

MANAGEMENT REPORT AND FINANCIAL STATEMENTS



As of December 31, 2021 and 2020,
accompanied by the opinions of the
independent auditors and Fiscal Board

90 ANOS
DE CONFIANÇA



**COOPERATIVA REGIONAL DE
CAFEICULTORES EM GUAXUPÉ LTDA**

Head office in Guaxupé – MG

Cooxupé units:

Alfenas (MG), Alpinópolis (MG), Alterosa (MG), Altinópolis (SP), Andradas (MG), Araguari (MG), Areado (MG), Boa Esperança (MG), Botelhos (MG), Cabo Verde (MG), Caconde (SP), Campestre (MG), Campos Altos (MG), Campos Gerais (MG), Carmo do Rio Claro (MG), Cássia (MG), Conceição Aparecida (MG), Coromandel (MG), Guaranésia (MG), Guaxupé (MG), Ibiraci (MG), Itamogi (MG), Jacuí (MG), Lambari (MG), Manhuaçu (MG), Monte Belo (MG), Monte Carmelo (MG), Monte Santo de Minas (MG), Muzambinho (MG), Nepomuceno (MG), Nova Resende (MG), Patrocínio (MG), Piumhi (MG), Rio Paranaíba (MG), Santo Antonio do Amparo (MG), São José do Rio Pardo (SP), São Pedro da União (MG), São Sebastião do Paraíso (MG), Serra do Salitre (MG), Três Corações (MG).

Export Office:
Santos (SP)

Members: 17.033
Employees: 2.445

Communication and Marketing Department
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General Phone: +55 (35) 3696-1000

www.cooxupe.com.br

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MISSION

To promote sustainable development of the cooperative members.

VISION

To be a cooperative that adds value to its members, through their effective participation.

VALUES

Confidence, work and cooperation.

COOXUPÉ POLICY

To gain the satisfaction of clients, by offering products that meet the requisites applicable to the business, with qualified and engaged employees, and with continuously better processes.

GOALS

- * To increase participation in the markets in which it operates by meeting the needs of customers and the requirements applicable to the business.
- * To consolidate Cooxupé's image through responsible management.
- * Ensuring the viability of the business.
- * To be the best option for cooperative members, increasing agribusiness with an emphasis on coffee.
- * Having a team of committed and qualified employees who meet the requirements for the positions and who can carry out their activities safely.
- * Continuously guarantee the quality and safety of our products through the standardization and modernization of processes.



cooxupé

MANAGEMENT REPORT AND FINANCIAL STATEMENTS



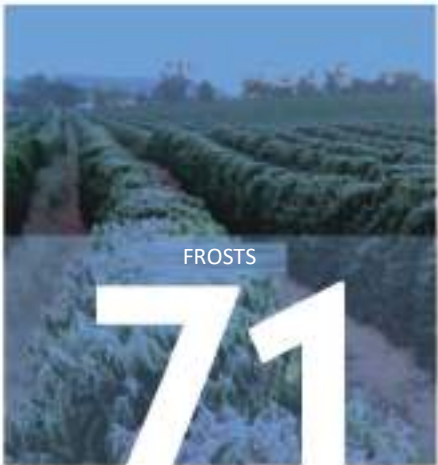
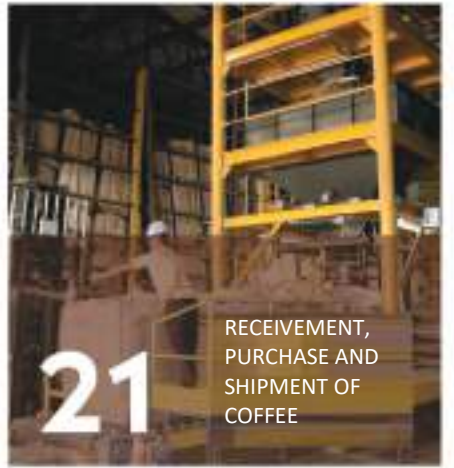
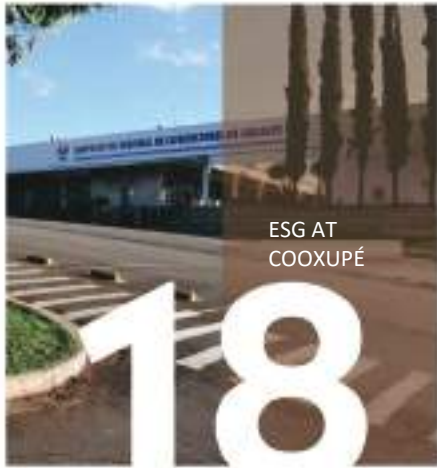
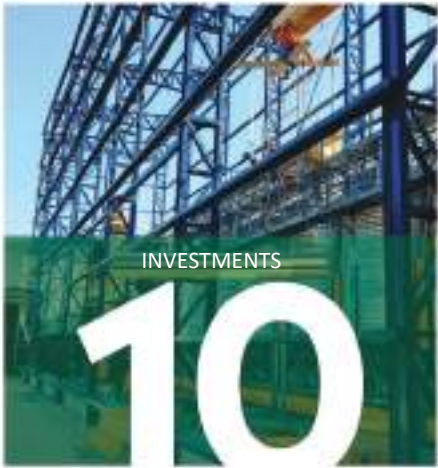
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President's Word

Trustwoth relationship. It changes the life of cooperative members!

With each balance sheet that we complete about our activities, we always carry out a retrospective to visualize everything we have lived through. The pandemic still lasted in 2021, but we, coffee growers, face other obstacles, such as the weather, in addition to very atypical scenarios such as the market. However, when we look at everything we faced in the previous year, we assume that: challenges are overcome when the relationship is based on trust and partnership. The cooperative spirit is sovereign and allows us to walk united paths in search of an ideal: the valorization of our activity. Cooperativism is also responsible for showing the world the potential of our coffee, always produced with great love by our more than 17,000 cooperative families.

It is inevitable to remember that the climatic adversities of the year 2021 generated anxieties and fears, for, in addition to exposing our coffee plantations to high temperatures, they brought the occurrence of frosts. After an analysis by our Technical Development Department, we concluded that these phenomena will impact production in 2022, with a harvest very close to the previous year.

On the other hand, such weather events reflected in a way that is rarely seen in the market, with the expressive rise in the price of a bag of coffee. Good business possibilities emerged for the producers. On the other hand, production costs also increased, so we, coffee growers, need to be very attentive to immediacy and not be deceived by such opportunities in relation to the coffee price level. It is necessary to evaluate, calculate, plan.

But, given all this, we highlight the behavior of our members: more than the wisdom to participate at opportune moments in the market, our producers honored their financial commitments already established with the cooperative, even when the future market was realized at lower prices. Allied to such stance, the feeling of belonging at Cooxupé is increasingly alive in the consciousness of the cooperative members, who currently show to be closer and more interactive in the daily life of the cooperative.

This participation is responsible for the achievement of our success each year together. The favorable market situation due to prices is one of the factors that reflected in our revenue and, consequently, in the results and in the distribution of statutory surpluses. However, it is worth emphasizing that our balance sheet only achieves the projected goals when our cooperative member participates in the cooperative. And, once again, our associates showed their commitment to mastery and how much the approximation can make a big difference in the lives of each one, especially the closest ones, since the distribution is proportional according to the associate's loyalty. The positive numbers came and are superior to the results achieved in 2020.

The balance in relation to receipt and export was within the expected after a review of our goals, taking into account the climate impacts, as well as the logistical inconvenience generated in world ports due to the pandemic.

Even so, Cooxupé continued to invest in our members' assets. In 2021, the

investments reached around R\$ 104.7 million in acquisitions, renovations and expansion of services to better serve our producing families and facilitate the flow of demands in the routine of the cooperative and its members. It is important to remember that the management of the cooperative is also based on Governance and ESG. The adoption of best practices - which combine the interests of both the cooperative and its members and that meet the demanding changes and new needs of the market and consumers - has given Cooxupé several recognitions: one of them is an important national ranking that places the cooperative as a Brazil's leader in the ESG category, as we obtained a score of 10/10 in relevant metrics of environmental, social and corporate responsibility practices.

Finally, on behalf of the cooperative, we give thanks for the effort and commitment of all our cooperative members and employees. The members have performed their part. Our team also spared no effort to offer excellent service and to find the most efficient solutions for coffee growing families.

We build a partnership driven by union. Thus, we face and overcome challenges, celebrate results and continue to write important chapters in Cooxupé's history. Especially that of 2022: along with you, associated families, we celebrate with great optimism and joy the arrival of 90 years of regional cooperativism. A trajectory marked by a fertile soil of development and representation. Our Arabica coffee meet the most diverse tastes in 50 countries.

90 years of struggles and achievements. 90 years of TRUST.



