

(Convenience translation into English from the original
previously issued in Portuguese)
MINERVA S.A.

Auditor's Review report

Quartely Information
For the quarter ended September 30, 2021

MINERVA S.A.

Quarterly Information
For the quarter ended September 30, 2021

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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL INFORMATION

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

Introduction

We have reviewed the individual and consolidated interim financial information of Minerva S.A. ("Company") contained within the Quarterly Financial Information (ITR), identified as Company and Consolidated, respectively, for the quarter ended on September 30, 2021, which comprises the financial position on September 30, 2021 and the related individual and consolidated statements of profit or loss and comprehensive income for the three and nine-month periods then ended, statement of changes in equity and cash flows for the nine-month period then ended, as well as a summary of the significant accounting practices and other notes.

Management is responsible for the preparation of the individual and consolidated interim financial information in accordance with CPC 21 (R1) - Interim Financial Reporting and with the International Accounting Standard (IAS) 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), and for the presentation of these interim financial information in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the Quarterly Financial Information (ITR). Our responsibility is to express a conclusion on this Interim Financial Information based on our review.

Scope of the review

We conducted our review in accordance with Brazilian and International Standard on Review of interim financial information (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual and consolidated interim financial information

Based on our review, we are not aware of any fact that causes us to believe that the individual and consolidated interim financial information included in the Quarterly Financial information - ITR referred to above were not prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34 applicable to Quarterly Financial Information (ITR) and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission.



Other issues

Statement of value added

The quarterly information referred to above includes the individual and consolidated of statement of value added (SVA) for the nine-month period ended September 30, 2021, prepared under the responsibility of the Company's management and presented as supplementary information for IAS 34 purposes. These statements have been subject to review procedures performed in conjunction with the review of the quarterly information to conclude whether they are reconciled to the interim financial information and accounting records, as applicable, and whether their form and content are in accordance with the criteria defined in NBC TG 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that these statements of value added were not prepared, in all material respects, in accordance with the criteria defined in referred to Standard and consistently with the individual and consolidated interim financial information taken as a whole.

Review of the corresponding values for the period and previous year

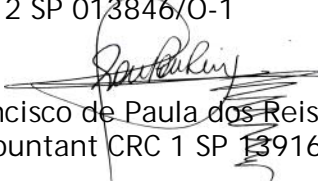
The corresponding amounts to: (i) individual and consolidated financial position for the year ended December 31, 2020; and (ii) the individual and consolidated statements of profit or loss and comprehensive income for the three and nine-month periods ended September 30, 2020 and the statements of changes in equity, cash flows and added value for the nine-month period ended September 30, 2020, referring to the quarter ended September 30, 2020 presented for comparison purposes, were previously audited and reviewed, respectively, by other independent auditors who issued audit and review reports dated respectively on February 25, 2021 and November 3, 2020, without modification.

The accompanying financial statements have been translated into English for the convenience of readers outside Brazil.

São Paulo, November 04, 2021.



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


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

MINERVA S.A.

Statements of financial position In September 30, 2021 and December 31, 2020 (In thousands of Brazilian Reais - R\$)

Assets	Note	Parent company		Consolidated	
		09/30/2021	12/31/2020	09/30/2021	12/31/2020
Current					
Cash and cash equivalentes	4	5,010,127	5,422,755	8,030,709	6,391,429
Trade receivables	5	935,059	901,869	2,818,891	2,143,997
Inventories	6	623,327	461,807	1,852,251	997,963
Biological assets	7	330,121	263,221	468,315	351,230
Recoverable taxes	8	373,901	621,895	855,217	1,011,815
Other receivables	-	196,811	189,562	466,161	389,879
Total current assets		7,469,346	7,861,109	14,491,544	11,286,313
Non-current					
Other receivables	-	48,336	47,836	70,780	53,469
Related parties	9	5,697,062	3,213,680	-	-
Recoverable taxes	8	112,527	192,285	112,527	192,285
Deferred assets	17	433,910	447,540	435,065	448,832
Court deposits	-	16,228	16,184	22,745	22,250
Investments	10	4,068,192	3,425,014	66,010	21,374
Property, plant and equipment	11	1,909,535	1,855,858	4,387,043	4,122,509
Intangible assets	12	316,700	302,083	807,527	776,219
Total non-current assets		12,602,490	9,500,480	5,901,697	5,636,938
Total assets		20,071,836	17,361,589	20,393,241	16,923,251

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

MINERVA S.A.

Statements of financial position In September 30, 2021 and December 31, 2020 (In thousands of Brazilian Reals - R\$)

Liabilities	Nota	Parent company		Consolidated	
		09/30/2021	12/31/2020	09/30/2021	12/31/2020
Current					
Loans and financing	13	1,648,426	2,002,767	1,806,920	2,199,564
Leases	11.b	9,188	9,767	9,860	10,280
Trade payables	14	2,206,676	1,648,810	3,542,597	2,344,593
Payroll, related charges and taxes payable	15	136,451	114,521	438,889	324,990
Other payables	16	1,464,102	1,410,464	1,762,062	1,516,235
Total current liabilities		5,464,843	5,186,329	7,560,328	6,395,662
Non-current					
Loans and financing	13	9,426,603	6,845,820	12,038,810	9,372,474
Leases	11.b	25,251	31,291	30,160	36,611
Payroll, related charges and taxes payable	15	46,438	50,755	54,720	59,706
Provisions for tax, labor and civil risks	18	29,284	27,968	42,209	40,274
Allowances for investment losses	10	3,285,531	2,910,228	-	-
Related parties	9	1,310,833	1,469,126	-	-
Other payables	16	-	-	20,447	31,095
Deferred taxes	17	-	-	163,514	147,357
Total non-current liabilities		14,123,940	11,335,188	12,349,860	9,687,517
Equity					
Capital stock	19	1,311,755	1,303,984	1,311,755	1,303,984
Capital reserve		118,271	118,271	118,271	118,271
Revaluation reserve		47,905	49,066	47,905	49,066
Profit reserves		153,438	153,438	153,438	153,438
Additional proposed dividends		-	376,092	-	376,092
Retained earnings		449,749	-	449,749	-
Treasury shares		(242,768)	(242,768)	(242,768)	(242,768)
Other comprehensive income		(1,355,297)	(918,011)	(1,355,297)	(918,011)
Total equity attributable to Company's shareholders		483,053	840,072	483,053	840,072
Non-controlling shareholders		-	-	-	-
Total equity		483,053	840,072	483,053	840,072
Total liabilities and equity		20,071,836	17,361,589	20,393,241	16,923,251

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

MINERVA S.A.

Statements of profit or loss

For the three and nine-month period ended September 30, 2021 and 2020

(In thousands of Brazilian Reals - R\$)

	Note	Parent Company				Consolidated			
		3rd Quarter of 2021	09/30/2021	3rd Quarter of 2020	09/30/2020	3rd Quarter of 2021	09/30/2021	3rd Quarter of 2020	09/30/2020
Net operating revenue	21	3,144,420	8,618,423	2,676,192	7,000,515	7,368,241	19,459,432	5,137,107	13,703,383
Cost of sales	-	(2,573,197)	(6,998,432)	(2,171,250)	(5,518,191)	(6,111,980)	(16,215,955)	(4,129,434)	(10,925,844)
Gross profit		571,223	1,619,991	504,942	1,482,324	1,256,261	3,243,477	1,007,673	2,777,539
Operating income (expenses):									
Selling expenses	22	(181,199)	(452,666)	(182,756)	(474,479)	(502,198)	(1,249,670)	(360,956)	(955,790)
General and administrative expenses	22	(106,978)	(317,320)	(85,336)	(272,254)	(210,685)	(608,576)	(181,367)	(547,400)
Other operating income (expenses)	22	(987)	(197)	(10,437)	(25,073)	5,428	15,402	(6,261)	(21,118)
Equity in earnings of subsidiaries	10	209,471	657,502	162,105	302,856	-	-	-	-
Income (loss) before financial income (loss) and taxes		491,530	1,507,310	388,518	1,013,374	548,806	1,400,633	459,089	1,253,231
Financial expenses	23	(324,484)	(943,133)	(306,202)	324,916	(324,592)	(704,735)	(379,581)	117,963
Financial revenues	23	15,286	34,115	11,668	39,897	22,371	50,661	20,746	63,314
Monetary correction	23	-	-	-	-	(42,491)	(135,572)	(13,878)	(46,203)
Exchange rate variation, net	23	(117,216)	(136,072)	(24,736)	(784,982)	(119,275)	(117,594)	(9,521)	(726,987)
Net financial result		(426,414)	(1,045,090)	(319,270)	(420,169)	(463,987)	(907,240)	(382,234)	(591,913)
Income before taxes		65,116	462,220	69,248	593,205	84,819	493,393	76,855	661,318
Income tax and social contribution - current	17	-	-	-	-	(25,049)	(64,384)	(21,225)	(71,187)
Income tax and social contribution - deferred	17	7,258	(13,630)	(10,903)	(10,241)	12,604	19,581	2,715	(7,167)
Net income for the period		72,374	448,590	58,345	582,964	72,374	448,590	58,345	582,964
Attributable to:									
Company shareholders		72,374	448,590	58,345	582,964	72,374	448,590	58,345	582,964
Non-controlling shareholders		-	-	-	-	-	-	-	-
		72,374	448,590	58,345	582,964	72,374	448,590	58,345	582,964

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

MINERVA S.A.

Statements of comprehensive income

For the three and nine-month period ended September 30, 2021 and 2020

(In thousands of Brazilian Reals - R\$)

	Parent Company				Consolidated			
	3rd Quarter of 2021	09/30/2021	3rd Quarter of 2020	09/30/2020	3rd Quarter of 2021	09/30/2021	3rd Quarter of 2020	09/30/2020
Net income for the period	72,374	448,590	58,345	582,964	72,374	448,590	58,345	582,964
Other comprehensive income to be reclassified to income statement in subsequent period:								
Cumulative translation adjustments	(12,317)	(437,286)	(75,213)	(484,422)	(12,317)	(437,286)	(75,213)	(484,422)
Total other comprehensive income for the period	(12,317)	(437,286)	(75,213)	(484,422)	(12,317)	(437,286)	(75,213)	(484,422)
Comprehensive income for the period	60,057	11,304	(16,868)	98,542	60,057	11,304	(16,868)	98,542
Comprehensive income attributable to:								
Company shareholders	60,057	11,304	(16,868)	98,542	60,057	11,304	(16,868)	98,542
Non-controlling shareholders	-	-	-	-	-	-	-	-
Comprehensive income attributable to:	60,057	11,304	(16,868)	98,542	60,057	11,304	(16,868)	98,542

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

MINERVA S.A.

Statements of changes in equity - Parent company and consolidated
 For the nine-month period ended September 30, 2021
 (In thousands of Brazilian Reais - R\$)

	Capital stock	Capital reserve	Revaluation reserve	Profit reserves		Additional proposed dividends	Retained earnings	Treasury shares	Other comprehensive income	Total attributable to Company's shareholders	Non-controlling shareholders	Total equity
				Legal reserve	Earnings retention -							
Balances as of January 1st, 2021	1,303,984	118,271	49,066	34,855	118,583	376,092	-	(242,768)	(918,011)	840,072	-	840,072
Net income for the period	-	-	-	-	-	-	448,590	-	-	448,590	-	448,590
Cumulative translation adjustments	-	-	-	-	-	-	-	-	(437,286)	(437,286)	-	(437,286)
Total comprehensive income (loss), net from taxes	-	-	-	-	-	-	448,590	-	(437,286)	11,304	-	11,304
Capital increase	7,771	-	-	-	-	-	-	-	-	7,771	-	7,771
Realization of revaluation reserve	-	-	(1,161)	-	-	-	1,159	-	-	(2)	-	(2)
Payment of additional proposed dividends	-	-	-	-	-	(376,092)	-	-	-	(376,092)	-	(376,092)
Balances as of September 30, 2021	<u>1,311,755</u>	<u>118,271</u>	<u>47,905</u>	<u>34,855</u>	<u>118,583</u>	<u>-</u>	<u>449,749</u>	<u>(242,768)</u>	<u>(1,355,297)</u>	<u>483,053</u>	<u>-</u>	<u>483,053</u>

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

MINERVA S.A.

Statements of changes in equity - Parent company and consolidated

For the nine-month period ended September 30, 2020

(In thousands of Brazilian Reals - R\$)

	Capital stock	Capital reserve	Revaluation reserve	Retained earnings (losses)	Treasury shares	Other comprehensive income	Total attributable to Company's shareholders	Non-controlling shareholders	Total equity
Balances as of January 1st, 2020	282,017	118,271	50,614	(380,210)	(32,695)	(319,659)	(281,662)	-	(281,662)
Net income for the period	-	-	-	582,964	-	-	582,964	-	582,964
Cumulative translation adjustments	-	-	-	-	-	(484,422)	(484,422)	-	(484,422)
Total comprehensive income (loss), net from taxes	-	-	-	582,964	-	(484,422)	98,542	-	98,542
Capital increase	1,455,907	-	-	-	-	-	1,455,907	-	1,455,907
(-) Expenses on capital increase	(53,813)	-	-	-	-	-	(53,813)	-	(53,813)
Absorption of losses from accumulated losses through capital	(380,210)	-	-	380,210	-	-	-	-	-
Realization of revaluation reserve	-	-	(1,161)	1,161	-	-	-	-	-
Balances as of September 30, 2020	1,303,901	118,271	49,453	584,125	(32,695)	(804,081)	1,218,974	-	1,218,974

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

MINERVA S.A.

