

**Individual and consolidated financial
statements**

**Humberg Agribrasil Comércio e
Exportação de Grãos S.A.**

December 31, 2021
with Independent Auditor's Report

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Individual and consolidated financial statements

December 31, 2021

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Independent auditor's report on individual and consolidated financial statements

The
Shareholders, Board of Directors and Officers
Humberg AgriBrasil Comércio e Exportação de Grãos S.A.
São Paulo - SP

Opinion

We have audited the individual and consolidated financial statements of Humberg AgriBrasil Comércio e Exportação de Grãos S.A. (the "Company"), identified as Individual and Consolidated, respectively, which comprise the statement of financial position as at December 31, 2021, and the statements of profit or loss, of comprehensive income, of changes in equity, and of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for opinion

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

Key audit matters

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



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

Derivative financial instruments

As described in Note 19, the Company's sales revenues are mainly from the sale of agricultural commodities, represented mainly by soybeans and corn, whose prices are quoted in the international market and in US dollars, resulting in foreign currency and price exposure for the Company.

In order to reduce exposures to the price and currency risks, the Company enters into commodity purchase and sale contracts at fixed prices, based on futures contracts priced on the Chicago Mercantile Exchange (CME) plus a spread for additional costs considering the location of the origin and transshipment of commodities, which may be settled in physical volume or financially. In addition to the natural hedge for the exposure referred to above, the Company also enters into derivative financial instruments, as mentioned in Note 19, but it does not adopt hedge accounting.

We consider this matter a key audit matter due to the Company's exposure to the commodity price and currency risks, which may substantially impact its financial position and operating income (expenses) in the event of a significant change in one or both situations, which may result in significant impacts on the Company's individual and consolidated financial statements.

How our audit addressed this matter

Our audit procedures included, among others: (i) involvement of professionals specialized in valuing and assessing the adequacy of derivative financial instruments in relation to the Company's exposures, as well as in analyzing the accounting effects; (ii) tests of existence and valuation of commodity purchase and sale contracts, on a sample basis; (iii) test of contracts involving derivative instruments, by sending confirmation letters to financial institutions; and (iv) analysis of accounting records; (v) analysis of reconciliations of financial instrument balances to the amounts recognized in the Company's financial position and statement of profit or loss; and (vi) analysis of the adequacy of disclosures made in Notes 2 and 22 to the individual and consolidated financial statements as at December 31, 2021.

Based on the results of the above-mentioned audit procedures performed on the Company's financial position and operations, which are consistent with management's assessment, we consider the criteria and assumptions adopted by management, as well as the respective disclosures in Notes 2 and 22, acceptable in the context of the individual and consolidated financial statements as a whole.



Other matters

Statements of value added

The individual and consolidated statements of value added (SVA) for year ended December 31, 2021, prepared under the responsibility of Company's executive board, and presented as supplementary information for purposes of IFRS, were submitted to audit procedures conducted together with the audit of the Company's financial statements. For the purpose of forming our opinion, we evaluate whether these statements are reconciled with the financial statements and accounting records, as applicable, and whether their form and content are in accordance with the criteria set forth in Accounting Pronouncement NBC TG 09 - Statement of Value Added. In our opinion, these statements of value added were prepared fairly, in all material respects, in accordance with the criteria defined in the abovementioned accounting pronouncement, and are consistent in relation to the individual and consolidated financial statements as a whole.

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

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

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

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

Responsibilities of the executive board and those charged with governance for the individual and consolidated financial statements

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



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

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

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

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

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

- Identified and assessed the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and its subsidiaries' internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the executive board.

- Concluded on the appropriateness of 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 ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

São Paulo, March 15, 2022.

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



Ronaldo Aoki
Accountant CRC-1SP244601/O-1

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Statements of financial position
December 31, 2021 and 2020
(In thousands of reais)

	Note	Individual		Consolidated	
		12/31/2021	12/31/2020	12/31/2021	12/31/2020
Assets					
Current assets					
Cash and cash equivalents	3	147,965	85,341	280,230	104,573
Trade accounts receivable	4	99,935	2,430	274,611	2,430
Advances to suppliers		470	-	470	-
Related parties	18	223,994	9,289	-	-
Inventories	5	227,889	2,032	227,889	2,032
Derivative financial instruments	19	89,354	91,926	109,230	141,819
Taxes recoverable	6	14,292	2,002	14,292	2,002
Expenses to be allocated		8,582	-	8,582	-
Total current assets		812,481	193,020	915,304	252,856
Noncurrent assets					
Taxes recoverable	6	34,057	-	34,057	-
Other noncurrent assets		439	194	203	193
Deferred income and social contribution taxes	11	11,018	9,719	11,018	9,719
Judicial deposits	12	587	-	587	-
Total noncurrent assets		46,101	9,913	45,865	9,912
Investments					
Property and equipment	7	96,128	29,020	470	470
Right of use	10	634	482	634	482
Intangible assets		1,837	-	1,837	-
Total permanent assets		72	-	72	-
		98,671	29,502	3,013	952
Total assets		957,253	232,435	964,182	263,720

	Note	Individual		Consolidated	
		12/31/2021	12/31/2020	12/31/2021	12/31/2020
Liabilities and equity					
Current liabilities					
Trade accounts payable	8	334,548	44,373	357,108	44,378
Loans and financing	9	344,879	61,730	344,879	61,730
Tax obligations		3,070	113	7,333	113
Labor obligations		1,519	2,846	1,519	2,846
Derivative financial instruments	19	100,085	95,833	74,229	122,501
	13 and				
Dividends payable	18	800	-	800	-
Lease liabilities	10	525	-	525	-
Total current liabilities		785,426	204,895	786,393	231,568
Noncurrent liabilities					
Lease liabilities	10	1,343	-	1,343	-
Tax obligations	7	-	-	5,962	-
Deferred income and social contribution taxes	11	-	-	-	4,612
Loans and financing	9	142,222	1,502	142,222	1,502
Provision for contingencies	12	623	-	623	-
Total noncurrent liabilities		144,188	1,502	150,150	6,114
Equity					
Capital	13	15,400	15,400	15,400	15,400
Legal reserve	13	854	398	854	398
Granted shares reserve	13	5,167	2,446	5,167	2,446
Income reserve	13	6,218	7,794	6,218	7,794
Total equity		27,639	26,038	27,639	26,038
Total liabilities and equity		957,253	232,435	964,182	263,720

See accompanying notes.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Statements of profit or loss

Years ended December 31, 2021 and 2020

(In thousands of reais, except earnings (loss) per share - in reais)

	Note	Individual		Consolidated	
		12/31/2021	12/31/2020	12/31/2021	12/31/2020
Sales revenue, net	14	1,662,869	1,098,302	2,184,137	1,368,190
Cost of commodities sold	15	(1,641,462)	(1,072,840)	(2,139,236)	(1,302,425)
Gross profit		21,407	25,462	44,901	65,765
Operating expenses (income)					
General and administrative expenses	16	(18,438)	(17,892)	(18,887)	(18,284)
Equity pickup	7	36,974	32,465	-	-
Income before finance income (costs) and income and social contribution taxes		39,943	40,035	26,014	47,481
Finance income		670	303	673	426
Finance costs		(12,921)	(6,083)	(13,343)	(6,548)
Foreign exchange gains (losses), net		(18,352)	(5,268)	1,609	(7,760)
Finance income (costs)	17	(30,603)	(11,048)	(11,061)	(13,882)
Income before income and social contribution taxes		9,340	28,987	14,953	33,599
Current income and social contribution taxes	11	(1,518)	(19,285)	(11,743)	(19,285)
Deferred income and social contribution taxes	11	1,299	13,475	5,911	8,863
		(219)	(5,810)	(5,832)	(10,422)
Net income for the year		9,121	23,177	9,121	23,177
Basic and diluted earnings per share - in R\$	13	0.10	0.26	0.10	0.26

See accompanying notes.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Statements of comprehensive income
Years ended December 31, 2021 and 2020
(In thousands of reais)

	Individual and Consolidated			
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Net income for the year	9,121	23,177	9,121	23,177
Total comprehensive income for the year, net of taxes	9,121	23,177	9,121	23,177

See accompanying notes.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Statements of changes in equity
 Years ended December 31, 2021 and 2020
 (In thousands of reais)

	Capital	Future capital contribution	Options granted	Legal reserve	Income reserve	Retained earnings (accumulated losses)	Total
Balances at December 31, 2019	1,100	420	-	-	-	(208)	1,312
Net income for the year	-	-	-	-	-	23,177	23,177
Capitalization of future capital contribution (Note 13.a)	420	(420)	-	-	-	-	-
Capital increase (Note 13.a)	471	-	-	-	-	-	471
Setup of legal reserve (Note 13.a)	-	-	-	398	-	(398)	-
Granted shares options	-	-	2,446	-	-	-	2,446
Dividends paid (Note 13.a)	-	-	-	-	-	(1,368)	(1,368)
Capital increase with income reserve (Note 13.a)	13,409	-	-	-	-	(13,409)	-
Setup of income reserve	-	-	-	-	7,794	(7,794)	-
Balances at December 31, 2020	15,400	-	2,446	398	7,794	-	26,038
Net income for the year	-	-	-	-	-	9,121	9,121
Additional dividends paid (Note 13.b)	-	-	-	-	(9,441)	-	(9,441)
Reversal of proposed dividends for the year (Note 13.b)	-	-	-	-	2,447	(2,447)	-
Additional dividends paid (Note 13.b)	-	-	-	-	(800)	-	(800)
Granted shares options (Note 13)	-	-	2,721	-	-	-	2,721
Setup of legal reserve (Note 13)	-	-	-	456	-	(456)	-
Setup of income reserve (Note 13.b)	-	-	-	-	6,218	(6,218)	-
Balances at December 31, 2021	15,400	-	5,167	854	6,218	-	27,639

See accompanying notes.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Statements of cash flows Years ended December 31, 2021 and 2020 (In thousands of reais)

	Individual		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Cash flow from operating activities				
Net income for the year	9,121	23,177	9,121	23,177
Adjustment to reconcile income to cash flow from (used in) operating activities	-	-	-	-
Depreciation and amortization	299	141	299	141
Gain/loss on disposal of property and equipment	(46)	-	(46)	-
Provision for inventory breakage	5,522	-	5,522	-
Equity pickup	(36,974)	(32,465)	-	-
Unrealized exchange difference	885	(1,458)	844	(1,458)
Provision for interest	6,000	852	6,000	852
Lease liability interest	58	-	58	-
MTM of inventories	(13,720)	(400)	(13,720)	(400)
Granted shares options	2,721	2,446	2,721	2,446
Derivative financial instruments, net	11,131	15,162	(11,376)	(8,202)
Provisions for tax, civil and labor contingencies	623	-	623	-
Deferred income and social contribution taxes	(1,299)	(13,475)	(5,911)	(8,863)
	(15,679)	(6,020)	(5,865)	7,693
Decrease (increase) in operating assets				
Accounts receivable	(97,505)	(1,999)	(272,181)	(1,874)
Related parties	(214,705)	(3,754)	-	-
Inventories	(225,857)	699	(225,857)	699
Advances to suppliers	(9,052)	740	(9,052)	740
Taxes recoverable	(46,347)	12,471	(46,347)	12,471
Judicial deposits	(587)	-	(587)	-
Other assets	(245)	(141)	(10)	(141)
	(594,298)	8,016	(554,034)	11,895
Increase (decrease) in operating liabilities				
Trade accounts payable	290,174	42,368	312,729	38,155
Tax obligations	2,957	110	13,182	110
Salaries and social charges	(1,327)	2,653	(1,327)	2,653
Advances from customers	-	(31)	-	(31)
	291,804	45,100	324,584	40,887
Income and social contribution taxes paid	(2,543)	-	(2,543)	-
Cash from (used in) operating activities	(320,716)	47,096	(237,858)	60,475
Cash flow from investing activities				
Cash from disposal of property and equipment	60	-	60	-
Additions to property and equipment and intangible assets	(932)	(208)	(932)	(208)
Investments in subsidiary	(30,175)	(470)	-	(470)
Cash used in investing activities	(31,047)	(678)	(872)	(678)
Cash flow from financing activities				
Borrowings, net	676,550	397,976	676,550	397,976
Repayment of loans	(248,190)	(355,809)	(248,190)	(355,809)
Interest on loans repaid (*)	(4,491)	(5,600)	(4,491)	(5,600)
Lease payment – Right of use	(41)	-	(41)	-
Dividends paid	(9,441)	(1,368)	(9,441)	(1,368)
Capital increase	-	470	-	470
Cash from financing activities	414,387	35,669	414,387	35,669
Net increase in cash and cash equivalents	62,624	82,087	175,657	95,466
Cash and cash equivalents at beginning of year	85,341	3,254	104,573	9,107
Cash and cash equivalents at end of year	147,965	85,341	280,230	104,573
	62,624	82,087	175,657	95,466

(*) Interest on loans repaid was classified as cash flows from financing activities as it refers to costs for obtaining financial resources.