CARLOS AUGUSTO RODRIGUES DE MELO
PRESIDENT OF COOXUPÉ





MANAGEMENT



cooxupé

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INVESTMENTS EXPAND MEMBERS' HERITAGE

Even in the face of challenges, still due to the pandemic, Cooxupé followed its planning with investments in areas and cities to improve the service to members and strengthen the producer's heritage. **In 2021, the total amount invested was BRL 104.7 million.**

Check out some investments made:

1 São Pedro da União
In 2021 this unit received a new store. In operation since October, the space now has an area of 1,400 m², expanding the range of products and supplies stock, ensuring more comfort, agility and better service to the cooperative member. The work featured innovative technology, bringing more sustainability to the enterprise. The construction project also provides a structure for a deposit and entrance for local members.

2 Campos Gerais
Still in the first semester of the year, the Board of Cooxupé signed a deed of purchase of a 100 thousand m² plot of land for the expansion of Campos Gerais business unit, enhancing services to regional members.

3 Patrocínio
Cooxupé's unit in this city in Cerrado Mineiro also received investments for the construction of a Warehouse, Store, a Center of Distribution of Inputs, and support blocks. One of the stages was completed in July and, since then, members have been able to store their coffee, meeting demands for that region for the harvest period.

With this new and modern structure in operation, coffees from local members, that formerly had to be directed to units in Monte Carmelo and Coromandel, are now able to be stored in Patrocínio, which represents gain in efficiency for the logistics and greater security by shortening travel distances between the farm and the warehouse.

4 Alfenas and Cabo Verde
Cooxupé invested in its units in Cabo Verde and Alfenas, building new granaries and improving the facilities where bags are received, aiming to increase the speed of unloading and reception of coffee during the harvest period, consequently eliminating the queues of trucks. In Cabo Verde, the previous structure for inbound coffee with 7 silos were replaced by 35 granaries, an increase of 400% in capacity. In Alfenas, 5 silos were replaced by 42 granaries, increasing the speed of reception of coffee by 740%. In addition, the two business units will also see some 40% increase in static storage capacity.

5 Nova Resende
This Cooxupé business unit serves more than 2,000 members in the region. The works on this site were completed in the second half of 2021, bringing improvements such as the replacement of floors and the facade; changes in the store layout with the implementation of Empório Cooxupé - which brings together various products and souvenirs; adequacy of individual rooms for greater privacy in attendances; an auditorium with capacity for 100 people was built, where courses, trainings and meetings might comfortably take place, for either the cooperative team or members. The works also included a new living area for better interaction between members, their families and suppliers.

6 Laboratory and Archive
João Carlos Pedreira de Freitas Laboratory, which performs foliar and soil analyses, has started to serve in a new structure since October 2021, to support the increase in number of services provided to cooperative members. The new facility was designed with a layout that meets the current technical standards and guarantees the best possible performance of the activities carried out.



104.7 million

The space for the safe maintenance of the cooperative's files was also one of Cooxupé's investments. Despite most documents are digitalized, some still demand physical storage. The new structure of this sector brings more security, meeting the requirement of a special treatment for the conservation of important materials.

7 Truck Fleet

Also in 2021, Cooxupé acquired nine trucks to renew the fleet that meets the demands of its Center of Distribution of Inputs (CDI) and one more to meet demands of the warehouse in Guaxupé. With the fleet renewal, the cooperative is speeding up the delivery of fertilizers to the producers, as well as the issues involving transport during the harvest season, with the decrease in supply of outsourced trucks to meet the demands of this period.

Other investments made by Cooxupé in 2021 were focused on adapting and improving the cooperative's Roastery facility. Also, a 100,000 m² plot of land in Araguari (in Minas Gerais) have been acquired in order to build a warehouse and Cooxupé store. Restorations and improvements have also been carried out in Monte Santo de Minas (MG), Serra do Salitre (MG), and Caconde (SP) to further improve service to members.



AGOAGE



General Assembly (AGO) presents historic performance

BRL 325 mln in results

BRL 107 mln in statutory surpluses distributed

BRL 5,03 bln record revenue

The Ordinary General Assembly, held in 2021, presented results and made the distributions for the year 2020 to the cooperative members. To meet the decrees regarding the COVID-19 pandemic, the meeting took place 100% online, an unprecedented format in the history of Cooxupé. Results achieved in 2020 were also unprecedented. With historic performance, the balance sheet revealed results in the order of R\$ 325 million; BRL 107 mln of statutory surpluses were distributed to members; and record revenue of BRL 5.03 bln. All the agendas were unanimously approved. Voting took place through Eleja Online platform.

AGE Digital: cooperative members approve admission of rural tenants

In an Extraordinary General Assembly (AGE), held in July, in a fully digital way, the cooperative members approved amendments to Cooxupé's Social Statement, in Article 14, allowing the admission of rural leaseholders (non-landowners). Studies carried out by Cooxupé showed great potential to admit members from this group of rural producers, directly reflecting on the growth of business and the development of the cooperative, as well as the national coffee production.



PRCI

PROGRAM of CAPITAL QUOTA REFUND BY AGE

MORE THAN
BRL 30 MILLION
AVAILABLE

IN THE POCKET OF
MEMBERS

In 2021, Cooxupé, with the approval of the Administrative Board, carried out another stage of the Program of Capital Quota Refund by Age, created to benefit cooperative members over 75 years old, with the return of the capital quota. More than BRL 5 mln were refunded last year. Since 2019 when it was implemented, the program have already refunded more than BRL 30 mln.

AWARDS



LEADER IN ESG RANKING AMONG COOPERATIVES FROM ALL OVER BRAZIL

Cooxupé is the national leader in the ESG category of Exame Magazine's Melhores e Maiores 2021 ranking. With a score of 10/10 in relevant metrics of environmental, social and corporate responsibility practices, the company leads the sustainability ranking of cooperatives in Brazil. Cooxupé took the maximum score, 10, for having stood out in relation to competitors in the cooperative sector in all analysis criteria.



GOLD IN SOMOSCOOP AWARD FOR EXCELLENCE IN MANAGEMENT

In 2021, OCB System (Organization of Brazilian Cooperatives) awarded the cooperatives for best management in the country. Cooxupé won GOLD level in the Commitment to Excellence category. "Somos Coop Excellence in Management" award is held every two years and recognizes Brazilian cooperatives participating in the Cooperative Management Development Program (PDGC), highlighting those that adopt and develop good practices of cooperative identity, governance and management.



FORBES

Forbes Magazine, in its ranking of the 100 largest agribusiness companies 2021, brought Cooxupé as the 36th largest agribusiness company in Brazil. "Cooxupé is an example of how family farming can be an excellent business", says the publication. The magazine also highlighted that the cooperative is the largest individual coffee exporter in the world, with sales to 51 countries that exceed 5.2 million bags exported.

In 2021, Cooxupé was consolidated in important **agribusiness rankings**, with its good performance proven in several evaluations. Check out:



GLOBO RURAL

In the ranking released by the 17th Agribusiness Yearbook of Globo Rural magazine (Editora Globo), Cooxupé was elected the 5th best cooperative in Brazil.

It is based on data collected by Serasa Experian, related to the balance sheets for the year 2020. The publication highlights the 10 best Brazilian companies in 21 different categories, in addition to a general ranking of the 500 largest national agribusiness companies in general. In this list, which was based on the companies' net sales, Cooxupé won 47th place.

In the general list, by net revenue, the specialty coffee company founded by Cooxupé, SMC, is also among the 500 largest in Brazil. In the Foreign Trade category, SMC won 475th position.



OCEMG: BRAZILIAN YEARBOOK of COOPERATIVISM

The 16th edition of the Yearbook of Economic and Social Information on Cooperativism in Minas Gerais, published by OCEMG (Organization of Cooperatives of Minas Gerais), appointed Cooxupé as the largest cooperative in the Agricultural sector in Minas Gerais. In the state, the segment has 193 cooperatives. And Cooxupé occupies the 1st position in the ranking in all aspects: 'Members' and 'Employees'; 'Total Incomes/ Revenues'; 'Statutory Surpluses'; 'Total Assets'; 'Net Equity'; and 'Social Capital'.

In the general ranking, considering all activities involving cooperatives in Minas Gerais, Cooxupé occupies the 32nd place, being the only one in the Agricultural sector in the list of the "50 largest cooperatives",



LEADER in AGRIBUSINES in MINAS GERAIS: VALUE 1000

In the edition of VALOR 1000 ranking 2021, promoted and published by Valor Econômico newspaper, Cooxupé was the leader of "Agricultural" sector in the state of Minas Gerais.

In the national scope, still in this category, the cooperative is in 8th place, among the 63 Brazilian companies analyzed. Amidst the 1000 companies analyzed in all categories, Cooxupé is ranked 156th, advancing 17 places in relation to the previous ranking, in 2020, when it occupied the 173rd position.

STRATEGIC PLANNING GOES ON WITH ACTIONS THROUGHOUT 2021

Cooxupé's Strategic Planning was developed with a focus on generating value for cooperative members, keeping them prepared to face market challenges. Approved in 2020 by the Board of Directors, the Strategic Planning continued in 2021, complying with the proposals established **in seven strategic agendas that support 27 macro projects** to be completed by 2028.

