP - Companhia Sul Americana de Pecuária S.A.	100.00%	18,836	-	-	-	(8,753)	10,083
Athena Foods S.A. (*)	100.00%	2,440,064	-	345,638	-	534,996	3,320,698
Minerva Venture Capital Fundo de Investimento em Participações Multiestrategicas - Investimento no Exterior	100.00%	21,466	-	-	45,387	116,212	183,065
Athn Foods Holdings S.A.	100.00%	-	-	(13)	393	(209)	171
Fortuna Foods PTE. LTD.	100.00%	-	-	-	1,634	-	1,634
Minerva FOODS FZE	100.00%	5,356	-	-	-	-	5,356
Mycarbom 3 Ltda.	100.00%	-	-	-	13,000	379	13,379
Fundo de Investimento em Quotas de Fundos de Investimento Multimercado Portifólio 1839 Investments	100.00%	-	-	-	19,700	(6)	19,694
		3,425,014	(286)	373,306	123,750	467,866	4,389,650
Transminerva Ltda.	100.00%	(286)	286	-	-	-	-
Minerva Luxembourg S.A.	100.00%	(2,768,338)	-	(627,246)	-	332,076	(3,063,558)
Minerva Overseas Ltd II	100.00%	(141,554)	-	(266,943)	-	(7)	(408,504)
Allowance for investment losses Investments, net		(2,910,228)	286	(894,189)	-	332,069	(3,472,062)
		514,786	-	(520,883)	123,750	799,935	917,588

(\*) Consolidated information on the following companies (see Note1):

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- Pulsa S.A.: consolidates subsidiary Frigorífico Canelones S.A.;
- Frigomerc S/A. - consolidates subsidiaries BEEF Paraguay S.A. and Industria Paraguaya Frigorífica S.A.;
- Minerva Australia Holdings PTY Ltd.: consolidates subsidiary Minerva Ásia Foods PTY Ltd.
- Pul Argentina S.A.: consolidates subsidiary Swift Argentina S.A.;
- Athena Foods S.A.: consolidates subsidiaries Pulsa S.A., Frigorífico Carrasco S.A., Frigomerc S.A, Pul Argentina S.A., Red Cárnica S.A.S., Red Industrial Colombiana S.A.S., and Minerva Foods Chile SPA;
- Minerva Venture Capital Fundo de Investimento em Participações Multiestrategicas - Investimento no Exterior: consolidates subsidiary MF 92 Ventures LLC.

#### Summary of the subsidiaries' financial statements as of December 31, 2021:

	Equity interest	Current assets	Noncurrent assets	Current liabilities	Non-current liabilities	Equity
Minerva Overseas Ltd.	100.00%	35	1,017,116	-	743,218	273,933
Minerva Overseas II Ltd.	100.00%	110	1,321,138	-	1,729,752	(408,504)
Minerva Middle East Ltd.	100.00%	37	-	-	-	37
Minerva Dawn Farms S.A.	100.00%	17,842	81,599	7,236	36,088	56,117
Minerva Luxemburg S.A.	100.00%	1,727,861	8,007,879	138,843	1,2660,455	(3,063,558)
Friasa S.A.	99.99%	-	-	-	-	-
Transminerva Ltda.	100.00%	72	138	-	164	46
Minerva Log S.A.	100.00%	20	2	-	-	22
Lytmer S.A.	100.00%	12,786	18,518	1,508	-	29,796
Minerva Colombia SAS	100.00%	5,076	-	6	-	5,070
CSAP - Companhia Sul Americana de Pecuária S.A.	100.00%	184,334	12,212	173,214	13,249	10,083
Minerva Live Cattle Export Spa	100.00%	13,360	10,964	12,545	-	11,779
Minerva Meats USA LLC	100.00%	858,650	106	765,126	-	93,630
Minerva Comercializadora de Energia Ltda.	100.00%	108,298	-	3,192	-	105,106
Minerva Australia Holdings PTY Ltd.	100.00%	87,085	69,603	30,501	3,355	122,832
Minerva Europe Ltd	100.00%	3,536	-	-	-	3,536
Athena Foods S.A. (*)	100.00%	3,799,378	2,987,900	1,886,300	1,580,279	3,320,699
Minerva Venture Capital Fundo de Investimento em Participações Multiestrategicas - Investimento no Exterior	100.00%	1,867	202,449	53	-	204,263
Athn Foods Holdings S.A.	100.00%	369	-	198	-	171
Fortuna Foods PTE. LTD.	100.00%	1,634	-	-	-	1,634
Minerva Foods FZE	100.00%	5,356	-	-	-	5,356
Mycarbom 3 Ltda	100.00%	13,536	-	157	-	13,379
Fundo de Investimento em Quotas de Fundos de Investimento Multimercado Portfólio 1839	100.00%	1,172	20,195	65	-	21,302
<b>Total</b>		<b>6,842,414</b>	<b>13,749,819</b>	<b>3,018,944</b>	<b>16,766,560</b>	<b>806,729</b>

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### Notes to the individual and consolidated interim financial statements For the year ended December 31, 2021 (Amounts in thousands of reais - R\$, unless otherwise stated)

(\*) Consolidated information on the following companies (see Note1):

- Athena Foods S.A.: consolidates subsidiaries Pulsa S.A., Frigorífico Carrasco S.A., Frigomerc S.A, Pul Argentina S.A., Red Cárnica S.A.S., Red Industrial Colombiana S.A.S., and Minerva Foods Chile SPA.

Changes in subsidiaries' profit (loss) in the periods ended December 31, 2021 and 2020 are as follows:

	12/31/2021		12/31/2020	
	Net revenue	Profit (loss) for the period	Net revenue	Profit (loss) for the period
Minerva Overseas Ltd	-	(5)	-	(18)
Minerva Overseas II Ltd	-	(8)	-	(19)
Minerva Dawn Farms S.A.	42,415	(26,724)	33,418	(26,864)
Minerva Luxemburg S.A.	-	332,076	-	(208,065)
Friasa S.A.	-	-	-	-
Transminerva Ltda.	-	88	-	(480)
Minerva Log S.A.	-	-	-	-
Lytmer S.A.	5	(8,971)	7,820	(9,022)
Minerva Colombia SAS	-	(156)	-	(369)
CSAP - Companhia Sul Americana de Pecuária S.A.	313,390	(8,754)	218,658	21,328
Minerva Live Cattle Spa	-	1,431	-	(403)
Minerva Meats USA LLC	948,743	(9,017)	382,907	33,542
Minerva Comercializadora de Energia Ltda.	440,660	(140,003)	493,380	18,240
Minerva Australia Holdings PTY Ltd.	464,450	9,044	369,325	4,411
Minerva Europe Ltd	1,504	(438)	9,318	1,331
Athena S.A.	14,563,873	534,997	8,669,606	412,342
Minerva Venture Capital Fundo de Investimento em Participações Multiestrategicas - Investimento no Exterior	116,739	116,215	-	(108)
Athn Foods Holdings S.A.	-	(209)	-	-
Fortuna Foods PTE. LTD.	-	-	-	-
Minerva FOODS FZE	-	-	-	-
Mycarbom 3 Ltda.	2,055	379	-	-
Fundo de Investimento em Quotas de Fundos de Investimento Multimercado Portifólio 1839	-	(6)	-	-
<b>Total</b>	<b>16,893,834</b>	<b>799,939</b>	<b>10,184,432</b>	<b>245,846</b>

All amounts are stated as 100% of the subsidiaries' profit (loss).

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11. Property, plant and equipment

a) Breakdown of property, plant and equipment as of December 2021 and December 2020\*:

Company	Annual depreciation average rate	Historical cost	Accumulated depreciation	12/31/2021 Net	12/31/2020 Net
Description					
Buildings	2,95% p.y.	1,192,674	(259,686)	932,988	870,985
Machinery and equipment	9,01% p.y.	1,376,186	(555,037)	821,149	756,999
Furniture and fixtures	10,41% p.y.	16,328	(7,106)	9,222	6,608
Vehicles	7,30% p.y.	23,735	(5,696)	18,039	22,110
Computer hardware	25,62% p.y.	32,771	(15,215)	17,556	9,407
Land		84,031	-	84,031	84,031
Construction in progress		56,132	-	56,132	88,790
Allowance for impairment of assets		(21,518)	-	(21,518)	(21,518)
Total		<u>2,760,339</u>	<u>(842,740)</u>	<u>1,917,599</u>	<u>1,817,412</u>
Consolidated					
Description	Annual depreciation average rate	Historical cost	Accumulated depreciation	12/31/2021 Net	12/31/2020 Net
Buildings	2,46% p.y.	2,838,234	(634,619)	2,203,615	1,997,254
Machinery and equipment	8,68% p.y.	2,905,774	(1,338,473)	1,567,301	1,401,362
Furniture and fixtures	8,98% p.y.	51,204	(15,047)	36,157	28,288
Vehicles	7,05% p.y.	52,924	(32,620)	20,304	24,253
Computer hardware	23,38% p.y.	54,901	(30,381)	24,520	14,360
Land		432,895	-	432,895	381,232
Construction in progress		282,283	-	282,283	253,433
Allowance for impairment of assets		(21,518)	-	(21,518)	(21,518)
Total		<u>6,596,697</u>	<u>(2,051,140)</u>	<u>4,545,557</u>	<u>4,078,664</u>

(\*) Property, plant and equipment must be considered adding the value of the right-of-use asset in note 11.1. (a).

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b) Summary of changes in property, plant and equipment from 01/01/2021 to 12/31/2021:

Parent Company	Buildings	Machinery and equipment	Furniture and fixtures	Vehicles	Computer hardware	Land	Construction in progress	Impairment of assets	Total
Balance on December 31, 2020	870,985	756,999	6,608	22,110	9,407	84,031	88,790	(21,518)	1,817,412
Additions	-	288	7	-	169	-	246,658	-	247,122
Transfers	93,182	169,880	3,778	240	12,236	-	(279,316)	-	-
Disposal	-	(519)	(1)	(2,344)	-	-	-	-	(2,864)
Depreciation	(31,179)	(105,499)	(1,170)	(1,967)	(4,256)	-	-	-	(144,071)
Balance on December 31, 2021	932,988	821,149	9,222	18,039	17,556	84,031	56,132	(21,518)	1,917,599

Consolidated	Buildings	Machinery and equipment	Furniture and fixtures	Vehicles	Computer hardware	Land	Construction in progress	Impairment of assets	Total
Balance on December 31, 2020	1,997,254	1,401,362	28,288	24,253	14,360	381,232	253,433	(21,518)	4,078,664
Additions	58,232	23,158	1,631	245	1,448	-	383,188	-	467,902
Transfers	145,628	228,642	5,971	612	14,419	-	(395,272)	-	-
Disposal	(913)	(1,489)	(11)	(2,537)	(5)	-	-	-	(4,955)
Depreciation	(77,656)	(228,987)	(3,201)	(2,498)	(5,998)	-	-	-	(318,340)
Translation adjustments	(46,746)	(24,519)	666	106	296	(12,507)	961	-	(81,743)
Monetary correction of balance	127,816	169,134	2,813	123	-	64,170	39,973	-	404,029
Balance on December 31, 2021	2,203,615	1,567,301	36,157	20,304	24,520	432,895	282,283	(21,518)	4,545,557

c) Works and construction in progress

As of December 31, 2021, works and construction in progress refer to the following main projects: machine room expansions to supply the expansion of the finished product freezing and storage and cold room capacity, compliance with regulatory (NR's), environmental and occupational safety standards, improvements of plants and distribution centers to enhance operating efficiency and meet the demand of most profitable markets.

d) Allowance for impairment of assets

As required by the accounting practices adopted in Brazil and international financial reporting standards (IFRS), the Company annually evaluates whether there is evidence of impairment of its assets. In this regard, the industrial plant of Goianésia (GO) has been underutilized for strategic reasons since 2013. Therefore, the analysis of the value of the plant based on cash generation was impaired; thus, the Company decided to evaluate the net sale value of the selling expenses. Based on an appraisal conducted by an independent firm, such plant's value is higher than its realization value, of R\$34,175, of which R\$21,518 corresponds to property, plant and equipment and R\$12,657, to expected future profitability, which generated the need to recognize an allowance for impairment.

e) Amounts pledged as collateral

Property, plant and equipment items pledged as collateral for borrowings and financing totaled R\$39,006 as of December 31, 2021 (R\$58,093 as of December 31, 2020).