See accompanying notes.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Statements of value added
Years ended December 31, 2021 and 2020
(In thousands of reais)

	Individual		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Revenues				
Sales of goods, products and services	1,690,388	1,173,551	2,211,657	1,443,438
Discounts and cancellations	(10,752)	(72,411)	(10,752)	(72,411)
Gain/loss on disposal of property and equipment	46	-	46	-
	1,679,682	1,101,140	2,200,951	1,371,027
Materials acquired from third parties				
Cost of sales	(1,470,344)	(885,496)	(1,940,265)	(1,092,382)
Materials, power, services from suppliers and other	(7,758)	(8,315)	(8,209)	(8,473)
Logistics and port costs	(171,117)	(187,344)	(193,915)	(210,043)
Other	(353)	(12)	(353)	(12)
	(1,649,572)	(1,081,167)	(2,142,742)	(1,310,910)
Gross value added	30,110	19,973	58,209	60,117
Depreciation and amortization	(299)	(141)	(299)	(141)
Net value added	29,811	19,832	57,910	59,976
Equity pickup	36,974	32,465	-	-
Finance income	670	303	673	426
Value added received from transfers	37,644	32,768	673	426
Total value added to be distributed	67,455	52,600	58,583	60,402
Value added distributed				
Salaries	6,912	7,553	6,913	7,553
Benefits	1,047	653	1,047	653
Social Security Tax (INSS)	1,396	695	1,396	695
Unemployment Compensation Fund (FGTS)	415	218	415	218
Employee benefits expense	9,770	9,119	9,771	9,119
Federal taxes	532	6,570	6,161	11,415
State taxes	16,609	2,066	16,609	2,066
Local taxes	114	-	114	-
Taxes and contributions	17,255	8,636	22,884	13,481
Foreign exchange expenses	18,352	5,268	3,428	7,760
Interest	9,839	5,600	9,839	5,600
Other finance costs	2,729	483	3,151	948
Rent	389	317	389	317
Debt remuneration	31,309	11,668	16,807	14,625
Dividends	2,447	1,368	2,447	1,368
Net income for the year	6,674	21,809	6,674	21,809
Equity remuneration	9,121	23,177	9,121	23,177
Value added distributed	67,455	52,600	58,583	60,402

See accompanying notes.

Humberg AgriBrasil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements

December 31, 2021

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

1. Operations

Humberg AgriBrasil Comércio e Exportação de Grãos S.A., formerly known as Humberg AgriBrasil Comércio e Exportação de Grãos Ltda. (the “Company” or “Humberg AgriBrasil”), which began its activities on July 15, 2013, originally as a limited liability company organized to operate for an indefinite period, with articles of organization registered with the São Paulo State Commercial Registry (JUCESP) under the identification number NIRE 3.522.770.580- 6, enrolled with the Brazilian IRS Registry of Legal Entities of the Ministry of Finance (CNPJ/MF) under No. 18.483.666/0001-03, and with head offices in the city of São Paulo, state of São Paulo, at Rua Joaquim Floriano no. 960, 3rd floor, Itaim Bibi, CEP 04534-002.

The Company's current activities are the following: export, distribute, buy, sell, resell, market and transport, on its own account or through third parties, food products in general, including, but not limited to, grains, flours, fibers and seeds; (ii) import, export, distribute, buy, sell, resell, market and transport, on its own account or through third parties, agricultural products; (iii) sell, buy and resell commodities; (iv) hold interest in other civil or commercial companies, either domestic or foreign, as a partner, shareholder or member; and (v) represent domestic or foreign companies, on its own account or through third parties.

On May 31, 2020, the members approved the transformation of the Company's legal nature from a limited liability company into a corporation. The purpose of this transformation is to better serve the interests of the Company.

In 2020, Frederico José Humberg, the Company's controlling shareholder, increased the Company's capital with the transfer of the 40% investment in Portoeste -Terminal Portuário de Ilhéus S.A., which he held since 2011 at acquisition cost. Portoeste is controlled by its majority shareholder and current operator of the Ilhéus terminal that owns the other 60%, Intermarítima Terminais Ltda. Portoeste was created in 2009 with the specific purpose of participating in the privatization program of the port of Ilhéus (PROAP). The port of Ilhéus specializes in shipments of hand size vessels, a niche market targeted by the Company that already operates grains from the state of Bahia. See Note 13.

On June 14, 2021, the Company's Board of Directors approved the following corporate governance documents of the Company: (a) the execution, terms and conditions of the initial public offering for the distribution of common shares (“IPO”) issued by the Company, pursuant to CVM Instruction No. 400 of December 29, 2003, as amended (“CVM Instruction 400”); (b) to replace the assignment of the position of Chairman of the Board of Directors; (c) establishment of the Company's Audit and Risk Management Committee, election of the first members and appointment of the Coordinator, as well as the approval of the Internal Regulations of the Audit and Risk Management Committee; (d) approval of the Company's new Code of Ethics and Conduct; (e) approval of the Company's Securities Trading Policy; (f) alteration of the current Tax Advisory Committees and the Financial Advisory Committee, and election of members; (g) approval of the Company's Board of Directors' Internal Regulations; and (h) authorization for the Executive Board to carry out the acts required for the implementation of the resolutions made in relation to the previous items.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021

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

1. Operations (Continued)

The Company had its listing request granted on Bovespa Mais exchange on June 15, 2021, Bolsa, Balcão (“B3”), under the ticker “GRAO3”.

On October 20, 2021, the Company filed a request with the Brazilian Securities and Exchange Commission (“CVM”) to withdraw from the IPO application, given that, for business and market reasons, the Company decided to verify the feasibility of implementing other capitalization structures, which includes a potential public offering of securities issued by the Company with restricted placement efforts, pursuant to CVM Instruction No. 476 of January 16, 2009.

COVID-19 impacts on the Company operations

On January 31, 2020, the World Health Organization (WHO) announced that the coronavirus (COVID-19) is a global health emergency. The outbreak triggered significant decisions by governments and private sector entities, which added to the potential impact of the outbreak, increased the degree of uncertainty for economic agents and can have significant impacts on the amounts recognized in the Company's interim financial statements.

Considering the current situation of the spread of the outbreak, we understand that the grain export sector is benefiting due to the increased demand resulting substantially from the post-swine flu recovery of herds in China, interruption in the slaughter activities leading to an accumulation of more animals and, consequently, the higher need for feed, increase in the consumption of chicken meat, which is a major consumer of feed replacing the fish and other meat industries.

The rapid devaluation of the Brazilian Real caused the prices in Reais per bag to reach historical record levels, driving the grain trade.

The Company understands that it is adopting appropriate measures for preventing dissemination of Covid19 while serving customers and consumers in a friendly and safe way, considering advancement of vaccination in the countries where it operates. Although the Company's operations have not been significantly affected thus far, there are still uncertainties regarding new measures, which renders it difficult to predict new direct and/or indirect impacts possibly caused by the pandemic and new variants. As such, the Company keeps on monitoring future financial impacts and assessing actions to be taken, ensuring that the Company's decisions will be continuously updated, considering the health guidelines in force.

The consolidated position of cash and cash equivalents as at December 31, 2021 corresponded to R\$280,230 (R\$104,573 at December 31, 2020), and as of that date current assets exceed current liabilities by R\$133,174 (R\$21,288 at December 31, 2020) for the ordinary course of the Company's business operations.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021

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

1. Operations (Continued)

Impacts of Ukraine X Russia war on the Company's operations

On February 24, 2022, Russia launched a military invasion of Ukraine, generating impacts on the financial markets, increasing the degree of uncertainty for economic agents and potentially generating significant financial impacts on the Company's balances recognized in its financial statements.

Considering the current situation, we understand that the grain export sector in Brazil has been benefited from increased demand, basically from several corn importers impacted by the product shortage, as Ukraine is one of the main corn suppliers in the world.

With agricultural commodities close to record highs, other impacts such as the increase in fertilizer and oil prices are worrisome. This is nonetheless still uncertain, as there are alternatives from potential fertilizer suppliers such as Iran and Canada. In addition, the government can also introduce oil price regulation policies.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021

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

2. Accounting policies

The individual and consolidated financial statements have been prepared and are presented in accordance with the accounting practices adopted in Brazil, which comprise the rules issued by the Brazilian Securities and Exchange Commission (CVM) and the pronouncements issued by Brazil's Financial Accounting Standards Board - FASB (CPC), and in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

The individual and consolidated financial statements have been prepared on a historical cost basis, except for certain derivative financial instruments and inventories that have been measured at fair value, and under the going concern assumption.

The individual and consolidated financial statements provide comparative information in relation to the prior year.

Additionally, the Company considered the accounting guidance OCPC 07 issued by CPC in November 2014 in preparing its financial statements. Accordingly, significant information inherent in the financial statements is being disclosed and corresponds to that used by management over its administration.

The financial statements are presented in thousands of Brazilian Reais (R\$), which is the functional and presentation currency of the Company and its subsidiary.

Foreign currency transactions are initially recorded at the functional currency rate prevailing at the transaction date. Foreign currency-denominated monetary assets and liabilities are translated into the functional currency at the exchange rate prevailing at the reporting date. All foreign exchange differences are recognized in the statement of profit or loss.

The individual and consolidated financial statements of the Company and its subsidiaries for the year ended December 31, 2021 were authorized for issue on March 15, 2022.

Estimates

These individual and consolidated financial statements have been prepared under various measurement bases used in accounting estimates. The accounting estimates involved in the preparation of the financial statements were based on both objective and subjective factors and on management's judgment to determine the appropriate amount to be recorded in the financial statements.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021

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

2. Accounting policies (Continued)

Estimates (Continued)

Settlement of transactions involving these estimates may result in amounts significantly different from those recorded in the financial statements due to the probabilistic treatment inherent in the estimation process. The Company reviews its estimates and assumptions at least once a year or whenever an evidence shows the need for an interim review.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Allowance for expected credit losses on accounts receivable

Management uses a provision matrix to determine the Company's allowance for expected credit losses ("ECL") on accounts receivable. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, among others).

The provision matrix is initially based on the Company's historical observed default rates. Management reviews the matrix prospectively to adjust it according to the historical credit loss experience. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. Until 2021, the Company had no history of losses on accounts receivable.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021

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

2. Accounting policies (Continued)

Estimates (Continued)

Fair value measurement of financial instruments (Continued)

Judgements include assessment of liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. See Note 19 for further disclosures.

Taxes

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies. See Note 11 for further disclosures.

Provisions for tax, civil and labor contingencies

The Company recognizes a provision for civil and labor contingencies. Assessment of the likelihood of loss includes an evaluation of available evidence, the hierarchy of laws, available case law, recent court decisions and their relevance in the legal system, as well as the opinion of outside legal advisors. Provisions are reviewed and adjusted to take into consideration any changes in circumstances, such as applicable statutes of limitation, tax audit conclusions, or additional exposures identified based on new matters or court decisions.

Share-based payment transactions

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model for granting equity instruments, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The Company measures the cost of equity-settled transactions with employees based on the fair value of equity instruments at the grant date.

For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Company uses a Monte-Carlo model for the Stock Option Plan of certain executives (Note 13).

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021

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

2. Accounting policies (Continued)

Significant accounting policies adopted by the Company and its subsidiaries

The significant accounting policies adopted in the preparation of the financial statements are described below:

a) *Basis of consolidation*

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (Note 7) as at December 31, 2021, and 2020.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the controlling shareholders. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Company's accounting policies. All assets and liabilities, profit or loss, income, expenses and cash flows relating to transactions between the Company and its subsidiaries are eliminated in full on consolidation.

In the individual financial statements, the Company's investments in its subsidiaries are accounted for using the equity method.

b) *Determination of profit or loss*

Profit or loss from transactions is recorded on an accrual basis. Net revenue is measured at the fair value of the consideration received, less discounts, rebates, and taxes on sales.

Sales revenue is recognized in profit or loss when its amount can be measured reliably, all risks and rewards underlying the product are transferred to the buyer, the Company no longer controls or is responsible for the goods sold and economic benefits are likely to flow to the Company. Revenue is not recognized if there is a significant uncertainty about its realization. Interest income and expenses are recognized in net finance charges using the effective interest method.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021

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

2. Accounting policies (Continued)

Significant accounting policies adopted by the Company and its subsidiaries (Continued)

c) *Cash and cash equivalents*

Cash and cash equivalents include highly liquid positive bank account balances redeemable within 90 days from the investment dates, involving an insignificant risk of changes in their market value.

The Company considers cash equivalents a short-term investment readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. Accordingly, an investment normally qualifies as cash equivalent when it is redeemable in the short term, for instance, within three months or less as from the investment date.

d) *Trade accounts receivable*

Trade accounts receivable are measured at their original amount at revenue recognition, less allowance for expected credit losses, if any. The allowance for expected credit losses is determined when there is evidence that management may not receive all receivables on their original due dates. The assumptions are presented in Note 2, under “Estimates”.

e) *Inventories*

Agricultural products (commodities) are marked to market (MTM) and are valued based on the benchmark prices prevailing on the respective commodity exchanges where such products are usually traded, less costs to sell, in view of the location of origination and transshipment of these commodities, which may be settled financially or in physical volume.

The breakage provision is calculated based on percentages estimated and agreed with the suppliers in the sections from origin to the final destination of the product, applied to the delivered volume of these inventories and valued according to the prices of the handled contract. Unrealized gains and losses under forward contracts are recorded in the statement of profit or loss and classified under “Cost of commodities sold”.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021

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

2. Accounting policies (Continued)

Significant accounting policies adopted by the Company and its subsidiaries (Continued)

f) *Property and equipment*

Property and equipment items are measured at cost less depreciation and accumulated impairment loss. Depreciation is calculated using the straight-line method based on the estimated useful lives of depreciable assets. Repair expenses are generally charged to profit or loss as incurred. However, they are capitalized when the expected future economic benefits of the property and equipment item increase.