Statements of cash flows - Indirect method

For the nine-month period ended September 30, 2021 and 2020

(In thousands of Brazilian Reais - R\$)

	Parent company		Consolidated	
	30/09/2021	30/09/2020	30/09/2021	30/09/2020
Cash flow from operating activities				
Net income for the period	448,590	582,964	448,590	582,964
Adjustments to reconcile net income:				
Depreciation and amortization	122,976	110,304	251,894	238,751
Allowance for expected credit losses	6,362	11,504	6,582	20,120
Gains on sale of fixed assets	2,741	876	3,919	1,691
Fair value of biological assets	(26,027)	(27,014)	(20,363)	(62,339)
Realization of deferred taxes	13,630	10,241	(19,581)	7,167
Equity in earnings (losses) of subsidiaries	(657,502)	(302,856)	-	-
Finance charges	532,764	488,157	746,006	780,355
Unrealized exchange rate changes	169,757	1,186,340	312,889	1,227,817
Monetary correction	-	-	135,572	46,203
Provision for legal claims	1,316	1,036	1,935	4,038
Trade and other receivables	(47,301)	(445,851)	(775,069)	(524,859)
Inventories	(161,520)	(8,893)	(854,288)	(399,469)
Biological assets	(40,873)	(28,960)	(96,722)	(94,387)
Recoverable taxes	327,752	(69,544)	236,356	(209,770)
Court deposits	(44)	5,471	(495)	5,524
Trade payables	557,866	532,534	1,198,004	820,762
Payroll, related charges and taxes payable	17,613	5,870	108,913	(3,227)
Other payables	80,225	827,010	261,766	942,431
Net cash provided from operating activities	<u>1,348,325</u>	<u>2,879,189</u>	<u>1,945,908</u>	<u>3,383,772</u>
Cash flow from investing activities				
Acquisition of investments	(47,659)	(203,759)	(44,636)	-
Acquisition of intangible assets, net	(23,912)	(26,371)	(24,118)	(26,582)
Acquisition of property, plant and equipment, net	(169,242)	(79,610)	(269,000)	(250,022)
Net cash used in investing activities	<u>(240,813)</u>	<u>(309,740)</u>	<u>(337,754)</u>	<u>(276,604)</u>
Cash flow from financing activities				
Raising of loans and financing	3,512,720	2,264,036	5,812,567	2,704,975
Payments of loans and financing	(2,561,584)	(3,424,932)	(6,030,868)	(5,116,730)
Payments of leases	(7,476)	(7,649)	(7,956)	(8,702)
Related parties	(2,641,675)	(1,155,658)	-	-
Capital stock increase	7,771	1,455,907	7,771	1,455,907
Payment of mandatory and additional proposed dividends	(383,441)	-	(383,441)	-
Transaction costs in the issue of shares	-	(53,813)	-	(53,813)
Payment of Interest on Equity	(19,240)	-	(19,240)	-
Net cash used in financing activities	<u>(2,092,925)</u>	<u>(922,109)</u>	<u>(621,167)</u>	<u>(1,018,363)</u>
Exchange rate changes on cash and cash equivalents	572,785	678,563	652,293	782,159
Net increase (decrease) in cash and cash equivalents	<u>(412,628)</u>	<u>2,325,903</u>	<u>1,639,280</u>	<u>2,870,964</u>
Cash and cash equivalents:				
At the beginning of period	5,422,755	4,024,060	6,391,429	4,469,687
At the end of period	5,010,127	6,349,963	8,030,709	7,340,651
Net increase (decrease) in cash and cash equivalents	<u>(412,628)</u>	<u>2,325,903</u>	<u>1,639,280</u>	<u>2,870,964</u>

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

MINERVA S.A.

Statement of value added

For the nine-month period ended September 30, 2021 and 2020

(In thousands of Brazilian Reals - R\$)

	Parent Company		Consolidated	
	09/30/2021	09/30/2020	09/30/2021	09/30/2020
Revenue	8,541,465	7,163,643	19,547,817	14,045,495
Sales of goods, products and services	8,501,171	7,139,897	19,485,339	14,015,483
Other revenue	40,294	23,746	62,478	30,012
Inputs acquired from third parties (includes taxes amounts - ICMS, IPI, PIS, and COFINS)	(8,031,283)	(6,478,532)	(17,602,404)	(11,949,986)
Cost of products, goods and services sold	(7,509,531)	(5,938,380)	(15,969,459)	(10,701,253)
Materials, electric power, third-party services and other	(521,752)	(540,152)	(1,632,945)	(1,248,733)
Gross value added	510,182	685,111	1,945,413	2,095,509
Depreciation, amortization and depletion	(122,976)	(110,304)	(251,894)	(238,751)
Net added value generated by the company	387,206	574,807	1,693,519	1,856,758
Net added value by transfer	691,617	342,753	50,661	63,314
Equity in earnings (losses) of subsidiaries	657,502	302,856	-	-
Financial income	34,115	39,897	50,661	63,314
Net total added value to be distributed	1,078,823	917,560	1,744,180	1,920,072
Distribution of value added	1,078,823	917,560	1,744,180	1,920,072
Personnel	185,525	164,277	837,080	637,323
Taxes, fees and contribution	40,916	(9,457)	291,687	239,380
Capital remuneration from third parties	403,792	179,776	166,823	460,405
Interests	401,222	175,720	160,318	452,585
Rents	2,570	4,056	6,505	7,820
Remuneration of equity capital	448,590	582,964	448,590	582,964
Net income for the period	448,590	582,964	448,590	582,964

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

1. General information

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

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

Parent company

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

As of september 30, 2021, the Company’s consolidated industrial complex had a daily slaughtering capacity of 26,180 heads and a deboning capacity of 4,616 tons, taking into account subsidiaries Athena Foods S.A - in Uruguay (Pulsa S/A and Frigorífico Carrasco S/A), in Colombia (Red. Cárnica S.A.), Paraguay (Frigomerc S/A) and Argentina (Pul Argentina S.A., which is the parent of Swift Argentina S.A). All plants are compliant with sanitary requirements applicable to exports to countries across the five continents. The Barretos manufacturing unit (SP) has a beef processing line “cubedbeef” and “roastbeef” which is mainly intended for exports.

Direct and indirect subsidiaries

Direct subsidiaries located in Brazil:

- Minerva Dawn Farms S.A. (Minerva Fine Foods): located in Barretos (SP), this unit started operations in 2009. to produce, in varying scales, and sell beef, pork and poultry products meeting domestic and foreign demand in the “Food Services” segment;
- CSAP - Companhia Sul Americana de Pecuária S.A.: located in Barretos (SP), this unit started operations in 2014 to mainly engage in livestock and farming, by breeding and selling live cattle, lambs, pigs and other live animals;

MINERVA S.A.

Notes to the individual and consolidated interim financial statements
For the period ended September 30, 2021
(Amounts in thousands of reais - R\$, unless otherwise stated)

- Minerva Comercializadora de Energia Ltda.: located in São Paulo (SP), this unit started operations in 2016 and is mainly engaged in trading and selling electric power.

Direct foreign subsidiaries:

- Athena Foods S.A.: Based in Santiago, Chile (UY), Athenas Foods S.A. started operations in 2018 primarily to manage equity interests and own assets in Mercosur. The company has the following direct subsidiaries: Pulsa S.A. (UY), Frigorífico Carrasco S.A. (UY), Frigomerc S.A. (PY), Pul Argentina S.A. (AR), Red Cárnica S.A.S (CO), Red Industrial Colombiana S.A.S (CO), and Minerva Foods Chile SPA (CL);
- Lytmer S.A.: located in Montevideo, Uruguay (UY), engaged in selling live cattle to the foreign market and trading food products;
- Friasa S.A.: located in Asunción, Paraguay (PY);
- Minerva Middle East: office located in Lebanon to market and sell the Company's products;
- Minerva Colombia SAS: Based in Ciénaga de Oro, next to Montería, in the Córdoba region, Colombia, mainly engaged in the sale of livestock to the foreign market;
- Minerva Live Cattle Export SPA: located in Santiago, Chile, primarily engaged in selling live cattle to the foreign market;
- Minerva Meats USA.: located in Chicago (USA), this unit started operations in 2015 and is mainly engaged in trading food products;
- Minerva Australia Holdings PTY Ltd.: Located in Brisbane (Australia), this unit started operations in 2016 and has Minerva Asia Foods PTY Ltd. as its direct subsidiary; and
- Minerva Europe Ltd.: Based in London, England, this unit started operations in 2017 and is mainly engaged in trading food products;
- Minerva Foods FZE: Based in the Arab Emirates, the company started operations in 2020 and is mainly engaged in trading food products; and
- Athn Foods Holdings S.A.: Started its activities in 2021 and is headquartered in Spain, its main activity is the management of equity interests and the administration of its own assets.

Indirect foreign subsidiaries:

- Pulsa S.A.: meatpacking company acquired in January 2011, located in the Province of Cerro Largo, near the capital Melo, in Uruguay (UY). Engaged in slaughtering and deboning activities, with 85% of its sales intended for the foreign market, primarily the North American and the European markets;
- Frigorífico Canelones S.A.: a meatpacking company acquired in July 2017 by the indirect subsidiary Pulsa S.A., located in Canelones, Uruguay (UY). Engaged in the cattle slaughtering and deboning and processing of meat, especially fresh chilled and frozen meat for exports;

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- Frigorífico Carrasco S.A.: meatpacking company acquired in April 2014, located in Montevideo, Uruguay (UY). Engaged in slaughtering, deboning and processing beef and sheep meat, with approximately 68% of its sales intended for the foreign market;
- Frigomerc S.A.: Meatpacking company acquired in October 2012, located in Asunción, Paraguay (PY), engaged in slaughtering, deboning and processing activities, operating in the domestic and foreign markets;
- BEEF Paraguay S.A.: a meatpacking company acquired in July 2017 by the indirect subsidiary Frigomerc S.A., located in Assuncion, Paraguay (PY), to engage in cattle slaughtering and deboning and processing of meat;
- Indústria Paraguaya Frigorífica S.A.: a meatpacking company acquired in July 2017 by the indirect subsidiary Frigomerc S.A., located in Assuncion, Paraguay (PY), to engage in cattle slaughtering and deboning and processing of meat;
- Pul Argentina S.A.: Based in Buenos Aires, Argentina, the company started activities in 2016 and has Swift Argentina S.A. as its direct subsidiary;
- Swift Argentina S.A.: a meatpacking company acquired in July 2017 by the indirect subsidiary Pul Argentina S.A. located in Buenos Aires (AR) to process and produce meat and sell own and third parties' brands, especially Swift products;
- Red. Cárnica SAS: a meatpacking company acquired in July 2015, located in Ciénaga de Oro, near Montería, Córdoba region, in Colombia (CO) having also acquired on August 5, 2020 an industrial plant belonging to Vijagual meatpacking located in Bucaramanga in the department of Santander in Colombia (CO). They operate in slaughter, deboning and processing activities in the domestic and foreign markets;
- Red. Industrial Colombiana SAS: plant acquired in July 2015, located in Ciénaga de Oro, near Montería, in the Córdoba region, Colombia (CO), whose main purpose is the preparation of products for animals, specifically, meat/bone meal, blood and tallow;
- Minerva Foods Chile SPA: Located in Santiago, Chile, primarily engaged in trading and selling the Company's products;
- Minerva Ásia Foods PTY Ltd: this unit is mainly engaged in trading food products; and
- MF 92 Ventures LLC: Located in the United States, this unit started operations in 2020 and is mainly engaged in holding investments.

Cargo transportation

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

Special Purpose Entities (SPE) for fundraising

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

MINERVA S.A.

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- Minerva Overseas II: Located in the Cayman Islands, it was incorporated in 2010 to issue Bonds and receive the respective financial resources, totaling US\$250 million, on that date; and
- Minerva Luxembourg S.A.: located in Luxembourg, it was incorporated in 2011 for the specific purpose of issuing Bonds and receiving the respective financial resources, totaling US\$350 million, and the subsequent re-tap of US\$100 million, occurred in February and March 2012, respectively. Also in the first quarter of 2013, the company conducted the “offer to buyback debt notes” using the proceeds from the issue of 2023 Notes in the amount of US\$850 million bearing interest of 7.75% per year. In the third quarter of 2014, the company carried out the re-tap of the 2023 Notes in the amount of US\$200 million. During the third quarter of 2016, the company carried out an offering of US\$1 billion bearing interest of 6.50% per annum, buying back the 2023 Notes in the amount of US\$617,874. In the second quarter of 2017, the company carried out a re-tap operation for its 2026 Notes, in the amount of US\$350 million. During the fourth quarter of 2017, the company carried out an offering of US\$500 million bearing interest of 5.875% per year, buying back the 2023 Notes in the amount of US\$198,042. During the first quarter of 2021, it made an offer of US\$1 billion with interest of 4.375% per year, where it repurchased the 2026 notes in the amount of US\$911,719.

Other subsidiaries in pre-operational stage

- Minerva Log S.A. (logistics)

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

	09/30/2021	12/31/2020
Direct subsidiaries		
Minerva Dawn Farms S/A	100.00%	100.00%
Friasa S/A	99.99%	99.99%
Minerva Overseas I	100.00%	100.00%
Minerva Overseas II	100.00%	100.00%
Minerva Middle East	100.00%	100.00%
Transminerva Ltda.	100.00%	100.00%
Minerva Log	100.00%	100.00%
Minerva Colômbia S.A.S	100.00%	100.00%
Lytmer S.A.	100.00%	100.00%
Minerva Luxembourg S.A.	100.00%	100.00%
Minerva Live Cattle Export Spa	100.00%	100.00%
CSAP - Companhia Sul Americana de Pecuária S.A.	100.00%	100.00%
Minerva Meats USA Inc.	100.00%	100.00%
Minerva Comercializadora de Energia Ltda	100.00%	100.00%
Minerva Australia Holdings PTY Ltd	100.00%	100.00%
Minerva Europe Ltd.	100.00%	100.00%
Minerva Venture Capital Fundo de Investimento em Participações		
Multiestratégicas - Investimento no Exterior	100.00%	100.00%
Minerva Foods FZE	100.00%	100.00%
Athena Foods S.A.	100.00%	100.00%
Athn Foods Holdings S.A.	100.00%	-
Fortuna Foods PTE. LTD.	100.00%	-

MINERVA S.A.

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	09/30/2021	12/31/2020
Indirect subsidiaries		
Frigorífico Carrasco S.A.	100.00%	100.00%
Minerva Foods Chile Spa	100.00%	100.00%
Red Cárnica S.A.S	100.00%	100.00%
Red Industrial Colombiana S.A.	100.00%	100.00%
Pulsa S.A.	100.00%	100.00%
Frigorífico Canelones S.A.	100.00%	100.00%
Frigomerc S/A	100.00%	100.00%
BEEF Paraguay S.A.	99.99%	99.99%
Industria Paraguaya Frigorífica S.A.	99.99%	99.99%
Pul Argentina S.A.	100.00%	100.00%
Swift Argentina S.A.	99.99%	99.99%
Minerva Ásia Foods PTY Ltd	100.00%	100.00%
MF 92 Ventures LLC	100.00%	100.00%

Hyperinflationary economy - Argentina

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

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

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

Covid-19

Economic impacts

The Covid-19 pandemic required the Company to adjust its facilities and incur some expenses relating to the acquisition of personal protection equipment, tests for employees and community support initiatives involving donations of equipment, food and health and personal care items. Through September 30, 2021, these expenses totaled approximately R\$ 25,400 (R\$40,350 on December 31, 2020).

Regarding operations, there was a sharp decline in purchases of the food service segment in Brazil and Europe, which were offset by a rise in foreign sales to Asian countries, especially China. The Real (BRL) depreciation in the period positively impacted profitability, revenue and the operating profit from export transactions in this period. The Company's gross consolidated revenue reached R\$20,457,487 in 2021 (R\$14,498,198 on September 30, 2020).

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In 2021, exports accounted for 68.71% of gross revenue (68.80% on September 30, 2020), reinforcing the Company's position as the leading exporter of beef to South America.

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

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

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

Based on the information available, Management evaluated the impacts of the Covid-19 on the Company's operations and individual and consolidated financial position as of September 30, 2021, and concluded that, to date, there are no significant information to be disclosed.