### 11.1. Right-of-use assets and lease liabilities

Since January 01, 2019, the Company has adopted CPC 06 (R2) / IFRS 16 Leases, which introduced a single lease model that replaced the concept of classification between operating and finance leases. IFRS 16 replaces the current amendments to standards, including CPC 06 (R1) / (IAS 17) Leases and ICPC 03/IFRIC 4, SIC 15 and SIC 27) - Additional Aspects of Leases. The main objective is to define if the agreement contains a lease or the agreement relates to service provision.

The Company's and its subsidiaries' Management evaluated the impacts of the new standard and elected to use the modified simplified approach of the retrospective transition effect, without restating comparative years. The following criteria were adopted in the initial recognition and measurement of assets and liabilities:

- Recognition of the lease liability on the initial application date for leases formerly classified as operating leases. The lease liability was measured at the present value of the remaining lease payments;

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- Recognition of the right-of-use asset on the initial application date to leases formerly classified as operating leases. Measurement of the right-of-use asset at the value equivalent to the lease liability, adjusted by the value of any early or accumulated lease payments relating to this lease that has been recognized in the balance sheet immediately before the date of the initial application.

CPC 06 (R2) / IFRS 16 includes two recognition exemptions for lessees which were applied by the Company and its subsidiaries on the initial application date, January 01, 2019:

- Agreements whose remaining term on the first-time adoption date was equal or lower than 12 months: the Company continued to recognize lease payments associated to these leases as expenses on a straight-line basis, over the lease term;
- Agreements for which underlying assets were low value: the Company continued to recognize lease payments associated to these leases as expenses on a straight-line basis, over the lease term.

The impacts of the transition and changes for the year ended December 31, 2021 are summarized below:

a) Right of use - Lease

Parent Company	Buildings	Land	Vehicles	Computer hardware	Machinery and equipment	Total
Balance on January 1, 2020	24,455	2,081	10,477	1,439	-	38,452
Additions	185	1,373	9,469	-	173	11,200
Disposals	(101)	-	(670)	-	-	(771)
Depreciation	(3,079)	(243)	(6,050)	(1,024)	(39)	(10,435)
Balance on December 31, 2020	21,460	3,211	13,226	415	134	38,446
Additions	483	745	193	297	488	2,206
Disposals	-	-	-	-	-	-
Depreciation	(3,198)	(381)	(6,458)	(687)	(179)	(10,873)
Balance on December 31, 2021	18,775	3,575	6,961	25	443	29,779
Consolidated	Buildings	Land	Vehicles	Computer hardware	Machinery and equipment	Total
Balance on January 1, 2020	24,455	8,341	10,477	1,447	-	44,720
Additions	185	1,876	9,469	-	173	11,703
Disposals	(101)	(687)	(670)	(8)	-	(1,466)
Depreciation	(3,079)	(920)	(6,050)	(1,024)	(39)	(11,112)
Balance on December 31, 2020	21,460	8,610	13,226	415	134	43,845
Additions	1,811	745	193	428	776	3,953
Disposals	-	-	-	-	-	-
Depreciation	(3,427)	(1,051)	(6,458)	(717)	(350)	(12,003)
Balance on December 31, 2021	19,844	8,304	6,961	126	560	35,795

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## b) Lease liability

Parent Company	Buildings	Land	Vehicles	Computer hardware	Machinery and equipment	Total
Balance on January 1, 2020	25,391	2,166	10,880	1,507	-	39,944
Additions	185	1,373	9,469	-	173	11,200
Disposals	(106)	-	(1,033)	-	-	(1,139)
Interest recognized in the year (profit and loss)	2,379	323	1,343	100	5	4,150
Write-offs due to payment	(4,539)	(484)	(6,880)	(1,152)	(42)	(13,097)
Balance on December 31, 2020	23,310	3,378	13,779	455	136	41,058
Additions	483	745	193	297	488	2,206
Disposals	-	-	-	-	-	-
Interest recognized in the year (profit and loss)	2,134	303	953	36	10	3,436
Write-offs due to payment	(4,684)	(578)	(7,415)	(762)	(189)	(13,628)
Balance on December 31, 2021	21,243	3,848	7,510	26	445	33,072
Current liabilities	2,978	429	5,463	26	369	9,265
Non-current liabilities	18,265	3,419	2,047	-	76	23,807
Total liabilities	21,243	3,848	7,510	26	445	33,072

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Consolidated	Buildings	Land	Vehicles	Computer hardware	Machinery and equipment	Total
Balance on January 1, 2020	25,392	8,668	10,880	1,507	-	46,447
Additions	185	1,876	9,469	-	173	11,703
Disposals	(106)	(718)	(1,033)	-	-	(1,857)
Interest recognized in the year (profit and loss)	2,379	921	1,343	100	5	4,748
Write-offs due to payment	(4,539)	(1,536)	(6,880)	(1,152)	(42)	(14,149)
Balance on December 31, 2020	23,311	9,211	13,779	455	136	46,892
Additions	1,811	745	193	428	776	3,953
Disposals	-	-	-	-	-	-
Interest recognized in the year (profit and loss)	2,133	838	953	36	19	3,979
Write-offs due to payment	(4,923)	(1,618)	(7,415)	(794)	(367)	(15,117)
Balance on December 31, 2021	22,332	9,176	7,510	125	564	39,707
Current liabilities	3,432	992	5,463	60	488	10,435
Non-current liabilities	18,900	8,184	2,047	65	76	29,272
Total liabilities	22,332	9,176	7,510	125	564	39,707

## 12. Intangible assets

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Goodwill paid on acquisitions (a)	259,691	259,691	659,390	642,502
Right of use - Aircraft (a)	1,793	1,793	1,793	1,793
Assignment of right of way (a)	250	250	250	250
Trademarks and patents (a)	-	-	102,123	89,212
Software licenses	62,838	40,349	64,639	42,462
Total	324,572	302,083	828,195	776,219

(a) Intangible assets with an indefinite useful life.

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Changes in intangible assets during the year ended December 31, 2021 are as follows:

	Parent Company				Total
	Goodwill paid on acquisitions	Right of use - aircraft	Assignment of right of way	Software acquired	
Balance on December 31, 2020	259,691	1,793	250	40,349	302,083
Acquisition	-	-	-	35,995	35,995
Amortization	-	-	-	(13,506)	(13,506)
Balance on December 31, 2021	259,691	1,793	250	62,838	324,572

	Consolidated					Total
	Goodwill paid on acquisitions	Right of use - aircraft	Assignment of right of way	Trademarks	Software acquired	
Balance on December 31, 2020	642,502	1,793	250	89,212	42,462	776,219
Acquisition	-	-	-	-	36,283	36,283
Amortization	-	-	-	(2,221)	(14,222)	(16,443)
Translation adjustments	16,888	-	-	(10,728)	116	6,276
Monetary correction of balance	-	-	-	25,860	-	25,860
Balance on December 31, 2021	659,390	1,793	250	102,123	64,639	828,195

The Company records the amortization of its software, the only intangible asset that can be amortized, according to the contractual license period, when purchased from third parties, or for the year estimated by the Company for software internally developed. As of December 31, 2021, the average amortization rate was 21.25% and, as of December 31, 2020, 20.96%.

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Goodwill based on expected future profitability

	Consolidated	
	12/31/2021	12/31/2020
In direct subsidiaries:		
Minerva Dawn Farms (MDF) (i)	147,649	147,649
Brascasing Industria e Comércio Ltda. (ii)	74,596	74,596
Athena S.A. (iii)	248,985	231,861
Mato Grosso Bovinos S/A (iv)	73,734	73,734
Other (v)	97,379	97,379
In indirect subsidiaries:		
Other (vi)	17,047	17,283
Total	<u>659,390</u>	<u>642,502</u>

- (i) As required by CVM Resolution No. 580/09 - NBC TG 15 (R1), the Company revised the calculations of identifiable assets acquired and liabilities assumed upon recognition at fair value of the acquisition of an additional 30% of the shares representing the capital stock of Minerva Dawn Farms (MDF), which was classified as a “business combination in stages”. Therefore, segregating the appreciation (goodwill) calculated at initial (provisional) recognition at fair value of the Company’s interest in such transaction, in the amount of R\$188,391 (R\$188,391 at December 31, 2012), was necessary. As described above, during the fourth quarter of 2012, the Company acquired the residual interest of 20% in MDF shares that were held by Dawn Farms, becoming the holder of 100% of MDF. As of December 31, 2015, an allowance for impairment in the amount of R\$21,904 was recognized. As of December 31, 2018, an allowance for impairment in the amount of R\$18,838 was recognized;
- (ii) In December 2011, the Company acquired 5% of the capital stock of the jointly-owned subsidiary Brascasing Comercial Ltda., and now holds 55% of that company, and consequently, its control. As this transaction is considered as a “business combination in stages”, the Company recorded its equity interest and non-controlling interest at their fair value, and recorded goodwill for expected future profitability of R\$93,185. After the full acquisition of the Company, goodwill totaled R\$98,094. As of December 31, 2015, the Company recorded an allowance for impairment totaling R\$23,498, arising from overproduction/oversupply, due to the reduction of worldwide consumption, mainly from the slowdown in China and the decrease in oil prices, directly impacting markets like Russia, one of the main markets for the Company’s business;
- (iii) On December 31, 2018, the Company transferred its industrial investments in Mercosur, through a capital contribution to subsidiary Athena S.A. As a result, the goodwill amounts based on expected future profitability that were recorded in the Parent were transferred. The investments transferred were Frigomerc S/A, Pulsa S/A, Frigorifico Carrasco and the indirect subsidiary BEEF Paraguay S.A. and the transferred goodwill amounts based on expected profitability were as follows: Frigorifico Pulsa S/A - US\$15,396 (as of December 31, 2021 - R\$83,745); Frigomerc S/A US\$ (as of December 31, 2021 - R\$84,398); Frigorifico Carrasco S.A. US\$11,932 (as of December 31, 2021 - R\$64,903); and subsidiary Frigomerc S.A. held a direct investment equivalent to 100% of the common shares in BEEF Paraguay S.A., which had a goodwill of US\$1,773 (as of December 31, 2021 - R\$9,644) which was indirectly transferred to Athena S.A.;

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- (iv) During the year ended December 31, 2014, the Company merged 100% of the voting shares in Mato Grosso Bovinos S.A. through the exchange of 29 million common shares issued by the Company (BEEF3), occurred on October 01, 2014, through the Extraordinary Shareholders' Meeting (ESM) of both companies, which resulted in the recording of goodwill on expected future profitability of R\$174,278. During the second quarter of 2019, the Company written off R\$100,545 of goodwill relating to the write-off of Várzea Grande, as part of the business combination for acquisition of Paranatinga plant (MT), remaining a goodwill balance of R\$73,734 as of December 31, 2021;
- (v) During the second quarter of 2013, the Company acquired the remaining 8% of the shares in Friasa S.A., which resulted in the recording of goodwill on expected future profitability of R\$7,233, totaling R\$9,298 on June 30, 2013. During the first quarter of 2016, the Company acquired 100% of the capital stock in its subsidiary Minerva Foods Asia Assessoria Ltda., occurred on February 05, 2016, resulting in goodwill on expected future profitability of R\$217 thousand. During the second quarter of 2019, the Company acquired through a business combination the plant located in Paranatinga/MT, which resulted in a goodwill of R\$87,864 on expected future profitability being recorded.
- (vi) During the second quarter of 2016, through its subsidiary Minerva Australia Holdings Pty Ltd acquired 100% of the capital stock of its indirect subsidiary IMTP PTY Ltd., occurred on July 22, 2016, resulting in a goodwill on expected future profitability of R\$16,933 (R\$17,283 as of December 31, 2020) being recorded.

As required by the accounting practices adopted in Brazil and international financial reporting standards (IFRS), the Company annually evaluates whether there is evidence of impairment of its assets. As a result of impairment tests, as of December 31, 2021, no losses were identified for the Company's cash-generating units (CGU).