Assets under construction are not depreciated until they are completed and ready for their intended use. Interest on loans is capitalized when referring to a qualifying asset. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of such an asset. Other borrowing costs must be recognized as an expense.

Property and equipment items are substantially represented by improvements in leased properties and electronic data processing equipment, with an estimated useful life of three and five years, respectively.

The residual value and useful life of the assets and depreciation methods are reviewed annually and adjusted prospectively, as applicable.

g) *Taxation*

i) Sales taxes

The Company's revenues are subject to the following taxes and contributions, at the corresponding statutory rates, on services provided in the domestic market:

	<u>Rates</u>
State VAT (ICMS) – São Paulo	
State	18%
ICMS – other states	5% to 12%
Service Tax (ISS)	5%
Contribution Tax on Gross	
Revenue for Social Integration	
Program (PIS)	1.65%
Contribution Tax on Gross	
Revenue for Social Security	
Financing (COFINS)	7.60%

These charges are presented as sales deductions in the statements of profit or loss. Tax credits arising out of noncumulative PIS/COFINS taxation are recorded as a deduction from cost of goods sold in the statements of profit or loss.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021

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

2. Accounting policies (Continued)

Significant accounting policies adopted by the Company and its subsidiaries (Continued)

g) *Taxation* (Continued)

ii) Income and social contribution taxes

Current income and social contribution taxes

The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted at the reporting date.

In Brazil, income taxes comprise both income tax and social contribution tax. Income tax computed under the taxable profit based on accounting records regime uses a rate of 15%, plus a 10% surtax on income exceeding R\$240 over 12 months, whereas social contribution tax is computed at a rate of 9% on taxable profit, both recognized on an accrual basis; therefore, additions to book income of temporarily nondeductible expenses or exclusions of temporarily nontaxable income upon determination of current taxable profit generate deferred tax assets or liabilities.

Current tax assets and liabilities referring to the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities using the tax rates that have been approved at the end of the reporting year in the countries where the Company operates and generates taxable profit.

Current income and social contribution taxes relating to items recognized directly in equity are recognized in equity. From time to time, management reviews the tax position in situations in which interpretation of tax regulation is required, and records provisions as appropriate.

Deferred income and social contribution taxes

Deferred taxes arise from temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts. Deferred tax liabilities are recognized for all taxable temporary differences.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021

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

2. Accounting policies (Continued)

Significant accounting policies adopted by the Company and its subsidiaries (Continued)

g) *Taxation* (Continued)

ii) Income and social contributions taxes (Continued)

Deferred income and social contribution taxes (Continued)

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit (or taxable loss); and
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted at the reporting date.

The Company accounts for current tax assets and liabilities on a net basis if and only if the referred to entities have a legally enforceable right to make or receive one single net payment and the entities intend to make or receive such net payment or recover the asset and settle the liability simultaneously.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021

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

2. Accounting policies (Continued)

Significant accounting policies adopted by the Company and its subsidiaries (Continued)

g) *Taxation (Continued)*

ii) *Income and social contributions taxes (Continued)*

Deferred income and social contribution taxes (Continued)

Net deferred tax assets and liabilities, in turn, are accounted for by the Company and its subsidiaries if and only if the entity has the legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority: (i) on the same taxable entity; or (ii) on different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

h) Uncertainty over Income Tax Treatments - ICPC 22/I ITG 22/IFRIC 23

The Interpretation referring to Uncertainty over Income Tax Treatments - ICPC 22/ ITG 22/ IFRIC 23 addresses the accounting of income taxes in cases where tax treatments involve uncertainty that affects the application of IAS 12 (CPC 32/NBC TG 32 (R4) – Income Taxes) and neither applies to taxes outside the scope of IAS 12 nor specifically includes the requirements regarding interest and fines associated with uncertain tax treatments.

Based on its study of tax compliance, the Company has determined that it is likely that its tax treatments (including those applied to subsidiaries) will be accepted by tax authorities. This interpretation had no impact on the Company's individual and consolidated financial statements.

i) *Financial instruments – initial recognition and subsequent measurement*

A financial instrument is a contract that gives rise to a financial asset of one entity and to a financial liability or equity instrument of another entity.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021

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

2. Accounting policies (Continued)

Significant accounting policies adopted by the Company and its subsidiaries (Continued)

i) *Financial instruments – initial recognition and subsequent measurement* (Continued)

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost or at fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's and its subsidiaries' business model for managing them. The Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortized cost or fair value through profit or loss, it needs to give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is performed at an instrument level.

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company and its subsidiaries commit to purchase or sell the asset.

Significant financial instruments recognized by the Company include cash and cash equivalents, trade accounts receivable, derivative financial instruments and transactions with related parties. These financial assets are classified in the following categories: financial assets at fair value through profit or loss and receivables.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021

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

2. Accounting policies (Continued)

Significant accounting policies adopted by the Company and its subsidiaries (Continued)

i) *Financial instruments – initial recognition and subsequent measurement* (Continued)

Financial assets (Continued)

Subsequent measurement

For purposes of subsequent measurement, financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss. This category includes derivative instruments.

Derecognition

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

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of: (i) the carrying amount of the asset; and (ii) the maximum amount of consideration that the entity could be required to repay (amount of the guarantee).

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021

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

2. Accounting policies (Continued)

Significant accounting policies adopted by the Company and its subsidiaries (Continued)

i) *Financial instruments – initial recognition and subsequent measurement (Continued)*

Financial assets (Continued)

Impairment of financial assets

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. For trade accounts receivable, the assumptions are presented in Note 2, under “Estimates”.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, financial liabilities at amortized cost, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are measured initially at fair value and, in the case of a financial liability not at fair value through profit or loss, plus or less transaction costs directly attributable to the issue of the financial liability.

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

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss; and
- Financial liabilities at amortized cost.

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

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021

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

2. Accounting policies (Continued)

Significant accounting policies adopted by the Company and its subsidiaries (Continued)

i) *Financial instruments – initial recognition and subsequent measurement* (Continued)

Financial liabilities (Continued)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by CPC 48. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in CPC 48 are satisfied.

Financial liabilities at amortized cost (loans and financing and trade accounts payable)

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and financing are subsequently measured at amortized cost using the effective interest (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021

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

2. Accounting policies (Continued)

Significant accounting policies adopted by the Company and its subsidiaries (Continued)

i) *Financial instruments – initial recognition and subsequent measurement* (Continued)

Financial liabilities (Continued)

Financial liabilities at amortized cost (loans and financing and trade accounts payable)
(Continued)

This category generally applies to interest-bearing loans and borrowings.

Derecognition

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

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the individual and consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; and
- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or most advantageous market must be accessible by the Company.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021

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

2. Accounting policies (Continued)

Significant accounting policies adopted by the Company and its subsidiaries (Continued)

i) *Financial instruments – initial recognition and subsequent measurement* (Continued)

Financial liabilities (Continued)

Fair value measurement (Continued)

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;
- Level 2 - valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 - valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021

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

2. Accounting policies (Continued)

Significant accounting policies adopted by the Company and its subsidiaries (Continued)

i) *Financial instruments – initial recognition and subsequent measurement* (Continued)

Financial liabilities (Continued)

Fair value measurement (Continued)

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

The Company conducts transactions involving derivative financial instruments in order to minimize the risks stemming from fluctuations in the market prices of soybean and corn, as well as to minimize the impacts on Company's profit or loss arising from fluctuations in the US dollar against the Brazilian real.

The Company hedges its exposure to the US dollar by means of Non-Deliverable Forwards (NDF).

The Company uses derivative financial instruments, such as forward currency contracts and forward commodity contracts, to hedge its foreign currency risks and commodity price risks (CBOT), respectively. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The commodity futures market transactions are adjusted on a daily basis and are valued at market value up to the expiration of trading contracts. Gains and losses are allocated to profit or loss for the year, and the Company does not adopt any hedge accounting policy.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021

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

2. Accounting policies (Continued)

Significant accounting policies adopted by the Company and its subsidiaries (Continued)

j) *Operating segment*

The Company has one single operating segment (the grains segment) that is used by management for analysis and decision-making purposes.

k) *Employee benefits*

The Company's employee and management benefits include, in addition to fixed compensation (salaries and social security contributions (INSS), vacation pay and 13th monthly salary), healthcare plan and variable compensation, such as profit sharing. These benefits are recorded in profit or loss for the year, under "General and administrative expenses", as incurred.

Share-based payment transactions

Certain Company executives receive share-based payments, whereby they render services as consideration for equity instruments ("equity-settled transactions"). These executives are rewarded with the right to acquire Company shares held by the main shareholder. The Company does not have cash-settled transactions.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made. To determine the fair value, the Company resorts to an outside valuation specialist, who uses an appropriate valuation method. See Note 13. d)

That cost is recognized in employee benefits expense, together with a corresponding increase in equity (other capital reserves), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for the period represents the movement in cumulative expense recognized as at the beginning and end of that period.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021

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

2. Accounting policies (Continued)

Significant accounting policies adopted by the Company and its subsidiaries (Continued)

k) *Employee benefits* (Continued)

Share-based payment transactions (Continued)

Service and non-market performance conditions are not taken into account when determining the fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market-related performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognized for awards that do not ultimately vest because performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified (e.g., due to plan modifications), the minimum expense recognized is the grant date fair value, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

There are no dilutive effects of outstanding options since the option is related to existing equity instruments and not to new issues.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021

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

2. Accounting policies (Continued)

Significant accounting policies adopted by the Company and its subsidiaries (Continued)

l) New or revised pronouncements first-time adopted in 2021

The Company applied for the first time certain standards and revised standards that are effective for annual periods beginning on or after January 1, 2021. The Company has decided not to early adopt any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to CPC 06 (R2), CPC 11, CPC 38, CPC 40 (R1) and CPC 48: Interest Rate Benchmark Reform

The amendments to Accounting Pronouncements CPC 38 and 48 provide temporary exceptions that address the financial statement effects when an interbank deposit certificate is replaced with an alternative to an almost risk-free rate. These amendment include the following practical expedients:

- A practical expedient that requires contractual changes, or changes in cash flows that are directly required by the interest rate reform, to be treated as changes in a floating interest rate, equivalent to a change in a market rate.
- Allows reform-required changes to be made to hedging designations and documentation, without the hedging relationship being discontinued.
- Provides a temporary exception for entities to comply with the separately identifiable requirement when a risk-free rate instrument is designated as a hedge of a risk component.

These amendments had no impact on the Company's individual and consolidated financial statements. The Company intends to use the practical expedients in future periods if they become applicable.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021

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

2. Accounting policies (Continued)

Significant accounting policies adopted by the Company and its subsidiaries (Continued)

l) New or revised pronouncements first-time adopted in 2021 (Continued)

Amendments to CPC 06 (R2): Benefits related to Covid-19 granted to Leaseholders in Lease Contracts that go beyond June 30, 2021

The amendments provide for granting to lessees upon applying the CPC 06 (R2) guidance for the modification of the lease agreement, when accounting for the related benefits as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may choose not to assess whether a Covid-19-related benefit granted by the lessor is a modification of the lease. A lessee making this choice must account for any change in the lease payment resulting from the benefit granted in the lease contract related to Covid-19 in the same way that it would account for the change applying CPC 06 (R2) if the change were not a lease contract modification.

This amendment came into effect for the fiscal year started on January 1, 2021, and was intended to have the deadline for use until 06/30/2021, however the CPC extended the period for using the practical expedient to June 30, 2022. As such, the Company opted to make use of this expedient by not remeasuring its operating lease agreements. This interpretation had no impact on the Company's individual and consolidated financial statements.

m) New standards and interpretations not yet effective

The new and amended standards and interpretations issued, but not yet in effect until the date of issue of the Company's financial information are described below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they come into force.

Onerous contracts - cost of fulfilling a contract (amendments to CPC 25/IAS 37)

These amendments specify what costs an entity includes when determining the cost of performing a contract for the purpose of assessing whether the contract is onerous. These changes apply to annual periods beginning on or after January 1, 2022 for contracts existing on the date these amendments are first applied. On the date of initial application, the cumulative effect of applying the changes is recognized as an adjustment to the opening balance in retained earnings or other components of equity, as appropriate. Comparative figures are not restated.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021

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

2. Accounting policies (Continued)

Significant accounting policies adopted by the Company and its subsidiaries (Continued)

m) *New standards and interpretations not yet effective (Continued)*

IFRS 17 - Insurance contracts

In May 2017, the IASB issued IFRS 17 - Insurance Contracts (a standard not yet issued by CPC in Brazil, but which will be codified as CPC 50 - Insurance Contracts and will replace CPC 11 - Insurance Contracts), a new comprehensive accounting standard for insurance contracts that includes recognition and measurement, presentation and disclosure. Once effective, IFRS 17 (CPC 50) will supersede IFRS 4 - Insurance Contracts (CPC 11), issued in 2005. IFRS 17 applies to all types of insurance contracts (such as life, non-life, direct insurance and reinsurance), regardless of the type of entity that issues them, as well as certain guarantees and financial instruments with discretionary participation characteristics. Certain scope exceptions apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements of IFRS 4, which are largely based on local accounting policies in effect in prior periods, IFRS 17 provides a comprehensive model for insurance contracts, covering all significant accounting aspects. The focus of IFRS 17 is the general model, complemented by:

- A specific adaptation for contracts with direct participation features (variable rate approach).
- A simplified approach (premium allocation approach) primarily for short-term contracts.