2. Basis of preparation

Statement of compliance (with IFRSs and CPC standards)

The individual and consolidated interim financial statements have been prepared and are presented in accordance with accounting practices adopted in Brazil, following CVM resolution 673/11, which approved CPC 21 (R1) - Interim Financial Reporting, (IAS 34), including the provisions of Brazilian Corporate Law and the standards and procedures issued by the Brazilian Securities Commission (CVM) and the Accounting Pronouncements Committee (CPC), which are in conformity with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

The Company's individual and consolidated interim financial statements are presented in accordance with Technical Instruction OCPC 07, which addresses the basic preparation and disclosure requirements to be observed in financial reporting, in particular explanatory information. Management asserts that all the relevant information reported in the interim financial statements is being disclosed and corresponds to that used in managing the Company.

The presentation of the Statement of Value Added (DVA), individual and consolidated, is required by Brazilian Corporate Law and the accounting practices adopted in Brazil applicable to publicly held companies.

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IFRS does not require the presentation of such statement. Consequently, the presentation of the Statement of Value Added is considered by IFRS as supplemental information, without any prejudice to the set of interim financial statements.

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

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

The individual and consolidated Interim Accounting Information were approved for issue by the Company's Management on November 04, 2021.

3. Summary of significant accounting policies

a) Basis of measurement

The individual and consolidated interim financial statements have been prepared based on the historical cost, except for the measurement of certain assets and liabilities such as financial instruments and biological assets, which are measured at fair value.

b) Functional and presentation currency

The interim financial statements of each subsidiary included in the Company's consolidation and those used as a basis for measuring investments under the equity method have been prepared based on each entity's functional currency. The functional currency of an entity is the currency of the primary economic environment where it operates.

In defining the functional currency of each subsidiary, Management considered which currency significantly influences the sale price of its products and services rendered, and the currency in which most of the cost of its inputs production is paid or incurred.

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

c) Foreign operations

The foreign direct and indirect subsidiaries adopted the following functional currencies for the interim financial statements as of September 30, 2021:

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

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

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

d) Foreign currency-denominated transactions and balances

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

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

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

e) Use of estimates and judgment

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

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

f) Basis of consolidation

Business combinations

Acquisitions completed on or after January 1, 2009

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

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

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

Subsidiaries and jointly controlled subsidiaries

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

Transactions eliminated in consolidation

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

g) Cash and cash equivalents and securities

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

h) Financial instruments

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

Financial assets

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

Recognition and measurement

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

- i) Assets measured at amortized cost;
 - ii) Fair value through profit or loss; or
 - iii) Fair value through other comprehensive income.
- Amortization cost: Assets should be measured at amortized cost if both of the following conditions are met: i) the financial asset is held within the business model whose objective is to hold assets in order to collect contractual cash flow; and ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company should recognize its interest income, exchange gains and losses, and impairment directly in profit or loss;

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

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

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

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

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

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

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

Financial liabilities

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

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

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

Offset of financial instruments

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

Derivative financial instruments

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

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

Derivative financial instruments and hedging activities

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

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

j) Trade receivables

Trade receivables are carried at their present and realizable values. Trade receivables from foreign customers are adjusted based on exchange rates prevailing at the end of the reporting period.

An allowance for expected credit losses is recognized in an amount considered sufficient by Management, based on monitoring of past-due receivables and trade notes and the risk of not collecting installment sales.

k) Inventories

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

l) Biological assets

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

m) Property, plant and equipment

Recognition and measurement

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

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

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

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

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

Depreciation

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

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

	Parent company (annual rate)	Consolidated (annual rate)
Buildings	2.95%	2.46%
Machinery and equipment	9.01%	8.68%
Furniture and fixtures	10.41%	8.98%
Vehicles	7.30%	7.05%
Computer hardware	25.62%	23.38%

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

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

n) Leases

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

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

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

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

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

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

o) Intangible assets

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

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

Goodwill on acquisition of subsidiaries

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

p) Impairment test

Financial assets

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

Nonfinancial assets

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

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

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

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

Goodwill based on expected future earnings

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

Intangible assets

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

q) Other current and noncurrent assets and liabilities

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

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

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

r) Adjustment to present value of assets and liabilities

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

To calculate the discount to present value, the Company and its subsidiaries consider the amount to be discounted, the realization and settlement dates, according to discount rates that reflect the Company's and its subsidiaries' value of money in time, which was approximately 8% per year, calculated according to the Company's and its subsidiaries' weighted average cost of capital, as well as the specific risks related to the expected cash flows for the respective financial flows.

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

Calculations and analyses are revised on a quarterly basis.

s) Income tax and social contribution

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

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

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

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

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

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

t) Contingent assets and contingent liabilities, and legal obligations

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

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

u) Employee benefits

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

v) Revenue recognition

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

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

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

The breakdown of sales revenue is shown in Note 21.

w) Earnings per share

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

x) Segment reporting

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

y) New and revised standards and interpretations:

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

- Amendment to IAS 1 standards - Classification of liabilities as Current or Non-current. Clarifies aspects to be considered for the classification of liabilities as Current Liabilities or Non-Current Liabilities. This amendment to the standard is effective for years beginning on or after 01/01/2023. The Company does not expect significant impacts on its Interim Financial Information;

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- Annual improvements in IFRS standards 2018-2020 - Makes changes to IFRS 1 standards, addressing aspects of first adoption in a subsidiary; IFRS 9, addressing the 10% test criterion for reversing financial liabilities; IFRS 16, covering illustrative examples of leasing and IAS 41, covering aspects of measurement at fair value. These changes are effective for exercises beginning on or after 1/01/2022. The Company does not expect significant impacts on its Interim Financial Statements;
- Amendment to IAS 16 - Property, plant and equipment - Result generated before reaching the expected conditions of use. Clarifies aspects to be considered for the classification of items produced before the fixed asset is in the projected conditions of use. This amendment to the standard is effective for fiscal years beginning on or after 1/01/2022. The Company does not expect significant impacts on its Interim Financial Statements;
- Amendment to IAS 37 standard - Onerous contract - Cost of fulfilling a contract. Clarifies aspects to be considered for the classification of costs related to the fulfillment of an onerous contract. This amendment to the standard is effective for fiscal years beginning on or after 1/01/2022. The Company does not expect significant impacts on its Interim Financial Statements;
- Amendment to IFRS 3 - References to the conceptual framework - Clarifies the conceptual alignments of this standard with the conceptual framework of IFRS. This amendment to the standard is effective for fiscal years beginning on or after 1/01/2022. The Company does not expect significant impacts on its Interim Financial Statements;
- Amendment to IFRS 17 - Insurance contracts: Clarifies aspects related to insurance contracts. This amendment to the standard is effective for years beginning on or after 01/01/2023. The Company does not expect impacts on its Interim Financial Statements;
- Amendment to IFRS 4 - Extension of temporary exemptions from the application of IFRS 9: Clarifies aspects related to insurance contracts and the temporary exemption from the application of IFRS 9 to insurance companies. This amendment to the standard is effective for years beginning on or after 01/01/2023. The Company does not expect impacts on its Interim Financial Statements;
- Amendment to IAS 1 and Disclosure of Accounting Practices 2 - Disclosure of Accounting Policies: Clarifies aspects to be considered in the disclosure of accounting policies. This standard change is effective for fiscal years beginning on/or after 1/01/2023. The Company does not expect significant impacts on its Interim Financial Information;
- Amendment to IAS 8 - Definition of accounting estimates: Clarifies aspects that should be considered when defining accounting estimates. This standard change is effective for fiscal years beginning on/or after 1/01/2023. The Company does not expect significant impacts on its Interim Financial Information;

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- Amendment to IFRS 16 - Leases: Defines the treatment of changes in lease agreements that are directly related to the Covid-19 pandemic. This rule change is effective for fiscal years beginning on/or after 4/1/2021. The Company does not expect significant impacts on its Interim Financial Information;
- Amendment to IAS 12 - Deferred tax related to assets and liabilities arising from a single transaction: Clarifies aspects to be considered in the recognition of deferred tax assets and liabilities related to taxable temporary differences and deductible temporary differences. This standard change is effective for fiscal years beginning on/or after 1/01/2023. The Company does not expect significant impacts on its Interim Financial Information.

z) Statements of value added

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

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

4. Cash and cash equivalents

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

	Parent Company		Consolidated	
	09/30/2021	12/31/2020	09/30/2021	12/31/2020
Cash	322	347	759	488
Banks - checking accounts	1,993	3,224	492,304	516,778
Cash and cash equivalents in foreign currencies	3,791,064	4,270,748	3,791,240	4,271,075
Total	3,793,379	4,274,319	6,285,303	4,788,341
Short-term investments				
In local currency				
Bank Certificates of Deposit (CDB)	802,265	1,006,220	849,055	1,102,768
Debentures	349,549	15,005	386,183	30,009
Other financial assets	64,934	127,211	510,168	470,311
Total	1,216,748	1,148,436	1,745,406	1,603,088
Total	5,010,127	5,422,755	8,030,709	6,391,429

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

	Parent Company		Consolidated	
	09/30/2021	12/31/2020	09/30/2021	12/31/2020
Measured at fair value through profit or loss	1,216,748	1,148,436	1,745,406	1,603,088
Total	<u>1,216,748</u>	<u>1,148,436</u>	<u>1,745,406</u>	<u>1,603,088</u>

5. Trade receivables

	Parent Company		Consolidated	
	09/30/2021	12/31/2020	09/30/2021	12/31/2020
Trade notes - domestic customers	216,626	264,914	771,812	725,936
Trade notes - foreign customers	292,104	364,511	2,093,356	1,469,000
Receivables - related parties	455,276	302,565	-	-
Total	<u>964,006</u>	<u>931,990</u>	<u>2,865,168</u>	<u>2,194,936</u>
(-) Allowance for expected credit losses	(28,947)	(30,121)	(46,277)	(50,939)
Total	<u>935,059</u>	<u>901,869</u>	<u>2,818,891</u>	<u>2,143,997</u>

The aging list of trade receivables is as follows:

	Parent Company		Consolidated	
	09/30/2021	12/31/2020	09/30/2021	12/31/2020
Current	884,459	688,290	2,546,565	1,841,173
Overdue:				
Up to 30 days	16,147	120,226	198,298	170,375
From 31 to 60 days	1,058	27,649	19,170	37,972
From 61 to 90 days	565	8,132	2,407	13,364
Above 91 days	61,777	87,693	98,728	132,052
Total	<u>964,006</u>	<u>931,990</u>	<u>2,865,168</u>	<u>2,194,936</u>

Changes in expected credit losses for the period ended September 30, 2021 and year ended December 31, 2020, are as follows:

	Parent Company	Consolidated
Balances of January 1, 2020	(20,444)	(27,879)
Allowance recognized	(12,741)	(24,802)
Recovered receivables	3,712	4,019
Written-off receivables	15	15
Exchange loss	(663)	(2,292)
Balances as of December 31, 2020	<u>(30,121)</u>	<u>(50,939)</u>
Allowance recognized	(6,362)	(6,582)
Recovered receivables	7,790	12,688
Exchange loss	(254)	(1,444)
Balances as of September 30, 2021	<u>(28,947)</u>	<u>(46,277)</u>

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The Company has a Receivables Investment Fund (FIDC) for sale of part of its receivables from domestic customers in the amount of R\$170,589 (R\$164,735 as of December 31, 2020), without co-obligation or right of recourse, of which R\$10,615 (R\$10,115 as of December 31, 2020) is comprised of subordinated units.

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

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

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

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

6. Inventories

	Parent Company		Consolidated	
	09/30/2021	12/31/2020	09/30/2021	12/31/2020
Finished products	590,316	427,140	1,640,585	862,211
Storeroom supplies and secondary materials	33,011	34,667	211,666	135,752
Total	<u>623,327</u>	<u>461,807</u>	<u>1,852,251</u>	<u>997,963</u>

7. Biological assets

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

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

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	Herd	
	Parent Company	Consolidated
Balance as of January 1, 2020	203,173	235,773
Increase due to acquisitions	234,352	523,025
Decrease due to sales	(205,309)	(462,462)
Net decrease due to births (deaths)	(1,389)	(1,787)
Translation adjustments	-	1,741
Change in fair value less estimated selling expenses	32,394	54,940
Balance as of December 31, 2020	263,221	351,230
Increase due to acquisitions	90,024	488,656
Decrease due to sales	(448,755)	(388,962)
Net decrease due to births (deaths)	(397)	(5,152)
Translation adjustments	-	2,179
Change in fair value less estimated selling expenses	26,028	20,364
Balance as of September 30, 2021	330,121	468,315

As of September 30, 2021, farm cattle held for sale was comprised of 57,582 heads (52,521 heads as of December 31, 2020), while confined cattle totaled 31,430 heads (24,744 heads as of December 31, 2020).

As of September 30, 2021 and December 31, 2020, the Company did not have any type of biological assets with restricted ownership or offered as guarantee of obligations, and there were no other risks (financial, commitments, and weather-related) that would impact the Company's biological assets.

8. Recoverable taxes

	Parent Company		Consolidated	
	09/30/2021	12/31/2020	09/30/2021	12/31/2020
PIS - Social Integration Program	60,273	99,983	60,763	99,988
COFINS - Contribution for the Financing of Social Security	174,026	307,463	176,268	307,509
Reintegra (special tax for exporting companies)	5	1,381	24,757	14,756
State VAT (ICMS)	100,975	92,509	118,155	108,691
Income tax and social contribution	134,879	292,738	144,002	346,336
VAT	-	-	266,529	251,052
Other recoverable tax	16,270	20,106	177,270	75,768
Total	486,428	814,180	967,744	1,204,100
Current	373,901	621,895	855,217	1,011,815
Non-current	112,527	192,285	112,527	192,285

PIS and COFINS (taxes on revenue)

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

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Currently, the Brazilian Federal Revenue Service (RFB) completed its inspection of the Company and its subsidiaries, with most of the requests for reimbursement of credits being authorized by the RFB, which has resulted in a significant amount arising from the refund of those credits during 2021 and 2022.

Based on studies carried out by the Company's Management regarding the expectation of refund of these tax credits, a portion of these credits was segregated from current assets to noncurrent assets, which as of September 30, 2021, totaled R\$75,386, Parent and consolidated. The estimates of realization of the Company's and its subsidiaries' tax credits are revised on a quarterly basis.

State VAT (ICMS)

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

Out of the aforementioned credit balance, a substantial portion is under an inspection and ratification process by São Paulo State's Finance Department. The Company's Management expects to recover a significant portion of said credits throughout 2021 and 2022. Based on studies conducted by Management, an amount deemed sufficient to cover slower lawsuits was transferred from current assets to noncurrent assets, totaling R\$31,557, Parent and consolidated. The estimates of realization of the Company's and its subsidiaries' tax credits are revised on a quarterly basis.

9. Related parties

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

	Parent Company	
	09/30/2021	12/31/2020
Intragroup loans		
Minerva Dawn Farms S.A. (a)	30,203	16,445
Minerva Overseas Ltd (b)	724,426	692,103
Minerva Luxembourg S.A. (c)	3,745,897	1,361,990
Athena S.A. (d)	1,196,536	1,143,142
Total	<u>5,697,062</u>	<u>3,213,680</u>

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

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	Parent Company	
	09/30/2021	12/31/2020
Intragroup borrowings		
Minerva Overseas II (a)	1,310,831	1,469,124
Minerva Log S.A. (b)	2	2
Total	<u>1,310,833</u>	<u>1,469,126</u>

(a) Loan from Minerva Overseas II to the Parent Company;

(b) Loan from Minerva Log S.A. to the Parent Company.