The Company used the value in use method to perform the impairment test. For all CGUs, a five-year projection, with no growth in perpetuity, in addition to financial budgets prepared by Management for the start of the cash flow projections (2021) were considered. The discount rate applied was 8.7%.

In prior years, the Company recognized impairment losses for some CGUs. In this regard, the Goianésia (GO) plant, formerly "Lord Meat", for strategic reasons, has been under-utilized and recorded impairment loss, as mentioned in Note 11. As of December 31, 2016 and 2018, the Company recorded an allowance for impairment losses for CGU MFF in the amounts of R\$21,904 and R\$18,838, respectively.

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## 13. Borrowings and financing

Type of transactions	Annual finance charges	Parent Company		Consolidated	
		12/31/2021	12/31/2020	12/31/2021	12/31/2020
6 <sup>th</sup> issue debentures	1.8% per year + CDI	-	399,151	-	399,151
7 <sup>th</sup> issue debentures	IPCA + 4.5% p.y	577,186	513,144	577,186	513,144
8 <sup>th</sup> issue debentures	IPCA (*)	651,172	594,359	651,172	594,359
9 <sup>th</sup> issue debentures	IPCA (*)	593,330	603,697	593,330	603,697
10 <sup>th</sup> issue debentures	IPCA (*)	1,685,644	-	1,685,644	-
11 <sup>st</sup> issue debentures	IPCA (*)	385,023	-	385,023	-
Bank Credit Note (4)	Rate fixed	-	50,761	21,121	71,903
Bank Credit Note (4)	CDI + spread	360,066	306,417	360,066	306,417
NCE (1/4)	CDI + spread	356,604	325,144	356,604	325,144
IFC (2/3/5)	CDI + spread	26,399	43,436	26,399	43,436
Subtotal		4,635,424	2,836,109	4,656,545	2,857,251
Financial instruments of protection - derivatives	CDI + spread	(1,073,457)	(369,081)	(1,073,457)	(369,081)
Total		3,561,967	2,467,028	3,583,088	2,488,170
Foreign currency (US dollar)					
ACCs (4)	Interest from 2.20% to 2.8% + exchange rate variation	495,214	352,737	495,214	352,737
NCE	Interest of 2.22% to 2.51% p.y	420,806	-	420,806	-
Senior Unsecured Notes - (4)	Exchange rate variation + interest	4,487,925	4,179,267	8,024,658	8,195,956
PPE	Exchange rate variation + spread	1,875,027	1,624,020	-	-
PPE (4)	Interest from 2.0% p.y + libor	1,468,810	911,926	1,468,810	911,926
Secured Loan Agreement (2)	Exchange rate variation + interest	15,438	14,657	15,438	14,657
Other types (4/6)	Exchange rate variation + interest	-	-	257,334	309,640
Subtotal		8,763,220	7,082,607	10,682,260	9,784,916
Financial instruments of protection - derivatives		(413,669)	(860,643)	(701,048)	(860,643)
Total		7,902,577	6,381,559	9,821,617	9,083,868
Total borrowings and financing		11,464,544	8,848,587	13,404,705	11,572,038
Current		1,547,580	2,002,767	1,488,416	2,199,564
Non-current		9,916,964	6,845,820	11,916,289	9,372,474

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(\*) Transactions hedged by swap % CDI.

The Company provided the following collaterals to borrowings and financing:

1. Surety/letter of guarantee from the parent company VDO Holdings S.A.
2. Mortgage;
3. Promissory notes signed by subsidiaries Minerva Alimentos, Pulsa and Frigomerc;
4. Surety or letter of guarantee by the Company;
5. Letter of guarantee from subsidiaries Minerva Alimentos, Pulsa and Frigomerc;
6. STLC (Stand-by Letter of Credit) or Corporate Guarantee.

As of December 31, 2021, the noncurrent portion of the Company's (Parent) borrowings and financing matures as follows:

	2023	2024	2025	2026	2027	2028	2029	2030	2031	Total
ACC	292,983	-	-	-	-	-	-	-	-	292,983
CCB	-	250,000	-	-	-	-	-	-	-	250,000
Debentures	-	1,106,632	520,748	562,766	-	1,305,064	145,029	145,029	69,989	3,855,257
IFC	8,607	-	-	-	-	-	-	-	-	8,607
NCE	523,300	100,000	-	-	-	-	-	-	-	623,300
Pre-shipment Secured loan agreement	1,456,511	1,848,590	-	3,538,037	-	-	-	-	-	6,843,138
Financial instruments of protection - derivatives	1,387	1,443	1,502	1,563	1,627	1,693	1,762	1,828	1,295	14,100
	(45,080)	(389,548)	(368,203)	(106,103)	(257,886)	(55,263)	(540,197)	(100,812)	(107,329)	(1,970,421)
<b>Total</b>	<b>2,237,708</b>	<b>2,917,117</b>	<b>154,047</b>	<b>3,996,263</b>	<b>(256,259)</b>	<b>1,251,494</b>	<b>(393,406)</b>	<b>46,045</b>	<b>(36,045)</b>	<b>9,916,964</b>

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As of December 31, 2021, the noncurrent portion of consolidated borrowings and financing matures as follows:

	2023	2024	2025	2026	2027	2028	2029	2030	2031	Total
ACC	292,983	-	-	-	-	-	-	-	-	292,983
CCB	-	250,000	-	-	-	-	-	-	-	250,000
Debentures	-	1,106,632	520,748	562,766	-	1,305,064	145,029	145,029	69,989	3,855,257
IFC	8,607	-	-	-	-	-	-	-	-	8,607
NCE	523,300	100,000	-	-	-	-	-	-	-	623,300
Pre-shipment	613,855	334,830	-	-	-	-	-	-	-	948,685
Other modalities	5,360	2,603	-	-	-	-	-	-	-	7,963
Secured loan agreement	1,387	1,443	1,502	1,563	1,627	1,693	1,762	1,828	1,295	14,100
Senior Unsecured Notes	-	-	-	-	-	1,433,301	-	-	6,452,514	7,885,815
Financial instruments of protection - derivatives	(45,080)	(389,548)	(368,203)	(106,103)	(257,886)	(55,263)	(540,197)	(100,812)	(107,329)	(1,970,421)
Total	<u>1,400,412</u>	<u>1,405,960</u>	<u>154,047</u>	<u>458,226</u>	<u>(256,259)</u>	<u>2,684,795</u>	<u>(393,406)</u>	<u>46,045</u>	<u>6,416,469</u>	<u>11,916,289</u>

Below are the Company's and its subsidiaries' main borrowing and financing as of December 31, 2021. On that date, the Company was compliant with all covenants established for each type of borrowing and financing:

#### International Finance Corporation (IFC)

In September 2013, IFC and the Company entered into a 10-year financing agreement, in the amount of R\$137,718, which was released on October 24, 2013. The debt balance as of December 31, 2021 is R\$ 26,399 (R\$43,436 as of December 31, 2020), subject to semiannual interest on CDI + spread. The debt final maturity date is April 15, 2023.

#### Debt notes/ bonds abroad

On September 20, 2016, the Company completed the "offer to buyback bonds" issued abroad by its subsidiary Minerva Luxembourg S.A., maturing in 2023. By means of an "early buyback offer", US\$617,874 were bought back (R\$2,010,562 on that date) of the principal amount of the 2023 Notes, equivalent to approximately 71% of the outstanding 2023 Notes.

The early buyback offer of debt notes was carried out using the proceeds from the issue of the 2026 Notes (which will bear annual interest of 6.50%) and is part of a clear strategy to manage liabilities, aiming at the constant improvement of the Company's debt cost.

Part of this offer consisted in the payment of a premium to the holders of the notes, embedded and implicit in the transaction and in the proposed exchange relations, amounting to US\$40,143 thousand, as well as transaction costs in the amount of US\$28,859 totaling US\$69,002 that will be amortized in 'Finance costs' during the effective term of the 2026 Notes.

On February 10, 2017, the Company exercised the early option to purchase its debt securities bearing annual interest of 12.250% and maturing in 2022 (2022 Notes). The total debt was US\$105,508 (R\$328,710 on that date). The price paid was 106,125 of the face value, plus interest accrued until that date.

In June 2017, the Company completed the re-tap of the notes maturing in September 2026, totaling US\$ 350,000 thousand, which bear interest of 6.50% p.a. (2026 Notes).

On December 19, 2017, the Company completed the "offer to buyback bonds" issued abroad by its subsidiary Minerva Luxembourg S.A., maturing in 2023. By means of an "early buyback offer", US\$198,042 were bought back (R\$605,103 on that date) of the principal amount of the 2023 Notes, equivalent to approximately 79% of the outstanding 2023 Notes.

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The early buyback offer of debt notes was carried out using the proceeds from the issue of the 2028 Notes (which will bear annual interest of 5,875%) and is part of a clear strategy to manage liabilities, aiming at the constant improvement of the Company's debt cost.

Part of this offer consisted of the payment of a premium to the holders of the notes, embedded and implicit in the transaction and in the proposed exchange relations, amounting to US\$9,209 thousand, as well as transaction costs in the amount of US\$20,271 totaling US\$29,480 that will be amortized in 'Finance costs' during the effective term of the 2028 Notes.

On January 31, 2018, the Company exercised the early option to purchase its debt securities bearing annual interest of 7.75% and maturing in 2023 (2023 Notes). The total debt was US\$52,099 (R\$164,919 on that date). The price paid was 103.875% of the face value, plus interest accrued until that date.

On June 08, 2020, the Company completed the "offer to buyback debt notes" issued abroad (Bonds), maturing in 2026. By means of an "early buyback offer", the amount of US\$85,668 was bought back (R\$464,878 at that date). On that same date, the Company completed the "offer to buyback debt notes" issued abroad (Bonds), maturing in 2028. By means of an "early buyback offer", the amount of US\$11,005 was bought back (R\$59,030 at that date).

In March 2021, the Company, through its subsidiary, Minerva Luxembourg, issued debt securities abroad in the amount of US\$1,000,000 (R\$5,546,880 at that date). The Note is guaranteed by the Company and matures in 2031. The Note issued by Minerva Luxembourg (Bonds 2031), pay half-yearly coupons at a rate of 4.375% per year. The Company will guarantee all the Issuer's obligations, within the scope of the said issue.

Simultaneously, the Company concluded the "offer to repurchase bonds" representing debt issued abroad (Bonds), with maturity scheduled for 2026. Through the "early repurchase offer", US\$911,719 (R\$5,021,931, on that date) were repurchased).

In November 2021, the Company concluded the "offer to repurchase securities" representing debt issued abroad (Bonds), with maturity scheduled for 2028 through the "offer for early repurchase", US\$ 70,606 (R\$ 398,430, at that time) were repurchased. date)

In December 2021, the Company concluded the "offer to repurchase securities" representing debt issued abroad (Bonds), with maturity scheduled for 2028 and 2031 through the "offer for early repurchase", US\$ 48,084 (R\$ 268,333) were repurchased, on that date) referring to the 2028 bonds and US\$ 10,735 (R\$ 59,907, on that date) referring to the 2031 bonds.

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The liability related to the Notes, as of December 31, 2021, in the consolidated financial statements, is R\$8,024,658 (R\$8,195,956 as of December 31, 2020).

The Notes contain provision for the maintenance of a financial covenant through which the debt coverage capacity is measured in relation to EBITDA (net earnings before interest, taxes, depreciation and amortization).

For these purposes, the following definitions are considered: (I) "Net debt" means the sum of the balance of loans and financing, without considering exchange rate changes occurred in the year since the contracting of the debt, less the sum of: (i) available cash (as defined below) and (ii) "inflation adjustment losses" (as defined below); (II) "Cash and cash equivalents" - means the sum of the balances of the following Company's balance sheet accounts: "Cash and cash equivalents" and "Securities"; (III) "inflation adjustment losses" - means a number of exceptions, including but not limited to exchange rate changes since the issue of the Note and/or allowed debts, related to specific operating transactions, totaling US\$308,000 thousand. (iv) "EBITDA" means the amount calculated on the accrual basis over the last 12 months, equal to the sum of net revenue, less: (i) the cost of services rendered, (ii) administrative expenses, plus: (a) depreciation and amortization expenses; (b) finance income (expenses), net; (c) equity in the earnings (losses) of subsidiaries; and (d) direct taxes.