IFRS 17 is effective for periods beginning on or after January 1, 2023, requiring the presentation of comparative figures. Early adoption is permitted if the entity also adopts IFRS 9 and IFRS 15 on the same date or before the first-time adoption of IFRS 17. This standard does not apply to the Company.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021

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

2. Accounting policies (Continued)

Significant accounting policies adopted by the Company and its subsidiaries (Continued)

m) *New standards and interpretations not yet effective (Continued)*

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

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1, corresponding to CPC 26, in order to specify the requirements for classifying the liability as current or noncurrent. These amendments clarify:

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

Changes are effective for periods beginning on or after January 1, 2023 and must be applied retrospectively. The Company is currently assessing the impact that the changes will have on current practice and whether existing loan agreements may require renegotiation.

Amendments to IAS 8: Definition of accounting estimates

In February 2021, IASB issued amendments to IAS 8 (standard corresponding to CPC 23), in which it introduces the definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and correction of errors. In addition, they clarify how entities use measurement and input techniques to develop accounting estimates.

The amendments will be effective for periods beginning on or after January 1, 2023 and will apply to changes in accounting policies and estimates that occur on or after the beginning of that period. Early adoption is permitted if disclosed.

These amendments are not expected to have a significant impact on the Company's individual and consolidated financial statements.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021

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

2. Accounting policies (Continued)

Significant accounting policies adopted by the Company and its subsidiaries (Continued)

m) *New standards and interpretations not yet effective (Continued)*

Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies

In February 2021, the IASB issued amendments to IAS 1 (standard corresponding to CPC 26 (R1)) and IFRS Practice Statement 2 Making Materiality Judgments, in which it provides guides and examples to help entities apply materiality judgments to the disclosure of accounting policies. The amendments are to assist entities in disclosing accounting policies that are most useful by replacing the requirement for disclosure of significant accounting policies with material accounting policies and adding guidance for how entities should apply the concept of materiality in making decisions about disclosure of accounting policies.

The amendments to IAS 1 are applicable for periods beginning on or after January 1, 2023 with early adoption permitted. Since the amendments to Practice Statement 2 provide non-mandatory guidance in applying the definition of 'material' to accounting policy information, an adoption date for this amendment is not required.

The Company is currently assessing the impacts of these changes on the accounting policies disclosed.

3. Cash and cash equivalents

	Individual		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Cash	8	4	8	4
Banks – local currency	185	1	185	1
Cash equivalents - short-term investments	113,121	83,186	113,121	83,186
In local currency	113,314	83,191	113,314	83,191
Banks – foreign currency	3,810	253	133,342	3,231
Margin deposit – futures broker (*)	30,841	1,897	33,574	18,151
In foreign currency	34,651	2,150	166,916	21,382
Total	147,965	85,341	280,230	104,573

(*) Margin deposits at a futures brokerage refer to margin remittances made on the Chicago Board of Trade (CBOT); the deposited amount guarantees short-term financial market transactions already measured at market value, which have immediate liquidity with no significant changes in value.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021

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

3. Cash and cash equivalents (Continued)

Short-term investments refer substantially to Repurchase Agreements and Bank Deposit Certificates (CBD) bearing interest of 65% to 106% based on the Interbank Deposit Certificate (CDI) held with daily liquidity and subject to negligible risk of change in value. The consolidated bank balances denominated in foreign currency are represented by USD 29,911 thousand at December 31, 2021 and USD 4,114 thousand at December 31, 2020.

4. Trade accounts receivable

	Individual		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Trade accounts receivable – domestic (falling due)	16,153	230	16,153	230
Trade accounts receivable – foreign (falling due)	83,782	2,200	258,458	2,200
Total	99,935	2,430	274,611	2,430

The outstanding balances are realizable within 30 to 90 days and do not present an expectation of default either in the domestic market or in relation to international customers, and it is not necessary to recognize any allowance for expected losses, according to the analysis carried out by the Company's management. The variations between the periods are due to delays in exports due to the rains. The Company awaits favorable weather factors to ship, which consequently delays the expectation of receiving exports.

5. Inventories

	Individual		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Finished products				
Corn	183,318	915	183,318	915
Soybean	-	-	-	-
Advances to suppliers (*)	36,373	717	36,373	717
Provision for inventory breakage	(5,522)	-	(5,522)	-
Total	214,169	1,632	214,169	1,632
Mark to market (MTM)				
Corn (MTM)	11,943	400	11,943	400
Soybean (MTM)	1,777	-	1,777	-
Total mark to market	13,720	400	13,720	400
Total	227,889	2,032	227,889	2,032

(*) Advances made to grain producers to ensure the purchase of goods are classified in Current assets, according to expected realization.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021

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

5. Inventories (Continued)

The changes in balances between the periods derive from delays in exports, due to the rains, where we are waiting for favorable weather factors to ship; this causes delays in the expectation of exports and accumulates inventory volumes in the port terminals.

6. Taxes recoverable

	Individual and Consolidated	
	12/31/2021	12/31/2020
PIS recoverable	2,066	2
COFINS recoverable	9,516	1,831
State VAT (ICMS) recoverable	1,545	162
Withholding Income Tax (IRRF) recoverable	134	7
CSLL recoverable	1	-
Prepayment of Corporate Income Tax (IRPJ)	758	-
Prepayment of Social Contribution Tax on Net Profit (CSLL)	272	-
Total current	14,292	2,002
PIS recoverable	5,326	-
COFINS recoverable	28,731	-
Total noncurrent	34,057	-
Total	48,349	2,002

The balances of Taxes recoverable originated mainly in the PIS/COFINS recoverable items on the purchase of commodities for resale and land transportation of goods, which were in turn exported with no PIS/COFINS taxation. Management has already filed a request for refund and/or offsetting of the entire PIS/COFINS recoverable balance. The long-term balances will be reclassified to short-term when the order issued by the Brazilian IRS (RFB) is favorable to the Company.

The balance of ICMS tax recoverable stems from tax credits on purchase of goods used for resale, as per prevailing legislation, Management has several alternatives for using the balance in the coming months.

Humberg Agribrasil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021

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

7. Investments

The functional currency of the subsidiary abroad is the Brazilian Real, the same functional currency of its parent company, since it is an extension of the Company's operations. Assets and liabilities are recorded in US Dollar and translated into to the Brazilian Real at the exchange rate prevailing at the transaction date. At year-end the effects in Reais of changes in rates on foreign-currency transactions are recorded in finance costs.

	Interest (%)	Units of interest	Equity	Equity pickup	Total
Agribrasil Global Markets					
12/31/2020	100%	349,500	350	28,201	28,550
12/31/2021	100%	30,482,050	30,483	65,175	95,658
Portoeste Terminal Portuário de Ilhéus S.A.					
12/31/2020	40%	113,904	470	-	470
12/31/2021	40%	113,904	470	-	470

On July 28, 2020, 113,904 registered common shares without par value, fully subscribed and paid in, totaling R\$470, were paid up through transfer of the shares held by Frederico José Humberg in Portoeste - Terminal Portuário de Ilhéus S.A., a company based in the City of Ilhéus, State of Bahia, at Avenida Soares Lopes, no. 1.698, Centro, CEP 45.653-005, CNPJ/ME no. 11.086.111/0001-89, with its Articles of Incorporation duly filed with the Bahia State Commercial Registry (JUCEB) on April 28, 2021, under the identification number NIRE 29.300.029.921 ("Portoeste"). Portoeste was created in 2009 with the specific purpose of participating in the privatization program of the port of Ilhéus (PROAP) and has no significant assets. The Company has no control over it and the amount recorded was the amount paid by the Company's shareholder, and no gain or loss was computed in the transaction. Changes in this investment are as follows:

	<u>Individual</u>
Balance at December 31, 2020	29,020
Investment - Agribrasil Global Markets (*)	30,133
Equity pickup	36,974
Balance at December 31, 2021	96,127

(*) At December 31, 2021, the Company increased the capital of its subsidiary in the amount of R\$30,133 (equivalent to 4,900 CHF).

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021

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

7. Investments (Continued)

Main information on the Company's subsidiary is as under:

	Subsidiary	
	Switzerland	
	12/31/2021	12/31/2020
Assets		
Current assets		
Cash and cash equivalents	132,265	19,232
Trade accounts receivable	174,676	-
Derivative financial instruments	70,558	119,725
Total current assets	<u>377,499</u>	<u>138,957</u>
Total assets	<u>377,499</u>	<u>138,957</u>
Liabilities and equity		
Current liabilities		
Trade accounts payable	22,560	5
Related parties	223,994	9,289
Tax obligations	4,263	-
Derivative financial instruments	24,826	96,501
Total current liabilities	<u>275,643</u>	<u>105,795</u>
Tax obligations	5,962	-
Deferred income and social contribution taxes	-	4,612
Total noncurrent liabilities	<u>5,962</u>	<u>4,612</u>
Equity		
Capital	30,483	350
Retained earnings	65,175	28,201
Total equity	<u>95,894</u>	<u>28,550</u>
Total liabilities and equity	<u>377,499</u>	<u>138,957</u>

Until the year ended December 31, 2020, the Company calculated temporary differences as part of its deferred income tax. In the year ended December 31, 2021, the Company began to compute its taxation on an accrual basis, thus taxing its temporary differences. As such, the income tax amount for the year now contains the deferred tax for the year 2020 as a result of the change in the taxation regime. In the locality, the Company has 12 months to calculate the income tax, and may also pay the tax in installments, which is why the Company maintained the income tax amounts calculated in the year, under Noncurrent liabilities.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021

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

7. Investments (Continued)

	Subsidiary	
	Switzerland	
	12/31/2021	12/31/2020
Sales revenue, net	1,545,219	682,311
Cost of sales	(1,521,723)	(642,008)
Gross profit	23,496	40,303
Operating expenses (income)		
General and administrative expenses	(451)	(391)
Income before finance income (costs) and income and social contribution taxes	23,045	39,912
Finance income	3	121
Finance costs	(422)	(2,956)
Foreign exchange gains (losses), net	19,961	-
Finance income (costs)	19,542	(2,835)
Income before income and social contribution taxes	42,587	37,077
Current income and social contribution taxes	(10,225)	-
Deferred income and social contribution taxes	4,612	(4,612)
	(5,613)	(4,612)
Net income for the year	36,974	32,465

8. Trade accounts payable

Trade accounts payable refer to supply of goods for resale and services that do not bear interest and are usually settled within 30 to 90 days.

	Individual		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Trade accounts payable – domestic market	334,548	44,373	334,550	44,373
Trade accounts payable – foreign market	-	-	22,558	5
Total	334,548	44,373	357,108	44,378

The variations between the periods are due to a very atypical year-end; We found the opportunity to perform and load 9 ships between December/21 and January/22. This made us increase our volume of grain purchases at the end of the year, in order to meet customer demands (Exports).

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021

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

9. Loans and financing

a) Breakdown of loans and financing

Type	Interest	Maturity	Guarantees	Individual and Consolidated	
				12/31/2021	12/31/2020
ACC	5.0% - 5.5% p.a.	Feb/21	Surety	-	1,460
ACC	5.5% - 6.0% p.a.	Mar/21	Surety	-	9,800
ACC	8.0% - 8.5% p.a.	Mar/21	Surety	-	4,173
ACC	4.5% - 5.0% p.a.	Apr/21	Surety	-	5,293
ACC	5.0% - 5.5% p.a.	Apr/21	Surety	-	6,244
ACC	4.0% - 4.5% p.a.	May/21	Surety	-	2,927
ACC	5.0% - 5.5% p.a.	Jun/21	Surety	-	8,584
ACC	4.0% - 4.5% p.a.	Sept/21	Surety	-	10,516
ACC	5.5% - 6.0% p.a.	Oct/21	Surety	-	5,662
ACC	4.5% - 5.0% p.a.	Oct/21	Surety	-	4,977
ACC	4.5% - 5.0% p.a.	Nov/21	Surety	-	2,094
FIDC	7.0% - 7.5% p.a.	Jan/22	Inventory	93,862	-
ACC	4.5% - 5.0% p.a.	Feb/22	Surety	5,816	-
ACC	5.0% - 5.5% p.a.	Feb/22	Surety	3,266	-
ACC	5.5% - 6.0% p.a.	Feb/22	Surety	5,267	-
ACC	3.5% - 4.0% p.a.	Feb/22	Surety	11,399	-
ACC	4.0% - 4.5% p.a.	Feb/22	Surety	11,125	-
ACC	3.5% - 4.0% p.a.	Feb/22	Surety	10,193	-
ACC	5.0% - 5.5% p.a.	Mar/22	Surety	8,687	-
ACC	3.5% - 4.0% p.a.	Mar/22	Surety	14,120	-
ACC	4.0% - 4.5% p.a.	Apr/22	Surety	23,047	-
ACC	4.5% - 5.0% p.a.	Apr/22	Surety	6,057	-
ACC	3.5% - 4.0% p.a.	Apr/22	Surety	11,331	-
ACC	4.5% - 5.0% p.a.	Mai/22	Surety	27,972	-
ACC	5.0% - 5.5% p.a.	May/22	Surety	5,607	-
ACC	4.0% - 4.5% p.a.	May/22	Surety	17,474	-
ACC	3.5% - 4.0% p.a.	May/22	Surety	2,663	-
ACC	3.5% - 4.0% p.a.	Jun/22	Surety	4,923	-
ACC	4.0% - 4.5% p.a.	Jun/22	Surety	20,908	-
ACC	3.5% - 4.0% p.a.	Aug/22	Surety	38,483	-
ACC	3.5% - 4.0% p.a.	Oct/22	Surety	5,619	-
ACC	3.5% - 4.0% p.a.	Dec/22	Surety	2,799	-
In foreign currency				330,618	61,730
NCE	CDI + 0.19% p.m.	Aug/22	Surety	5,480	-
NCE	CDI + 0.19% p.m.	Aug/23	Surety	5,000	-
NCE	CDI + 0.19% p.m.	Aug/24	Surety	5,000	-
		Jan/22 -			
NCE	CDI + 0.28% p.m.	Dec/22	Surety	7,913	-
		Jan/23 -			
NCE	CDI + 0.28% p.m.	Nov/23	Surety	12,222	-
			Surety +		
NCE	CDI + 4.30% p.a.	Jan/23 - Oct/26	shares	120,000	-
FGI-BNDES	320% of CDI p.a.	Oct/22	Surety	868	1,502
In local currency				156,483	1,502
Grand total				487,101	63,232
Total loans (current)				344,879	61,730
Total loans (noncurrent)				142,222	1,502
				487,101	63,232