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

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

	Parent Company		Consolidated	
	09/30/2021	12/31/2020	09/30/2021	12/31/2020
Payables - Suppliers				
Minerva Dawn Farms S.A.	6,034	5,582	-	-
CSAP - Companhia Sul Americana de Pecuária S.A.	8,760	8,575	-	-
Athena S.A.	21,237	27,439	-	-
Lytmer S.A.	-	5	-	-
Minerva Europe Ltd	-	162	-	-
Purchases from other related parties	9,658	14,805	9,658	14,805
Total	<u>45,689</u>	<u>56,568</u>	<u>9,658</u>	<u>14,805</u>

	Parent Company		Consolidated	
	09/30/2021	12/31/2020	09/30/2021	12/31/2020
Trade receivables				
Minerva Dawn Farms S.A.	188	222	-	-
CSAP - Companhia Sul Americana de Pecuária S.A.	14,131	11,737	-	-
Athena S.A.	34,894	27,206	-	-
Minerva Europe Ltd	-	1,416	-	-
Minerva Meats USA, INC.	406,063	261,984	-	-
Total	<u>455,276</u>	<u>302,565</u>	<u>-</u>	<u>-</u>

	Parent Company		Consolidated	
	09/30/2021	09/30/2020	09/30/2021	09/30/2020
Sales revenue				
Minerva Dawn Farms S.A.	11	14	-	-
Minerva Comercializadora de Energia Ltda.	9,936	-	-	-
Athena S.A.	14,546	38,747	-	-
Minerva Europe Ltd	-	2,609	-	-
Minerva Meats USA, INC.	664,604	174,835	-	-
Total	<u>689,097</u>	<u>216,205</u>	<u>-</u>	<u>-</u>

	Parent Company		Consolidated	
	09/30/2021	09/30/2020	09/30/2021	09/30/2020
Purchases				
Minerva Dawn Farms S.A.	28,942	26,418	-	-
CSAP - Companhia Sul Americana de Pecuária S.A.	184,090	116,754	-	-
Minerva Comercializadora de Energia Ltda.	6,939	8,003	-	-
Athena S.A.	244,949	145,666	-	-
Total	<u>464,920</u>	<u>296,841</u>	<u>-</u>	<u>-</u>

Purchases of cattle				
Purchases from other related parties (a)	57,386	57,712	57,386	57,712
Total purchases from other related parties	<u>57,386</u>	<u>57,712</u>	<u>57,386</u>	<u>57,712</u>

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

The Company and its direct and indirect subsidiaries conduct intercompany commercial transactions, mainly purchases, sales and loans, under the terms and conditions that are usually adopted in agreements in an arm's length, at market conditions, as if the transactions were contracted with unrelated parties.

During the periods ended on September 30, 2021 and 2020, no allowances for expected credit losses were recorded and no expenses on uncollectible debts relating to related-party transactions were recognized.

Management compensation

As of September 30, 2021, the Company recorded expenses on key management personnel compensation (members of the Company's Board of Directors and Supervisory Board and Statutory Executive Officers) in the amount of R\$28,816 (R\$29,045 as of September 30, 2020). All compensation is short term, as shown below:

	2021 Members	09/30/2021	09/30/2020
Board of Executive Officers, Board of Directors and Supervisory Board	19	28,816	29,045
Total	19	28,816	29,045

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

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

	09/30/2021		12/31/2020	
	Number of stock options	Weighted average price	Number of stock options	Weighted average price
Outstanding options at beginning of year	-	-	-	-
Options granted during the year	-	-	840,000	6.16
Exercised during the year	-	-	(840,000)	6.16
Forfeited during the year	-	-	-	-
Shares outstanding at period/year end	-	-	-	-

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10. Investments

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

	Equity interest	Balance on 12/31/2020	Transfers	Translation adjustments	Capital payment	Share of profit (loss) of investees	Balance on 09/30/2021
Goodwill based on expected future profitability		133,667	-	-	-	-	133,667
Minerva Overseas Ltd	100.00%	255,096	-	11,915	-	(5)	267,006
Minerva Middle East	100.00%	37	-	-	-	-	37
Minerva Log S.A.	100.00%	22	-	-	-	-	22
Minerva Dawn Farms S.A.	100.00%	82,842	-	-	-	(23,894)	58,948
Minerva Colombia SAS	100.00%	5,782	-	(361)	-	(142)	5,279
Lytmer S.A.	100.00%	36,513	-	1,481	-	(8,073)	29,921
Minerva Live Cattle Export S.A.	100.00%	11,593	-	(964)	-	905	11,534
Minerva Meats USA LLC	100.00%	95,171	-	4,782	-	(1,346)	98,607
Minerva Comercializadora de Energia Ltda.	100.00%	245,109	-	-	-	(73,900)	171,209
Minerva Australia Holdings PTY Ltd. (*)	100.00%	69,697	-	(1,366)	-	7,789	76,120
Minerva Europe Ltd	100.00%	3,763	-	119	-	(438)	3,444
Transminerva Ltda.			(286)	-	245	120	79
CSAP - Companhia Sul Americana de Pecuária S.A.	100.00%	18,836	-	-	-	(5,899)	12,937
Athena Foods S.A. (*)	100.00%	2,440,064	-	266,364	-	419,148	3,125,576
Minerva Venture Capital Fundo de Investimento em Participações Multiestrategicas - Investimento no Exterior	100.00%	21,466	-	-	45,387	(412)	66,441
Athn Foods Holdings S.A.	100.00%	-	-	(15)	393	(3)	375
Fortuna Foods PTE. LTD.			-	-	1,634	-	1,634
Minerva FOODS FZE	100.00%	5,356	-	-	-	-	5,356
Investments		3,425,014	(286)	281,955	47,659	313,850	4,068,192
Transminerva Ltda.	100.00%	(286)	286	-	-	-	-
Minerva Luxembourg S.A.	100.00%	(2,768,388)	-	(485,724)	-	343,657	(2,910,455)
Minerva Overseas Ltd II	100.00%	(141,554)	-	(233,517)	-	(5)	(375,076)
Allowance for investment losses		(2,910,228)	286	(719,241)	-	343,652	(3,285,531)
Investments, net		514,786	-	(437,286)	47,659	657,502	782,661

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

- Pulsa S.A.: consolidates subsidiary Frigorífico Canelones S.A.;
- Frigomerc S/A. - consolidates subsidiaries BEEF Paraguay S.A. and Industria Paraguaya Frigorífica S.A.;
- Minerva Australia Holdings PTY Ltd.: consolidates subsidiary Minerva Ásia Foods PTY Ltd.;

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- Pul Argentina S.A.: consolidates subsidiary Swift Argentina S.A.;
- Athena Foods S.A.: consolidates subsidiaries Pulsa S.A., Frigorífico Carrasco S.A., Frigomerc S.A, Pul Argentina S.A., Red Cárnica S.A.S., Red Industrial Colombiana S.A.S., and Minerva Foods Chile SPA;
- Minerva Venture Capital Fundo de Investimento em Participações Multiestrategicas - Investimento no Exterior: consolidates subsidiary MF 92 Ventures LLC.

Summary of the subsidiaries' financial statements as of September 30, 2021:

	Equity interest	Current assets	Noncurrent assets	Current liabilities	Non-current liabilities	Equity
Minerva Overseas Ltd.	100.00%	34	991,398	-	724,426	267,006
Minerva Overseas II Ltd.	100.00%	109	1,310,831	-	1,686,016	(375,076)
Minerva Middle East Ltd.	100.00%	37	-	-	-	37
Minerva Dawn Farms S.A.	100.00%	16,023	83,371	8,303	32,143	58,948
Minerva Luxemburg S.A.	100.00%	2,441,054	7,689,324	36,302	13,004,531	(2,910,455)
Friasa S.A.	99.99%	-	-	-	-	-
Transminerva Ltda.	100.00%	72	171	-	164	79
Minerva Log S.A.	100.00%	20	2	-	-	22
Lytmer S.A.	100.00%	31,312	107	1,498	-	29,921
Minerva Colombia SAS	100.00%	5,285	-	6	-	5,279
CSAP - Companhia Sul Americana de Pecuária S.A.	100.00%	202,478	12,044	188,164	13,420	12,938
Minerva Live Cattle Export Spa	100.00%	13,125	11,315	12,906	-	11,534
Minerva Meats USA LLC	100.00%	545,969	91	447,453	-	98,607
Minerva Comercializadora de Energia Ltda.	100.00%	174,497	-	3,286	-	171,211
Minerva Australia Holdings PTY Ltd.	100.00%	70,622	19,264	10,351	3,415	76,120
Minerva Europe Ltd	100.00%	3,444	-	-	-	3,444
Athena Foods S.A. (*)	100.00%	4,001,588	2,847,108	2,219,053	1,504,066	3,125,577
Minerva Venture Capital Fundo de Investimento em Participações Multiestrategicas - Investimento no Exterior	100.00%	471	66,010	40	-	66,441
Athn Foods Holdings S.A.	100.00%	375	-	-	-	375
Fortuna Foods PTE. LTD.		1,634	-	-	-	1,634
Minerva Foods FZE	100.00%	5,356	-	-	-	5,356
Total		<u>7,513,505</u>	<u>13,031,036</u>	<u>2,927,362</u>	<u>16,968,181</u>	<u>648,998</u>

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

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

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Changes in subsidiaries' profit (loss) in the periods ended September 30, 2021 and 2020 are as follows:

	09/30/2021		09/30/2020	
	Net revenue	Profit (loss) for the period	Net revenue	Profit (loss) for the period
Minerva Overseas Ltd	-	(5)	-	(4)
Minerva Overseas II Ltd	-	(6)	-	(4)
Minerva Dawn Farms S.A.	26,310	(23,895)	24,069	(18,772)
Minerva Luxemburg S.A.	-	343,657	-	(145,565)
Friasa S.A.	-	-	-	-
Transminerva Ltda.	-	120	-	(313)
Minerva Log S.A.	-	-	-	-
Lytmer S.A.	5	(8,073)	7,315	(19,681)
Minerva Colombia SAS	-	(142)	-	(320)
CSAP - Companhia Sul Americana de Pecuária S.A.	208,524	(5,898)	119,441	25,817
Minerva Live Cattle Spa	-	905	-	162
Minerva Meats USA LLC	622,811	(1,346)	236,662	3,142
Minerva Comercializadora de Energia Ltda.	300,937	(73,898)	356,734	9,083
Minerva Australia Holdings PTY Ltd.	358,479	7,789	277,362	3,689
Minerva Europe Ltd	847	(438)	7,656	901
Athena S.A.	10,592,543	419,148	6,275,308	444,722
Minerva Venture Capital Fundo de Investimento em Participações	-	(412)	-	-
Multiestrategicas - Investimento no Exterior	-	(3)	-	-
Athn Foods Holdings S.A.	-	-	-	-
Fortuna Foods PTE. LTD.	-	-	-	-
Minerva FOODS FZE	-	-	-	-
Total	12,110,456	657,503	7,304,547	302,857

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

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11. Property, plant and equipment

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

Company:

	Annual depreciation rate	Historical cost	Accumulated depreciation	09/30/2021 Net	12/31/2020 Net
Buildings	2,95% p.y.	1,143,055	(251,553)	891,502	870,985
Machinery and equipment	9,01% p.y.	1,335,275	(527,026)	808,249	756,999
Furniture and fixtures	10,41% p.y.	15,990	(7,106)	8,884	6,608
Vehicles	7,30% p.y.	23,735	(5,266)	18,469	22,110
Computer hardware	25,62% p.y.	29,525	(13,751)	15,774	9,407
Land		84,031	-	84,031	84,031
Construction in progress		72,907	-	72,907	88,790
Allowance for impairment of assets		(21,518)	-	(21,518)	(21,518)
Total		<u>2,683,000</u>	<u>(804,702)</u>	<u>1,878,298</u>	<u>1,817,412</u>

Consolidated:

	Annual depreciation rate	Historical cost	Accumulated depreciation	09/30/2021 Net	12/31/2020 Net
Buildings	2,46% p.y.	2,720,086	(606,499)	2,113,587	1,997,254
Machinery and equipment	8,68% p.y.	2,786,282	(1,269,002)	1,517,280	1,401,362
Furniture and fixtures	8,98% p.y.	47,583	(14,495)	33,088	28,288
Vehicles	7,05% p.y.	51,591	(31,095)	20,496	24,253
Computer hardware	23,38% p.y.	50,285	(28,159)	22,126	14,360
Land		415,932	-	415,932	381,232
Construction in progress		249,800	-	249,800	253,433
Allowance for impairment of assets		(21,518)	-	-21,518	(21,518)
Total		<u>6,300,041</u>	<u>(1,949,250)</u>	<u>4,350,791</u>	<u>4,078,664</u>

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

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b) Summary of changes in property, plant and equipment from 01/01/2021 to 09/30/2021:

Parent Company	Buildings	Machinery and equipment	Furniture and fixtures	Vehicles	Computer hardware	Land	Construction in progress	Impairment of assets	Total
Balance on December 31, 2020	870,985	756,999	6,608	22,110	9,407	84,031	88,790	(21,518)	1,817,412
Additions	-	128	-	-	40	-	169,074	-	169,242
Transfers	43,563	128,925	3,110	240	9,119	-	(184,957)	-	-
Disposal	-	(396)	(1)	(2,344)	-	-	-	-	(2,741)
Depreciation	(23,046)	(77,407)	(833)	(1,537)	(2,792)	-	-	-	(105,615)
Balance on September 30, 2021	<u>891,502</u>	<u>808,249</u>	<u>8,884</u>	<u>18,469</u>	<u>15,774</u>	<u>84,031</u>	<u>72,907</u>	<u>(21,518)</u>	<u>1,878,298</u>
Consolidated	Buildings	Machinery and equipment	Furniture and fixtures	Vehicles	Computer hardware	Land	Construction in progress	Impairment of assets	Total
Balance on December 31, 2020	1,997,254	1,401,362	28,288	24,253	14,360	381,232	253,433	(21,518)	4,078,664
Additions	5,760	8,827	194	323	559	-	253,337	-	269,000
Transfers	74,350	163,947	4,452	249	11,117	-	(254,115)	-	-
Disposal	-	(1,366)	(11)	(2,537)	(5)	-	-	-	(3,919)
Depreciation	(56,818)	(166,738)	(2,246)	(1,909)	(4,051)	-	-	-	(231,762)
Translation adjustments	(10,732)	(26,527)	252	(8)	146	(13,553)	(2,855)	-	(53,277)
Monetary correction of balance	103,773	137,775	2,159	125	-	48,253	-	-	292,085
Balance on September 30, 2021	<u>2,113,587</u>	<u>1,517,280</u>	<u>33,088</u>	<u>20,496</u>	<u>22,126</u>	<u>415,932</u>	<u>249,800</u>	<u>(21,518)</u>	<u>4,350,791</u>

c) Works and construction in progress

As of September 30, 2021, works and construction in progress refer to the following main projects: expansion of the finished product freezing and storage and cold room capacity, compliance with regulatory (NR's), environmental and occupational safety standards, improvements of plants and distribution centers to enhance operating efficiency and meet the demand of most profitable markets.

d) Allowance for impairment of assets

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

e) Amounts pledged as collateral

Property, plant and equipment items pledged as collateral for borrowings and financing totaled R\$35,493 as of September 30, 2021 (R\$58,093 as of December 31, 2020).