The work counts on the consultancy of the company Ernst & Young, involving several sectors and professionals of Cooxupé. The seven strategic agendas bring together the pillar themes:



Sustainable coffee **leadership**



Cooxupé is where **coffee goes through**



Transformation of customer service



Evolution of members agro 4.0



Segment to conquer



Cooxupé **from farm to cup**



Organization of the **future**



Management, Laws and Ethics

All Cooxupé activities are governed by Cooxupé's Social Statement, responsible for directing the attributions of each organism present in the cooperative. It is a set of rules in which the cooperative faithfully follows the sovereignty of the set of statutory rules, which has equality among its members as a pillar of its actions.

Code of Ethical Conduct

Cooxupé also maintains a Code of Ethical Conduct that guides the values to be practiced in all the cooperative's relationships with the various segments of society, both in Brazil and abroad. This document, which can be accessed any time at Cooxupé's website, translates the cooperative's organizational identity, also providing guidance in relation to the performance of professional and personal activities, generating important reflections in Cooxupé's internal and external environments, as well as in the decisions, clarifying doubts and resolving possible conflicts. Along with Cooxupé's Social Status, the Code of Ethical Conduct guides Cooxupé's activities with integrity, prioritizing ethics as a commitment and respect as an attitude in the relationships.

Integrity Program

Applied to all Cooxupé's audiences such as cooperative members, employees, customers, suppliers, society and public administration, this program consists of a set of instruments and internal procedures,

auditing, incentives to report irregularities, among other actions, to prevent, monitor, detect and mitigate illegal practices to ensure integrity, legality and transparency in all operations of the cooperative.

Cooxupé's Integrity Program contains guidelines based on the Brazilian Anti-Corruption Law.

Ombudsperson

Anyone can use this Cooxupé channel to express complaints, queries and compliments. The Ombudsperson is structured to receive this type of demand, dealing with the best possible way in search of resolution.

Members and interested parties can also report situations such as misconduct to the Ombudsperson. All contact and investigations are confidential, always in compliance with the guidelines of the Integrity Program and the Code of Ethical Conduct. www.cooxupe.com.br/ouvidoria.

LGPD

The General Data Protection Law (LGPD) is one of the main topics currently discussed within organizations. Cooxupé is also aligned with this concern, meeting the requirements of the legislation.

Law 13,709/2018 came into force in September 2020, establishing rules to protect freedom, privacy and development. The main purpose is to ensure the transparency and correct use of personal data in any form, whether physical or digital. With the LGPD, Brazil joins the group of more than 120 countries that have their own legislation on the protection and privacy of personal data.

Management Development Program – PDGC

Cooxupé is a participant in the Cooperative Management Development Program and it has the support of technicians from the Organization of Cooperatives of the State of Minas Gerais - OCEMG.

GOVERNANCE: BEST PRACTICES FOR THE COOPERATIVE AND MEMBERS



ESG at Cooxupé: management looking towards a solid future

An agenda full of practices linked to sustainability, social and governance. The changes and new needs of the market and consumers have been posing great challenges for companies to meet such requirements and, thus, move towards a promising and absolutely strategic future. There is no longer room for a fully profit-driven future.

By these means the acronym ESG gains prominence, leading companies to act under new management models and analysis parameters. Corporate commitment, in this sense, goes far beyond profitability, since the adoption of good practices and sustainability also play a prominent role in the strategic focus of large organizations. Aware of changes, new consumer relations and requirements, Cooxupé has already been performing in recent years a management based on ESG practices, to ensure a better future for the cooperative and its members.

This set of practices measures the performance of companies and effectively contributes to the impact of their image on the public with whom they relate. It also proposes to organizations a generalized vision committed to the environment and society, through Governance.

Cooxupé has Governance within its administration, which means the adoption of best practices that combine the interests of both the cooperative and its members. In the universe of cooperatives, Cooperative Governance is established as “a model of strategic direction (...) aiming to guarantee the achievement of social objectives and ensure the management of the cooperative in a sustainable way in line with the interests of the cooperative members”. Two important points of Governance at Cooxupé are the existence and performance of the Fiscal and Administrative Councils, composed of 15 members together. Strategic Planning is the most noble activity of the Administrative Board, which constantly thinks about and takes care of the future of the cooperative and the cooperative member. This Council also has the mission of protecting and valuing Cooxupé, promoting socioeconomic development and the interests of the cooperative members, in addition to preserving the business’ cooperative nature, always seeking equilibrium for the aspirations of interested parties. The Fiscal Board, on the other hand, is the body that permanently supervises the cooperative’s economic and financial activities and any actions that compromise Cooxupé’s administrative, fiscal, tax and social responsibility.





IN PRACTICE

E: FOCUS ON THE ENVIRONMENT: (ENVIRONMENTAL):

It encompasses aspects and analysis of greenhouse gas emissions, electrical/water efficiency and waste disposal. This is an important role for the company to prevent environmental damage.

S: FOCUS ON SOCIETY (SOCIAL):

How organizations relate to their communities, including transparency, the supply chain and employee satisfaction, as well as compliance with labor legislation and attention to human rights. Thus, they point out how each business impacts the lives of people. Work with the third sector also fits into this pillar. The objective is always to mitigate the social risks where the organization is inserted.

G: FOCUS ON CORPORATIVE (GOVERNANCE):

Transparency in actions, ensuring environmental and social aspects and, above all, sustainable management in line with the interests of its audiences. In the case of Cooxupé, especially with the cooperative members. In this way, governance plays a fundamental role in aligning common interests, generating quality, sustainability, competitiveness and longevity of the organization's business.

COOXUPÉ IN THE CAPITAL MARKET

The cooperative made its debut on the capital market in August 2021. Thus, it managed to raise BRL 150 million through an Agribusiness Receivables Certificate (CRA), issued by the securitization company Virgo, backed by Cooxupé operations.

For the cooperative, entering the capital market is especially important, as it opens up the possibility of accessing a new source of financial resources, with longer terms, bringing the feasibility of extending the profile of Cooxupé's financing. With this, the cooperative can continue offering operations with longer terms to the cooperative members. The CRA is backed by Financial Rural Product Bills (CPR) issued by the cooperative, so the operation is based on the risk of Cooxupé itself. With the CRA, access to investors begins – private individuals - who have been looking for new investment options.



NEW MARKET

As the coffee sector and cooperativism are not very frequent in the capital market, the issuance of this bond included presentations to investors about the operation of Cooxupé and its physical and financial numbers. The Fundraising and Future Market Department coordinated the operation, with the support of the areas that help Cooxupé in the analysis of drafts and submission of documents. The process was extensive, including a Due Diligence - study, analysis and detailed evaluation of information about all aspects of the company, which was carried out by specialized law firms - in addition to analysis, discussion and issuance of various documents.

Receivment, purchase and shipment of coffee

In 2021, Cooxupé received **5,682,007 bags of coffee** from members and third parties.

In this fiscal year, the cooperative purchased 5,318,286 bags of coffee, with 3,596,279 bags purchased on the physical market at an average price of R\$942.04, totaling 79,132 deals, amounting to an average of 45 bags each.

“In the future market, 1,722,007 bags were purchased at an average price of BRL 833.86, obtaining a volume of 22,576 CPR contracts, with an average of 76 bags each.

Years	Average price US\$	Average price R\$	Bags
2011	285,48	477,86	3.716.050
2012	195,65	384,45	3.534.702
2013	131,69	286,49	5.374.143
2014	181,27	426,64	5.790.518
2015	133,81	468,71	5.113.396
2016	148,47	514,63	6.037.517
2017	145,07	463,74	3.971.214
2018	122,08	443,02	6.575.798
2019	114,26	457,69	8.644.344
2020	108,37	559,31	6.310.962
2021	168,42	907,01	5.318.286
Average	140,74	492,98	

* Obs.: Purchases are Normal Physical + New Information + Act to be Fixed + Released CPR.



**STILL IN 2021, COOXUPÉ
SHIPPED 6,027,168
BAGS OF COFFEE, BEING:**

- Direct exports: 4.927.902 bags.
- Exporting clients: 444.512 bags.
- Domestic market (roasters): 654.955 bags.

The challenges in shipments were great in 2021, due to the logistical crisis caused by lack of containers and space in vessels. Situations that Cooxupé faced with courage, honoring its mission of taking the coffee from its members to customers in 50 countries, in five continents. The numbers reflect the dynamism of the cooperative, its associates and employees in achieving the goals in a year full of difficulties for exports.



6.027.169

SHIPPED COFFEE BAGS

4.927.902

BAGS WERE EXPORTED TO 50 COUNTRIES

Great operation

Even in the face of a crisis scenario in world maritime transport, Cooxupé carried out a large operation to prepare 276 containers at the Port of Santos, on a single ship, in October 2021. The entire agency of the operation, with approximately 100 thousand bags of coffee destined to the East Coast of North America, was carried out by the Department of External Market and Logistics Administration of the cooperative itself in record time: 10 days.

More efficiency in shipment flow



The Santos port complex, located in the state of São Paulo, is the largest in Latin America. Cooxupé has had its own export office in this city for 38 years, where it works with the cooperative's coffee sales channel. This effectively contributes to liquidity for producers.