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021

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

9. Loans and financing (Continued)

a) Breakdown of loans and financing (Continued)

Surety on foreign exchange contract (ACC) advances is given by the Company's administrator. Part of the Company's inventories is pledged as collateral for borrowings.

b) Scheduled repayments

Set out below are the scheduled loan repayments as per books:

Type	Individual and Consolidated					12/31/2021
	2022	2023	2024	2025	2026	Total
ACC	236,756	-	-	-	-	236,756
FIDC	93,862	-	-	-	-	93,862
FGI (BNDES)	868	-	-	-	-	868
NCE	13,393	23,889	45,000	40,000	33,333	155,615
Total	344,879	23,889	45,000	40,000	33,333	487,101

Scheduled loan repayments considering interest through maturity:

Type	Individual and Consolidated					12/31/2021
	2022	2023	2024	2025	2026	Total
ACC	245,492	-	-	-	-	245,492
FIDC	93,862	-	-	-	-	93,862
FGI (BNDES)	1,035	-	-	-	-	1,035
NCE	32,192	40,758	57,665	47,016	35,259	212,890
Total	372,581	40,758	57,665	47,016	35,259	553,279

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

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9. Loans and financing (Continued)

c) Covenants

Based on the clauses of the contracts in force, the Company must comply with the following financial covenants, which are measured annually at December 31, as under:

- Maintenance of the ratio between Net Debt (comprising loans plus or minus the balance of derivative financial instruments, less the balance of cash and cash equivalents, inventories) and Adjusted EBITDA (comprising EBITDA minus nonoperating results, defined as sale of assets, provisions/reversals of contingencies, provision for impairment of assets and restructuring expenses), at a level equal to or less than 4.5 times, which will be calculated annually on the consolidated financial statements. For this calculation, the adjusted EBITDA of the last 12 (twelve) months is considered.

The Company periodically monitors the financial indicators that may impact the covenants; at December 31, 2021, it reached the indicators in relation to the covenants. The restrictions imposed are usual in operations of this nature and do not limit the Company's ability to conduct its business to date.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

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10. Lease contracts

On August 31, 2021, the Company applied the practical expedient of CPC 26 - IFRS16 in relation to the definition of a lease agreement, applying the criteria for the right to control and obtain benefits from the identifiable asset, contract term exceeding 12 months, expectation of contractual renewal term, fixed consideration and significance of the value of the leased asset. The Company's lease agreement refers to the lease of the administrative headquarters property, with a remaining term of 5 years.

The Company arrived at its incremental interest rates based on the risk-free interest rates observed in the Brazilian market, for the terms of its contracts, adjusted to the Company's reality ("credit spread").

a) Changes in balances of right-of-use assets and lease liabilities (Individual and Consolidated)

	<u>Rent</u>	<u>Lease liabilities</u>
Balance at December 31, 2020	-	-
Measurement	2,072	(2,072)
Amortization	(167)	-
Finance charges	-	85
Payments made	-	51
Remeasurement (rate adjustment)	(68)	68
Balance at December 31, 2021	<u>1,837</u>	<u>(1,868)</u>
Current liabilities		(525)
Noncurrent liabilities		(1,343)

11. Current and deferred income and social contribution taxes

a) Current income and social contribution taxes

The reconciliation to the effective result of the effective rate for the periods from January 1, 2021 to December 31, 2021 and January 1, 2020 to December 31, 2020 is as under for individual and consolidated.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

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

11. Current and deferred income and social contribution taxes (Continued)

a) Current income and social contribution taxes (Continued)

	Individual		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Income before income and social contribution taxes	9,340	28,987	14,953	33,599
Statutory rate - 34%	(3,176)	(9,856)	(5,084)	(11,424)
Granted shares options	(925)	(832)	(925)	(832)
Profit for tax purposes - subsidiaries	3,729	4,450	-	-
Other permanent exclusions (additions) (*)	153	428	177	1,834
	(219)	(5,810)	(5,832)	(10,422)
Effective rate	-2,34%	-20,04%	-39,00%	-31,02%
Current tax expenses	(1,518)	(19,285)	(11,743)	(19,285)
Deferred tax expenses	1,299	13,475	5,911	8,863

(*) Income tax calculated at the rate of 14% for the subsidiary based in Switzerland, so that the difference in the rate is shown under Other permanent exclusions (additions).

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Notes to individual and consolidated financial statements (Continued)

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

11. Current and deferred income and social contribution taxes (Continued)

b) Deferred income and social contribution taxes

Deferred income and social contribution taxes are recorded to reflect future tax effects attributable to temporary differences between the tax base of assets and liabilities and their respective carrying amount.

At December 31, 2021 and 2020, deferred income and social contribution taxes derive from:

	Individual		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Derivative financial instruments	34,029	32,583	34,029	36,317
Provision for inventory breakage	1,877	-	1,877	-
Provision for port costs	797	-	797	-
Provision for bonus and profit sharing	241	1,171	241	1,171
Provision for contingencies	212	-	212	-
Provision for expenses	23	-	23	-
Effect on international subsidiary (*)	10,225	4,612	10,225	-
Other provisions	-	2,743	-	2,743
Deferred tax assets	47,404	41,109	47,404	40,231
Derivative financial instruments and other MTM	(30,380)	(31,390)	(30,380)	(35,124)
Inventories MTM	(4,665)	-	(4,665)	-
Other temporary differences	(1,341)	-	(1,341)	-
Deferred tax liabilities	(36,386)	(31,390)	(36,386)	(35,124)
Deferred income tax assets (liabilities), net	11,018	9,719	11,018	5,107
Result of deferred taxes	1,299	13,475	5,911	8,863

(*) Until the year ended December 31, 2020, the Company calculated temporary differences as part of its deferred income tax in the subsidiary. In the year ended December 31, 2021, the Company began to compute its taxation on an accrual basis and as such, the subsidiary's deferred tax amounts in the period were equal to zero; the effect of the payment to be recovered is thus not eliminated.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021

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

12. Provision for contingencies

Possible likelihood of loss

Provisions for probable losses arising from these claims and proceedings are estimated and adjusted by the Company, supported by the opinion of external legal advisors.

As at December 31, 2021 and 2020, the Company was party to labor claims that resulted in provisions amounting to R\$623. At these dates, there were no provisions for civil and tax proceedings, as there were no claims classified as probable loss for the Company.

Judicial deposits

In year 2021, the Company deposited in court the amount of R\$5,525, to ensure the Company's right to discuss the recovery of certain physical soybean contracts that were not delivered in this period. Until the period ended December 31, 2021, the Company settled the amount of R\$4,938, the amount of R\$587 remaining, under discussion at civil court.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021

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

13. Equity

a) Capital

On May 31, 2020, by means of the 12th contractual amendment, member Acauã Sena Mahfuz assigned and transferred to Humberg Consultoria Empresarial Eirelli the sole unit of interest held by him in the Company's capital in the amount of R\$1.00, which represented 0.001% of that fully subscribed for and paid-in capital, withdrawing from the Company. Further, by operation of the same contractual amendment, the Company contributed R\$420 to its capital, as advance credit for future capital contribution (AFAC) held by member Frederico José Humberg.

On the same date, member Frederico José Humberg contributed to the Company's capital R\$470 that he held in the capital of Portoeste (Ilhéus S.A. port terminal), a joint stock company headquartered in the city of Ilhéus, State of Bahia, through the transfer of 113,904 registered common shares, without par value, fully subscribed and paid-in in the aforementioned Company (Note 1). The Company's subscribed and paid-in capital increased from that date to R\$1,990, totaling 1,100,000 shares with a par value of R\$1.81 (one real and eighty-one BRL cents).

At December 31, 2020, the legal reserve was established up to the limit of 20% of the capital before that subsequent increase.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021

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

13. Equity (Continued)

a) Capital (Continued)

As per the Minutes of the Company's Special General Meeting (SGM) held on December 31, 2020, the Company's managing officers had decided to allocate the amount of R\$13,409 of its profit to increase capital, totaling a subscribed and paid-in capital of R\$15,400 corresponding to the total of 1,100,000 shares at a par value of 14.00 (fourteen reais) each, also deciding to keep the dividends distributed in R\$1,368 already advanced during the year, thus setting up income reserve amounting to R\$10,240.

On July 15, 2021, pursuant to the Minutes of the SGM, there was a split of the shares issued by the Company in the proportion of 1:80 (one for eighty), whereby each share was now represented by eighty shares, with the capital of the Company to be divided into 88,000,000 (eighty-eight million) book-entry registered common shares with no par value, granting their holders the same rights and full benefits applied to currently existing shares.

Shareholders	12/31/2021			12/31/2020		
	Shares	Equity interest	R\$	Shares	Equity interest	R\$
Frederico José Humberg	81,628,800	92.76%	14,285	87,999,920	100%	15,400
Acauã Sena Mahfuz	4,400,000	5.00%	770	-	0%	-
Ney Nelson Machado de Sousa	1,056,000	1.20%	185	-	0%	-
Pedro Lunardeli Salles	440,000	0.50%	77	-	0%	-
Paulo Guilherme Rache Humberg	176,000	0.20%	31	-	0%	-
Stephane Frappat	176,000	0.20%	31	-	0%	-
Jonatas Brito do Nascimento So	88,000	0.10%	15	-	0%	-
Humberg Consultoria Empresarial	-	0.00%	-	80	0%	-
Treasury shares	35,200	0.04%	6	-	0%	-
Other	-	0%	-	-	0%	-
	88,000,000	100%	15,400	88,000,000	100%	15,400

b) Allocation of income for the year and dividends

On April 12, 2021, through the Annual and Special General Meeting (ASM and SGM), the Company decided to distribute dividends in national currency equivalent to 21.79% of the balance of its income reserve, after deducting the legal reserve, in proportion to its shareholders, to be paid during the fiscal year in the total amount of R\$5,497, to which R\$1,368 had already been paid up to December 31, 2020, and the remaining R\$4,129 to be paid in full as of that date. The remaining balance of the calculated net income, already deducting the aforementioned amounts, corresponding to R\$6,110, from the reserve set up until December 31, 2020 was retained by the Company in Income reserve.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021

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

13. Equity (Continued)

b) Allocation of income for the year and dividends (Continued)

On June 15, 2021, through an SGM, the Company decided to distribute the remainder of the amount retained in Income reserve corresponding to R\$6,110 with payment up to January 31, 2022.

On August 18, 2021, the Company revised the amounts accumulated in its income reserve as at December 31, 2020, reducing the amount by R\$2,447 given the need to review its financial statements for the year then ended. As such, part of the previously approved dividends were re-ratified at the Special General Meeting, which transferred the amount of R\$2,447 to the advance on dividends for year 2021.

As of December 31, 2021, the remaining balance of dividends related to December 31, 2020 was R\$800.