11.1. Right-of-use assets and lease liabilities

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

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

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

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

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

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

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The impacts of the transition and changes in the period ended September 30, 2021 are summarized below:

a) Right of use - Lease

Parent Company	Buildings	Land	Vehicles	Computer hardware	Machinery and equipment	Total
Balance on January 1, 2020	24,455	2,081	10,477	1,439	-	38,452
Additions	185	1,373	9,469	-	173	11,200
Disposals	(101)	-	(670)	-	-	(771)
Depreciation	(3,079)	(243)	(6,050)	(1,024)	(39)	(10,435)
Balance on December 31, 2020	21,460	3,211	13,226	415	134	38,446
Additions	368	-	193	296	-	857
Disposals	-	-	-	-	-	-
Depreciation	(2,327)	(276)	(4,844)	(509)	(110)	(8,066)
Balance on September 30, 2021	<u>19,501</u>	<u>2,935</u>	<u>8,575</u>	<u>202</u>	<u>24</u>	<u>31,237</u>
Consolidated	Buildings	Land	Vehicles	Computer hardware	Machinery and equipment	Total
Balance on January 1, 2020	24,455	8,341	10,477	1,447	-	44,720
Additions	185	1,876	9,469	-	173	11,703
Disposals	(101)	(687)	(670)	(8)	-	(1,466)
Depreciation	(3,079)	(920)	(6,050)	(1,024)	(39)	(11,112)
Balance on December 31, 2020	21,460	8,610	13,226	415	134	43,845
Additions	398	-	193	296	228	1,085
Disposals	-	-	-	-	-	-
Depreciation	(2,327)	(779)	(4,844)	(509)	(219)	(8,678)
Balance on September 30, 2021	<u>19,501</u>	<u>7,831</u>	<u>8,575</u>	<u>202</u>	<u>143</u>	<u>36,252</u>

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b) Lease liability

Parent Company	Buildings	Land	Vehicles	Computer hardware	Machinery and equipment	Total
Balance on January 1, 2020	25,391	2,166	10,880	1,507	-	39,944
Additions	185	1,373	9,469	-	173	11,200
Disposals	(106)	-	(1,033)	-	-	(1,139)
Interest recognized in the period (profit and loss)	2,379	323	1,343	100	5	4,150
Write-offs due to payment	(4,539)	(484)	(6,880)	(1,152)	(42)	(13,097)
Balance on December 31, 2020	23,310	3,378	13,779	455	136	41,058
Additions	368	-	193	296	-	857
Disposals	-	-	-	-	-	-
Interest recognized in the period (profit and loss)	1,618	224	768	33	5	2,648
Write-offs due to payment	(3,461)	(422)	(5,560)	(565)	(116)	(10,124)
Balance on September 30, 2021	21,835	3,180	9,180	219	25	34,439
Current liabilities	2,840	291	5,813	219	25	9,188
Non-current liabilities	18,995	2,889	3,367	-	-	25,251
Consolidated	Buildings	Land	Vehicles	Computer hardware	Machinery and equipment	Total
Balance on January 1, 2020	25,392	8,668	10,880	1,507	-	46,447
Additions	185	1,876	9,469	-	173	11,703
Disposals	(106)	(718)	(1,033)	-	-	(1,857)
Interest recognized in the period (profit and loss)	2,379	921	1,343	100	5	4,748
Write-offs due to payment	(4,540)	(1,536)	(6,880)	(1,152)	(42)	(14,150)
Balance on December 31, 2020	23,311	9,211	13,779	455	136	46,892
Additions	368	-	193	296	228	1,085
Disposals	-	-	-	-	-	-
Interest recognized in the period (profit and loss)	1,617	630	768	33	12	3,060
Write-offs due to payment	(3,461)	(1,202)	(5,560)	(565)	(229)	(11,017)
Balance on September 30, 2021	21,835	8,639	9,180	219	147	40,020
Current liabilities	2,840	841	5,813	219	147	9,860
Non-current liabilities	18,995	7,798	3,367	-	-	30,160

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12. Intangible assets

	Parent Company		Consolidated	
	09/30/2021	12/31/2020	09/30/2021	12/31/2020
Goodwill paid on acquisitions (a)	259,691	259,691	652,981	642,502
Right of use - Aircraft (a)	1,793	1,793	1,793	1,793
Assignment of right of way (a)	250	250	250	250
Trademarks and patents (a)	-	-	95,684	89,212
Software licenses	54,966	40,349	56,819	42,462
Total	<u>316,700</u>	<u>302,083</u>	<u>807,527</u>	<u>776,219</u>

(a) Intangible assets with an indefinite useful life.

Changes in intangible assets during the period ended September 30, 2021 are as follows:

	Parent Company				
	Goodwill paid on acquisitions	Right of use - aircraft	Assignment of right of way	Software acquired	Total
Balance on December 31, 2020	259,691	1,793	250	40,349	302,083
Acquisition	-	-	-	23,912	23,912
Amortization	-	-	-	(9,295)	(9,295)
Balance on September 30, 2021	<u>259,691</u>	<u>1,793</u>	<u>250</u>	<u>54,966</u>	<u>316,700</u>

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	Consolidated					
	Goodwill paid on acquisitions	Right of use - aircraft	Assignment of right of way	Trademarks	Software acquired	Total
Balance on December 31, 2020	642,502	1,793	250	89,212	42,462	776,219
Acquisition	-	-	-	-	24,118	24,118
Amortization	-	-	-	(1,626)	(9,828)	(11,454)
Translation adjustments	10,479	-	-	(9,618)	67	928
Monetary correction of balance	-	-	-	17,716	-	17,716
Balance on September 30, 2021	<u>652,981</u>	<u>1,793</u>	<u>250</u>	<u>95,684</u>	<u>56,819</u>	<u>807,527</u>

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The Company records the amortization of its software, the only intangible asset that can be amortized, according to the contractual license period, when purchased from third parties, or for the period estimated by the Company for software internally developed. As of September 30, 2021, the average amortization rate was 24.03% and, as of December 31, 2020, 20.96%.

Goodwill based on expected future profitability

	Consolidated	
	09/30/2021	12/31/2020
In direct subsidiaries:		
Minerva Dawn Farms (MDF) (i)	147,649	147,649
Brascasing Industria e Comércio Ltda. (ii)	74,596	74,596
Athena S.A. (iii)	242,690	231,861
Mato Grosso Bovinos S/A (iv)	73,734	73,734
Other (v)	97,379	97,379
In indirect subsidiaries:		
Other (vi)	16,933	17,283
Total	652,981	642,502

- (i) As required by CVM Resolution No. 580/09 - NBC TG 15 (R1), the Company revised the calculations of identifiable assets acquired and liabilities assumed upon recognition at fair value of the acquisition of an additional 30% of the shares representing the capital stock of Minerva Dawn Farms (MDF), which was classified as a "business combination in stages". Therefore, segregating the appreciation (goodwill) calculated at initial (provisional) recognition at fair value of the Company's interest in such transaction, in the amount of R\$188,391 (R\$188,391 at December 31, 2012), was necessary. As described above, during the fourth quarter of 2012, the Company acquired the residual interest of 20% in MDF shares that were held by Dawn Farms, becoming the holder of 100% of MDF. As of December 31, 2015, an allowance for impairment in the amount of R\$21,904 was recognized. As of December 31, 2018, an allowance for impairment in the amount of R\$18,838 was recognized;
- (ii) In December 2011, the Company acquired 5% of the capital stock of the jointly-owned subsidiary Brascasing Comercial Ltda., and now holds 55% of that company, and consequently, its control. As this transaction is considered as a "business combination in stages", the Company recorded its equity interest and non-controlling interest at their fair value, and recorded goodwill for expected future profitability of R\$93,185. After the full acquisition of the Company, goodwill totaled R\$98,094.

As of December 31, 2015, the Company recorded an allowance for impairment totaling R\$23,498, arising from overproduction/oversupply, due to the reduction of worldwide consumption, mainly from the slowdown in China and the decrease in oil prices, directly impacting markets like Russia, one of the main markets for the Company's business.

- (iii) On September 30, 2018, the Company transferred its industrial investments in Mercosur, through a capital contribution to subsidiary Athena S.A. As a result, the goodwill amounts based on expected future profitability that were recorded in the Parent were transferred. The investments transferred were Frigomerc S/A, Pulsa S/A, Frigorífico Carrasco and the indirect subsidiary BEEF Paraguay S.A. and the transferred goodwill amounts based on expected profitability were as follows: Frigorífico Pulsa S/A - US\$15,396 (as of September 30, 2021 - R\$83,745); Frigomerc S/A US\$ (as of September 30, 2021 - R\$84,398); Frigorífico Carrasco S.A. US\$11,932 (as of September 30, 2021 - R\$64,903); and subsidiary Frigomerc S.A. held a direct investment equivalent to 100% of the common shares in BEEF Paraguay S.A., which had a goodwill of US\$1,773 (as of September 30, 2021 - R\$9,644) which was indirectly transferred to Athena S.A.;

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

As required by the accounting practices adopted in Brazil and international financial reporting standards (IFRS), the Company annually evaluates whether there is evidence of impairment of its assets. As a result of impairment tests, as of December 31, 2020, no losses were identified for the Company's cash-generating units (CGU). However, for 2018, losses were identified for the Company's cash-generating units relating to its subsidiary Minerva Dawn Farms S.A. (MFF).

The Company used the value in use method to perform the impairment test. For all CGUs, a five-year projection, with no growth in perpetuity, in addition to financial budgets prepared by Management for the start of the cash flow projections (2021) were considered. The discount rate applied was 8%.

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

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13. Borrowings and financing

Type of transactions	Annual finance charges	Parent Company		Consolidated	
		09/30/2021	12/31/2020	09/30/2021	12/31/2020
6 th issue debentures	1.8% per year + CDI	408,161	399,151	408,161	399,151
7 th issue debentures	IPCA + 4.5%	574,939	513,144	574,939	513,144
8 th issue debentures	IPCA (*)	636,609	594,359	636,609	594,359
9 th issue debentures	IPCA (*)	600,310	603,697	600,310	603,697
10 th issue debentures	IPCA (*)	1,670,499	-	1,670,499	-
Bank Credit Note (4)	Rate fixed	-	50,761	20,737	71,903
Bank Credit Note (4)	CDI + spread	356,200	306,417	356,200	306,417
NCE (1/4)	CDI + spread	520,045	325,144	520,045	325,144
IFC (2/3/5)	CDI + spread	35,493	43,436	35,493	43,436
Subtotal		4,802,256	2,836,109	4,822,993	2,857,251
Financial instruments of protection - derivatives	CDI + spread	(854,993)	(369,081)	(854,993)	(369,081)
Total		3,947,263	2,467,028	3,968,000	2,488,170
Foreign currency (US dollar) ACCs (4)	Interest from 3.00% to 5.5% + exchange rate variation	479,742	352,737	479,742	352,737
	Interest of 2.51%	275,307	-	275,307	-
Senior Unsecured Notes - (4)	Exchange rate variation + interest	4,290,579	4,179,267	8,386,217	8,195,956
PPE	Exchange rate variation + spread	1,795,409	1,624,020	-	-
PPE (4)	Interest from 2.0% + libor	1,116,579	911,926	1,116,579	911,926
Secured Loan Agreement (2)	Exchange rate variation + interest	-	14,657	-	14,657
Other types (4/6)	Exchange rate variation + interest	-	-	449,735	309,640
Subtotal		7,957,616	7,082,607	10,707,580	9,784,916
Financial instruments of protection - derivatives		(413,669)	(829,850)	(701,048)	(829,850)
Total		7,127,766	6,381,559	9,877,730	9,083,868
Total borrowings and financing		11,075,029	8,848,587	13,845,730	11,572,038
Current		1,648,426	2,002,767	1,806,920	2,199,564
Non-current		9,426,603	6,845,820	12,038,810	9,372,474

(*) Transactions hedged by swap % CDI.

MINERVA S.A.

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The Company provided the following collaterals to borrowings and financing:

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

As of September 30, 2021, the noncurrent portion of the Company's (Parent) borrowings and financing matures as follows:

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Total
ACC	-	284,863	-	-	-	-	-	-	-	-	284,863
CCB	-	-	250,000	-	-	-	-	-	-	-	250,000
Debentures	-	-	1,074,168	508,501	182,943	-	1,279,224	142,552	214,396	(8,404)	3,393,380
IFC	8,607	8,607	-	-	-	-	-	-	-	-	17,214
NCE	72,930	374,127	100,000	-	-	-	-	-	-	-	547,057
Pre-shipment	1,045,725	326,364	1,638,668	-	3,448,580	-	-	-	-	-	6,459,337
Financial instruments of protection - derivatives	45,222	(11,232)	(316,325)	(304,080)	(37,527)	(183,024)	(21,969)	(499,740)	(93,274)	(103,299)	(1,525,248)
Total	1,172,484	982,729	982,729	204,421	3,593,996	(183,024)	1,257,255	(357,188)	121,122	(111,703)	9,426,603

As of September 30, 2021, the noncurrent portion of consolidated borrowings and financing matures as follows:

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Total
ACC	-	284,863	-	-	-	-	-	-	-	-	284,863
CCB	-	-	250,000	-	-	-	-	-	-	-	250,000
Debentures	-	-	1,074,168	508,501	182,943	-	1,279,224	142,552	214,396	(8,404)	3,393,380
IFC	8,607	8,607	-	-	-	-	-	-	-	-	17,214
NCE	72,930	374,127	100,000	-	-	-	-	-	-	-	547,057
Pre-shipment	224,375	326,364	163,182	-	-	-	-	-	-	-	713,921
Other modalities	-	5,171	2,537	-	-	-	-	-	-	-	7,708
Senior Unsecured Notes	-	-	-	-	-	-	2,036,411	-	-	6,313,504	8,349,915
Financial instruments of protection - derivatives	45,222	(11,232)	(316,325)	(304,080)	(37,527)	(183,024)	(21,969)	(499,740)	(93,274)	(103,299)	(1,525,248)
Total	351,134	987,900	1,273,562	204,421	145,416	(183,024)	3,293,666	(357,188)	121,122	6,201,801	12,038,810

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Below are the Company's and its subsidiaries' main borrowing and financing as of September 30, 2021. On that date, the Company was compliant with all covenants established for each type of borrowing and financing:

International Finance Corporation (IFC)

In September 2013, IFC and the Company entered into a 10-year financing agreement, in the amount of R\$137,718, which was released on October 24, 2013. The debt balance as of September 30, 2021 is R\$ 35,493 (R\$43,436 as of December 31, 2020), subject to semiannual interest on CDI + spread. The debt final maturity date is April 15, 2023.