REDEX

COMPETITIVE EDGE FOR COOXUPÉ'S COFFEE SHIPMENTS

Cooxupé is always investing to improve the provision of services to its members. One of the cooperative's major investments was, in 2008, the installation of a REDEX - Special Place for Dispatch and Exportations, an agency of Brazilian Federal Revenue.

In 2013, the cooperative took REDEX to Japy Complex, in Guaxupé (MG), where, over the years, it received new investments to expand the structure.

REDEX came to add to the life of the cooperative member, bringing more agility and safety to the coffee shipment processes, as the containers are already properly sealed and authorized to be shipped at the Port of Santos.

In 2021, the REDEX managed to ship more than 1.7 million bags, in 4,963 containers. 1,627 orders were also made and 1,666 Certificates of Origin and 793 Phytosanitary Certificates were issued.

80%

The export of green Arabica coffee accounts for 80% of Cooxupé's activities

SMC

Quality and more value for coffee

Created twelve years ago by Cooxupé, SMC Specialty Coffees gains strength in the market by praising the talent and effort that coffee growers make to achieve excellence in the production of specialty coffees. Thus, the company takes quality beyond coffee beans to customers, through producers' life stories. Among the company's guidelines are actions towards new opportunities that add value to the production of cooperative members through the supply and sale of specialty,

fine, and certified coffees. In 2021, SMC shipped 147,915 bags; 131,346 to international markets and 16,569 to domestic market. In addition, SMC participated in actions developed by BSCA (Brazilian Association of Specialty Coffees), Apex (Brazilian Export Promoting Agency) and by Cecafé (Brazilian Coffee Exporters Council), performed in countries such as China, Portugal, Japan and Singapore, in order to present the cooperative members' specialty coffees and establish new partnerships.

Exports

Years

Bags (60Kg)

Years	Bags (60Kg)
2014	103.160
2015	82.034
2016	64.440
2017	64.974
2018	87.866
2019	85.217
2020	95.650
2021	131.346



In 2021, SMC shipped 147,915 bags, of which 131,346 for the foreign market and 16,569 for the domestic market.

COFFEE OWNERS

After a lot of planning and a huge desire to make a difference in the lives of women in coffee growing, to praise and value their work, SMC, in partnership with Cooxupé, launched the project “Donas do Café”.



The initiative aims to bring information and training to the cooperative members and partners of both companies, adding to their professional growth and bringing more and more knowledge about the specialty coffee market. In 2021, on March 8, International Women's Day, the importance of women's role in the coffee world was reinforced with an online event, broadcast on Cooxupé's channel on YouTube.

Online meetings were also promoted for the transmission of knowledge on topics such as post-harvest, the specialty coffee market and cultural management. The coffee blends produced by women also caught the attention of customers, who seek to offer the product praising women's work in coffee farming.



COFFEES

MORE THAN

SPECIALTY



Created in 2016, and with awards to members since 2019, the Especialíssimo program has boosted the growth of specialty coffee production in Cooxupé's area of operation in recent years.

During the height of the harvest, the Classification received from 50 to 60 samples per day, in order to be evaluated. In addition, customer engagement with the program is positive. With each passing year, companies are more interested, and some even get ahead, reserving the purchase of the first places.

The 50 coffee lots selected by Especialíssimo presented a quality index above 83 points, evaluated by a team of tasters from Cooxupé and SMC Specialty Coffees, led by the professor at the Federal University of Lavras, Flávio Borém.

Record award

The total prize pool for the year 2021 was a record: R\$330 thousand. For the first place, the amount paid was R\$ 50 thousand. The runner-up won a prize pool of R\$30,000. The third place had a prize of R\$20 thousand. For fourth place, the prize was R\$13 thousand; fifth place R\$12 thousand; sixth place R\$11 thousand; seventh place R\$ 10 thousand; eighth place R\$9 thousand; ninth place BRL 8 thousand; and tenth place R\$7 thousand. Producers who ranked between 11th and 50th won R\$4,000 each.

Coffee production in DNA

The best specialty coffees from Cooxupé's 2021 crop have quality and excellence in their DNA. This is because the first two places on the podium were occupied by brothers Edivair José de Carvalho, 53 years old, the champion, and Edir José de Carvalho, the runner-up of the Programa Especialíssimo for the second year in a row. Producers in the city of Caldas, Minas Gerais, say that family and union are the basis for the success of the coffee they produce. In addition to the champions of this edition, the other two brothers, Abner José Celso de Carvalho and Ednilson Aparecido de Carvalho are also on the list of the cooperative's 50 best specialty coffees in 2021. The Especialíssimo program award ceremony was held on November 13, in Guaxupé, with the presence of the 50 cooperative members selected as finalists for the 2021 edition.

FIRST POSITIONS
IN ESPECIALÍSSIMO
PROGRAM 2021:



1. Edivair José de Carvalho,
Maranhão farm, Caldas.



2. Edir José de Carvalho,
Portella farm, Caldas.



3. Renato Pita Maciel de Moura,
Trapiá farm, Baependi.

4. José Ildefonso da Silva, Congonhal farm, Lambari.

5. Luismar Duarte Pimenta, Alvorada Farm, Jacuí.

6. José Idemir de Souza, Monte Verde farm, Andradas.

7. Marcelo Vinicius Martins, Machadinho farm, Cape Verde.

8. Wagner José do Lago, Serrinha farm, Campestre.

9. Abner José Celso de Carvalho, Baixão da Serra farm, Caldas.

10. Fábio José Bruno Franco, Sede farm, Caldas.



GROWTH AND SPECIAL BLENDS

This year, Especialíssimo received 62,100 bags of specialty coffees via Cooxupé and SMC Specialty Coffees, an increase of 24.46% compared to the 49.9 thousand received in the previous year. There were 1,203 lots of coffees in 2021 edition compared to 771 registered in 2020. The participation of cooperative members was 63% higher, with 703 in 2021 and 431 in the last edition. When considering the total results of the Program - including the coffees that were not part of the award ranking - Especialíssimo received in 2021 more than 74 thousand bags of specialty coffees and more than 1.5 thousand lots. These coffees were delivered to Cooxupé and SMC. **The coffees selected by Especialíssimo are part of special blends produced by Cooxupé's Roastery. Among them is Safra Especial produced every year with a limited edition.**

Insurance to transport coffee and corn crop



Cooxupé offers its members, free of charge, insurance coverage for loads of coffee and corn transported and destined to the cooperative's storage units. Thus, the insurance policy guarantees coverage for the product from the moment of loading at the farm to delivery at warehouses. In case the producer outsources transportation service, the benefit is still valid as long as the vehicle is registered in the RNTRC (National Registry of Road Cargo Carriers) of the National Land Transport Agency (ANTT). As well as cargo transported in vehicles such as kombis, vans, station wagons, pickup trucks and tractors that have special registration.



Integrated Transportation System brings good results in logistics

Implemented in 2020, Cooxupé's Integrated Transportation System has improved cargo management, as well as control of the entire logistics operation, and brings good results, as it was possible to add value to the business, to the services provided to cooperative members and to all

agents involved in the production chain.

The new system, called OTM (Oracle Transportation Management), controls all transportation processes, covering the areas of Cooxupé and SMC Specialty Coffees such as industry, warehouses, commercial areas, foreign

market, financial, fiscal, accounting areas, among others, allowing logistics to be carried out in an integrated way with cooperative members, customers and suppliers. The feature also allows logistical planning to gain efficiency and to provide reduction in costs and delivery time.

SINCE 2014, COOXUPÉ HAS MAINTAINED C-TPAT, THE CUSTOMS-TRADE PARTNERSHIP AGAINST TERRORISM.



C-TPAT is a partnership with the USA Government

This commercial collaboration with the US government granted the cooperative a certificate of recognition of excellence in safety and control of operations conducted at Japy Industrial Complex.





Cooxupé Roastery: progressively advancing in Brazilian market

This facility is responsible for the production of roasted and ground coffees, and has been expanding its share in Brazilian market each year. It has been in business for 37 years and when it was founded it aimed to meet the demands of Cooxupé members and visitors.

Since 2015, operating in a new plant within Japy Complex, currently, the Roastery has reached its full production capacity, adding value to the associated producers.

The portfolio has the following brands: Evolutto, Prima Qualità, Terraza, and Safra Especial.

GROWTH IN 2021

The Roastery intensified its strategy of enlarging its customer base and expanding its service to small retailers. This resulted in 39% increase in new clients, compared to active clients in 2020.

COOXUPÉ COFFEES PRESENT IN BRAZIL

The line of coffees produced by Cooxupé's Roastery is sold at retail points of sale in the states of:

Minas Gerais: Sul de Minas, Zona da Mata, Vale do Rio Doce, Belo Horizonte and metropolitan region.

São Paulo: capital and metropolitan region, in addition to the East and Northeast regions of the state.

Rio de Janeiro: capital and metropolitan region, Baixada Fluminense, Região dos Lagos and Serrana.

Santa Catarina: capital and metropolitan region, in addition to the Eastern Region.