The financial covenants refer to authorization or not to incur new debts, by executing all new refinancing-related debts, in addition to a predefined amount for credit facilities of working capital and investments. Covenants are calculated based on the consolidated financial statements.

i) Level of subordination

As of December 31, 2021, 0.29% of the Company's and its subsidiaries' total debt has collaterals (0.50% as of December 31, 2020).

Possible restrictions imposed on the Issuer, particularly with respect to setting indebtedness limits and taking out new debts, the distribution of dividends, the disposal of assets, the issuance of new securities and the sale of shareholding control.

The Notes also have clauses that limit the Company with respect to: (i) new debts if the Net Debt/EBITDA ratio is higher than 3.75/1.00 and 3.50/1.00, respectively; (ii) distribution of dividends - Minerva undertakes not to pay and not allow its subsidiaries to pay any dividends or interest on invested capital held by others than that of its subsidiaries (except: (a) dividends or distributions paid on qualified interests of Minerva, and (b) dividends or distributions payable by a subsidiary, on a pro rata basis, or more favorable to Minerva); (iii) the change of shareholding control; and (iv) the disposal of assets, which can only be achieved by complying with the requirements, among which, in the case of sale of assets, it is necessary that the sale value be the market value.

#### 6<sup>th</sup> issue of non-convertible debentures

On May 15, 2019, the Company offered debentures not convertible into shares, in the amount of R\$400,000, maturing on May 15, 2022. The total principal amount is R\$400,000 yielding the equivalent to the cumulative variation (effective rate) of 100% of the daily average rates of the Interbank Deposits (DI) plus a rate of 1.80% p.a. calculated using the bookbuilding procedure. The proceeds from such issue will be used to extend the debt profile and improve the Company's capital structure. In the process of issuing such debentures, the Company incurred transaction costs in the amount of R\$5,110, recorded in its financial statements as a reduction of liabilities, to be amortized for the effective term of these debentures. During the 4th quarter of 2021, the 6th issue debentures were settled, thus, as of December 31, 2021, there was no balance payable of said debentures (R\$ 399,151 as of December 31, 2020).

#### 7<sup>th</sup> issue of non-convertible debentures

On November 19, 2019, the Company offered debentures not convertible into shares, in the amount of R\$500,000, maturing on August 15, 2024. The total principal amount is R\$500,000 yielding the equivalent to IPCA plus a rate of 4.50% p.a. The proceeds from such issue will be used to extend the debt profile and improve the Company's capital structure. In the process of issuing such debentures, the Company incurred transaction costs in the amount of R\$12,926, recorded in its financial statements as a reduction of liabilities, to be amortized for the effective term of these debentures. Balance as of December 31, 2021, is R\$577,186 (R\$513,144 as of December 31, 2020).

#### 8<sup>th</sup> issue of non-convertible debentures

On May 22, 2020, the Company made an offering of nonconvertible debentures in the amount of R\$600,000, the 1<sup>st</sup> series of which maturing on May 13, 2025, in the amount of R\$400,000 and the second series maturing on May 13, 2026, in the amount of 200,000. The total principal amount of the issues of the 1st series is R\$400,000, yielding the Extended Consumer Price Index (IPCA), whereas the total principal amount of the issues of the 2nd series is R\$200,000, yielding the equivalent to the DI rate.

Such transaction is hedged by a % CDI swap, whereby the final transaction cost stood at 160% of the CDI. The proceeds from this issuance were allocated to agribusiness activities and relations with rural farmers, as part of the industry and trade of meat by the Company. In the process of issuing such debentures, the Company incurred transaction costs in the amount of R\$21,930, recorded in its financial statements as a reduction of liabilities, to be amortized for the effective term of these debentures. As of December 31, 2021 the balance is R\$651,172 (R\$594,359 as of December 31, 2020).

9<sup>th</sup> issue of non-convertible debentures

On June 12, 2020, the Company offered debentures not convertible into shares, in the amount of R\$600,000, maturing on June 12, 2025. The total principal amount is R\$600,000 yielding the equivalent to IPCA. Such transaction is hedged by a % CDI swap, whereby the final transaction cost stood at 160% of the CDI. The proceeds from this issuance were allocated to agribusiness activities and relations with rural farmers, as part of the industry and trade of meat by the Company. In the process of issuing such debentures, the Company incurred transaction costs in the amount of R\$14,787, recorded in its financial statements as a reduction of liabilities, to be amortized for the effective term of these debentures. As of December 31, 2021 the amount is R\$593,330 (R\$603,697 as of December 31, 2020).

10<sup>th</sup> issue of non-convertible debentures

On April 15, 2021, the Company offered non-convertible debentures for R\$1,600,000, maturing on April 12, 2028. The total principal is R\$1,600,000, and its remuneration corresponds to the IPCA. This funding has a Swap of % CDI, in which the final cost of the transaction was 128% of CDI. The proceeds from this issue were allocated to activities in agribusiness and relations with rural producers, within the scope of the Company's meat industry and trade. In the process of issuing these debentures, the Company incurred transaction costs of R\$55,389, recorded in its interim financial information as a reduction in the liability itself, to be amortized over the effective period of these debentures. As of December 31, 2021, the amount is R\$1,685,644.

11<sup>th</sup> Issue of non-convertible debentures

On October 15, 2021, the Company made an offering of non-convertible debentures in the amount of R\$400,000, maturing on October 15, 2026. The total principal is R\$400,000 and its remuneration corresponds to the IPCA. Said funding has a Swap of % CDI, in which the final cost of the operation was 100% of CDI. The proceeds from this issue were used to pay the debentures of the first series, on their respective maturity date, issued by the Company within the scope of the 6<sup>th</sup> Issue, resulting, once carried out, in the lengthening of the Company's indebtedness profile. In the process of issuing the aforementioned debentures, the Company incurred transaction costs in the amount of R\$ 22,012, recorded in its financial statements as a reduction of the liability itself, to be amortized over the effective period of these debentures. As of December 31, 2021, the amount is R\$385,023.

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## 14. Trade payables

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Domestic suppliers	2,404,642	1,537,705	3,580,445	2,262,100
Foreign suppliers	50,839	54,537	135,232	67,688
Related Parties	55,537	56,568	8,565	14,805
Total	<u>2,511,018</u>	<u>1,648,810</u>	<u>3,724,242</u>	<u>2,344,593</u>

## Aging list of trade payables:

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Current:	2,491,888	1,612,286	3,615,403	2,186,123
Overdue payables:				
Up to 30 days	14,727	4,212	72,264	74,763
From 31 to 60 days	428	7,582	5,065	37,429
From 61 to 90 days	973	6,832	2,764	24,127
Above 90 days	3,002	17,898	28,746	22,151
Total	<u>2,511,018</u>	<u>1,648,810</u>	<u>3,724,242</u>	<u>2,344,593</u>

## 15. Payroll, related charges, and taxes payable

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Payroll and related charges				
Salaries and management fees	354	464	53,320	36,544
Payroll taxes - FGTS and INSS (employees and third parties)	15,497	13,884	16,715	14,866
Accrued vacation/13 <sup>th</sup> salary and related taxes	47,702	43,866	124,971	89,571
Other wages and charges	14,292	10,543	33,656	30,184
Total payroll and related taxes	<u>77,845</u>	<u>68,757</u>	<u>228,662</u>	<u>171,165</u>
Taxes payables				
State VAT (ICMS)	12,164	11,120	12,280	11,123
Federal taxes in installments - (1)	50,915	55,843	59,804	65,616
State taxes paid in installments	4,196	2,791	4,196	2,791
IRPJ (Corporate income tax)	-	-	68,160	56,250
Social contribution on net income	-	4,120	48	4,241
Value added tax (VAT)	-	-	7,902	17,804
Funrural	3,172	1,951	3,292	1,989
Other taxes and fees	19,519	20,694	69,562	53,717
Total taxes	<u>89,966</u>	<u>96,519</u>	<u>225,244</u>	<u>213,531</u>
Grand total	<u>167,811</u>	<u>165,276</u>	<u>453,906</u>	<u>384,696</u>
Current	122,699	114,521	400,727	324,990
Non-current	45,112	50,755	53,179	59,706

(1) The Company joined the following plans to pay federal taxes in installments:

## Special Tax Debt Settlement Program (PERT)

As of December 31, 2021, the outstanding balance, Parent and consolidated, is R\$15,808 and R\$20,436, respectively.

## Rural Tax Debt Refinancing Program (PRR)

As of December 31, 2021, the outstanding balance, Parent and consolidated, is R\$35,108 and R\$39,368, respectively.

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## 16. Other payables

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Advances received (a)	1,267,945	1,361,310	1,466,183	1,423,200
Dividends payable (b)	146	8,545	146	8,545
Interest on capital payable (b)	4	19,288	4	19,288
Payables - acquisitions (c)	199	398	26,182	35,574
Other operating provisions	38,374	20,923	140,559	60,723
Total	<u>1,306,668</u>	<u>1,410,464</u>	<u>1,633,074</u>	<u>1,547,330</u>
Current	1,306,668	1,410,464	1,614,550	1,516,235
Non-current	-	-	18,524	31,095

(a) Advances from the Company's customers according to the credit policy defined by Management;

(b) Amounts relating to interest on capital and mandatory dividends payable;

(c) Amounts payable for the acquisition of the plants in Campina Verde, State of Minas Gerais (R\$199 as of December 31, 2021) and Frigorífico Vijagual S.A. in Colombia (R\$25,983 as of December 31, 2021).

## 17. Deferred taxes

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Assets				
Tax losses- IRPJ	436,425	403,602	489,747	444,474
Tax loss carryforwards - CSLL	157,114	145,298	157,114	145,298
Total	<u>593,539</u>	<u>548,900</u>	<u>646,861</u>	<u>589,772</u>
Temporary differences - assets				
Provisions for tax, civil and labor risks	8,355	8,358	14,627	14,428
Impairment of assets	7,316	7,316	7,690	7,430
Allowance for expected credit losses	8,560	10,241	8,778	10,325
Other	2,393	2,393	60,416	32,043
Total temporary differences - assets	<u>620,163</u>	<u>577,208</u>	<u>738,372</u>	<u>653,998</u>
Liabilities				
Temporary differences - liabilities				
Unrealized gains on the fair value of biological assets	(57,493)	(41,252)	(57,493)	(41,252)
Business combination	(33,096)	(33,096)	(33,096)	(33,096)
Revaluation reserve	(22,656)	(23,454)	(22,656)	(23,454)
Added value in subsidiaries	-	-	(261,184)	(200,026)
Other temporary deductions	(39,179)	(31,866)	(64,598)	(54,695)
Total temporary differences - liabilities	<u>(152,424)</u>	<u>(129,668)</u>	<u>(439,027)</u>	<u>(352,523)</u>
Total deferred taxes	467,739	447,540	299,345	301,475
Total assets	467,739	447,540	415,665	448,832
Total do liabilities	-	-	(116,320)	(147,357)
Total	<u>467,739</u>	<u>447,540</u>	<u>299,345</u>	<u>301,475</u>

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## 17.1. Breakdown of deferred income tax and social contribution

Changes in tax loss carryforwards were as follows:

	Parent Company			
	Balance on December 31, 2020	Recognized in income (loss)	Realization of deferred taxes	Balance on December 31, 2021
Deferred taxes on income and social contribution tax losses	548,900	44,639	-	593,539
Total deferred tax assets	<u>548,900</u>	<u>44,639</u>	<u>-</u>	<u>593,539</u>

	Consolidated				
	Balance on December 31, 2020	Recognized in income (loss)	Realization of deferred taxes	Cumulative translation adjustments	Balance on December 31, 2021
Deferred taxes on income and s ocial contribution tax losses	589,772	53,805	-	3,284	646,861
Total deferred tax assets	<u>589,772</u>	<u>53,805</u>	<u>-</u>	<u>3,284</u>	<u>646,861</u>

The deferred tax asset from tax loss carryforwards was recognized for the year from December 31, 2010 to December 31, 2021, in the consolidated financial statements.

The amount accrued as of December 31, 2021 is R\$646,861 (R\$589,772 as of December 31, 2020). The decision of the Company's and its subsidiaries' Management to record such deferred tax assets, on social contribution tax loss carryforwards, was based on the business plan and financial and budget projections prepared internally and by independent consultants and revised at least annually.