The distribution of dividends to the Company's shareholders is recognized based on the minimum mandatory dividends defined in the bylaws, which establish a minimum payment of 25% of net income for the year. Due to the advanced dividends triggered by the re-ratification of dividends distributed in the amount of R\$2,447 during the fiscal year, equivalent to 26% of net income for 2021, the Company chose not to distribute the remaining amount, accumulating the balance of R\$6,218 in its Income reserve, in order to assist in its expansion plan, since its bylaws do not provide for the mandatory allocation of other reserves in addition to the legal reserve required by the Brazilian Corporation Law.

c) Earnings (loss) per share

Basic and diluted net earnings per share is calculated by dividing the Company's net income, attributable to controlling and minority shareholders, by the weighted average number of shares existing in the year. The calculations of basic and diluted earnings per share, already considering the effect of the stock split are as follows:

	Individual and Consolidated			
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Net income for the year	9,121	23,177	9,121	23,177
Weighted average number of shares in the period (in thousand)	88,000	88,000	88,000	88,000
Net earnings per share - basic and diluted (after the split)	0.10	0.26	0.10	0.26

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Notes to individual and consolidated financial statements (Continued)

December 31, 2021

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

13. Equity (Continued)

d) Share-based payment

In order to attract and retain talent, in years 2020 and 2021, some executives and members of the Company's management were granted options to acquire shares owned by controlling shareholder Frederico José Humberg at an exercise price equivalent to the estimated price of share market on the grant date. Although these shares are acquired directly from the controlling shareholder, with no direct effects on the Company, the Company records a share-based payment reserve to recognize the amount of compensation paid in shares based on shares offered to the grantees, since the Company is the beneficiary of the services provided in accordance with CPC 10 (R1).

The options will be exercisable after a liquidity event and after the 5-year grace period during which the beneficiary must remain employed, and also: (i) the liquidity event in which the controlling shareholder has at least 10% of its shares in the Company, (ii) filing with the CVM the registration of an initial public offering of the Company's shares on B3-Brasil, Bolsa, Balcão S.A. (except if the Company's shares are traded on BOVESPA MAIS), or in the absence of a liquidity event, after the 10th anniversary of the aforementioned agreement, the grantee shall have the right to exercise for 10 years the right to sell all the shares invested (Put Option) for an amount equal to 90% of the Company's equity value on the date of exercise; likewise, the grantor will have the right to buy (Call Option) for 110% of the book value at the time of the exercise. This agreement will be effective for a period of 20 years from the date of its signature.

The fair value of options is estimated at the date of grant using a Monte-Carlo simulation model, which considers simulations of the Company's potential results (EBITDA, Operating Value, Debt and Business Value), as well as the terms and conditions under which the instruments were granted.

There are no other employee stock option plans. The Company started to calculate and record the fair value of the options at December 31, 2021 and 2020 so that the value of the immediate grant and that of the first grant are the same.

The expected period of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. Expected volatility reflects the assumption that comparable market volatility - given that the Company does not have historical market data to date - is indicative of future trends, which may not correspond to the actual scenario.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021

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

13. Equity (Continued)

d) Share-based payment (Continued)

The Company's stock option grants by the controlling shareholder were distributed as at December 31, 2021 and 2020 considering the total balance of outstanding stock options granted, as under:

December 31, 2020

Key management members	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V	Total
Statutory officers	528,000	528,000	528,000	528,000	528,000	2,640,000
Non-statutory officers	792,000	792,000	792,000	792,000	792,000	3,960,000
Other officers	35,200	123,200	123,200	123,200	211,200	616,000
Total granted	1,355,200	1,443,200	1,443,200	1,443,200	1,531,200	7,216,000
Total vested/exercisable	1,355,200	-	-	-	-	1,355,200

December 31, 2021

Key management members	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V	Total
Board member	-	-	176,000	176,000	176,000	528,000
Statutory officers	-	-	528,000	528,000	528,000	1,584,000
Non-statutory officers	-	440,000	404,800	404,800	404,800	1,654,400
Other officers	-	-	123,200	123,200	211,200	457,600
Total options outstanding	-	440,000	1,232,000	1,232,000	1,320,000	4,224,000
Total vested/exercisable	-	440,000	-	-	-	440,000

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021

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

13. Equity (Continued)

d) Share-based payment (Continued)

The Options must be exercised within a maximum period of 10 (ten) years, observing the grace period and permanence of the executive and/or managing officer of the Company. Options not exercised within the maximum term will cease to exist.

Exercise of options (*)	Anniversary	1 st Grant			2 nd Grant			Total		
		Quantity granted	Quantity accounted for	Amount accounted for	Quantity granted	Quantity accounted for	Amount accounted for	Quantity granted	Quantity accounted for	Amount accounted for
20%	first	1,355,200	2,661,120	1,069	176,000	352,000	196	1,531,200	3,013,120	1,265
20%	second	1,443,200	807,602	727	176,000	46,933	80	1,619,200	854,535	807
20%	third	1,443,200	582,703	544	176,000	26,074	47	1,619,200	608,777	591
20%	fourth	1,443,200	456,958	352	176,000	18,052	34	1,619,200	475,010	386
20%	fifth	1,531,200	18,754	20	176,000	-	-	1,707,200	18,754	20
		7,216,000	4,527,137	2,712	880,000	443,059	357	8,096,000	4,970,196	3,069

(*) Exercisable after liquidity event or after 10 years via PUT/CALL option instrument.

The provisions governing the Stock Option Plan are set out individually in contracts executed between the controlling shareholder and the executives and members of the Company's management.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021

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

13. Equity (Continued)

d) Share-based payment (Continued)

The following is a breakdown of the assumptions that govern each grant plan and changes thereto:

Issue date – Sept 30, 2020	1 st Grant					Total
	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V	
Fair value of the vesting option	0.70	0.70	0.71	0.71	0.72	N/A
Estimated strike price	0.56	0.56	0.56	0.56	0.56	N/A
Risk-free interest rate (%)	2.64 %	4.42%	5.50%	5.79%	5.79%	N/A
Contractual exercise time	10	10	10	10	10	N/A
Expected dividend yield	0%	0%	0%	0%	0%	N/A
Market share volatility %	28.6%	28.6%	28.6%	28.6%	28.6%	N/A
Total options outstanding	1,355,200	1,056,000	1,056,000	1,056,000	1,144,000	5,667,200
Number of options granted	1,355,200	1,443,200	1,443,200	1,443,200	1,531,200	7,216,000
Number of canceled shares	350,200	387,200	387,200	387,200	387,200	1,901,000
Number of shares vested/exercisable	1,005,000	1,056,000	-	-	-	2,059,000
Number of options exercised	1,003,000	616,000	-	-	-	1,619,000
Number of options exercisable	-	440,000	1,056,000	1,056,000	1,144,000	3,696,000
Estimated fair value (R\$/share)	1.26	1.26	1.27	1.27	1.28	N/A

Issue date – Oct 31, 2021	2 nd Grant					Total
	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V	
Fair value of the vesting option	0.56	0.68	0.72	0.76	0.79	N/A
Estimated strike price	1.88	1.88	1.88	1.88	1.88	N/A
Risk-free interest rate (%)	5.16%	5.95%	6.16%	6.14%	6.12%	N/A
Contractual exercise time	10	10	10	10	10	N/A
Expected dividend yield	0%	0%	0%	0%	0%	N/A
Market share volatility %	28.6%	28.6%	28.6%	28.6%	28.6%	N/A
Total options outstanding	176,000	176,000	176,000	176,000	176,000	880,000
Number of options granted	176,000	176,000	176,000	176,000	176,000	880,000
Number of canceled shares	-	-	-	-	-	-
Number of shares vested/exercisable	176,000	176,000	-	-	-	352,000
Number of options exercised	176,000	176,000	-	-	-	352,000
Number of options exercisable	-	-	176,000	176,000	176,000	528,000
Estimated fair value (R\$/share)	2.43	2.56	2.59	2.63	2.67	N/A

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Notes to individual and consolidated financial statements (Continued)

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13. Equity (Continued)

d) Share-based payment (Continued)

Below are the changes in the options of the two grants in the year:

	1 st Grant					Total
	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V	
Position of options at 12/31/2020	1,355,200	1,443,200	1,443,200	1,443,200	1,531,200	7,216,000
Options canceled	-	(387,200)	(387,200)	(387,200)	(387,200)	(1,548,800)
Repurchased stock option	(352,200)	-	-	-	-	(387,200)
Options exercised	(1,003,000)	(616,000)	-	-	-	(1,619,000)
Options balance at 12/31/2021	-	440,000	1,056,000	1,056,000	1,144,000	3,696,000
Options exercisable at 12/31/2021	-	-	-	-	-	2,411,200
	2 nd Grant					
	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V	Total
Position of options at 12/31/2020	-	-	-	-	-	-
Options granted	176,000	176,000	176,000	176,000	176,000	880,000
Options canceled	-	-	-	-	-	-
Options exercised	(176,000)	(176,000)	-	-	-	(352,000)
Options balance at 12/31/2021	-	-	176,000	176,000	176,000	528,000
Options exercisable at 12/31/2021	-	-	-	-	-	352,000
	Total grants					
	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V	Total
Position of options at 12/31/2020	1,355,200	1,443,200	1,443,200	1,443,200	1,531,200	7,216,000
Options granted	176,000	176,000	176,000	176,000	176,000	880,000
Options canceled	-	(387,200)	(387,200)	(387,200)	(387,200)	(1,548,800)
Repurchased stock option	(350,200)	-	-	-	-	(350,200)
Options exercised	(1,179,000)	(792,000)	-	-	-	(1,971,200)
Options balance at 12/31/2021	-	440,000	1,232,000	1,232,000	1,320,000	4,224,000
Options exercisable at 12/31/2021	-	440,000	-	-	-	440,000

Below is the reconciliation of the options granted thus far:

Event description	Total balances at 12/31/2021
Amount measured in the reserve at end of year	3,998
Reversal of reserve for repurchase	(929)
Reserve amount recorded	3,069
Additional amount paid to shareholder for repurchase	2,198
Cancellations	(100)
Total recorded	5,167

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Notes to individual and consolidated financial statements (Continued)

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13. Equity (Continued)

e) Transaction terms, share repurchase and settlement

On July 21, 2021, the Company's controlling shareholder entered into terms of repurchase and settlement of vested and unvested options with one of its executives in an amicable manner for the acquisition of 4,400 shares (352 thousand after the split) for the amount of R\$2,198.

On October 15, 2021, the Company's controlling shareholder entered into terms of repurchase and settlement of vested and unvested options with one of its executives in an amicable manner for the acquisition of 35.2 thousand shares for the amount of R\$100.

14. Sales revenue, net

	Individual		Consolidated	
	1/1/2021 to 12/31/2021	1/1/2020 to 12/31/2020	1/1/2021 to 12/31/2021	1/1/2020 to 12/31/2020
Gross operating revenue	1,690,388	1,173,551	2,211,656	1,443,438
Sales taxes	(16,767)	(2,837)	(16,767)	(2,837)
Returns	(10,752)	(72,411)	(10,752)	(72,411)
Total	1,662,869	1,098,303	2,184,137	1,368,190
Foreign market	1,180,642	1,036,093	1,701,910	1,305,995
Domestic market	482,227	62,209	482,227	62,194
Total	1,662,869	1,098,302	2,184,137	1,368,189

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15. Cost of commodities sold by nature

	Individual		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Cost				
Cost of commodities	(1,472,533)	(868,852)	(1,947,509)	(1,088,270)
Logistics costs	(171,117)	(187,344)	(193,915)	(210,043)
	(1,643,650)	(1,056,196)	(2,141,424)	(1,298,313)
MTM				
Gains (losses) - futures contracts	(11,132)	(16,203)	(11,132)	(3,671)
Inventories MTM	13,320	(441)	13,320	(441)
	2,188	(16,644)	2,188	(4,112)
	(1,641,462)	(1,072,840)	(2,139,236)	(1,302,425)

The Company's statement of profit or loss is presented based on the classification of expenses according to its functions, thus the Company classifies as costs any gains and losses on commodity futures contracts, as well as NDF contracts used to hedge its commodities contracts.

16. General and administrative expenses and selling expenses

	Individual		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Salaries, social contributions and employee benefits	9,793	9,119	9,793	9,119
Third-party services	6,012	6,815	6,461	7,207
Lease and maintenance expenses	464	317	464	317
Travel and telecommunication expenses	557	502	557	502
Depreciation and amortization	253	141	253	141
Vehicle expenses	238	94	238	94
Maintenance and license expenses	-	351	-	351
Lawsuit expenses (Nota 12)	623	-	623	-
Other	498	553	498	553
	18,438	17,892	18,887	18,284

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Notes to individual and consolidated financial statements (Continued)

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17. Finance income (costs)

	Individual		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Finance income				
Short-term investment income	525	159	525	159
Discounts received	145	144	148	267
	670	303	673	426
Finance costs				
Interest – prepaid receivables	(1,320)	(93)	(1,320)	(93)
Interest on loans and financing	(9,703)	(5,600)	(9,703)	(5,600)
Financial commissions	(745)		(1,105)	
Other finance costs	(1,153)	(390)	(1,215)	(855)
	(12,921)	(6,083)	(13,343)	(6,548)
Foreign exchange gains (losses), net	(18,352)	(5,268)	1,609	(7,760)
	(30,603)	(11,048)	(11,061)	(13,882)
Finance income (costs), net	(12,251)	(5,780)	(12,670)	(6,122)
Foreign exchange gains (losses)	(18,352)	(5,268)	1,609	(7,760)

Foreign exchange gains (losses) are presented net for comparison purposes and basically arise from transactions in US dollars, in export, accounts receivable and loans in foreign currency.