ON THE INTERNET:

Direct service channels for small distributors. E-commerce to meet consumers from all over Brazil:

cafescooxupe.com.br



Production heated in 2021

Cooxupé Roastery has more than 180 employees distributed in three shifts, allowing the industry to operate at its full production capacity.

**RAW COFFEE
PROCESSED:
259,634 BAGS**

**PRODUCED COFFEE:
12,991,598 Kg**



PRIMA QUALITÀ SPECIALTY COFFEE GROWN BY WOMEN

In addition to the Prima Qualità line of specialty coffees, Cooxupé Roastery launched Prima Qualità Specialty Coffee Grown by Women, in Ground and Drip Coffee versions. The product was made available for retail sales.

This version, scored 86 points [SCAA], is a selection of the best lots from Cooxupé's Donas do Café Program. It is meant to honor the female producers and the strength of women in the field, while highlights the best of these coffees produced by their hands.

The project Donas do Café brings theoretical and practical knowledge to the cooperative members, covering all stages in the world of specialty coffees: from production to consumption, with sustainable practices, generating improvements and opportunities in their lives.



SAFRA ESPECIAL 2021

Annually, Cooxupé's Roastery selects the best lots of coffee from Cooxupé's Especialíssimo Program to compose the blend 'Safra Especial'. It is the opportunity to make available to partners and consumers a limited edition of high-quality coffee, produced under sustainable practices and that adds further value the work of the cooperative families that live from the production of coffee.



EVOLUTTO COFFEE POUCH

In order to meet market demands, which have shown growth in the consumption of this type of packaging, Cooxupé's Roastery launched Evolutto Traditional and Evolutto Extraforte items in 500g pouch version. The product is available to some markets and it shall increase the brand's competitiveness.



**QUALITY GROWN
FROM GENERATION TO GENERATION.
FROM OUR FAMILY
TO YOUR FAMILY.**



MELHORIAS DA QUALIDADE
2020/2021

Nossos produtores dedicam a vida na produção de cafés de alta pureza e sabor, e o resultado é esse:

QUALIDADE PREMIADA PELA ABIC.

CATEGORIA SUPERIOR EM GRÃO EMPRESA DE GRANDE PORTE

QUALIDADE cooxupé

CAMPAIGN EVOLUTTO COFFEE FAMILIES

To strengthen the brand and seek growth in sales, Cooxupé's Roastery maintains constant investment in communication in the Evolutto brand. The focus is on final consumers and the trade, in the regions of commercial activity.

In 2021, a new campaign was launched, reinforcing the importance of more than 17,000 coffee growing families in the production of Café Evolutto, also highlighting cooperativism, coffee grown from generation to generation, based on sustainable practices.

Thus, the campaign shows that behind Café Evolutto there is the work and dedication of thousands of producing families.

The campaign stars the cooperative members themselves. Five films have already been produced for broadcast on TVs.

For the coming years, the strategy is to stay in such direction, producing new films with members to consolidate the message with consumers.

THE OSCAR OF COFFEE 2021

Evolutto Espresso coffee was the champion of the category 'Superior Beans Large Company' in the 'Best of Quality 2020/2021'. This award is from ABIC (Brazilian Association of the Coffee Industry). According to the Association, the objective is to recognize products that stood out during the year in the Coffee Quality Program (PQC) in the following categories: Extra strong, Traditional, Superior and Gourmet. Total 23 products from 18 companies were awarded in 2021. Sustainability was also a priority in the award, highlighting products that use beans from farms certified by good agricultural practices and that apply the Seal of Sustainable Coffees in Brazil.

COOXUPE ACCREDITED AS SUSTAINABLE COFFEE AT ABIC

Cooxupé was accredited by the Brazilian Coffee Industry Association (ABIC) as a supplier of sustainable-sourced raw coffee beans, for use in ABIC's PCS - Sustainable Coffees of Brazil - certification.

One of the criteria for this certification is the use by roasters of at least 60% of coffee of sustainable origin in the blend of participating products/brands. From this accreditation, all coffee originated from Cooxupé can be used, both by the Roastery and by its customers, in PCS certificates. This accreditation is an exceptional situation granted to Cooxupé, seeing that, according to the PCS rules, only certified coffee would be accepted. By these means, it is also possible to use the seal on all packages of coffees produced by the Roastery, making it a differentiator in the market in line with consumers' growing attention to sustainable practices. In order to obtain accreditation, the actions conducted by Cooxupé with its members were demonstrated, which include, among others, the service and guidance by the Technical Development Department,

analysis by Cooxupé's Laboratory, sustainability, good agricultural practices, rational use of pesticides, Code of Ethical Conduct, Sustainability Policy, Integrity Program and, also, dissemination to third-party suppliers, with the signing of the Code of Ethical Conduct and of the Integrity Program.

Other actions developed by Cooxupé were also presented, such as participation in programs with customers, programs for recovery of water sources and permanent preservation areas, Environmental Education Center and education events.

The accreditation obtained is in line with one of the objectives of Cooxupé's Sustainability Protocol, which is to demonstrate and obtain market recognition of cooperative's practices with members and business partners, leveling with social-environmental certifications.



FSSC 22000 RECERTIFICATION

Cooxupé's Roastery maintained FSSC 22000 certification (Food Safety and Quality Management System), issued by the DNV certifier, after undergoing external audit on December 22 and 23, 2021.

No occurrences have been registered. The auditor also highlighted, as one of the differences between the various audited organizations, the methodology and the way of

conducting and monitoring the Risk Management carried out by Cooxupé, linked to the Strategic Planning Projects.

FSSC 22000 Certification aims to monitor and control risks in all production processes, whether physical, chemical or biological. It is one of the most important certifications in the world for the food industry. Cooxupé's Roastery has been FSSC22000 certified since March 2018.



INDUS TRY

In 2021, continuing the industrial improvement projects for operational safety and expansion of production capacity, the Roastery changed all roasted and ground coffee transport system to Tubular Conveyor System – Cablevey.

This system replaces conventional screw conveyors and bucket elevator. Imported from the United States, it features lower energy consumption, reduction of noise pollution, flexibility at the time of installation and in future expansions, delicacy, protection and isolation of the transported coffee, minimizing the propensity to contamination and waste, in addition to easier and faster cleaning.



Roastery advances in digital transformation project and deploys Salesforce CRM



As one of the central pillars in the digital transformation strategy that the Roastery began to enforce in 2020, is the implementation of Salesforce solutions to meet the commercial front of the business unit.

Salesforce is one of the world leaders in CRM solutions and has products aimed to sales, customer service, marketing, e-commerce, among others. The company was one of the pioneers in the development of cloud services.

The project aims to unify the commercial lines by adopting the Salesforce system for CRM, B2C and B2B, e-commerce, sales, targets, Commissions and Digital Marketing.

The initiative aims to optimize commercial management, sales administration processes, service and create a multichannel platform to provide a better experience to customers. All this alignment is in accordance with market demands regarding remote service and information agility.

Thus, in 2021, the 1st phase of this project was implemented with the adoption of the CRM module, which provides a unified view of the customer, with registration information, contacts, orders, invoices and financial information, integrated with ERP system. The project segment foresees the implementation of the other modules in the year 2022.

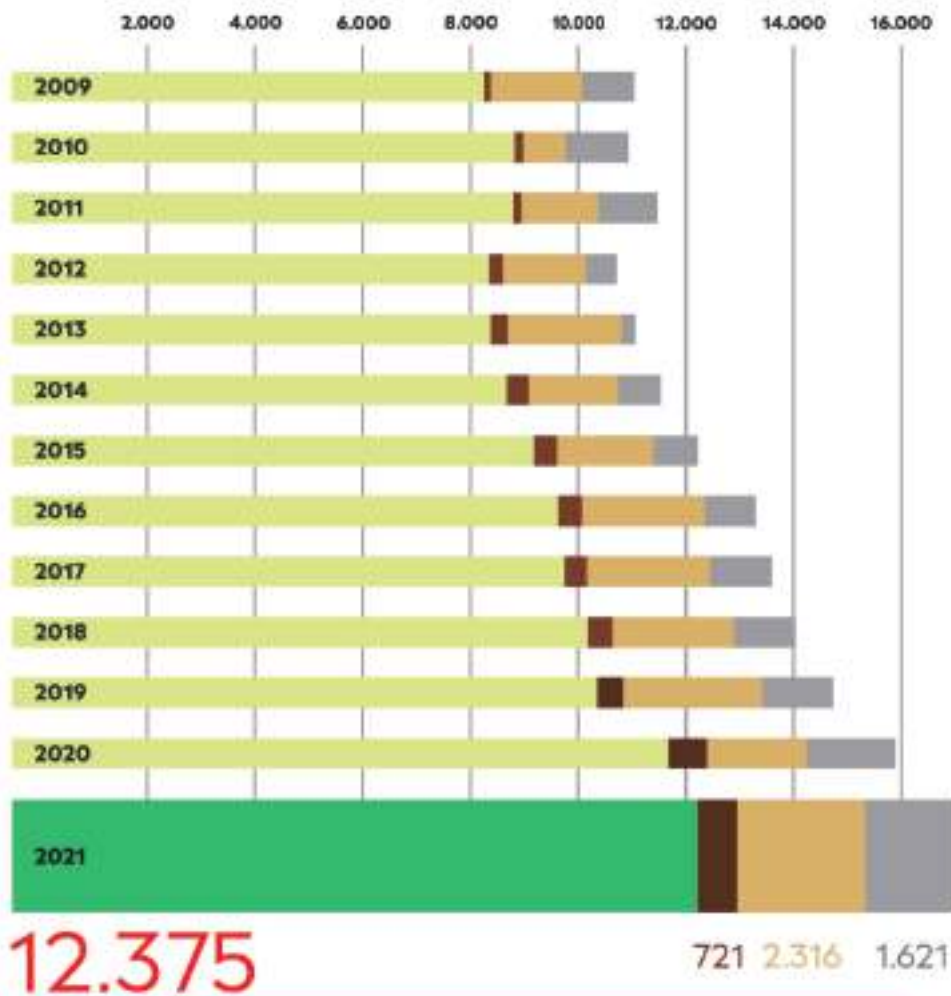
In 2021, more than 15,400 members carried out some type of operation with Cooxupé, considering the submission of coffee and purchases at the cooperative's stores.