Debt notes/ bonds abroad

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

The early buyback offer of debt notes was carried out using the proceeds from the issue of the 2026 Notes (which will bear annual interest of 6.50%) and is part of a clear strategy to manage liabilities, aiming at the constant improvement of the Company's debt cost. Part of this offer consisted in the payment of a premium to the holders of the notes, embedded and implicit in the transaction and in the proposed exchange relations, amounting to US\$40,143 thousand, as well as transaction costs in the amount of US\$28,859 totaling US\$69,002 that will be amortized in 'Finance costs' during the effective term of the 2026 Notes.

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

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

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

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

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

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

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

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

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

The liability related to Notes, as of September 30, 2021, in the consolidated interim financial statements, is R\$8,386,217 (R\$8,195,956 as of December 31, 2020). The Notes are expected to maintain a financial covenant which measures the ability to cover debt in relation to EBITDA (earnings before interest, taxes, depreciation, and amortization). The contractual ratio of both financial instruments indicates that the debt coverage level may not exceed 3.5 times the EBITDA in the last 12 months.

For these purposes, the following definitions are considered:

- (I) "Net debt" means the sum of the balance of loans and financing, without considering exchange rate changes occurred in the period since the contracting of the debt, less the sum of: (i) available cash (as defined below) and (ii) "inflation adjustment losses" (as defined below);

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- (II) "Cash and cash equivalents" - means the sum of the balances of the following Company's balance sheet accounts: "Cash and cash equivalents" and "Securities"; and (III) "inflation adjustment losses" - means a number of exceptions, including but not limited to exchange rate changes since the issue of the Note and/or allowed debts, related to specific operating transactions, totaling US\$308,000 thousand. (iv) "EBITDA" means the amount calculated on the accrual basis over the last 12 months, equal to the sum of net revenue, less: (i) the cost of services rendered, (ii) administrative expenses, plus: (a) depreciation and amortization expenses; (b) finance income (expenses), net; (c) equity in the earnings (losses) of subsidiaries; and (d) direct taxes.

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

i) Level of subordination

As of September 30, 2021, 0.26% of the Company's and its subsidiaries' total debt has collaterals (0.50% as of December 31, 2020).

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

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

6th issue of non-convertible debentures

On May 15, 2019, the Company offered debentures not convertible into shares, in the amount of R\$400,000, maturing on May 15, 2022. The total principal amount is R\$400,000 yielding the equivalent to the cumulative variation (effective rate) of 100% of the daily average rates of the Interbank Deposits (DI) plus a rate of 1.80% p.a. calculated using the bookbuilding procedure. The proceeds from such issue will be used to extend the debt profile and improve the Company's capital structure.

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In the process of issuing such debentures, the Company incurred transaction costs in the amount of R\$5,110, recorded in its interim financial statements as a reduction of liabilities, to be amortized for the effective term of these debentures. As of September 30, 2021, the balance is R\$408,161 (R\$399,151 as of December 31, 2020).

7th issue of non-convertible debentures

On November 19, 2019, the Company offered debentures not convertible into shares, in the amount of R\$500,000, maturing on August 15, 2024. The total principal amount is R\$500,000 yielding the equivalent to IPCA plus a rate of 4.50% p.a. The proceeds from such issue will be used to extend the debt profile and improve the Company's capital structure. In the process of issuing such debentures, the Company incurred transaction costs in the amount of R\$12,926, recorded in its interim financial statements as a reduction of liabilities, to be amortized for the effective term of these debentures. Balance as of September 30, 2021, is R\$574,939 (R\$513,144 as of December 31, 2020).

8th issue of non-convertible debentures

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

Such transaction is hedged by a % CDI swap, whereby the final transaction cost stood at 160% of the CDI. The proceeds from this issuance were allocated to agribusiness activities and relations with rural farmers, as part of the industry and trade of meat by the Company. In the process of issuing such debentures, the Company incurred transaction costs in the amount of R\$21,930, recorded in its interim financial statements as a reduction of liabilities, to be amortized for the effective term of these debentures. As of September 30, 2021 the balance is R\$636,609 (R\$594,359 as of December 31, 2020).

9th issue of non-convertible debentures

On June 12, 2020, the Company offered debentures not convertible into shares, in the amount of R\$600,000, maturing on June 12, 2025. The total principal amount is R\$600,000 yielding the equivalent to IPCA. Such transaction is hedged by a % CDI swap, whereby the final transaction cost stood at 160% of the CDI. The proceeds from this issuance were allocated to agribusiness activities and relations with rural farmers, as part of the industry and trade of meat by the Company. In the process of issuing such debentures, the Company incurred transaction costs in the amount of R\$14,787, recorded in its interim financial statements as a reduction of liabilities, to be amortized for the effective term of these debentures. As of September 30, 2021 the amount is R\$600,310 (R\$603,697 as of December 31, 2020).

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10th issue of non-convertible debentures

On April 15, 2021, the Company offered non-convertible debentures for R\$1,600,000, maturing on April 12, 2028. The total principal is R\$1,600,000, and its remuneration corresponds to the IPCA. This funding has a Swap of % CDI, in which the final cost of the transaction was 128% of CDI. The proceeds from this issue were allocated to activities in agribusiness and relations with rural producers, within the scope of the Company's meat industry and trade. In the process of issuing these debentures, the Company incurred transaction costs of R\$55,389, recorded in its interim financial information as a reduction in the liability itself, to be amortized over the effective period of these debentures. As of September 30, 2021, the amount is R\$1,670,499.

14. Trade payables

	Parent Company		Consolidated	
	09/30/2021	12/31/2020	09/30/2021	12/31/2020
Domestic suppliers	2,137,368	1,537,705	3,417,789	2,262,100
Foreign suppliers	23,619	54,537	115,150	67,688
Related Parties	45,689	56,568	9,658	14,805
Total	2,206,676	1,648,810	3,542,597	2,344,593

Aging list of trade payables:

	Parent Company		Consolidated	
	09/30/2021	12/31/2020	09/30/2021	12/31/2020
Current:	2,197,581	1,612,286	3,450,787	2,186,123
Overdue payables:				
Up to 30 days	4,481	4,212	51,132	74,763
From 31 to 60 days	1,010	7,582	5,258	37,429
From 61 to 90 days	797	6,832	9,983	24,127
Above 90 days	2,807	17,898	25,437	22,151
Total	2,206,676	1,648,810	3,542,597	2,344,593

15. Payroll, related charges, and taxes payable

	Parent Company		Consolidated	
	09/30/2021	12/31/2020	09/30/2021	12/31/2020
Payroll and related charges				
Salaries and management fees	523	464	54,440	36,544
Payroll taxes - FGTS and INSS (employees and third parties)	18,605	13,884	19,847	14,866
Accrued vacation/13 th salary and related taxes	67,951	43,866	140,779	89,571
Other wages and charges	12,125	10,543	43,910	30,184
Total payroll and related taxes	99,204	68,757	258,976	171,165
Taxes payables				
State VAT (ICMS)	8,267	11,120	8,376	11,123
Federal taxes in installments - (1)	52,146	55,843	61,250	65,616
State taxes paid in installments	7,482	2,791	7,482	2,791
IRPJ (Corporate income tax)	-	-	76,119	56,250
Social contribution on net income	-	4,120	-	4,241
Value added tax (VAT)	-	-	9,682	17,804
Funrural	1,248	1,951	1,347	1,989
Other taxes and fees	14,542	20,694	70,377	53,717
Total taxes	83,685	96,519	234,633	213,531
Grand total	182,889	165,276	493,609	384,696
Current	136,451	114,521	438,889	324,990
Non-current	46,438	50,755	54,720	59,706

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

Special Tax Debt Settlement Program (PERT)

As of September 30, 2021, the outstanding balance, Parent and consolidated, is R\$16,317 and R\$21,089, respectively.

Rural Tax Debt Refinancing Program (PRR)

As of September 30, 2021, the outstanding balance, Parent and consolidated, is R\$35,830 and R\$40,162, respectively.

16. Other payables

	Parent Company		Consolidated	
	09/30/2021	12/31/2020	09/30/2021	12/31/2020
Advances received (a)	1,436,489	1,361,310	1,584,392	1,423,200
Dividends payable (b)	280	8,545	280	8,545
Interest on capital payable (b)	11	19,288	11	19,288
Payables - acquisitions (c)	398	398	27,546	35,574
Other operating provisions	26,924	20,923	170,280	60,723
Total	<u>1,464,102</u>	<u>1,410,464</u>	<u>1,782,509</u>	<u>1,547,330</u>
Current	1,464,102	1,410,464	1,762,062	1,516,235
Non-current	-	-	20,447	31,095

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

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

(c) Amounts payable for the acquisition of the plants in Campina Verde, State of Minas Gerais (R\$398 as of September 30, 2021) and Frigorífico Vijagual S.A. in Colombia (R\$27,148 as of September 30, 2021).

17. Deferred taxes

	Parent Company		Consolidated	
	09/30/2021	12/31/2020	09/30/2021	12/31/2020
Assets				
Tax losses- IRPJ	403,602	403,602	455,560	444,474
Tax loss carryforwards - CSLL	145,298	145,298	145,298	145,298
Total	<u>548,900</u>	<u>548,900</u>	<u>600,858</u>	<u>589,772</u>
Temporary differences - assets				
Provisions for tax, civil and labor risks	8,805	8,358	14,609	14,428
Impairment of assets	7,316	7,316	7,425	7,430
Allowance for expected credit losses	9,843	10,241	9,918	10,325
Other	2,393	2,393	42,973	32,043
Total temporary differences - assets	<u>577,257</u>	<u>577,208</u>	<u>675,783</u>	<u>653,998</u>
Liabilities				
Temporary differences - liabilities				
Unrealized gains on the fair value of biological assets	(50,101)	(41,252)	(50,101)	(41,252)
Business combination	(33,096)	(33,096)	(33,096)	(33,096)
Revaluation reserve	(22,857)	(23,454)	(22,857)	(23,454)
Added value in subsidiaries	-	-	(239,752)	(200,026)
Other temporary deductions	(37,293)	(31,866)	(58,426)	(54,695)
Total temporary differences - liabilities	<u>(143,347)</u>	<u>(129,668)</u>	<u>(404,232)</u>	<u>(352,523)</u>
Total deferred taxes	<u>433,910</u>	<u>447,540</u>	<u>271,551</u>	<u>301,475</u>
Total assets	<u>433,910</u>	<u>447,540</u>	<u>435,065</u>	<u>448,832</u>
Total do liabilities	-	-	<u>(163,514)</u>	<u>(147,357)</u>
Total	<u>433,910</u>	<u>447,540</u>	<u>271,551</u>	<u>301,475</u>

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17.1. Breakdown of deferred income tax and social contribution

Changes in tax loss carryforwards were as follows:

	Parent Company			
	Balance on December 31, 2020	Recognized in income (loss)	Realization of deferred taxes	Balance on September 30, 2021
Deferred taxes on income and social contribution tax losses	548,900	-	-	548,900
Total deferred tax assets	548,900	-	-	548,900

	Consolidated				
	Balance on December 31, 2020	Recognized in income (loss)	Realization of deferred taxes	Cumulative translation adjustments	Balance on September 30, 2021
Deferred taxes on income and social contribution tax losses	589,772	9,150	-	1,936	600,858
Total deferred tax assets	589,772	9,150	-	1,936	600,858

The deferred tax asset from tax loss carryforwards was recognized for the period from December 31, 2010 to September 30, 2021, in the consolidated financial statements.

The amount accrued as of September 30, 2021 is R\$600,858 (R\$589,772 as of December 31, 2020). The decision of the Company's and its subsidiaries' Management to record such deferred tax assets, on social contribution tax loss carryforwards, was based on the business plan and financial and budget projections prepared internally and by independent consultants and revised at least annually.

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

	09/30/2021	
	Parent Company	Consolidated
2021	43,425	47,652
2022	55,260	60,640
2023	59,177	64,938
2024	59,495	65,287
2025 onwards	331,543	362,341
Total	548,900	600,858

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

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

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

	Parent Company		Consolidated	
	09/30/2021	09/30/2020	09/30/2021	09/30/2020
Temporary additions				
Sundry provisions	10,877	15,680	108,556	55,736
Fair value of biological assets	1,383,787	761,196	1,383,787	761,196
Temporary deductions				
Sundry provisions	(8,975)	(3,981)	(8,975)	(34,993)
Depreciation - tax base differences	(15,964)	(14,807)	(15,964)	(14,807)
Fair value of biological assets	(1,409,814)	(788,210)	(1,409,814)	(788,210)
Deferred tax base	(40,089)	(30,122)	57,590	(21,078)
Deferred income tax and social contribution - temporary difference				
Realization of deferred income tax and social contribution - temporary difference	(13,630)	(10,241)	19,581	(7,167)
Deferred income tax and social contribution on tax loss carryforwards	-	-	-	-
Total deferred income tax and social contribution	(13,630)	(10,241)	19,581	(7,167)

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

	Parent Company				Balance on September 30, 2021
	Balance on January 1, 2021	Recognition of deferred taxes	Realization of deferred taxes	Cumulative translation adjustments	
Tax loss	548,900	-	-	-	548,900
Provisions for tax, civil and labor risks	8,358	603	(156)	-	8,805
Other temporary additions	2,393	-	-	-	2,393
Impairment of assets	7,316	-	-	-	7,316
Allowance for expected credit losses	10,241	427	(825)	-	9,843
Unrealized gains on the fair value of biological assets	(41,252)	(8,849)	-	-	(50,101)
Business combination	(33,096)	-	-	-	(33,096)
Revaluation reserve	(23,454)	-	597	-	(22,857)
Added value in subsidiaries	-	-	-	-	-
Other temporary deductions	(31,866)	(5,427)	-	-	(37,293)
Total deferred tax assets	447,540	(13,246)	(384)	-	433,910
	Consolidated				
	Balance on January 1, 2021	Recognition of deferred taxes	Realization of deferred taxes	Cumulative translation adjustments	Balance on September 30, 2021
Tax loss	589,772	9,122	-	1,964	600,858
Provisions for tax, civil and labor risks	14,428	603	(697)	275	14,609
Other temporary additions	32,043	15,452	(5,427)	905	42,973
Impairment of assets	7,430	8	(11)	(2)	7,425
Allowance for expected credit losses	10,325	427	(837)	3	9,918
Unrealized gains on the fair value of biological assets	(41,252)	(8,849)	-	-	(50,101)
Business combination	(33,096)	-	-	-	(33,096)
Revaluation reserve	(23,454)	-	597	-	(22,857)
Added value in subsidiaries	(200,026)	-	11,615	(51,341)	(239,752)
Other temporary deductions	(54,695)	(8,737)	1,071	3,935	(58,426)
Total deferred tax assets	301,475	8,026	6,311	(44,261)	271,551