These deferred income tax and social contribution assets are expected to be realized as follows:

	12/31/2021	
	Parent Company	Consolidated
2021	32,014	34,890
2022	35,227	38,392
2023	59,376	64,710
2024	70,454	76,783
2025 onwards	396,468	432,086
Total	<u>593,539</u>	<u>646,861</u>

The Company expects to realize temporary income tax and social contribution differences in up to 10 years.

The technical studies that supported the decision to recognize or maintain deferred tax assets and tax loss carryforwards were properly revised and approved at the Board of Directors' Meetings.

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The effects of changes in deferred taxes on profit (loss) for the years are as follows:

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Temporary additions				
Sundry provisions	12,068	17,503	182,633	56,921
Fair value of biological assets	1,825,856	1,109,043	1,825,856	1,109,043
Temporary deductions				
Sundry provisions	(14,677)	(4,815)	(14,677)	(35,827)
Depreciation - tax base differences	(21,510)	(19,777)	(21,510)	(19,777)
Fair value of biological assets	(1,873,622)	(1,141,437)	(1,873,622)	(1,141,437)
Deferred tax base	(71,885)	(39,483)	(98,680)	(31,077)
Deferred income tax and social contribution - temporary difference	(24,441)	(13,424)	33,551	(10,566)
Realization of deferred income tax and social contribution - temporary difference	-	-	-	-
Deferred income tax and social contribution on tax loss carryforwards	44,639	35,378	44,639	35,378
Total deferred income tax and social contribution	20,198	21,954	78,190	24,812

Changes in deferred tax liabilities related to tax losses and temporary differences are as follows:

	Parent Company				Balance on December 31, 2021
	Balance on January 1, 2021	Recognition of deferred taxes	Realization of deferred taxes	Cumulative translation adjustments	
Tax loss	548,900	44,639	-	-	593,539
Provisions for tax, civil and labor risks	8,358	603	(606)	-	8,355
Other temporary additions	2,393	-	-	-	2,393
Impairment of assets	7,316	-	-	-	7,316
Allowance for expected credit losses	10,241	427	(2,108)	-	8,560
Unrealized gains on the fair value of biological assets	(41,252)	(25,156)	8,915	-	(57,493)
Business combination	(33,096)	-	-	-	(33,096)
Revaluation reserve	(23,454)	-	798	-	(22,656)
Added value in subsidiaries	-	-	-	-	-
Other temporary deductions	(31,866)	(7,313)	-	-	(39,179)
Total deferred tax assets	447,540	13,200	6,999	-	467,739

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	Consolidated				Balance on December 31, 2021
	Balance on January 1, 2021	Recognition of deferred taxes	Realization of deferred taxes	Cumulative translation adjustments	
Tax loss	589,772	53,777	-	3,312	646,861
Provisions for tax, civil and labor risks	14,428	921	(1,147)	425	14,627
Other temporary additions	32,043	31,873	(5,427)	1,927	60,416
Impairment of assets	7,430	270	(11)	1	7,690
Allowance for expected credit losses	10,325	567	(2,120)	6	8,778
Unrealized gains on the fair value of biological assets	(41,252)	(25,156)	8,915	-	(57,493)
Business combination	(33,096)	-	-	-	(33,096)
Revaluation reserve	(23,454)	-	798	-	(22,656)
Added value in subsidiaries	(200,026)	-	11,615	(72,773)	(261,184)
Other temporary deductions	(54,695)	(14,361)	1,071	3,387	(64,598)
Total deferred tax assets	301,475	47,891	13,694	(63,715)	299,345

## a) Current - payable

Income tax and social contribution are calculated and recorded based on the taxable result, including tax incentives that are recognized as taxes are paid and taking into consideration the rates established by the prevailing tax legislation.

## b) Reconciliation of income tax and social contribution balances and expenses

The accrued balance and the result of the taxes on profit are as follows:

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Income before taxes	578,681	690,402	585,607	766,014
Additions				
Temporary differences	12,068	17,503	12,068	17,503
Permanent differences	313,532	324,576	1,465,061	1,937,838
Realization of temporary differences	-	-	-	-
Realization of revaluation reserve	-	-	-	-
Effect of the first-time adoption of IFRS	6,087,746	6,906,884	6,318,246	7,026,669
Deductions				
Temporary differences	(14,677)	(4,816)	(14,677)	(4,816)
Permanent differences	(1,146,734)	(559,329)	(2,194,933)	(2,179,410)
Effect of the first-time adoption of IFRS	(7,020,994)	(7,287,381)	(7,244,068)	(7,429,712)
Tax calculation basis	(1,190,378)	87,839	(1,072,696)	134,086
Compensation	-	(19,616)	-	(22,761)
Tax Calculation basis after loss to be compensated	(1,190,378)	68,223	(1,072,696)	111,325
Income taxes				
Income tax	-	(11,145)	(64,870)	(88,954)
Social contribution payable	-	(4,119)	(48)	(4,780)
Current income tax and social contribution expense	-	(15,264)	(64,918)	(93,734)
Effective tax rate (%)	0.00%	22.37%	(6.05%)	84.20%

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Income tax and social contribution on profit were calculated in accordance with prevailing legislation (Law No. 12.973/2014).

Income tax and social contribution calculations and respective income tax returns, when requested, are open to review by tax authorities for varying periods and statutes of limitations in relation to the related payment date or tax return filing dates.

Based on studies and projections for the following years and considering the limits established by prevailing legislation, Management expects that the existing tax credits will be realized over a maximum term of 10 years.

The net carrying amounts has no direct relationship with the taxable profit for income tax and social contribution due to the differences between the accounting criteria and the pertinent tax legislation. Therefore, we recommend that the evolution of the realization of the tax credits resulting from tax loss carryforwards and temporary differences should not be taken as an indication of future taxable income.

## 18. Provisions for tax, labor and civil risks

### Summary of contingent liabilities recognized

The Company and its subsidiaries are parties to several of lawsuits arising from the normal course of their businesses, for which provisions were recognized based on the assessment of their legal counsel and Management's best estimates. The main information on these lawsuits is shown below:

Lawsuits	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Provisions for tax risks	1,890	1,890	1,912	1,973
Provisions for labor lawsuits	24,573	24,582	37,314	36,018
Provision for civil risks	1,496	1,496	4,151	2,283
Total	<u>27,959</u>	<u>27,968</u>	<u>43,377</u>	<u>40,274</u>

Parent Company	Labor lawsuits	Civil and tax lawsuits	Total
Balance on January 1, 2020	23,916	3,386	27,302
Provisions recognized in the year			
Provisions reversed in the year	1,093 (427)	-	1,093 (427)
Balance on December 31, 2020	<u>24,582</u>	<u>3,386</u>	<u>27,968</u>
Provisions recognized in the period	1,774	-	1,774
Provisions reversed in the period	(1,783)	-	(1,783)
Balance on December 31, 2021	<u>24,573</u>	<u>3,386</u>	<u>27,959</u>

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Consolidated	Labor lawsuits	Civil and tax lawsuits	Total
Balance on January 1, 2020	33,829	4,443	38,272
Provisions recognized in the year			
Provisions reversed in the year	3,516	2,244	5,760
Translation adjustments for the year	(3,871)	(2,640)	(6,511)
	2,544	209	2,753
Balance on December 31, 2020	36,018	4,256	40,274
Provisions recognized in the period	2,565	2,264	4,829
Provisions reversed in the period	(1,870)	(350)	(2,220)
Translation adjustments for the period	601	(107)	494
Balance on December 31, 2021	37,314	6,063	43,377

### Civil and tax risks

These lawsuits refer to claims questioning the constitutionality of the use of reduced taxes on gross revenues and also to the discussion on the non-collection of taxes on export revenue. As of December 31, 2021, these risks were assessed as probable loss and involve the amounts of R\$3,386, Company, and R\$6,063, consolidated (R\$3,386, Parent, and R\$4,256, consolidated, as of December 31, 2020).

### Labor lawsuits

Most of these labor claims involve overtime, commuting time, health hazard premium and mandatory thermal comfort breaks. Based on the opinion of the legal counsel that handles these lawsuits and Management's experience in similar cases, provisions were recognized for labor lawsuits assessed as probable loss which. As of December 31, 2021, in the amount of R\$24,573 in the Company, and R\$37,314 in the consolidated (R\$24,582 in the Company and R\$36,018 in the consolidated, as of December 31, 2020).

### Other lawsuits (assessed as possible loss)

#### Labor and social security

As of December 31, 2021, the Company and its subsidiaries are parties to labor lawsuits (public civil actions) and social security lawsuits, in the total amount of approximately R\$3,646, whose likelihood of loss is considered possible, but not probable, and for which Management does not consider necessary to recognize a provision for possible loss.

#### Senar

In March 2003, the Company filed for a writ of mandamus to suspend the withholding and transfer of SENAR. To avoid losing the right to require the contribution of Funrural and SENAR, the INSS (Social Security Authority) issued various tax assessment notices against the Company to date. The amount involved in these notices, whose likelihood of loss was assessed by the Company's legal counsel as possible, is approximately R\$74,005. Such lawsuits involve a significant uncertainty level on the likelihood of loss for certain matters being discussed at the judicial level.

#### State VAT (ICMS)

The Company was issued tax assessments relating to differences in the computation schedule for the base of ICMS and ICMS-ST by applying the reduction on its operations in the States of Minas Gerais, São Paulo and Goiás. As of December 31, 2021, the amount involved in these lawsuits, assessed as possible loss, is approximately R\$196,166.

#### Other tax, civil and environmental lawsuits

As of December 31, 2021, the Company and its subsidiaries are parties to other tax, civil and environmental lawsuits, in the total amount of approximately R\$67,078, R\$8,408 and R\$2,136, (R\$49,235, R\$7,277 and R\$4,162 as of December 31, 2020), respectively, whose likelihood of loss is considered possible, but not probable, in accordance with the Company's legal counsel, and for which Management does not consider necessary to recognize a provision for possible loss.

### 19. Equity

#### a. Capital stock

The Company's subscribed as of December 31, 2021 is represented by the amount of R\$1,675,849 (R\$1,363,695 as of December 31, 2020), represented by 606,700,828 (548,426,499 as of December 31, 2020) registered, book-entry, common shares with no par value, all of which are free and clear of any burden or encumbrance. During 2016, there were expenses on the issuance of new shares in the amount of R\$ 5,898 and R\$ 53,813 during 2020, therefore, the balance in the "Share Capital" item in the financial statements is R\$ 1,616,138.

The Board of Directors' meeting held on January 15, 2020, approved the primary and secondary public offering of common shares issued by the Company, held by the Selling Shareholder, all registered and book-entry, with no par value, all of them free and unencumbered of any lien or encumbrance, as applicable, with restricted placement efforts, pursuant to CVM Instruction No. 476 ("Offering").

The price per share under the Offering was set at R\$13.00, for purposes of capital increase, within the limit of the authorized capital, pursuant to Article 6 of the Company's Bylaws, and for the ratification of the capital increase which were approved at the Company's Board of Directors held on January 23, 2020, whose minutes will be filed with São Paulo State's Division of Corporations and published on newspapers.

The Offering consisted of: (i) the primary public distribution of 80,000,000 new common shares issued by the Company ("Primary Offering" and "Shares under the Primary Offering"); and (ii) the secondary public distribution of 15,000,000 common shares issued by the Company and held by VDO Holdings S.A. ("Selling Shareholder", "Secondary Offering" and "Shares under the Secondary Offering", respectively, and the Shares under the Secondary Offering, in conjunction with the Shares under the Primary Offering, the "Shares"), with restricted placement efforts, conducted in the Federative Republic of Brazil ("Brazil"), in an over-the-counter market, under the Agreement for the Underwriting, Placement and Firm Guarantee of Settlement of Common Shares issued by Minerva S.A.", entered into between the company, the Selling Shareholders and the Lead Underwriters. Simultaneously, under the Offering, efforts for placement abroad were also made by BTG Pactual US Capital LLC, J.P. Morgan Securities LLC, Bradesco Securities Inc., Banco do Brasil Securities LLC, and Itau BBA USA Securities, Inc. Morgan Securities LLC, by Bradesco Securities Inc., by Banco do Brasil Securities LLC and by Itaú BBA USA Securities, Inc.