It is the highest number since 2009.

INPUTS

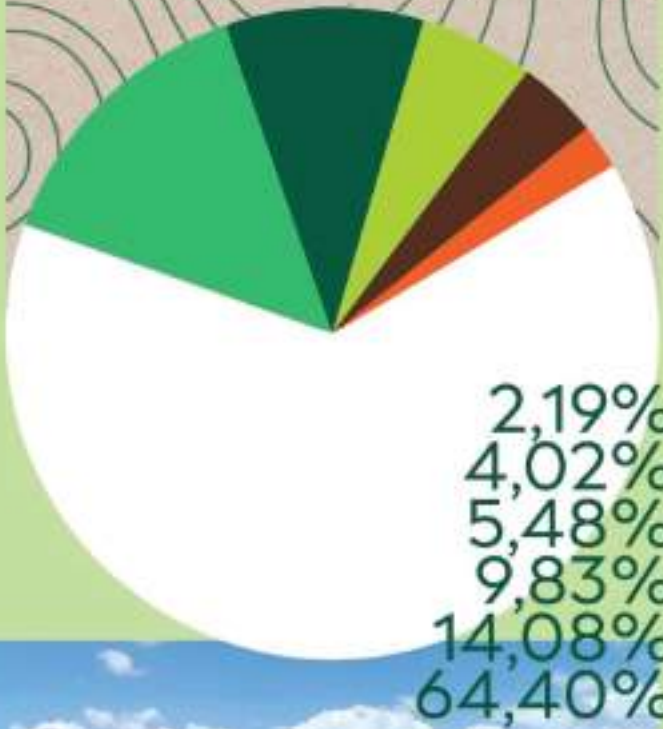
IN THE PAST 13 YEARS

PARTICIPATION of MEMBERS in COFFEE OPERATIONS / STORE



15.412 MEMBERS DEALT WITH COOXUPÉ IN THE YEAR 2021

- Members that did not deal store and cafe
- Members that only bought in stores
- Members that only submitted coffee
- Members that submitted coffee and bought it in stores



Distribution of billing per Campaign in 2021

- Foliar Fertilizer
- Nutrition
- Other
- Machines, Implements and Tractors
- Ag defensives
- Soil Fertilizers



ANIMAL FEED FACTORY OF COOXUPÉ

Cooxupé’s Animal Feed Factory production reached 29,138 tons of products like feed, concentrates, protein products, premixes and nutritional supplements. The results met expectation and demands.

2021 was marked by challenges to logistics, with an increase in the price of fuel, and to maritime transport, with lack of containers for importing raw materials. The scenario was also one of rising dollar prices, weather issues and a shortage of phosphate. These factors impacted the costs of the main raw materials, such as corn and soybean meal, and by-products, especially imported minerals. Phosphate, a source of phosphorus used as a raw material in animal feed and mineral supplement, increased by 77% in 2021.

PRODUCTION ANIMAL FEED FACTORY 2021 (tons)

- PRODUCTION IN GUAXUPÉ
- PRODUCTION FROM PARTNER FACTORIES IN MONTE CARMELO AND RIO PARANAIBA

38



Cooxupé Stores and Empório

EXCLUSIVE
TO MEMBERS

A diversity of products exclusively branded 'Cooxupé' can be found Either in Cooxupé's stores or Empório (located at the head office, in Guaxupé).

In these spaces, cooperative members find almost 3 thousand items from 15 segments that make part of their routines.

At Empório, one can easily find products as Empório, products such as hats, bags, watches, pots, wallets, as well as the line of coffees produced by the Roastery.

The Cooperative is closer to its members day by day.

CORN

The corn market in 2021 remained firm.

Weather issues, such as the drought and frost, and the heated demand caused prices to reach historic levels again.

The amounts paid in the period approached BRL 100 per *bag, closing the year at BRL 85 per bag.

*1 bag = 60Kg



Receipt from
members and third parties:

226.373 bags

Commercialization

Co-op Members: 99.353 bags

Third party: 115.550 bags

Industrial and Storage Complex

Japy



Japy Industrial and Storage Complex is a revolutionary venture for the logistics of coffee distribution, available to Cooxupé members since 2011. For 11 years, Japy has been adding speed, quality and efficiency to the processes of receiving, storing and distributing coffee by means of high-tech systems.

Total capacity
storage: around
2.4 million bags.

Green coffee
daily
processing capacity:

**13.5 thousand bags/day
of prepared coffee.**

PROFILE OF MEMBERS

Considering members that submitted coffee to the cooperative, family farming still stands out in relation to the profile of the members:



97,7%

correspond to mini and small producers, representing 73.2% of coffee receipts.

Currently, Cooxupé is made up of more than 17,000 member families, producing coffee in South and Cerrado regions in Minas Gerais, and Média Mogiana in the State of São Paulo. Within this universe, in 2021, Cooxupé received coffee from 13,096 members, representing 4.5 million bags, meeting the expectations of the cooperative. A result that represents union and trust between producers and Cooxupé.

4.461.074

Family farming plus larger producers = objectives achieved and successful results that keep Cooxupé as a solid and credible co-op in the market.

Detailed profile of the 13,096 members who submitted coffee in 2021:



Family farming: 0 - 500 bags

11,120 members | 84,9%
1,751,274 bags | 39,3%

Small holders: 501 to 2000 bags

1,672 members | 12,8%
1.512.665 bags | 33,9%

Average producer: 2001 to 5000 bags

248 members | 1,9%
744.999 bags | 16,7%

Large producer: 5001 to 10,000 bags

42 members | 0,3%
278.100 bags | 6,2%

Mega producer: more than 10,000 bags

14 members | 0,1%
174.036 bags | 3,9%



Laboratories of excellence

In 2021, João Carlos Pedreira de Freitas Laboratory, at the headquarters of Cooxupé, received the quality seal from the IAC (Agronomic Institute of Campinas) and from the Interlaboratory Program for Plant Tissue Analysis, endorsed by the Brazilian Society of Soil Science and linked to ESALQ/USP, proving the precision « quality in the foliar and soil analyses.

The laboratory is responsible for analyzing samples of corn, citrus, soybean and coffee leaves, in addition to analyzing soil, ag inputs, vegetal tissue and nutrition.

In 2021, it received 50,839 samples and performed 608,094 determinations.

This is the 26th year that the Laboratory has received the seal of concept "A" by IAC, referring to soil analysis. As for foliar analysis, Cooxupé's laboratory has been in the program since 1988, initially under the coordination of Prof. Dr. Godofredo Cesar Vitti, being the 33rd year that it received the seal with concept "A" from ESALQ/USP.

Thus, co-op members have at their disposal an award-winning laboratory, which reduces costs in the care of crops without waste and offers special conditions for using the services, namely:

- From April to May: discounts and special deadlines for soil analysis;
- From December to February: special deadline discounts on foliar analysis.

More about João Carlos Pedreira de Freitas Laboratory

With the beginning of activities in 1982, the Laboratory was created to perform only bromatological analysis for quality control of the feed factory, fulfilling a requirement of MAPA - Ministry of Agriculture, Livestock and Supply. Faced with the need to work on improving the productivity and quality of members' coffees, the Laboratory began to carry out soil analysis, plant tissue and other types of analysis to meet the needs of producers.

In view of the high demand, in 2021 it started to operate in an expanded area, allowing a logical flow in the processes.



Agreement with IPD Laboratories

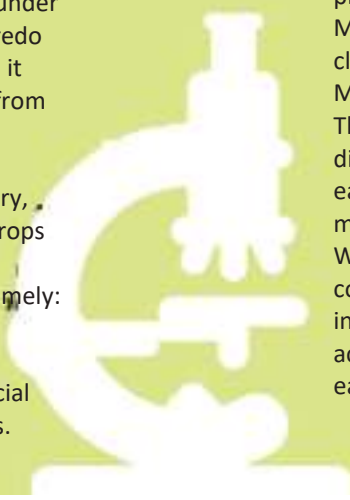
This year, Cooxupé and IPD Laboratories joined forces to offer water analysis services, with the aim of providing members, in addition to convenience, with discounts in the analysis of water potability in rural properties. This analysis, in addition to being a legal requirement, is the guarantee to users of contamination-free water, preserving the health of the community.