18. Related parties

a) Commodities

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

	Individual	
	12/31/2021	12/31/2020
Accounts receivable		
Agribrazil Global Markets	223,994	9,289
	223,994	9,289
Revenues		
Agribrazil Global Markets	1,023,949	412,423
	1,023,949	412,423

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

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

18. Related parties (Continued)

a) Commodities (Continued)

Transactions between group companies refer to sales of commodities. The main related-party transactions that affected profit or loss for the years were conducted based on specific prices agreed between the companies.

b) Key management personnel compensation

	<u>12/31/2021</u>	<u>12/31/2020</u>
Board member	362	-
Fixed compensation	5	-
Variable compensation	-	-
Share-based payment	357	-
Benefits	-	-
Statutory officers	1,535	1,980
Fixed compensation	947	625
Variable compensation	-	450
Share-based payment	535	858
Benefits	53	47
Non-statutory officers	605	3,948
Fixed compensation	872	942
Variable compensation	-	1,494
Share-based payment	(313)	1,446
Benefits	46	66
Other officers	488	802
Fixed compensation	352	396
Variable compensation	80	250
Share-based payment	43	142
Benefits	13	14
Total	2,990	6,730

The controlling shareholder's compensation in the period ended December 31, 2021, allocated by means of dividends totaled R\$10,241, of which R\$9,441 was paid in the year and R\$800 is payable as at December 31, 2021.

Some of the Company's executives are also included in the Share-Based Payment Plan (Stock Options), described in Note 13.d and are presented under General and administrative expenses in the statement of profit or loss.

The Board of Directors is formed by Paulo Guilherme Rache Humberg, a related party of shareholder Frederico José Humberg.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

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19. Risk management and financial instruments

At December 31, 2021, the fair value of derivative financial instruments is equivalent to the amount recorded under Level 2, in accordance with the criteria determined by the fair value hierarchy.

NDFs are measured at present value, at the market rate as of the reporting date, through the future flow determined by applying contractual rates until maturity, based on the US dollar projections observed in futures contracts registered at B3 (Brasil, Bolsa, Balcão) S.A.

The fair value of financial assets and liabilities is included in the amount for which a financial instrument could be exchanged in a current transaction between willing parties, and not in a forced sale or settlement. The amounts of the key financial assets and liabilities at fair value approximate their carrying amounts, as follows:

Fair value measurement

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;

Level 2 - valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 - valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021

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

19. Risk management and financial instruments (Continued)

Fair value measurement (Continued)

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

Financial instruments

At December 31, 2021 and 2020, the Company did not use hedge accounting.

	Individual		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
<u>Assets</u>				
Outstanding contract position (a)	63,594	79,554	83,470	129,447
NDF transactions (b)	25,760	12,372	25,760	12,372
	89,354	91,926	109,230	141,819
<u>Liabilities and equity</u>				
Outstanding contract position (a)	82,974	86,717	57,118	113,385
NDF transactions (b)	17,111	9,116	17,111	9,116
	100,085	95,833	74,229	122,501

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021

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

19. Risk management and financial instruments (Continued)

Financial instruments (Continued)

(a) Refers to mark-to-market of contracts for (physical) purchase and sale of commodities.

(b) Represent market values of outstanding positions of NDFs assigned to hedge the effects of exchange rate fluctuations (in conformity with CPC 48 and CPC 39).

Financial instruments fair value calculation methodology

Summary of NDFs

	Currency	Individual and Consolidated				
		Notional value		Fair value (MTM)		
		12/31/2021	12/31/2020	12/31/2021	12/31/2020	
NDF:						
Short position	In thousands of USD	(201,219)	(49,205)	BRL	(1,352)	3,701
Long position	In thousands of USD	74,091	46,215	BRL	9,850	(445)
Total		(127,128)	(2,990)		8,498	3,256

Summary of financial instruments - assets and liabilities (book value)

The table below shows a comparison, by class, of the book value and the fair value of the Company's financial instruments presented in the financial statements:

	Fair value hierarchy level	Individual			
		Book value		Fair value	
		12/31/2021	12/31/2020	12/31/2021	12/31/2020
Assets					
Cash and cash equivalents	2	147,965	85,341	147,965	85,341
Trade accounts receivable	2	99,935	2,430	99,935	2,430
Related parties	7	223,994	9,289	223,994	9,289
Derivative financial instruments	2	89,354	91,926	89,354	91,926
		561,248	188,986	561,248	188,986
Liabilities and equity					
Trade accounts payable	2	334,548	44,373	334,548	44,373
Loans and financing	2	487,101	63,232	492,552	63,232
Derivative financial instruments	2	100,085	95,833	100,085	95,833
		921,734	203,438	927,185	203,438

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021

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

19. Risk management and financial instruments (Continued)

Financial instruments fair value calculation methodology (Continued)

Summary of financial instruments - assets and liabilities (book value) (Continued)

	Fair value hierarchy level	Consolidated			
		Book value		Fair value	
		12/31/2021	12/31/2020	12/31/2021	12/31/2020
Assets					
Cash and cash equivalents	2	280,230	104,573	280,230	104,573
Trade accounts receivable	2	274,611	2,430	274,611	2,430
Derivative financial instruments	2	109,230	141,819	109,230	141,819
		664,071	248,822	664,071	248,822
Liabilities and equity					
Trade accounts payable	2	357,108	44,378	357,108	44,378
Loans and financing	2	487,101	63,232	492,552	63,232
Derivative financial instruments	2	74,229	122,501	74,229	122,501
		918,438	230,111	923,889	230,111

The Company's sales revenues derive mainly from the sale of agricultural commodities, such as soybean and corn. The prices of these products are quoted in US dollar with reference to futures contracts traded on international exchanges. Thus, the international price of the commodity and the exchange rate are market risks to which the Company is exposed.

Furthermore, the Company enters into loans in the financial market at fixed rates in US dollars. Therefore, the Company is exposed to the risk of changes in exchange rates, but not to interest rate risks.

As a commodity trader, the Company assumes commitments classified as derivative financial instruments measured at fair value through profit or loss, such as:

- Purchase and sale contracts for transfer of commodities at a future date and at a fixed price. These contracts are priced based on the futures contract price traded on the CME (Chicago Mercantile Exchange), another differential defined by the location of the commodity called Basis. These contracts are usually settled through the physical transfer of the commodity, however they can also be settled financially.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

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

19. Risk management and financial instruments (Continued)

Financial instruments fair value calculation methodology (Continued)

Summary of financial instruments - assets and liabilities (book value) (Continued)

- **Futures commodities contracts:** these are standard derivative contracts traded on the stock exchange, which are entered into by the Company in order to hedge commodity purchase and sale contract positions. Usually these contracts are settled financially through payment or receipt of the difference between the contract price and the market price on the date of their settlement. Changes in the fair value of these instruments is debited or credited daily to a margin deposit account.
- **Currency term contracts:** these are non-standard derivative contracts entered into with financial institutions, under which it is possible to negotiate future exchange rates, thus allowing to determine in advance the amount in reais corresponding to an amount in foreign currency that will be settled in the future. Similarly to futures contracts, NDFs are settled financially through payment or receipt of the difference between the contract exchange rate and the market exchange rate at the date of their settlement.

These statements present information on the Company's exposure to each risk, the Company's objectives, policies and processes for measurement, risk management and capital management. Further quantitative disclosures are included throughout these financial statements.

The Company has no interest rate risks with its financial instruments since its contracts follow prefixed interest terms.

The Company is exposed to the following risks arising from the use of financial instruments:

a) Credit risk

Credit risk is the risk of financial losses for the Company in the event a customer or a counterparty to a financial instrument fails to comply with its contractual obligations arising from the Company's receivables, represented mainly by cash and cash equivalents, trade accounts receivable and other receivables.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021

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

19. Risk management and financial instruments (Continued)

Financial instruments fair value calculation methodology (Continued)

Summary of financial instruments - assets and liabilities (book value) (Continued)

a) Credit risk (Continued)

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	Individual		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Cash and cash equivalents	147,965	85,341	280,230	104,573
Trade accounts receivable	99,935	2,430	274,611	2,430
Related parties	223,994	9,289	-	-
Derivative financial instruments	89,354	91,926	109,230	141,819
	561,248	188,986	664,071	248,822

The corporate risk management policy requires the Company to regularly assess the risk associated with its cash flow, as well as risk mitigation proposals. Risk mitigation strategies are implemented with the purpose of reducing risks in relation to the fulfillment of commitments assumed by the Company, both with third parties and with its shareholders. The Company has highly liquid short-term investments that are readily convertible into a known amount of cash.

With respect to financial institutions, the Company makes investments in fixed-income securities only with low risk financial institutions evaluated by credit rating agencies.

The Company did not record allowance for doubtful accounts for the years ended December 31, 2021 and 2020.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021

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

19. Risk management and financial instruments (Continued)

Financial instruments fair value calculation methodology (Continued)

Summary of financial instruments - assets and liabilities (book value) (Continued)

b) Currency risk

Currency risk arises from the possibility of fluctuations in exchange rates of foreign currencies used by the Company for acquisition of raw materials and of financial instruments, and for sale of products. In addition to payables and receivables in foreign currencies.

For currency exposures, the Company enters into currency-term derivatives known as Non Deliverable Forward (NDF). Hedging derivative financial instruments are backed by the sales of products in the foreign market agreed for the next periods.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021

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

19. Risk management and financial instruments (Continued)

Financial instruments fair value calculation methodology (Continued)

Summary of financial instruments - assets and liabilities (book value) (Continued)

b) Currency risk (Continued)

Currency sensitivity analysis

For the sensitivity analysis of currency hedging instruments, management has adopted for the probable scenario the same rates used in the statement of financial position, and for scenarios II and III, an increase and decrease of 25% and 50% in the future dollar rate were estimated, respectively.

	Consolidated				
	12/31/2021				
	Scenarios				
	I - Probable	II - 25%	III - 50%	IV - (25%)	V - (50%)
Currency risk					
NDF transactions	8,649	(176,750)	(353,652)	176,750	353,652
	8,649	(176,750)	(353,652)	176,750	353,652

	Consolidated				
	12/31/2020				
	Scenarios				
	I - Probable	II - 25%	III - 50%	IV - (25%)	V - (50%)
Currency risk					
NDF transactions	3,256	(3,839)	(7,677)	3,839	7,677
	3,256	(3,839)	(7,677)	3,839	7,677

c) Commodity price risk

This risk arises from the possibility of oscillations in the market prices of the products sold by the Company. These price oscillations may cause substantial changes in the revenues and costs of the Company. In order to hedge against price fluctuations, the Company also conducts commodity futures transactions on CBOT.

The Company has outstanding commodity contracts at December 31, 2021 and 2020 that were measured at fair value, and the difference between the contract value and fair value is recorded in the financial statements. The Company also has commodity futures transactions on the Chicago stock exchange in the United States of America intended to hedge against fluctuations in commodity prices. These transactions were recorded at fair value at the reporting date.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021

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

19. Risk management and financial instruments (Continued)

Financial instruments fair value calculation methodology (Continued)

Summary of financial instruments - assets and liabilities (book value) (Continued)

c) Commodity price risk (Continued)

Sensitivity analysis - Commodities

The table below shows the possible impacts on profit or loss arising from the hypothesis of the scenarios presented. The probable scenario used the book values, the other scenarios considered the impacts on profit or loss arising from changes in commodity market prices. The shocks are applied on the future price of commodities and the basis value.

	Consolidated				
	12/31/2021				
	Scenarios				
	I - Probable	II - 25%	III - 50%	IV - (25%)	V - (50%)
Outstanding contract position					
Purchase contracts	93,583	893,393	1,739,700	(893,393)	(1,739,700)
Sales contracts	(64,455)	(458,911)	(900,960)	458,911	900,960
Inventories	17,660	67,953	118,245	(67,953)	(118,245)
Futures	(362,695)	(90,674)	(181,348)	90,674	181,348
	(315,907)	411,761	775,637	(411,761)	(775,637)
	Consolidated				
	12/31/2020				
	Scenarios				
	I - Probable	II - 25%	III - 50%	IV - (25%)	V - (50%)
Outstanding contract position					
Purchase contracts	190,013	250,132	500,263	(250,132)	(500,263)
Sales contracts	(154,180)	(214,698)	(429,396)	214,698	429,396
Inventories	400	342	684	(342)	(684)
Futures	(19,771)	(7,634)	(15,269)	7,634	15,269
	16,462	28,142	56,282	(28,142)	(56,282)

d) Liquidity risk

Liquidity risk is the risk that the Company will face difficulties in fulfilling obligations associated with financial liabilities that are settled with cash payments or another financial asset. The Company's liquidity management approach is to ensure, as much as possible, that there will always be sufficient liquidity to meet its obligations upon maturity, under normal and stress conditions, without experiencing unacceptable losses or damaging its reputation.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021

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

19. Risk management and financial instruments (Continued)

Financial instruments fair value calculation methodology (Continued)

Summary of financial instruments - assets and liabilities (book value) (Continued)

d) Liquidity risk (Continued)

The Company manages liquidity risk by maintaining adequate reserves, lines of credit with banks and group companies, loans and financing, as well as by continuously monitoring the estimated and actual cash flow, and observing the maturity profiles of financial assets and liabilities.

The following are the contractual maturities of loans and financing arrangements, including estimated interest payments.