Due to the increase in the Company's capital resulting from the Offering, capital increased from R\$288,493, divided into 403,686,540 registered, book-entry common shares with no par value, to R\$1,328,493, divided into 483,686,540 registered, book-entry common shares with no par value.

Commissions, expenses on taxes and other retentions, offering registration with ANBIMA, legal and consulting fees, independent auditors, translation and publicity related to the offering, which totaled R\$52,430, were paid by the company and by the Selling Shareholder, to the proportion of the Shares offered by each one in the Offering, under the Placement Agreement and the International Placement Agreement.

The Shares under the Offering are traded on B3 S.A. - Brasil, Bolsa, Balcão ("B3") on January 27, 2020, and the physical and financial settlement of the Shares occurred on January 28, 2020.

On March 10, 2020, the Board of Directors and the Extraordinary Shareholders Meeting approved the reduction of the Company's capital by three hundred eighty million and two hundred ten (R\$380,210) to absorb accumulated losses reported in the Company's financial statements for the year December 31, 2019, without cancellation of shares.

Also, in the first quarter of 2020, the Board of Directors' Meetings approved increases in the Company's capital by R\$12,735, representing 89,965 book-entry registered common shares with no par value relating to the subscription bonus.

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With the approvals in the first quarter of 2020, capital increased from R\$287,915, representing 403,596,575 shares, to R\$960,440, representing 485,580,177 common shares.

In the second quarter of 2020, the Board of Directors' Meetings approved increases in the Company's capital by R\$5,547, representing 898,106 book-entry registered common shares with no par value. With the approval, capital was increased from R\$960,440, representing 485,580,177 shares, to R\$965,987, representing 486,478,283 common shares.

In the third quarter of 2020, the Board of Directors' Meetings approved increases in the Company's capital by R\$397,624, representing 61,935,250 book-entry registered common shares with no par value. With the approval, capital was increased from R\$965,987, representing 486,478,283 shares, to R\$1,363,612, representing 548,413,533 common shares.

In the fourth quarter of 2020, the Board of Directors' Meetings approved an increase in the Company's capital by R\$83, representing 12,966 book-entry registered common shares with no par value. With the approval, capital was increased from R\$1,363,612, representing 548,413,533 shares, to R\$1,363,695, representing 548,426,499 common shares.

In the first quarter of 2021, the Board of Directors at the Board of Directors' Meetings (RCA) ratified the Company's capital increases in the amount of R\$7,659 (seven million and six hundred fifty-nine thousand), representing 1,195,195 (one million, one hundred and ninety-five thousand and one hundred and ninety-five) common, registered, book-entry shares with no par value. With the approval, the capital stock increased from R\$1,363,695, representing 548,426,499 shares, to R\$1,371,354, representing 549,621,694 common shares.

In the second quarter of 2021, the Board of Directors at the Meetings of the Board of Directors (RCA) ratified the Company's capital increases for R\$67 (sixty-seven thousand), representing 1,195,195 (one million, one hundred and eighty thousand). ninety-five thousand one hundred and ninety-five) common, registered, book-entry shares with no par value. With the approval, the capital stock changed from R\$1,371,354, representing 549,621,694 shares, to R\$1,371,421, representing 549,634,220 common shares.

In the third quarter of 2021, the Board of Directors at the Board of Directors' Meetings (RCA) ratified the Company's capital increases in the amount of R\$63,000 (sixty-three thousand), representing 11,633 (eleven thousand six hundred and thirty-three) common, registered, book-entry shares with no par value. With the approval, the capital stock changed from R\$1,371,421, representing 549,634,220 shares, to R\$1,371,484, representing 549,645,853 common shares.

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In the fourth quarter of 2021, the Board of Directors at the Meetings of the Board of Directors (RCA) approved the increases in the Company's capital stock in the amount of R\$ 304,365 (three hundred four million, three hundred and sixty-five thousand), representing 57,054,975 (fifty-seven million fifty-four thousand nine hundred seventy-five) common, registered, book-entry shares with no par value. With the ratification, the capital stock rose from R\$1,371,484, representing 549,645,853 shares, to R\$1,675,849, representing 606,700,828 common shares.

b. Capital reserve

The capital reserve consists of amounts received by the Company and that are not recorded in profit or loss as revenues, since they are intended to reinforce capital; the Company is not required to make any efforts, such as delivering goods or providing services, in connection with these amounts. As of December 31, 2021, the Company's capital reserve is R\$118,271 (R\$118,271 as of December 31, 2020).

c. Revaluation reserve

The Company appraised its fixed assets in 2003 and 2006. The remaining balance totaled R\$47,518 as of December 31, 2021 (R\$49,066 as of December 31, 2020), net of taxes.

As mentioned above and in compliance with Law No. 11.638/2007, the Company elected to maintain the revaluation reserve through December 31, 2007, until its full realization, which should occur through depreciation or disposal of revalued assets.

d. Legal reserve

Calculated at 5% of profit for the year as provided for in article 193 of Law No. 6404/76, up to the limit of 20% of capital. In the year when the balance of the legal reserve, plus the amounts of capital reserves addressed by paragraph 1 of article 182 of Law No. 6.404/76, exceeds 30% of the capital, the allocation of a portion of the profit for the year to the legal reserve will not be mandatory.

e. Earnings retention reserve

The earnings reserve was recorded based on the remaining balance of the profit for the year, after the allocations to the legal reserve and distribution of dividends, and will be used to finance future investments, under article 196 of Law No. 6.404/76. Accumulated retention until December 31, 2021 is R\$289,066 (R\$118,583 in December 31, 2020). According to art. 199 of Law No. 6.404/76, the balance of this reserve, plus other earnings reserves, may not exceed the Company's capital.

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## f. Treasury shares

On October 2, 2020, the Company's Board of Directors approved a share buyback program, under Article 19, item XVI, of the Company's Bylaws, and Paragraph 1 of Article 30 of Law No. 6.404, dated December 15, 1976, as amended ("Brazilian Corporate Law."), CVM Instruction No. 567, dated September 17, 2015 ("ICVM 567/15"), and other applicable standards, effective eighteen (18) months as from October 05, 2020 and ending on April 04, 2022. Under such program, the Company's profits and/or reserves available will be used to acquire in a single transaction or in a single series of transactions, up to 20,000,000 common shares issued by the Company for maintenance in treasury, cancellation or sale. At the beginning of the plan, the Company had 3,150,000 registered, book-entry common shares with no par value held in treasury, and 259,351,910 registered, book-entry common shares with no par value issued by the Company were outstanding.

Under the share buyback plan, trading will be supported by the overall amount:

- (a) of the earnings and capital reserves, not considering the legal reserve, the unrealized earnings reserve, the special undistributed dividend reserve, and the tax incentive reserve; and
- (b) the earnings realized in the current year, not considering the amounts to be allocated to the legal reserve, the unrealized earnings reserve, the special undistributed dividend reserve, and the tax incentive reserve and the payment of mandatory dividends.

The table below shows the changes in treasury shares:

	Number	Amount (R\$)	Average cost (R\$)	Average market value
Balance on January 1, 2020	3,150,000	32,695	10.38	12.84
Share buyback	19,903,200	210,073	10.55	-
Disposal of share	-	-	-	-
Balance on December 31, 2020	23,053,200	242,768	10.53	10.18
Share buyback	-	-	-	-
Disposal of share	-	-	-	-
Balance on December 31, 2021	<u>23,053,200</u>	<u>242,768</u>	<u>10.53</u>	<u>9.80</u>

## g. Dividends and interest on capital

The Company's bylaws establish the payment of a minimum mandatory dividend of 25% of the profit for the year, adjusted pursuant to the law.

In the year in which the Company's leverage ratio is equal or lower than 2.5x, the Board of directors will propose the Shareholders Meeting to pay dividends additional to the mandatory ones corresponding to at least twenty-five percent (25%) of the annual profit adjusted by the deductions and additions set forth in the Company's profit allocation policies.

h. Valuation adjustment to equity

According to CPC 02 R2/IAS 21 - Effects of Changes in Foreign Exchange Rates and Translation of Financial statements, changes in financial instruments (direct and indirect) are recorded in foreign currency and accounted for under the equity method.

According to CPC 37 R1/IFRS 1 - First-time Adoption of International Financial Reporting Standards, as a result of the application of CPC 02 R2 prior to the date of first-time adoption, IFRS first-time adopters must zero the balances of exchange gains (losses) on investments recorded in equity (on the cumulative translation adjustments item) by transferring them to retained earnings/accumulated losses (on the profit reserve item), and disclose the profit distribution policy applicable to such balances. The Company does not calculate these adjustments for distribution of profit.

i. Stock option plan

Under the plan, the following individuals are eligible to be granted shares issued by the Company: executive, Board of Directors' members, statutory and non-statutory officers, managers, supervisors, and employees of the Company and its subsidiaries who are considered key people for the development of the Company's and its subsidiaries' businesses, as elected by the Company's Board of Directors or a special committee created to manage the Plan to be granted stock options ("Participants").

The Company's Board of Directors or committee, as the case may be, may create Stock Option Programs containing specific conditions applicable to Participants, the total number of Company's shares that may be granted, the stock option division into lots and the respective rules specific to each lot, including the strike price and vesting periods ("Programs").

The Programs and Stock Option Agreements provide for that, in case a Participant is terminated during the vesting period, the Company may, at its sole discretion, buy back all shares held by the Participant, subject to the vesting period, for R\$0.01 per share, under the Plan.

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### 1<sup>st</sup> Stock Option Plan

On March 30, 2020, eight hundred and forty thousand (840,000) stock options were granted to certain beneficiaries under the First Stock Option Program approved at the Company's Board of Directors' Meeting held on March 5, 2018 and amended at the Company's Board of Directors' Meeting held on June 25, 2018 ("First Program"), which is part of the Second Stock Option Plan, approved at the Extraordinary General Meeting of the Company held on April 12, 2017 ("Option Plan"); Said beneficiaries were given 60 days as from the execution of the Stock Option Agreement to exercise such stock options at a strike price of R\$6.16, which corresponds to a 20% discount in relation to the weighted average for the last 10 trading sessions prior to the execution of the adherence agreement.

The stock option exercise by the abovementioned beneficiaries was formalized through a capital increase made on June 15, 2020, as detailed in Note 19 a.

Vesting period: None of the stock options may be transferred before the total vesting period established for the 1<sup>st</sup> Program. At each anniversary of the grant date, a portion corresponding to 25% will be released for sale by the Participant.

### Stock option plan

	12/31/2021		12/31/2020	
	Number of stock options	Weighted average price	Number of stock options	Weighted average price
Free float shares at the beginning of the period			-	-
Granted during the period	-	-	840,000	6.16
Exercised during the period	-	-	(840,000)	6.16
Forfeited during the period	-	-	-	-
Free float shares at the end of the period	-	-	-	-

### Fair value measurement criteria

The model used to price the fair value of options under the Stock Option Programs was the Black & Scholes model.

In determining the fair value of the shares under the Stock Option Plan, the following assumptions were used:

	Grant - 1 <sup>st</sup> Program
Number of shares	840,000
Average weighted stock price	11.7562
Strike price	9.40
Stock price volatility	35.0%
Life of the share	60 days
Vesting period	3 years
Expected dividends	-
Risk-free interest rate	4.146%
Fair value	2.10

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The Stock Option Plan's expected volatility was calculated based on the annual average of the Company's share's volatility extracted from Bloomberg system.

Costs on stock option plans are recognized in profit during the vesting period for the stock options to be exercised. The total cost of the plan as of the granting date in the year ended December 31, 2020, corresponding to the fair value of the shares, was R\$1,764.

## 20. Segment reporting

### Business segments

	Meat		Other		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Net revenue	25,211,146	17,661,287	1,754,214	1,745,057	26,965,360	19,406,344
Gross profit	1,941,568	1,695,177	93,850	98,596	2,035,418	1,793,773

There are no revenues from transactions conducted with a single foreign customer that account for 10% of total revenues or more.

The main business segments of the Company and its subsidiaries are the production and sale of fresh beef and trading.