Quality standard



The classification work carried out by the laboratories located in Guaxupé and Monte Carmelo is responsible for maintaining the standard and quality of the coffee produced by Cooxupé's more than 17,000 members. In the laboratory in Guaxupé, samples from producers in the South of Minas and Média Mogiana in São Paulo are evaluated and classified. Samples from producers in Cerrado Mineiro are sent to Monte Carmelo. The main objective of the Classification is to discover the characteristics and attributes of each lot of coffee, sending them to the market.

With the classification defined, after the commercialization of the lots, they are instructed to compose the shipments according to the request and requirement of each customer.



DATA FOR STRATEGIC DECISIONS

Geoprocessing

Geoprocessing department, located in Monte Santo de Minas, provides information and data that help producers in management processes and strategic decision-making, specially when it comes to volume of rainfall and prevention of diseases and pests that can affect production.

Climate monitoring

The Department is responsible for feeding SIMET (Meteorological Monitoring System), an essential tool for coffee growers to plan their operations and for the results in the field. Thus, the System performs assessment, control and makes available the data captured by 15 meteorological stations and 350 rain gauges, in addition to compiling information received by co-op members.

Crop estimate

Combining technological knowledge and agricultural practice, Cooxupé, through partnerships with Unesp (Universidade Estadual Paulista Júlio de Mesquita Filho) and Unicamp (Universidade Estadual de Campinas), developed a mathematical model, which uses meteorological and spectral data, with the objective of estimating productivity by municipality in the region where the cooperative operates.

The proposal is that prior knowledge of the crops helps Cooxupé and coffee growers to make strategic decisions with greater security.

Disease Warning System

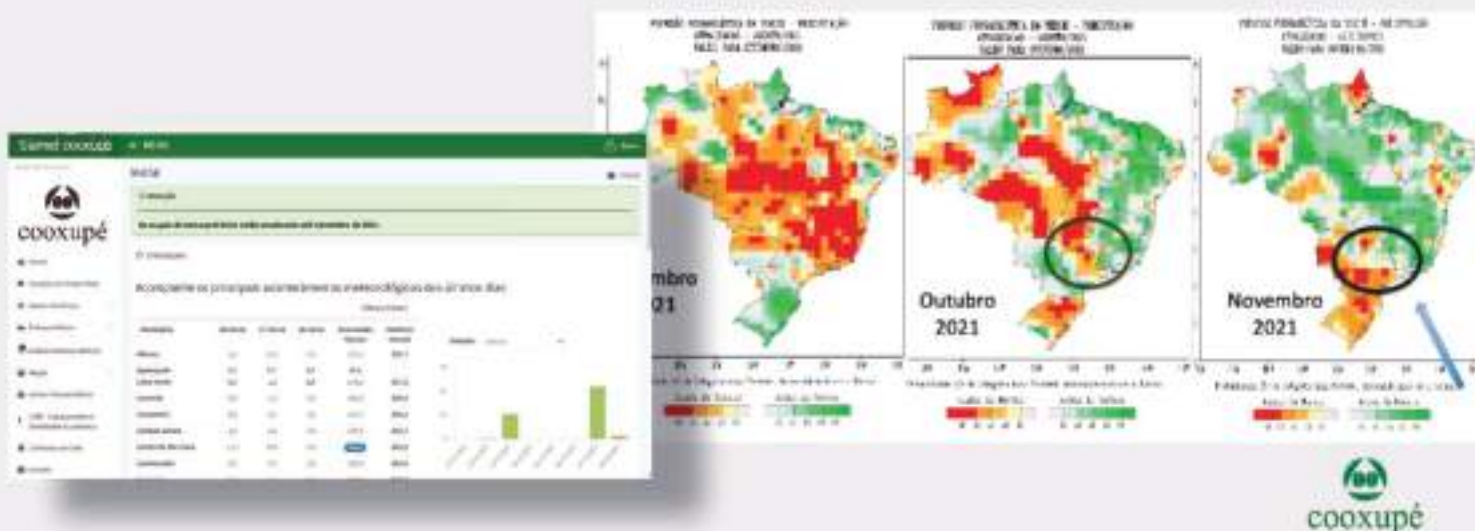
Cooxupé, in partnership with UFLA (Federal University of Lavras) developed the SAD (Disease Warning System), based on the study and analysis of meteorological data to predict

the occurrence of rust and phoma and, thus, issue an alert to the producer.

The cooperative has a network of meteorological stations where data on precipitation, temperature, relative humidity, dew point temperature and others are collected, which help in the validation of mathematical models for this forecast.

In addition to the development and validation of the disease prediction model, this work aims to develop a panel that shows in which regions the weather conditions are favorable for the occurrence of such diseases and guide the producer to perform control in due time.

The System also allows optimizing applications, avoiding unnecessary spraying, making the activity more rational and environmentally sustainable. When finalized, the SAD, which is sponsored by the company Ihara, will be charge-free available at Cooxupé website and at SIMET platform.



Academic Partnerships:

Technological Validation Center

The Center for Technological Validation of the Innovation Hub in Coffee is a project carried out by Cooxupé in partnership with the Federal Institute of Education, Science and Technology of the South of Minas Gerais (IFSULDEMINAS), Muzambinho campus. The objective is to lead the cooperative member to develop alternatives in relation to the use of technologies and inputs to offer more efficient and economical management practices and techniques.

The researchers involved perform tests and validations for new products and the positioning for others that already exist in the market, as well as management techniques.

Coffee Innovation Hub

Cooxupé and the Federal Institute of the South of Minas maintain the Coffee Innovation Hub. It develops work to strengthen coffee activity through technological validation, innovation and technical cooperation.



FATEC de Mococa

Cooxupé, through its Information Technology department, and the Faculty of Technology of the State of São Paulo - FATEC, in Mococa, have signaled a partnership that will unite the academic and corporate universe.

The initiative aims to offer students possibilities for projects in the area of scientific initiation, creation of short-term and university extension courses and also supervised internships at Cooxupé itself, in addition to opportunities for professors to do research in the area of Doctorate. The projects of this partnership are planned for 2022.

Cooxupé and PUC

Another agreement with positive signs to start in 2022 is with PUC de Poços de Caldas. The goal is to provide an internship program that allows university students to work in the corporate environment, in order to improve their training and add value to the cooperative.

COOXUPÉ LAUNCHES 'HUB DO CAFÉ'



In 2021, Cooxupé invested in brand publishing and launched the proprietary media portal “Hub do Café”. The Hub contains daily updated news and reports on the coffee sector and agribusiness aimed to all audiences interested in information about the coffee chain, from farmers to consumers.

Cooperativism is an editorial differential remarked at the Hub, addressed as a propeller of a sustainable business model and promoter of the development of all links in the chain: from seed to cup. The project was born with the purpose of strengthening the cooperative’s communication by means of a proprietary media platform.

Hub do Café is developed by Barões Digital Publishing and its editorial content is produced by Phábrica de Ideias - a company focused on integrated communication advice. The next steps include the international version, based on the experience in the national market, and aimed at foreign trade.

Café Hub can be accessed at:
hubdocafe.com.br

Cooxupé on the palm of the hand

Cooxupé's application, available for cellphones and other mobile devices with iOS and Android, has several features and also enables the sale of coffee through the function 'Café Online'.

The feature facilitates transactions with agility, convenience and security. Through the system, the cooperative member has access to a series of information such as the historical price of coffee, stocks, financial position, real-time quotation, in addition to a simulation before confirming the sale.

Members can also access Café Online at <http://www.cafeonline.cooxupe.com.br> or through Cooxupé website: <http://www.cooxupe.com.br>, by clicking option Online Café.

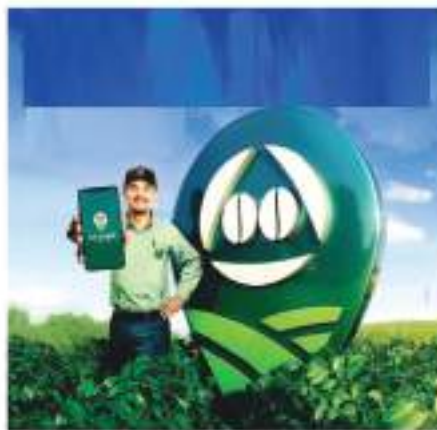
BUSINESS PLATFORM WITHIN THE APP

Cooxupé application hosts a business platform where the cooperative member can carry out their transactions in the APP itself.

Among the features is "Feiras Cooxupé", in which the producer can access the news from FEMAGRI and Feira do Cerrado, operating their negotiations directly in the cooperative's APP. It is very easy and practical!

HARVEST TERM ON PHONE

The campaign "Prazo Safra" also has an online version that may be accessed through the Cooxupé application. The cooperative member has access to a series of information and the convenience to take advantage of the benefits to acquire inputs for farming. In addition, the application has a simple and intuitive system with total security for the producers to place their orders without having to go to the office or store in their region.