	Individual and Consolidated	
	12/31/2021	12/31/2020
ACC (6 months or less)	189,855	46,192
FIDC (6 months or less)	93,862	-
ACC (6 to 12 months)	46,901	16,790
NCE (6 to 12 months)	13,393	-
NCE (above 12 months)	142,222	-
FGI - BNDES (6 to 12 months)	868	-
FGI - BNDES (above 12 months)	-	1,644
	487,101	64,626

e) Performance risk

Performance risk is the possibility of noncompliance with the terms of the commercial agreement in the delivery or execution of a product, service, program or project, whether in terms of volume, value, deadlines, or any other terms defined in the negotiation or contract. Examples of performance risk, failure or default:

- When a rural producer fails to deliver grain due to market appreciation and decides to sell their most valued product on the spot market;
- When there is a strike by truck drivers, impacting the flow of grain at the port, causing delays in the loading of ships and, consequently, demurrage fines;
- Droughts or excessive rains impact the quality of the grains of a rural producer, who is unable to deliver their product in the minimum quality conditions required, not performing their contract in part.

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Notes to individual and consolidated financial statements (Continued)

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

19. Risk management and financial instruments (Continued)

Financial instruments fair value calculation methodology (Continued)

Summary of financial instruments - assets and liabilities (book value) (Continued)

f) Operational risk

Operational risk relates to direct or indirect losses arising from a variety of causes associated with the Company's processes, personnel, technology and infrastructure and from external factors, except credit, market and liquidity risks, such as those arising from legal and regulatory requirements and generally accepted corporate behavior standards. Operational risks arise from all of the Company's operations.

The Company's objective is to manage operational risk in order to avoid financial losses and damage to its reputation while seeking cost effectiveness.

This responsibility is supported by the development of the Company's general standards to manage operational risks in the following areas:

- Requirements for proper segregation of duties, including independent authorization of operations.
- Requirements for reconciliation and monitoring of operations.
- Compliance with regulatory and legal requirements.
- Requirements to report operating losses and proposed corrective actions.
- Development of contingency plans.
- Professional training and development.
- Ethical and commercial standards.

g) Capital management

Management adopts the policy of keeping a sound capital base to preserve investor, creditor and market confidence, and the future development of its business. Management monitors returns on capital, which the Company defines as the results of operating activities divided by total equity. Management seeks to strike a balance between highest possible returns and most adequate levels of loans, and the advantages and security provided by a healthy capital position.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021

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

19. Risk management and financial instruments (Continued)

Financial instruments fair value calculation methodology (Continued)

Summary of financial instruments - assets and liabilities (book value) (Continued)

g) Capital management (Continued)

The Company's debt ratio at year end is as follows:

	Individual		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Loans and financing - current	344,879	61,730	344,879	61,730
Loans and financing - noncurrent	142,222	1,502	142,222	1,502
NDF (net)	(8,498)	(3,256)	(8,498)	(3,256)
Cash and cash equivalents	(147,965)	(85,341)	(280,230)	(104,573)
Inventory	(227,889)	(2,032)	(227,889)	(2,032)
Net debt (A)	102,749	(27,397)	(29,516)	(46,629)
Total equity (B) (*)	27,639	26,038	27,639	26,038
(=) Debt ratio (A/B)	3.71	(1.05)	(1.07)	(1.79)

(*) Assets are stated in negative balances and liabilities in positive balances.

20. Commitments

- a) The Company and its subsidiaries are parties to purchase and sale agreements for future delivery, as follows:

Product	Type	Contract	Individual (12/31/2021)				Price
			Delivery	Quantity (ton)	Currency	Unit	
	Physical commodity ('Physical')						
Soybean in grains	Physical	Purchase	2022	159,630	BRL	MT	456,761
Soybean in grains	Physical	Sale	2022	(162,006)	BRL	MT	(461,272)
Soybean in grains	Physical	Purchase	2023	19,020	BRL	MT	48,187
Soybean in grains	Physical	Sale	2023	(50,000)	BRL	MT	(124,412)
Soybean in grains	Futures	Purchase	2021	-	BRL	MT	-
Soybean in grains	Futures	Sale	2022	(53,612)	BRL	MT	2,103
Soybean in grains	Futures	Sale	2023	(18,778)	BRL	MT	(612)
				(105,746)			(79,245)

Management seeks to equalize long and short positions; the difference between Purchases and Sales is currently in the Company's inventories.

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Notes to individual and consolidated financial statements (Continued)

December 31, 2021

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

20. Commitments (Continued)

- a) The Company and its subsidiaries are parties to purchase and sale agreements for future delivery, as follows: (Continued)

Individual (12/31/2021)							
Product	Type	Contract	Delivery	Quantity (ton)	Currency	Unit	Price
Corn in grain	Physical	Purchase	2022	529,434	BRL	MT	745,703
Corn in grain	Physical	Sale	2022	(247,618)	BRL	MT	(337,025)
Corn in grain	Physical	Purchase	2023	15,450	BRL	MT	18,777
Corn in grain	Physical	Sale	2023	-	BRL	MT	-
Corn in grain	Futures	Sale	2021	-	BRL	MT	-
Corn in grain	Futures	Purchase	2022	(54,573)	BRL	MT	(3,564)
Corn in grain	Futures	Sale	2023	(15,494)	BRL	MT	(680)
				<u>227,199</u>			<u>423,211</u>

Consolidated (12/31/2021)							
Product	Type	Contract	Delivery	Quantity (ton)	Currency	Unit	Price
Soybean in grain	Physical	Purchase	2022	331,630	BRL	MT	932,245
Soybean in grain	Physical	Sale	2022	(409,006)	BRL	MT	(771,456)
Soybean in grain	Physical	Purchase	2023	69,020	BRL	MT	172,599
Soybean in grain	Physical	Sale	2023	(100,000)	BRL	MT	(123,402)
Soybean in grain	Futures	Purchase	2021	-	BRL	MT	-
Soybean in grain	Futures	Sale	2022	(76,472)	BRL	MT	1,776
Soybean in grain	Futures	Sale	2023	(18,778)	BRL	MT	(612)
				<u>(203,606)</u>			<u>211,150</u>

Consolidated (12/31/2021)							
Product	Type	Contract	Delivery	Quantity (ton)	Currency	Unit	Price
Corn in grain	Physical	Purchase	2022	801,196	BRL	MT	945,289
Corn in grain	Physical	Sale	2022	(718,118)	BRL	MT	(834,024)
Corn in grain	Physical	Purchase	2023	15,450	BRL	MT	18,777
Corn in grain	Physical	Sale	2023	-	BRL	MT	-
Corn in grain	Futures	Sale	2021	-	BRL	MT	-
Corn in grain	Futures	Purchase	2022	(65,241)	BRL	MT	(3,260)
Corn in grain	Futures	Sale	2023	(15,494)	BRL	MT	(680)
				<u>17,793</u>			<u>126,102</u>

Individual (12/31/2020)							
Product	Type	Contract	Delivery	Quantity (ton)	Currency	Unit	Price
Soybean in grain	Physical	Purchase	2021	310,083	BRL	MT	579,652
Soybean in grain	Physical	Sale	2021	(350,000)	BRL	MT	(709,468)
Soybean in grain	Futures	Sale	2021	(1,769)	BRL	MT	(4,428)
				<u>(41,686)</u>			<u>(134,244)</u>

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Notes to individual and consolidated financial statements (Continued)

December 31, 2021

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

20. Commitments (Continued)

- a) The Company and its subsidiaries are parties to purchase and sale agreements for future delivery, as follows: (Continued)

Individual (12/31/2020)							
Product	Type	Contract	Delivery	Quantity (ton)	Currency	Unit	Price
Corn in grain	Physical	Purchase	2021	86,146	BRL	MT	59,747
Corn in grain	Physical	Sale	2021	(61,332)	BRL	MT	(52,604)
Corn in grain	Futures	Sale	2021	(3,302)	BRL	MT	(3,244)
				<u>21,512</u>			<u>3,899</u>

Consolidated (12/31/2020)							
Product	Type	Contract	Delivery	Quantity (ton)	Currency	Unit	Price
Soybean in grain	Physical	Purchase	2021	94,083	BRL	MT	140,982
Soybean in grain	Physical	Sale	2021	(180,000)	BRL	MT	(390,150)
Soybean in grain	Futures	Sale	2021	(2,313)	BRL	MT	(6,052)
				<u>(88,230)</u>			<u>(255,220)</u>

Consolidated (12/31/2020)							
Product	Type	Contract	Delivery	Quantity (ton)	Currency	Unit	Price
Corn in grain	Physical	Purchase	2021	66,146	BRL	MT	43,749
Corn in grain	Physical	Sale	2021	(36,332)	BRL	MT	(23,328)
Corn in grain	Physical	Purchase	2022	(3,302)	BRL	MT	(3,244)
Corn in grain	Futures	Sale	2021	(20,193)	BRL	MT	(21,241)
				<u>6,319</u>			<u>(4,064)</u>

- b) Commitment to purchase real property with exclusive right

On June 1, 2020, the Company entered into a private instrument of purchase option of real property with exclusive right, consisting of land of 30.7 ha., located in the city of Canarana-MT, from Mr. Milton Ropke, for construction of the plant of its subsidiary Humberg Agribrazil Bionergia S.A. (“Agribrazil Bioenergia”). The purchase is conditioned to the satisfactory fulfillment of certain conditions by the seller, corresponding to the amount of R\$1,500, which will be paid as follows:

- 30% in 90 days after “satisfactory performance”;
- 60% in 180 days after “satisfactory performance”;
- 30% in 360 days after “satisfactory performance”.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021

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

21. Insurance cover

The Company has a risk management program in place designed to limit risks, seeking coverage in the market consistent with its size and operations. The insurance coverage was taken out at the amounts below, which are considered sufficient by management to cover any losses, given the nature of the Company's activity, the risks involved in its operations and the guidance from its insurance advisors.

The Company has the following major insurance policies entered into with third parties.

<u>Insured peril</u>	<u>Maturity</u>	<u>Insurance amount</u>
Civil liability	09/07/2022	5,000

22. Events after the reporting date

a) Acquisition of Nityam Empreendimentos e Participações S.A.

On October 28, 2021, Humberg Agribrazil Comércio e Exportação de Grãos S.A. entered into a Purchase and Sale Agreement for 100% of the shares of Nityam Empreendimentos e Participações S.A. ("Nityam"), which has a total capital of R\$134,998, represented by 143,961,343 shares, amounting to R\$123,698.

Nityam holds interest in 3 companies, namely: (i) direct equity interest in Porto Novo Participações S.A. ("Porto Novo") equivalent to 25.93% of its total and voting capital, which is represented by 2,599,165 registered common shares with no par value; (ii) direct equity interest equivalent to 50% of the total and voting capital of Sociedades WRC Operadores Portuários S.A. ("WRC") and (iii) Terminal Santa Catarina S.A. ("TESC"), represented, respectively, by 3,267,502 registered common shares with no par value and a total of 36,452,837 shares issued by TESC, of which 27,549,419 registered common shares with no par value, 7,337,208 class "B" registered preferred shares with no par value, and 1,556,210 class "C" registered preferred shares with no par value of TESC. Porto Novo holds 50% of the total voting capital of companies WRC and TESC. In spite of this, the acquisitions of portions of Porto Novo, TESC and WRC are not expected to entail acquisition of control by the Company.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021

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

22. Events after the reporting date (Continued)

b) Acquisition of Nityam Empreendimentos e Participações S.A. (Continued)

The acquisition of equity interest in the Terminal (“TESC” and “WRC”) via “Nityam” and “Porto Novo” represents a direct and indirect interest of 62.96%. Port terminal strategically located in the port complex of São Francisco do Sul (SC) that allows quick access to the main industrial and economic centers in the south and southeast of Brazil.

On February 18, 2021, the conditions precedent for the purchase of the majority interest in Terminal Santa Catarina S.A. (“TESC”) and WRC Operadores Portuários S.A. (“WRC”) were concluded, in view of the understanding expressed by the Brazilian Antitrust Agency (CADE), approvals by the National Waterway Transportation Agency (ANTAQ) and overcoming of conditions precedent set forth in the Purchase and sale agreement and other covenants.

c) Investment - Bioenergia

On February 2, 2022, Humberg Agribrazil contributed R\$ 2,000 to start operations of Humberg Agribrazil Bioenergia S.A. (“Agribrazil Bioenergia”).

On March 8, 2022, the Company executed an equipment and engineering purchase agreement with ICM, Inc. (“ICM”), making progress in the project concerning subsidiary Humberg Agribrazil Bioenergia S.A. (“Agribrazil Bioenergia”).

ICM is a North American company that provides complete engineering, manufacturing, implementation and support projects and services for biofuel plants, a global leader in that segment.

The Company is set on starting construction of a modern industrial complex in Mato Grosso (MT) state capable of crushing up to 1,700 tons of corn per day, which would allow the production of up to 260 million liters of anhydroporan ethanol.

d) Transaction terms, share repurchase, settlement and donation

On February 22, 2022, the Company’s controlling shareholder entered into terms of repurchase and settlement of vested and unvested options with one of its executives in an amicable manner for the acquisition of 1.1 thousand shares for the amount of R\$3,124. Subsequently, these shares were donated to certain executives of the Company.

Humberg Agribrazil Comércio e Exportação de Grãos S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021

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

Board of Directors

Frederico José Humberg

Chairman

Paulo Guilherme Rache Humberg

Independent director

Cristian de Lima Ramos

Independent director

Stephane Frappat

Independent director

Executive Board

Frederico José Humberg

CEO

Ney Nelson Machado de Sousa

CFO

Lucas Fernandes de Moura

Accountant

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