## 21. Net operating revenue

The Company presents the explanatory note of net operating revenue in accordance with CPC 47 - Revenue from Contracts with Customers, as per item 112A, disclosing the reconciliation of taxable gross revenue and other control accounts.

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Revenues from domestic sales	4,826,319	3,952,228	9,260,170	6,688,752
Revenues from foreign sales	8,186,026	6,882,874	19,312,124	13,865,522
Deductions from revenue - taxes and other	(899,232)	(731,728)	(1,606,934)	(1,147,930)
Net operating revenue	<u>12,113,113</u>	<u>10,103,374</u>	<u>26,965,360</u>	<u>19,406,344</u>

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## 22. Expenses by nature

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Classified as				
Selling expenses	(676,312)	(625,570)	(1,766,570)	(1,304,005)
General and administrative expenses	(432,532)	(369,264)	(857,581)	(705,834)
Other operating income	1,975	(29,837)	14,545	(31,311)
Total	(1,106,869)	(1,024,671)	(2,609,606)	(2,041,150)
Expenses by nature				
Variable selling expenses	(593,047)	(547,645)	(1,660,449)	(1,193,219)
General administrative and selling expenses	(180,756)	(156,536)	(446,666)	(351,456)
Personnel and commercial expenses	(285,399)	(247,814)	(431,189)	(367,099)
Depreciation and amortization	(49,642)	(42,839)	(85,848)	(98,065)
Other operating income and expenses	1,975	(29,837)	14,546	(31,311)
Total	(1,106,869)	(1,024,671)	(2,609,606)	(2,041,150)

## 23. Net financial result

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Financial income				
Income from short-term investments	49,605	48,887	75,015	74,897
	49,605	48,887	75,015	74,897
Financial expense				
Interest on financing	(752,045)	(651,782)	(1,013,896)	(1,046,285)
Other financial expenses/income (i)	(353,788)	361,371	74,211	423,297
Total	(1,105,833)	(290,411)	(939,685)	(622,988)
Exchange rate changes, net	(426,263)	(478,808)	(405,287)	(416,700)
Monetary correction of balance	-	-	(179,854)	(62,968)
Net financial result	(1,482,491)	(720,332)	(1,449,811)	(1,027,759)

(i) Refers to mark-to-market of the Company's financial instruments to hedge against the currency exposure and fall under Level 2 of Hierarchy of fair value measurement. The changes between the comparative periods are attributable to the real depreciation against other currencies.

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## 24. Earnings (loss) per share

## a) Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing the profit (loss) attributable to the Company's owners by the weighted average number of common shares issued during the period, excluding the common shares purchased by the Company and held in treasury.

Basic	12/31/2021	12/31/2020
Net income attributable to Company's shareholders	598,879	697,092
Weighted average number of common shares issued (thousands)	606,701	548,427
Weighted average number of treasury shares	(23,053)	(23,053)
Weighted average number of outstanding common shares (thousands)	583,648	525,374
Basic earnings per share - R\$	1.02610	1.32685

## b) Diluted earnings (loss) per share

Diluted earnings (loss) per share are calculated by adjusting the weighted average number of outstanding common shares, assuming the conversion of all potential common shares that would result in dilution. The Company has only one class of common shares that would potentially result in dilution: debentures mandatorily convertible into shares:

Diluted	12/31/2021	12/31/2020
Net income attributable to Company's owners	598,879	697,092
Weighted average number of outstanding common shares (thousands)	583,648	525,374
Weighted average number of common shares used to calculate basic earnings (loss) per share - thousands	583,648	525,374
Diluted earnings per share - R\$	<u>1.02610</u>	<u>1.32685</u>

## 25. Risk and financial instrument management

The Company's operations are exposed to market risks, especially relating to fluctuations in exchange rates and interest, credit risks and livestock's prices. The Company's investment management policy establishes the use of derivative financial instruments for hedging against these risk factors. Additionally, the Company may also contract derivative financial instruments to implement operating and financial strategies defined by the Board of Executive Officers and duly approved by the Board of Directors.

Market risk management is carried out through the use of two models: calculation of VaR (Value at Risk) and calculation of impacts by applying stress scenarios. In the case of VaR, Management uses two distinct models: Parametric VaR and Monte Carlo Simulation VaR. Risks are constantly monitored and calculated at least twice a day.

It is worth noting that the Company does not use exotic derivatives and does not have any such instrument in its portfolio.

a. Policy on the treasury's hedging transactions

The Treasury Department is responsible for the implementation of the Company's hedging management policy and follows the decisions of the Risk Committee, which is composed of the Company's Board of Executive Officers and employees.

The Risk Management Board is responsible for overseeing and monitoring compliance with the guidelines designed by the hedging policy and reports itself to the CEO and the Risk Committee.

The Company's hedging policy, approved by its Board of Directors, takes into consideration its two main risk factors: exchange rate and finished cattle.

I. Currency hedging policy

The currency hedging policy aims to hedge the Company against currency fluctuations and is divided into two segments:

i) Flow

Cash flow hedging strategies are daily discussed with the Market Committee.

The purpose of the cash flow hedging policy is to guarantee the Company's operating profit and hedge its flow of currencies, other than the Brazilian real, within a year.

Hedge operations may use financial instruments available in the market, such as: US dollar futures transactions on B3, NDFs, funds raised in foreign currency, options and inflow of funds in US dollars.

ii) Balance sheet

The balance sheet hedge is monthly discussed at Board of Directors' meetings.

The purpose of the balance sheet hedging policy is to hedge the Company against its long-term debt in foreign currency.

Balance sheet exposure is the flow of US dollar-denominated debt with maturity higher than one year.

Hedge operations may use financial instruments available in the market, such as: US dollar cash withholding, bond buyback, NDFs, futures contracts on the BM&F, swaps, and options.

II. Cattle hedging policy

The objective of the cattle hedging policy is to minimize the impacts of fluctuation in the cattler arroba price on the Company's profit (loss). The policy is divided into two topics:

i) Cattle forward contracts

In order to guarantee raw material, especially in the cattle offseason, the Company purchases cattle for future delivery and uses B3 to sell futures contracts, minimizing the risk of price fluctuations per arroba of cattle.

Hedge operations may use finished cattle instruments available in the market, such as: finished cattle futures contracts on B3 and options on finished cattle futures contracts on B3.

ii) Hedging of meat sold

In order to guarantee the cost of the raw material used in its meat production, the Company uses the BM&F to purchase futures contracts, minimizing the risk of price fluctuations per arroba of cattle and hedging its operating margins obtained when meat is sold.

Hedge operations may use finished cattle instruments available in the market, such as: finished cattle futures contracts on B3 and options on finished cattle futures contracts on B3.

Statement of derivative positions

The statement of derivative financial instrument positions was prepared to present the derivative financial instruments contracted by the Company in the periods ended December 31, 2021 and December 21, 2020, according to their purpose (asset hedging and other purposes), which fall under Level 2 of the fair value measurement hierarchy, according to the CPC 46 hierarchy:

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Description	/ thousand		Nocional em thousand of		Cumulative effect in thousand of R\$	
	12/31/21	12/31/21	12/31/21	12/31/21	Amount receivable / (receivable)	Amount payable/ (paid)
<b>Future contracts:</b>	-	-	-	-	-	-
<u>Purchase commitment</u>	-	-	-	-	-	-
DOL (US\$)	1,000	-	5,617	-	4,706	-
Mini Dollar (dol x 0,10)	160	-	893	-	412.6	-
Other	-	-	-	-	-	-
BGI (arrobas)	270	122	91,181	33,212	-	9,461
<u>Sale commitment</u>	-	-	-	-	-	-
Foreign Currency	-	-	-	-	-	-
Mini Dólar (US\$ x 0,10)	(1,700)	-	9,549	-	85	-
BGI (arrobas)	784	526	267,117	144,428	-	15,215
<b>Option contracts:</b>	-	-	-	-	-	-
<u>Long position - Compra</u>	-	-	-	-	-	-
Foreign Currency	-	-	-	-	-	-
Other	-	-	-	-	-	-
BGI (arrobas)	165	-	10,606	-	-	14,933
<u>Short position - Sale</u>	-	-	-	-	-	-
Foreign Currency	-	-	-	-	-	-
DOL (US\$)	-	925	-	141,663	-	-
Other	-	-	-	-	-	-
BGI (arrobas)	-	495	-	4,991	-	10,529
<u>Bidding Purchase - purchase</u>	-	-	-	-	-	-
Foreign Currency	-	-	-	-	-	-
Other	-	-	-	-	-	-
BGI (arrobas)	-	-	-	-	10,359	-
<u>Bidding Purchase - sale</u>	-	-	-	-	-	-
Foreign Currency	-	-	-	-	-	-
Other	-	-	-	-	-	-
BGI (arrobas)	-	-	-	-	1,498	-
<b>Term Contracts</b>	-	-	-	-	-	-
<u>Purchase position</u>	-	-	-	-	-	-
NDF (US Dollar)	600,000	850,000	3,348,300	4,417,195	195,874	-
NDF (euro)	-	-	-	-	12	-
<u>Sale position</u>	-	-	-	-	-	-
NDF (euro)	3,217	-	20,338	-	-	107
NDF (US Dollar)	750,977	244,750	4,190,828	1,271,892	-	278,297

The reference values represent the base value, i.e. the opening amount at which the derivative agreement is entered into in order to calculate the positions and market value.

The fair values were measured as follows:

- USD Futures Contracts: US dollar futures contracts traded on B3 total fifty thousand US dollars (US\$50,000) per notional contract and are adjusted on a daily basis. The fair value is calculated by multiplying the notional amount in US dollars by the reference US dollar for the contract disclosed by B3;
- Finished cattle futures contracts (BGI): Finished cattle futures contracts (BGI) traded on B3 have the amount of 330 arrobas; the fair value is calculated through the "notional" value in reais by arroba by the benchmark value for the contract disclosed by B3;
- Short Position Forward Contracts - NDF (Euro): The contracts are traded on OTC markets and, therefore, are not standardized neither adjusted on a daily basis. Their fair value is calculated by multiplying the traded notional amount and market rate prevailing on that date. If held through maturity, the PTAX EURO selling rate disclosed by the Central Bank of Brazil;

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- Short Position Forward Contracts - NDF (Dollar): The contracts are traded on OTC markets and, therefore, are not standardized neither adjusted on a daily basis. Their fair value is calculated by multiplying the traded notional amount and market rate prevailing on that date. If held through maturity, the PTAX 800 selling rate disclosed by the Central Bank of Brazil;

The fair values were estimated on the date of the interim financial statements, based on relevant market inputs. Revisions in assumptions and changes in the financial market operations may significantly affect the estimates presented in the interim financial information.

The outstanding mark-to-market OTC NDF, swap and options transactions traded on B3 - Bolsa, Brasil, Balcão are recorded in the balance sheet accounts as of December 31, 2021, and December 31, 2020 under "NDF receivable/payable", "swaps" and "options receivable", as follows:

	12/31/2021	12/31/2020
	Mark-to-market	Mark-to-market
Derivative financial instruments		
Options	10,606	429,431
Swap	1,008,076	350,631
NDF (EUR+DOL+LIVESTOCK)	915,418	290,067
Grand Total	<u>1,934,100</u>	<u>1,070,129</u>

b. Currency and interest rate risks

The risk of fluctuations in exchange rate and interest rate on loans and financing, short-term investments, receivables in foreign currency arising from exports, investments in foreign currency, and other payables denominated in foreign currency may be managed by using derivative financial instruments traded on stock exchanges, or OTC transactions such as swap, NDFs (Non-Deliverable Forwards), and options.

The table below shows the Company's consolidated position, specifically with respect to its financial assets and liabilities, divided by currency and exchange exposure, thus presenting a picture of the net position of assets and liabilities per currency, compared with the net position of derivative financial instruments intended for hedging and management of the exchange exposure risk:

	Consolidated 12/31/2021 Currencies		Total
	Domestic	Foreign	
Assets			
Cash	1,237	-	1,237
Banks - checking accounts	598,379	5,476,017	6,074,396
Short-term investments	921,705	304,671	1,226,376
Trade receivables	789,706	1,808,857	2,598,563
Total current assets	<u>2,311,027</u>	<u>7,589,545</u>	<u>9,900,572</u>
Total Assets	<u>2,311,027</u>	<u>7,589,545</u>	<u>9,900,572</u>

MINERVA S.A.