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a) Current - payable

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

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

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

	Parent Company		Consolidated	
	09/30/2021	09/30/2020	09/30/2021	09/30/2020
Income before taxes	462,220	593,205	493,393	661,318
Additions				
Temporary differences	10,877	15,680	10,877	15,680
Permanent differences	207,290	210,585	1,123,903	1,427,562
Realization of temporary differences	-	-	-	-
Realization of revaluation reserve	-	-	-	-
Effect of the first-time adoption of IFRS	5,570,623	4,507,768	5,750,477	4,521,576
Deductions				
Temporary differences	(8,975)	(3,980)	(8,975)	(3,980)
Permanent differences	(828,872)	(504,542)	(1,684,772)	(1,704,992)
Effect of the first-time adoption of IFRS	(6,227,329)	(5,184,514)	(6,401,518)	(5,233,647)
Tax calculation basis	(814,166)	(365,798)	(716,615)	(316,483)
Compensation	-	-	-	(1,295)
Tax Calculation basis after loss to be compensated	(814,166)	(365,798)	(716,615)	(317,778)
Income taxes				
Income tax	-	-	(64,384)	(70,915)
Social contribution payable	-	-	-	(272)
Current income tax and social contribution expense	-	-	(64,384)	(71,187)
Effective tax rate (%)	-	-	8.98	22.40

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

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

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

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

18. Provisions for tax, labor and civil risks

Summary of contingent liabilities recognized

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

Lawsuits	Parent Company		Consolidated	
	09/30/2021	12/31/2020	09/30/2021	12/31/2020
Provisions for tax risks	1,890	1,890	1,966	1,973
Provisions for labor lawsuits	25,898	24,582	35,890	36,018
Provision for civil risks	1,496	1,496	4,353	2,283
Total	<u>29,284</u>	<u>27,968</u>	<u>42,209</u>	<u>40,274</u>

	Labor lawsuits	Civil and tax lawsuits	Total
	Parent Company		
Balance on January 1, 2020	23,916	3,386	27,302
Provisions recognized in the year			
Provisions reversed in the year	1,093	-	1,093
	(427)	-	(427)
Balance on December 31, 2020	<u>24,582</u>	<u>3,386</u>	<u>27,968</u>
Provisions recognized in the period	1,774	-	1,774
Provisions reversed in the period	(458)	-	(458)
Balance on September 30, 2021	<u>25,898</u>	<u>3,386</u>	<u>29,284</u>

	Labor lawsuits	Civil and tax lawsuits	Total
	Consolidated		
Balance on January 1, 2020	33,829	4,443	38,272
Provisions recognized in the year			
Provisions reversed in the year	3,516	2,244	5,760
Translation adjustments for the year	(3,871)	(2,640)	(6,511)
	2,544	209	2,753
Balance on December 31, 2020	<u>36,018</u>	<u>4,256</u>	<u>40,274</u>
Provisions recognized in the period	2,359	2,264	4,623
Provisions reversed in the period	(2,888)	(11)	(2,899)
Translation adjustments for the period	401	(190)	211
Balance on September 30, 2021	<u>35,890</u>	<u>6,319</u>	<u>42,209</u>

Civil and tax risks

These lawsuits refer to claims questioning the constitutionality of the use of reduced taxes on gross revenues and also to the discussion on the non-collection of taxes on export revenue. As of September 30, 2021, these risks were assessed as probable loss and involve the amounts of R\$3,386, Company, and R\$6,319, consolidated (R\$3,386, Parent, and R\$4,256, consolidated, as of December 31, 2020).

Labor lawsuits

Most of these labor claims involve overtime, commuting time, health hazard premium and mandatory thermal comfort breaks. Based on the opinion of the legal counsel that handles these lawsuits and Management's experience in similar cases, provisions were recognized for labor lawsuits assessed as probable loss which. As of September 30, 2021, in the amount of R\$25,898 in the Company, and R\$35,890 in the consolidated (R\$24,582 in the Company and R\$36,018 in the consolidated, as of December 31, 2020).

Other lawsuits (assessed as possible loss)

Labor and social security

As of September 30, 2021, the Company and its subsidiaries are parties to labor lawsuits (public civil actions) and social security lawsuits, in the total amount of approximately R\$4,355, whose likelihood of loss is considered possible, but not probable, and for which Management does not consider necessary to recognize a provision for possible loss.

Senar

In March 2003, the Company filed for a writ of mandamus to suspend the withholding and transfer of SENAR. To avoid losing the right to require the contribution of Funrural and SENAR, the INSS (Social Security Authority) issued various tax assessment notices against the Company to date. The amount involved in these notices, whose likelihood of loss was assessed by the Company's legal counsel as possible, is approximately R\$73,518. Such lawsuits involve a significant uncertainty level on the likelihood of loss for certain matters being discussed at the judicial level.

State VAT (ICMS)

The Company was issued tax assessments relating to differences in the computation schedule for the base of ICMS and ICMS-ST by applying the reduction on its operations in the States of Minas Gerais, São Paulo and Goiás. As of September 30, 2021, the amount involved in these lawsuits, assessed as possible loss, is approximately R\$173,341.

Other tax, civil and environmental lawsuits

As of September 30, 2021, the Company and its subsidiaries are parties to other tax, civil and environmental lawsuits, in the total amount of approximately R\$73,284, R\$8,546 and R\$2,372, (R\$35,193, R\$6,314 and R\$1,480 as of December 31, 2020), respectively, whose likelihood of loss is considered possible, but not probable, in accordance with the Company's legal counsel, and for which Management does not consider necessary to recognize a provision for possible loss.

19. Equity

a. Capital stock

The Company's subscribed as of September 30, 2021 is represented by the amount of R\$1,371,484 (R\$1,363,695 as of December 31, 2020), represented by 549,645,853 (548,426,499 as of December 31, 2020) registered, book-entry, common shares with no par value, all of which are free and clear of any burden or encumbrance, and on September 30, 2021 there was a balance to be paid in of R\$17 represented by 2,705 common, book-entry shares with no par value. Expenses on the issue of new shares totaled R\$5,898 during 2016 and R\$53,813 during 2020. Accordingly, the capital balance in the interim financial information is R\$1,311,755.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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b. Capital reserve

The capital reserve consists of amounts received by the Company and that are not recorded in profit or loss as revenues, since they are intended to reinforce capital; the Company is not required to make any efforts, such as delivering goods or providing services, in connection with these amounts. As of September 30, 2021, the Company's capital reserve is R\$118,271 (R\$118,271 as of December 31, 2020).

c. Revaluation reserve

The Company appraised its fixed assets in 2003 and 2006. The remaining balance totaled R\$47,905 as of September 30, 2021 (R\$49,066 as of December 31, 2020), net of taxes.

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

d. Legal reserve

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

e. Earnings retention reserve

The earnings reserve was recorded based on the remaining balance of the profit for the year, after the allocations to the legal reserve and distribution of dividends, and will be used to finance future investments, under article 196 of Law No. 6.404/76. Accumulated retention until September 30, 2021 is R\$118,583 (R\$118,583 in December 31, 2020). According to art. 199 of Law No. 6.404/76, the balance of this reserve, plus other earnings reserves, may not exceed the Company's capital.

f. Treasury shares

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

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At the beginning of the plan, the Company had 3,150,000 registered, book-entry common shares with no par value held in treasury, and 259,351,910 registered, book-entry common shares with no par value issued by the Company were outstanding.

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

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

The table below shows the changes in treasury shares:

	Number	Amount (R\$)	Average cost (R\$)	Average market value
Balance on January 1, 2020	3,150,000	32,695	10.38	12.84
Share buyback	19,903,200	210,073	10.55	-
Disposal of share	-	-	-	-
Balance on December 31, 2020	<u>23,053,200</u>	<u>242,768</u>	<u>10.53</u>	<u>10.18</u>
Share buyback	-	-	-	-
Disposal of share	-	-	-	-
Balance on September 30, 2021	<u>23,053,200</u>	<u>242,768</u>	<u>10.53</u>	<u>9.78</u>

g. Dividends and interest on capital

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

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

h. Valuation adjustment to equity

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

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

i. Stock option plan

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

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

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

1st Stock Option Plan

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

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

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

2nd Stock Option Plan

On June 25, 2018, the Board of Directors approved the grant of 400,000 stock options to the Company's Management members under the scope of the Company's 2nd Stock Option Program. Management members were given 60 days as from the vesting period of 12 months as from the execution of the Stock Option Agreement to exercise such stock options at a strike price of R\$5.60.

The strike price corresponds to a 20% discount in relation to the weighted average for the last 10 trading sessions prior to the execution of the adherence agreement.

The exercise of the options by Management members was formalized by the purchase of the shares held in Treasury, approved by the Company's Board of Directors on September 24, 2019.

Vesting period: None of the stock options may be transferred before the total vesting period established for the 2nd Program. At each anniversary of the grant date, an additional portion corresponding to 50% will be released to the Participant.

Stock option plan

	09/30/2021		12/31/2020	
	Number of stock options	Weighted average price	Number of stock options	Weighted average price
Free float shares at the beginning of the period	-	-	-	-
Granted during the period	-	-	840,000	6.16
Exercised during the period	-	-	(840,000)	6.16
Forfeited during the period	-	-	-	-
Free float shares at the end of the period	-	-	-	-

Fair value measurement criteria

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

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

	<u>Grant - 1st Program</u>	<u>Grant - 2nd Program</u>
Number of shares	840,000	400,000
Average weighted stock price	11.7562	6.99
Strike price	9.40	5.60
Stock price volatility	35.0%	32.219%
Life of the share	60 days	14 months
Vesting period	3 years	24 months
Expected dividends	-	-
Risk-free interest rate	4.146%	10.380%
Fair value	2.10	3.5040

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

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

20. Segment reporting

Business segments

	<u>Meat</u>		<u>Other</u>		<u>Consolidated</u>	
	09/30/2021	09/30/2020	09/30/2021	09/30/2020	09/30/2021	09/30/2020
Net revenue	18,288,332	12,410,175	1,171,100	1,293,208	19,459,432	13,703,383
Gross profit	1,336,223	1,178,225	64,411	75,006	1,400,633	1,253,231

On a geographical basis, the segment revenue is based on the customer's location. Segment assets are based on the geographical location of the assets.

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

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

MINERVA S.A.

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21. Net operating revenue

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

	Parent Company				Consolidated			
	3 rd Quarter of 2021	09/30/2021	3 rd Quarter of 2020	09/30/2020	3 rd Quarter of 2021	09/30/2021	3 rd Quarter of 2020	09/30/2020
Revenues from domestic sales	1,199,686	3,448,699	1,033,529	2,573,121	2,443,706	6,405,853	1,199,686	3,448,699
Revenues from foreign sales	2,156,725	5,815,056	1,829,626	4,907,146	5,370,845	14,186,625	2,156,725	5,815,056
Deductions from revenue - taxes and other	(211,991)	(645,332)	(186,963)	(479,752)	(446,310)	(1,133,046)	(211,991)	(645,332)
Net operating revenue	<u>3,144,420</u>	<u>8,618,423</u>	<u>2,676,192</u>	<u>7,000,515</u>	<u>7,368,241</u>	<u>19,459,432</u>	<u>3,144,420</u>	<u>8,618,423</u>

22. Expenses by nature

	Parent Company				Consolidated			
	3 rd Quarter of 2021	09/30/2021	3 rd Quarter of 2020	09/30/2020	3 rd Quarter of 2021	09/30/2021	3 rd Quarter of 2020	09/30/2020
Classified as								
Selling expenses	(181,199)	(452,666)	(182,756)	(474,479)	(502,198)	(1,249,670)	(360,956)	(955,790)
General and administrative expenses	(106,978)	(317,320)	(85,336)	(272,254)	(210,685)	(608,576)	(181,367)	(547,400)
Other operating income	(987)	(197)	(10,437)	(25,073)	5,428	15,402	(6,261)	(21,118)
Total	<u>(289,164)</u>	<u>(770,183)</u>	<u>(278,529)</u>	<u>(771,806)</u>	<u>(707,455)</u>	<u>(1,842,844)</u>	<u>(548,584)</u>	<u>(1,524,308)</u>
Expenses by nature								
Variable selling expenses	(157,971)	(392,526)	(163,076)	(413,550)	(453,506)	(1,162,828)	(333,248)	(873,492)
General, administrative and selling expenses	(51,575)	(127,568)	(37,264)	(113,154)	(133,875)	(315,723)	(141,177)	(281,170)
Personnel and commercial expenses	(65,814)	(213,840)	(57,104)	(188,972)	(105,701)	(317,747)	(81,973)	(271,971)
Depreciation and amortization	(12,816)	(36,051)	(10,648)	(31,057)	(19,801)	(61,948)	14,075	(76,557)
Other operating income and expenses	(988)	(198)	(10,437)	(25,073)	5,428	15,402	(6,261)	(21,118)
Total	<u>(289,164)</u>	<u>(770,183)</u>	<u>(278,529)</u>	<u>(771,806)</u>	<u>(707,455)</u>	<u>(1,842,844)</u>	<u>(548,584)</u>	<u>(1,524,308)</u>

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Notes to the individual and consolidated interim financial statements
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23. Net financial result

	Parent Company				Consolidated			
	3 rd Quarter of 2021	09/30/2021	3 rd Quarter of 2020	09/30/2020	3 rd Quarter of 2021	09/30/2021	3 rd Quarter of 2020	09/30/2020
Financial income								
Income from short-term investments	15,286	34,115	11,668	39,897	22,371	50,661	20,746	63,314
	<u>15,286</u>	<u>34,115</u>	<u>11,668</u>	<u>39,897</u>	<u>22,371</u>	<u>50,661</u>	<u>20,746</u>	<u>63,314</u>
Financial expense								
Interest on financing	(193,814)	(534,672)	(171,680)	(488,157)	(262,785)	(746,006)	(256,498)	(765,355)
Other financial expenses/income (i)	(130,670)	(408,461)	(134,522)	813,073	(61,807)	41,271	(123,083)	883,318
	<u>(324,484)</u>	<u>(943,133)</u>	<u>(306,202)</u>	<u>324,916</u>	<u>(324,592)</u>	<u>(704,735)</u>	<u>(379,581)</u>	<u>117,963</u>
Exchange rate changes, net	(117,216)	(136,072)	(24,736)	(784,982)	(119,275)	(117,594)	(9,521)	(726,987)
Monetary correction of balance	-	-	-	-	(42,491)	(135,572)	(13,878)	(46,203)
Net financial result	<u>(426,414)</u>	<u>(1,045,090)</u>	<u>(319,270)</u>	<u>(420,169)</u>	<u>(463,987)</u>	<u>(907,240)</u>	<u>(382,234)</u>	<u>(591,913)</u>

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

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24. Earnings (loss) per share

a) Earnings (loss) per share

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

Basic:

	<u>09/30/2021</u>	<u>09/30/2020</u>
Net income attributable to Company's shareholders	448,590	582,964
Weighted average number of common shares issued (thousands)	549,646	482,680
Weighted average number of treasury shares	(23,053)	(3,150)
Weighted average number of outstanding common shares (thousands)	<u>526,593</u>	<u>479,530</u>
Basic earnings per share - R\$	<u>0.85187</u>	<u>1.21570</u>

b) Diluted earnings (loss) per share

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

Diluted:

	<u>09/30/2021</u>	<u>09/30/2020</u>
Net income attributable to Company's owners	448,590	582,964
Weighted average number of outstanding common shares (thousands)	526,593	479,530
Weighted average number of common shares used to calculate basic earnings (loss) per share - thousands	<u>526,593</u>	<u>479,530</u>
Diluted earnings per share - R\$	<u>0.85187</u>	<u>1.21570</u>

25. Risk and financial instrument management

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

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

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

a. Policy on the treasury's hedging transactions

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

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

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

I. Currency hedging policy

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

i) Flow

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

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

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

ii) Balance sheet

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

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

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

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

II. Cattle hedging policy

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

i) Cattle forward contracts

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

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

ii) Hedging of meat sold

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

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

Statement of derivative positions

The statement of derivative financial instrument positions was prepared to present the derivative financial instruments contracted by the Company in the periods ended September 30, 2021 and December 21, 2020, according to their purpose (asset hedging and other purposes), which fall under Level 2 of the fair value measurement hierarchy, according to the CPC 46 hierarchy:

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Description	Asset Hedging Position					
	/ thousand		Notional in thousands of R\$		Cumulative effect in thousands of R\$	
	09/30/2021	12/31/2020	09/30/2021	12/31/2020	Amount receivable / (received)	Amount payable /
Future contracts:						
Purchase commitment						
DOL (US\$)	6.000	-	32.803	-	-	55.945
Mini Dollar (dol x 0,10)	-	-	-	-	254.8	-
Other	-	-	-	-	-	-
BGI (arrobas)	-	122	-	33,212	-	3.201
Sale commitment						
Foreign currency						
DOL (US\$)	-	-	-	-	-	-
Mini Dollar (US\$ x 0,10)	-	-	-	-	-	-
BGI (arrobas)	1.334	526	384.650	144,428	25.612	-
Option contracts:						
Long position						
Foreign currency						
Other	-	-	-	-	-	-
BGI (arrobas)	1.683	-	216	-	-	20.823
Short position - sale						
Foreign currency						
DOL (US\$)	700	925	8.181	141,663	-	95.949
Other	-	-	-	-	-	-
BGI (arrobas)	1.370	495	22.915	4,991	-	1.295
Bidding position - purchase						
Foreign currency						
Other	-	-	-	-	-	-
BGI (arrobas)	-	-	-	-	23.461	-
Bidding position - sale						
Foreign currency						
DOL (US\$)	-	-	-	-	71.068	-
Other	-	-	-	-	-	-
BGI (arrobas)	-	-	-	-	3.536	-
Term Contracts						
Long position						
NDF (US Dollar)	700.000	850.000	3,807,580	4,417,195	-	551.056
NDF (euro)	-	-	-	-	-	58.000
Short position						
NDF (euro)	2.356	-	14.838	-	-	121
NDF (US Dollar)	668.803	244.750	3,637,886	1,271,892	143.080	-

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

The fair values were measured as follows:

- USD Futures Contracts: US dollar futures contracts traded on B3 total fifty thousand US dollars (US\$50,000) per notional contract and are adjusted on a daily basis. The fair value is calculated by multiplying the notional amount in US dollars by the reference US dollar for the contract disclosed by B3;
- Finished cattle futures contracts (BGI): Finished cattle futures contracts (BGI) traded on B3 have the amount of 330 arrobas; the fair value is calculated through the "notional" value in reais by arroba by the benchmark value for the contract disclosed by B3;

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

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

The outstanding mark-to-market OTC NDF, swap and options transactions traded on B3 - Bolsa, Brasil, Balcão are recorded in the balance sheet accounts as of September 30, 2021, and December 31, 2020 under "NDF receivable/payable", "swaps" and "options receivable", as follows:

	09/30/2021	12/31/2020
	<u>Mark-to-market</u>	<u>Mark-to-market</u>
Derivative financial instruments		
Options	(14,518)	429,431
Swap	778,926	350,631
NDF (EUR+DOL+LIVESTOCK)	<u>920,435</u>	<u>290,067</u>
Grand Total	<u>1,684,843</u>	<u>1,070,129</u>

b. Currency and interest rate risks

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

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

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	Consolidated 09/30/2021 Currencies		
	Domestic	Foreign	Total
Assets			
Cash	1,759	-	1,759
Banks - checking accounts	496,484	5,787,060	6,283,544
Short-term investments	1,235,238	510,168	1,745,406
Trade receivables	748,555	2,070,336	2,818,891
Total current assets	2,482,036	8,367,564	10,849,600
Total Assets	2,482,036	8,367,564	10,849,600
Liabilities			
Consolidated 09/30/2021 Currencies			
	Domestic	Foreign	Total
Financing - current	887,311	1,079,204	1,966,515
Trade payables	3,417,789	115,150	3,532,939
Total current assets	4,305,100	1,194,354	5,499,454
Financing - noncurrent	3,935,682	9,628,376	13,564,058
Total noncurrent	3,935,682	9,628,376	13,564,058
Total liabilities	8,240,782	10,822,730	19,063,512
Net financial debt	5,758,746	2,455,166	8,213,912
Hedging derivatives - Net position	(854,993)	(829,850)	(1,684,843)
Currency position, net	4,903,753	1,625,316	6,529,069

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

	Long (short) position, net at 09/30/2021	Long (short) position, net at 12/31/2020
Financial Instruments (net)		
Futures contracts - DOL (Dollar)	32,803	-
Futures contracts - BGI (Finished Cattle)	(384,650)	(111,217)
Options contracts (Dollar, Cattle, Corn and IDI)	31,312	146,655
Swap contracts	778,926	350,631
NDF (dollar + EURO + cattle + ARS)	154,856	3,145,303
Total net	613,247	3,531,372

Financial assets and financial liabilities are restated in the financial information as of September 30, 2021 and December 31, 2020 at amounts that approximate their market values. Their respective income and costs are recognized and presented on these dates according to their expected realization or settlement.

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

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Below is a list of NDF agreements held by the Company and effective as of September 30, 2021:

Type	Position	Currency	Maturity	Notional Value
NDF	Sale	Euro	10/01/2021	(70)
NDF	Sale	Euro	11/01/2021	(71)
NDF	Sale	Euro	11/03/2021	(137)
NDF	Sale	Euro	11/08/2021	(235)
NDF	Sale	Euro	11/18/2021	(344)
NDF	Sale	Euro	11/29/2021	(66)
NDF	Sale	Euro	12/06/2021	(198)
NDF	Sale	Euro	12/14/2021	(156)
NDF	Sale	Euro	12/09/2021	(197)
NDF	Sale	Euro	12/20/2021	(266)
NDF	Sale	Euro	12/28/2021	(62)
NDF	Sale	Euro	01/04/2021	(125)
NDF	Sale	Euro	01/10/2021	(82)
NDF	Sale	Euro	01/12/2021	(153)
NDF	Sale	Euro	01/18/2021	(193)
NDF	Sale	UD Dollar	01/10/2021	(96)
NDF	Sale	UD Dollar	01/12/2021	(76)
NDF	Sale	UD Dollar	10/05/2021	(102)
NDF	Sale	UD Dollar	11/01/2021	(5,334)
NDF	Sale	UD Dollar	12/01/2021	(653,934)
NDF	Sale	UD Dollar	12/09/2021	(99)
NDF	Sale	UD Dollar	01/03/2022	(9,162)
NDF	Purchase	UD Dollar	03/02/2022	700,000

Credit risks

The Company is potentially subject to credit risks related to trade receivables, which are minimized with the diversification of its customer portfolio, given that the Company does not have a customer or business group that accounts for more than 10% of its revenues and restricts the granting of credit to customers with good financial and operating ratios.

c. Cattle price risks

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

The Company, in accordance with its inventory policy, maintains its management strategy for this risk, working on physical control, which includes purchases in advance, confinement of cattle and the signing of contracts for future settlement (OTC and stock exchange), which ensure the realization of its inventories at a determined price level.

Over the counter (OTC) market	09/30/2021
Forward contract purchased	Fair Value
Notional value (@)	617,841
Futures Contract Price (R\$/@)	311
Total R\$/1000	<u>192,034</u>

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	09/30/2021
	Fair Value
BM&F Market	
Futures Contracts Sold	
Notional value (@)	563,640
Futures Contract Price (R\$/@)	321
Total R\$/1000	<u>180,808</u>

d. Cash sensitivity analysis table

The purpose of the sensitivity analysis statements is to disclose separately the derivative financial instruments which, in the Company's opinion, are intended to hedge the exposure to risks. These financial instruments are grouped according to the risk factor that they intend to hedge (price risk, currency risk, credit risk etc.).

The scenarios were calculated based the following assumptions:

- An upward movement: represents an increase in prices or risk factors as of September 30, 2021;
- A downward movement: represents a decrease in prices or risk factors as of September 30, 2021;
- Probable scenario: 6% impact; 25% fluctuation; and 50% fluctuation.

The cash sensitivity statements were prepared in compliance with CVM Decision No. 475/08 and take into consideration the positions in derivative financial instruments and their impacts on cash only:

Transaction	Movement	Risk	Probable scenario 6% fluctuation	Possible scenario 25% fluctuation	Remote scenario 50% fluctuation
Hedge derivatives	High	Cattle	(23,079)	(96,163)	(192,325)
Cattle	High	Cattle	11,522	48,009	96,017
Net			(11,557)	(48,154)	(96,308)
Hedge derivatives	High	US Dollar	(254,662)	(1,061,091)	(2,122,183)
Invoices + Cash - in US\$	High	US Dollar	176,040	733,502	1,467,003
Net			(78,622)	(327,590)	(655,180)
Hedge derivatives	High	Euro	(890)	(3,709)	(7,419)
Invoices - in \$EUR	High	Euro	535	2,230	4,459
Net			(355)	(1,480)	(2,960)
Hedge derivatives	High	US Dollar	52,103	217,096	434,193
Borrowings in \$US	High	US Dollar	(97,046)	(404,356)	(808,713)
Net			(44,942)	(187,260)	(374,520)

- Exchange rate USD 5.4394 - Ptax selling (Source: The Central Bank of Brazil);
- Exchange rate EUR 6.2983 - Ptax selling (Source: The Central Bank of Brazil).

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Statement of gains (losses) on hedging instruments

- Hedging derivatives x Cattle: In the probable scenario with a 6% market fluctuation, the Company could lose R\$11,557; whereas in a 25% fluctuation scenario, said loss would come to R\$48,154, and R\$96,308 upon a fluctuation of 50%;
- Hedge derivatives x Invoices + Cash in US\$: In the probable scenario with a 6% market fluctuation, the Company could lose R\$78,622; whereas in a 25% fluctuation scenario, said loss would come to R\$327,590, and R\$655,180 upon a fluctuation of 50%;
- Hedge derivatives x Invoices + Cash in EUR: In the probable scenario with a 6% market fluctuation, the Company could loss R\$355; whereas in a 25% fluctuation scenario, said loss would come to R\$1,480, and R\$2,960 upon a fluctuation of 50%;
- Hedge Derivatives and Fundraising: In the probable scenario with a 6% market fluctuation, the Company could lose R\$44,942; whereas in a 25% fluctuation scenario, the Company could lose R\$187,260, and R\$374,520 upon a fluctuation of 50%.

e. Call margin

A margin requirement call is applied to exchange transactions, whereby in order to cover margin calls, the Company uses public and private fixed income bonds, such as CDBs (bank deposit certificates) held in its portfolio, thus mitigating impacts on its cash flow. As of September 30, 2021, the amounts deposited in margin represented R\$60,000.

26. Statements of comprehensive income (loss)

As required by CPC 26 (R1) (IAS 1) - Presentation of individual and consolidated interim financial statements, the Company presents below the changes in comprehensive income (loss) for the periods ended September 30, 2021 and 2020:

	Parent Company		Consolidated	
	09/30/2021	09/30/2020	09/30/2021	09/30/2020
Net income for the period	448,590	582,964	448,590	582,964
Cumulative translation adjustments	(437,286)	(484,422)	(437,286)	(484,422)
Total comprehensive income (loss)	11,304	98,542	11,304	98,542
Comprehensive income (loss) attributable to:				
Company's owners	11,304	98,542	11,304	98,542
Noncontrolling interests	-	-	-	-
Total comprehensive income (loss)	11,304	98,542	11,304	98,542

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27. Insurance

The Company and its subsidiaries have an insurance policy that mainly takes into consideration the concentration of risks, the significance and the replacement value of the assets. The main information on insurance coverage as of September 30, 2021 is as follows:

	<u>Type of Coverage</u>	<u>Insured amount</u>
Buildings	Fire and sundry risks	982,157
Facilities, equipment and inventories	Fire and sundry risks	1,429,986
Company cars and aircraft	Fire and sundry risks	166,518
Overseas transportation	Fire and sundry risks	106,988
Civil liability	Risks in operations	20,519
Total		<u>2,706,168</u>

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

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

28. Events after the reporting period

Capital increase due to the exercise of the subscription warrants

As resolved at the Board of Directors' Meeting held on October 14, 2021, the Company's capital increase was ratified, regardless of the Bylaws reform and within the limit of the authorized capital, pursuant to Article 6 of Company's Bylaws from the current R\$1,371,484, divided into 549,645,853 registered book-entry common shares with no par value, to R\$1,623,361, divided into 596,376,193 registered book-entry common shares with no par value, resulting in an increase of R\$251,877, through the issuance of 6,730,340 new registered book-entry common shares with no par value, with an issue price of R\$5.39 (six reais and forty-two cents), under item 7.3.28.7 of the minutes to the Extraordinary Shareholders Meeting held on October 15, 2018, per share, determined according to article 170, Paragraph One, item III, of Law No. 6.404, dated December 15, 1976, as amended ("Brazilian Corporate Law"), as a result of the Subscription Bonus exercised.

11th Issue Debentures

On October 21, 2021, the company concluded the offering of the 11th issue of simple debentures in the amount of R\$400 million, single series, maturing in 5 years and yielding CDI + 1.60% per year.

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The proceeds from the operation will be used to pay the Company's 6th issue of debentures, maturing on May 15, 2022 and yielding CDI + 1.80% per year.

Repurchase/Cancellation Bonds 2028.

On November 3, the Company completed the repurchase and cancellation of a portion of the 2028 Notes that were outstanding in the amount of US\$70,606. The repurchase and early cancellation represents approximately 18% of the outstanding balance as of September 30, 2021 of the 2028 Notes, which has an interest coupon of 5.875% per year.

Interim Dividends

On November 4, the Company's Board of Directors authorized the payment of interim dividends in the amount of R\$200 million or R\$0.34884/share, relating to the result accumulated in the first nine months of the year. The shares issued by the Company will be traded ex-dividend from November 11, 2021. Dividends will be paid by the Company in national currency, in a single installment, on November 25, 2021.