Notes to the individual and consolidated interim financial statements  
For the year ended December 31, 2021  
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	Consolidated 12/31/2021 Currency		
	Domestic	Foreign	Total
Liabilities			
Financing - current	337,920	1,114,175	1,452,095
Trade payables	<u>3,580,445</u>	<u>135,232</u>	<u>3,715,677</u>
Total current	<u>3,918,365</u>	<u>1,249,407</u>	<u>5,167,772</u>
Financing - noncurrent	<u>4,318,625</u>	<u>9,568,085</u>	<u>13,886,710</u>
Total noncurrent	<u>4,318,625</u>	<u>9,568,085</u>	<u>13,886,710</u>
Total liabilities	<u><u>8,236,990</u></u>	<u><u>10,817,492</u></u>	<u><u>19,054,482</u></u>
Net financial debt	5,925,963	3,227,947	9,153,910
Hedging derivatives - Net position	<u>(1,073,457)</u>	<u>(860,643)</u>	<u>(1,934,100)</u>
Currency position, net	<u><u>4,852,506</u></u>	<u><u>2,367,304</u></u>	<u><u>7,219,810</u></u>

The notional net position of derivative financial instruments is broken down as follows:

	Long (short) position, net at 12/31/2021	Long (short) position, net at 12/31/2020
Financial Instruments (net)		
Futures contracts - DOL (Dollar)	(3.039)	-
Futures contracts - BGI (Finished Cattle)	(175.935)	(111,217)
Options contracts (Dollar, Cattle, Corn and IDI)	10.606	146,655
Swap contracts	1.008.076	350,631
NDF (dollar + EURO + cattle + ARS)	<u>(862.865)</u>	<u>3,145,303</u>
Total net	<u><u>(23.158)</u></u>	<u><u>3,531,372</u></u>

Financial assets and financial liabilities are restated in the financial information as of December 31, 2021 and December 31, 2020 at amounts that approximate their market values. Their respective income and costs are recognized and presented on these dates according to their expected realization or settlement.

Note that the amounts related to export orders (firm sale commitments) refer to orders from approved customers not invoiced yet (and therefore not accounted for), but which are already hedged against the risk of changes in foreign currency rates (US dollar or another foreign currency) through derivative financial instruments.

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Below is a list of NDF agreements held by the Company and effective as of December 31, 2021:

Type	Position	Currency	Due date	Nocional
NDF	Purchase	Dollar	01/03/2022	15,253
NDF	Sale	Dollar	01/04/2022	(25,000)
NDF	Sale	Dollar	01/10/2022	(96)
NDF	Sale	Dollar	01/12/2022	(76)
NDF	Sale	Dollar	01/24/2022	(75)
NDF	Sale	Dollar	02/01/2022	(735,293)
NDF	Sale	Dollar	02/25/2022	(202)
NDF	Purchase	Dollar	03/02/2022	595,012
NDF	Sale	Dollar	04/01/2022	(500)
NDF	Sale	Euro	01/04/2022	(125)
NDF	Sale	Euro	01/10/2022	(228)
NDF	Sale	Euro	01/12/2022	(204)
NDF	Sale	Euro	01/17/2022	(490)
NDF	Sale	Euro	01/18/2022	(193)
NDF	Sale	Euro	01/31/2022	(145)
NDF	Sale	Euro	02/01/2022	(334)
NDF	Sale	Euro	02/21/2022	(880)
NDF	Sale	Euro	02/25/2022	(205)
NDF	Sale	Euro	03/02/2022	(249)
NDF	Sale	Euro	04/01/2022	(165)

#### Credit risks

The Company is potentially subject to credit risk related to accounts receivable from its customers, which is minimized by the diversification of the customer portfolio, given that the Company does not have a customer or business group that represents more than 10% of its revenue and is based on the concession of loans to customers with good financial and operational indices.

#### c. Cattle price risks

The Company's line of business is exposed to the volatility of cattle prices, the main raw material, whose variation results from factors beyond Management's control, such as climatic factors, volume of supply, transportation costs, agricultural policies and others.

The Company, in accordance with its inventory policy, maintains its strategy of managing this risk, operating in the physical control, which includes advance purchases, cattle confinement and execution of future settlement contracts (over-the-counter and exchange), which guarantee the realization of their stocks at a certain price level:

Over the counter (OTC) market	12/31/2021
Forward contract purchased	Fair Value
Notional value (@)	759,721
Futures Contract Price (R\$/@)	294
Total R\$/1000	223,195

Notes to the individual and consolidated interim financial statements  
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	12/31/2021
	Fair Value
BM&F Market	
Futures Contracts Sold	
Notional value (@)	757,020
Futures Contract Price (R\$/@)	332
Total R\$/1000	<u>244,067</u>

d. Cash sensitivity analysis table

The sensitivity analysis charts are intended to separately disclose derivative financial instruments that, in the Company's assessment, are intended to protect against exposure to risks. These financial instruments are grouped according to the risk factor they are intended to protect (price, exchange rate, credit risk, etc.).

The scenarios were calculated based the following assumptions:

- An upward movement: represents an increase in prices or risk factors as of December 31, 2021;
- A downward movement: represents a decrease in prices or risk factors as of December 31, 2021;
- Probable scenario: 6% impact; 12% fluctuation; and 18% fluctuation.

Below we present the tables showing the sensitivity of cash, considering only the positions in derivative financial instruments and their impacts on cash:

Transaction	Movement	Risk	Probable scenario 6% fluctuation	Possible scenario 12% fluctuation	Remote scenario 18% fluctuation
Hedge derivatives	High	Cattle	(10,556)	(21,112)	(31,668)
Cattle	High	Cattle	13,392	26,783	40,175
Net			2,836	5,671	8,507
Hedge derivatives	High	US Dollar	(258,997)	(517,993)	(776,990)
Invoices + Cash - in US\$	High	US Dollar	184,796	369,592	554,388
Net			(74,201)	(148,402)	(222,603)
Hedge derivatives	High	Euro	(1,220)	(2,441)	(3,661)
Invoices - in \$EUR	High	Euro	1,321	2,642	3,963
Net			101	201	302
Hedge derivatives	High	US Dollar	51,068	102,135	153,203
Borrowings in \$US	High	US Dollar	(100,378)	(200,757)	(301,135)
Net			(49,311)	(98,621)	(147,932)

- Exchange rate USD 5.5805 - Ptax selling (Source: The Central Bank of Brazil);
- Exchange rate EUR 6.3210 - Ptax selling (Source: The Central Bank of Brazil).

Notes to the individual and consolidated interim financial statements  
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Statement of gains (losses) on hedging instruments

- Hedging derivatives x Cattle: In the probable scenario with a 6% market fluctuation, the Company could lose R\$2,836; whereas in a 12% fluctuation scenario, said gain would come to R\$11,815, and R\$23,630 gain upon a fluctuation of 18%;
- Hedge derivatives x Invoices + Cash in US\$: In the probable scenario with a 6% market fluctuation, the Company could lose R\$74,201; whereas in a 12% fluctuation scenario, said lost would come to R\$309,170, and R\$618,341 loss upon a fluctuation of 18%;
- Hedge derivatives x Invoices + Cash in EUR: In the probable scenario with a 6% market fluctuation, the Company could gain R\$101; whereas in a 12% fluctuation scenario, said gain would come to R\$420, and R\$839 gain upon a fluctuation of 18%;
- Hedge Derivatives and Fundraising: In the probable scenario with a 6% market fluctuation, the Company could lose R\$49,311; whereas in a 12% fluctuation scenario, the Company could lose R\$205,461, and R\$410,923 upon a fluctuation of 18%.

e. Call margin

A margin requirement call is applied to exchange transactions, whereby in order to cover margin calls, the Company uses public and private fixed income bonds, such as CDBs (bank deposit certificates) held in its portfolio, thus mitigating impacts on its cash flow.

As of December 31, 2021, the amounts deposited in margin represented R\$40,000.

26. Statements of comprehensive income (loss)

As required by CPC 26 (R1) (IAS 1) - Presentation of individual and consolidated financial statements, the Company presents below the changes in comprehensive income (loss) for the periods ended December 31, 2021 and 2020:

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Net income for the period	598,879	697,092	598,879	697,092
Cumulative translation adjustments	(520,882)	(598,352)	(520,882)	(598,352)
Total comprehensive income (loss)	77,997	98,740	77,997	98,740
Comprehensive income (loss) attributable to:				
Company's owners	77,997	98,740	77,997	98,740
Noncontrolling interests	-	-	-	-
Total comprehensive income (loss)	77,997	98,740	77,997	98,740

Notes to the individual and consolidated interim financial statements  
 For the year ended December 31, 2021  
 (In thousands of Brazilian Reais - R\$, unless otherwise stated)

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## 27. Insurance

The Company and its subsidiaries have an insurance policy that mainly takes into consideration the concentration of risks, the significance and the replacement value of the assets. The main information on insurance coverage as of December 31, 2021 is as follows:

	Type of Coverage	Insured amount
Buildings	Fire and sundry risks	1,029,649
Facilities, equipment and inventories	Fire and sundry risks	1,704,761
Company cars and aircraft	Fire and sundry risks	173,647
Overseas transportation	Fire and sundry risks	111,610
Civil liability	Risks in operations	20,519
Total		3,040,186

The Company and its subsidiaries have coverage for all products transported in Brazil and abroad. The risk assumptions adopted, in view of their nature, are not part of the scope of the audit of the financial statements and, therefore, were not audited by the Company's independent auditors.

The Company contracted insurance policies for all plants and distribution centers.

## 28. Events after the reporting period

## Capital increase due to the exercise of the subscription warrants

According to the Board of Directors' Meeting held on January 12, 2022, the increase in the Company's capital stock was approved, regardless of statutory reform and within the authorized capital limit, pursuant to Article 6 of the Company's Bylaws, from the current R\$ 1,675,849, divided into 606,700,828 common, nominative, book-entry shares with no par value to R\$ 1,678,786, divided into 607,283,407 common, nominative, book-entry shares with no par value, therefore, an increase in the value of BRL 2,937, through the issuance of 582,579 new common, nominative, book-entry shares with no par value, with an issue price of BRL 5.04 (five reais and four cents), pursuant to the provisions of item 7.3.28.7 of the minutes of EGM 10.15.2018, per share, established pursuant to article 170, § 1, item III of Law No. 6,404, of December 15, 1976, as amended ("Corporate Law"), as a result of the exercise of the Underwriting.

## Repurchase/Cancellation Bonds 2028.

On January 26, the Company completed the repurchase and cancellation of a portion of Notes 2028 and 2031 that were outstanding in the amount of US\$38,055 and US\$10,000, the repurchase and early cancellation outstanding on December 31, 2021 of Notes 2028 and 2031, which had an interest coupon of 5.875% per year and 4.375% per year respectively.

**MINERVA S.A.**

Publicly-Held Company

Corporate Taxpayer ID (CNPJ) No. 67.620.377/0001-14 | CVM Code No. 20931  
Company's Registry (NIRE) 35.300.344.022

**Minutes of the Fiscal Council's Meeting  
Held on February 23, 2022**

**Exhibit I**

**FISCAL COUNCIL OPINION**

“The Fiscal Council of **MINERVA S.A.** (“Company”), in the exercise of its attributions and legal responsibilities, at a meeting held on February 23<sup>th</sup>, 2022 at the Company's office located in the City of São Paulo, State of São Paulo, at Rua Leopoldo Couto de Magalhães Júnior, 758, 8<sup>th</sup> floor, conjunto 82, Itaim Bibi, zip code (CEP) 04542-000, proceeded the examination and analysis (i) of the financial statements, accompanied by the respective explanatory notes and the report of the independent auditors, referring to the fiscal year ended on December 31, 2021. Based on the examinations carried out and the clarifications provided by the management, the Board Fiscal gave a favorable opinion on the financial statements”.

São Paulo, February 23<sup>th</sup>, 2022.

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**Dorival Antonio Bianchi**

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**Franklin Saldanha Neiva**

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**Luiz Manoel Gomes Júnior.**