INCampo app, developed by Cooxupé, speeds up the service for producers, enabling the integration of technical and commercial teams, in addition to allowing the seller to address orders from cooperative members without having to go to a physical store.

The technology makes it possible to consult products in the stocks of cooperative's stores, check prices and possible discounts, carry out quotations and complete the order during the visit to the property.

The application brings agility and customization to services to members, also by the possibility of generating sales orders from the technical advices during a technical assistance in the field.



Another feature of INCampo is that the seller can create a visit schedule and calculate the best route through Google Maps or Waze to the properties.

Closer to the co-op member

Greater approximation with the cooperative member, faster and simpler services to producers. These are the objectives of Recadastra, one of Cooxupé's Strategic Planning projects - which integrates the "Digital Transformation" macro agenda - to update the registration data of associates and their farms.



The update of registration data is carried out by about 60 census agents - students Agronomy and Coffee Farming Technician courses at the Federal Institute of Education, Science and Technology (IFSul de Minas and IF Triângulo Mineiro). All guided, trained and supervised by Cooxupé's Agronomists.

A part of Recadastra is also available on the cooperative's APP, where the cooperative member may update his information.

**TV Indoor:
Information
straight to the
member**

Cooxupé's stores counts on a Indoor TV system, maintaining an up-to-date and dynamic information channel with the cooperative members. The cooperative project has synchronized content, which transmits technical programs, curiosities about the agricultural sector, as well as information on cooperativism and institutional of the cooperative.





Cooxupé
on social media
in 2021:

**MORE than
24 MILLION
PEOPLE
IMPACTED**

**Over
96.1 thousand followers,
the four social media
engaged in 2021:**

- 1,026 publications;
- 24.6 million people impacted;
- Over 2.2 million engagements;
(interactions like likes, comments, shares, saves, etc.)
- Cooxupé's website is another tool for members.

It enables users to find different types of data, services performed by the cooperative, the digital version of Folha Rural, agribusiness news, among other information.



Cooxupé further expanded its presence and engagement on social networks. Interaction with co-op members, partners and society takes place on Facebook, LinkedIn, Instagram and Twitter. Publications with relevant information about the universe of coffee and the cooperative's activities are shared on Cooxupé's profiles, with the main articles from Hub do Café, in addition to the provision of services and the dissemination of job opportunities.

Campaigns for cooperative members

Due to the valuation of coffee, in 2021, Cooxupé recorded significant increases in several campaigns, showing that the cooperative took advantage of the good prices to do business, whether in the short or long term, investing in ag inputs to increase the productivity of the crop and in machines for greater efficiency in operations.

By these means, the cooperative highlights four main campaigns carried out during the year.



CAMPANHA À VISTA CASH SALE CAMPAIGN

Focused on opportunities for coffee inputs, the campaign brought very competitive prices. In addition, the cooperative member had a deadline to sell his coffee and settle the payment. This campaign grew 98% comparing to the previous year.

MACHINERY AND IMPLEMENT CAMPAIGNS, FEMAGRI, FEIRA DO CERRADO AND MECANIZE

These campaigns together grew by 15%, reaching the highest value in recent years.

CAMPANHA CEREAIS CEREAL CAMPAIGN

Due to the great appreciation of corn and soybean commodities, an expressive growth of 215% was registered in this campaign in 2021.

CAMPANHA TROCA COOXUPÉ COOXUPÉ EXCHANGE CAMPAIGN

Focused on exchanging coffee for inputs, cooperative members took advantage of the good moment of coffee prices, making a growth of 147%.

CAFÉ COM LUCRO ON-LINE COFFEE WITH PROFIT ONLINE

For the second consecutive year, Cooxupé promoted the campaign "Café com Lucro" (Coffee with Profit) online, through the cooperative's app. The system enabled members to access a series of information and benefits, to purchase pesticides, soil and foliar fertilizers, in order to prepare for the new crop with quality and efficiency. During the action, the members also had the support of sellers through online or telephone contact.



WORK AND QUALITY RECOGNIZED

A job performed with commitment is naturally recognized. In 2021, Cooxupé and its members continued to reap the rewards of dedication and quality through the recognition obtained in important awards.



**C.A.F.E.
Practices**

C.A.F.E. Practices- Women

A group of 39 members provided coffee for the C.A.F.E. Practices from Starbucks, by presenting the sustainability requisites demanded by the company. A transfer of BRL 973,665 was made to the cooperative members as award and recognition. C.A.F.E. Practices aims to guarantee the quality and integrity of the verification process from which the coffee has been grown and processed in a sustainable way, in which various economic, social and environmental aspects are analyzed during all phases from cultivation to harvest.



Award Nespresso AAA/ Rainforest Alliance

Likewise, with the objective of encouraging and rewarding sustainable practices of growing coffee of excellence and contributing to protecting the environment, Nespresso/Rainforest Alliance AAA Program transferred BRL 30 million in bonuses in 2021 to the members of Cooxupé at Cerrado Mineiro region.



Program Rainforest Alliance

This program transferred BRL 20.23 million to 428 Cooxupé members.



Special lot RGC Coffee - cooperadas

The strengthening of the presence of women in coffee production also won an award. The company RGC Coffee, from Montreal, Canada, which operates in the premium and specialty coffee market, transferred BRL 276.6 thousand that were distributed to 49 female producers associated with Cooxupé. The coffees sent to RGC Coffee as a request of the Canadian company that requested a lot produced especially by women in the entire area of operation of the cooperative. RGC Coffee, which is currently chaired by Nathalie Gabbay, is one of the examples of how the participation of women has stood out in the entire coffee production chain in Brazil and abroad.



Illy standard Award Cooxupé

At the end of the year, Cooxupé transferred the prize to 133 co-op members whose production reached Illy quality standard in 2021. The total amount of the prize of BRL 2,606,935 corresponds to the negotiation of 30 thousand bags with the client, who has a differentiated quality standard for semi-washed coffee.

COST-FREE ASSISTANCE IN FAVOR OF MEMBERS

IMPROVE PRODUCTION AND
PRODUCTIVITY OF MEMBERS

ASSERTIVITY AND EFFICIENCY IN CULTURAL
TREATMENTS OF THE CROP

SUSTAINABILITY AND GOOD
AGRICULTURAL PRACTICES GENERATING
PROMISING ACTIVITY WITH BETTER
QUALITY OF LIFE

QUALITY INFORMATION
STRAIGHT IN THE FIELD

These are among the functions that the agronomists and agricultural technicians of Cooxupé's Department of Technical Assistance take to more than 17 thousand member families. **In 2021, this sector of the cooperative held 453 online group events, either presential and online, with attendance of more than 19 thousand people. The total service in the field and also in business units generates expressive numbers: more than 68 thousand cooperative members served.**

Technical Assistance Events - 2021

SERVICES						
Group services	Number of group events			Participants		
	2021	2020	Variation	2021	2020	Variation
field day	6	6	0,00%	77	158	-51,27%
Training	370	314	17,83%	3.359	3.021	11,19%
Lecture	69	50	38,00%	1.599	1.824	-12,34%
Schoolar	0	0	0,00%	0	0	0,00%
Dias do Conhecimento - Knowledge Days	0	0	0,00%	0	0	0,00%
Femagri Farm	0	1	-100,00%	0	23.096	-100,00%
Live Streaming: Cafés Especiais (views)	7	3	133,33%	10.437	10.928	-4,49%
Fórum Café e Clima (views)	1	1	0,00%	3.900	7.522	-48,15%
SUBTOTAL	453	371	22,10%	19.372	46.549	-58,38%

Total Services by field visits		2021	2020	Variation
SUBTOTAL		36.270	30.088	20,55%
Total Services at business units		2021	2020	Variation
SUBTOTAL		12.864	12.730	1,05%
Total of Services		2021	2020	Variation
TOTAL		68.506	89.367	-23,34%

TECHINCAL RECEIPTS ISSUED		2021	2020	Variation
TOTAL		80.933	66.698	21,34%

EMPTY PACKAGES RETURNED		2021	2020	Variation
TOTAL		102.469	84.765	20,89%

Constant caution against Covid-19

Since the beginning of the new coronavirus pandemic, Cooxupé has maintained and respected measures to prevent and combat the disease. In addition, processes have been reformulated and guidance programs have been implemented, aimed at the safety and well-being of members, employees, business partners and other direct and indirect relationship groups of the cooperative. In 2021, the vaccination campaign against the disease was also reinforced by the cooperative among its members.

In addition to the safety protocols adopted by employees in all departments and stores, Cooxupé engaged in raising awareness and guidance against the virus on rural properties, in addition to encouraging immunization against Covid-19 with the advance of national vaccination campaign.

Contingency actions

The same care has been taken at Cooxupé stores in which, as a preventive measure against Covid-19, telephone, Whatsapp and email operations have been encouraged and prioritized. Presential service occurred occasionally, in order to address emergency cases.

The cooperative quickly developed and implemented a contingency plan that included adapting environments, reducing

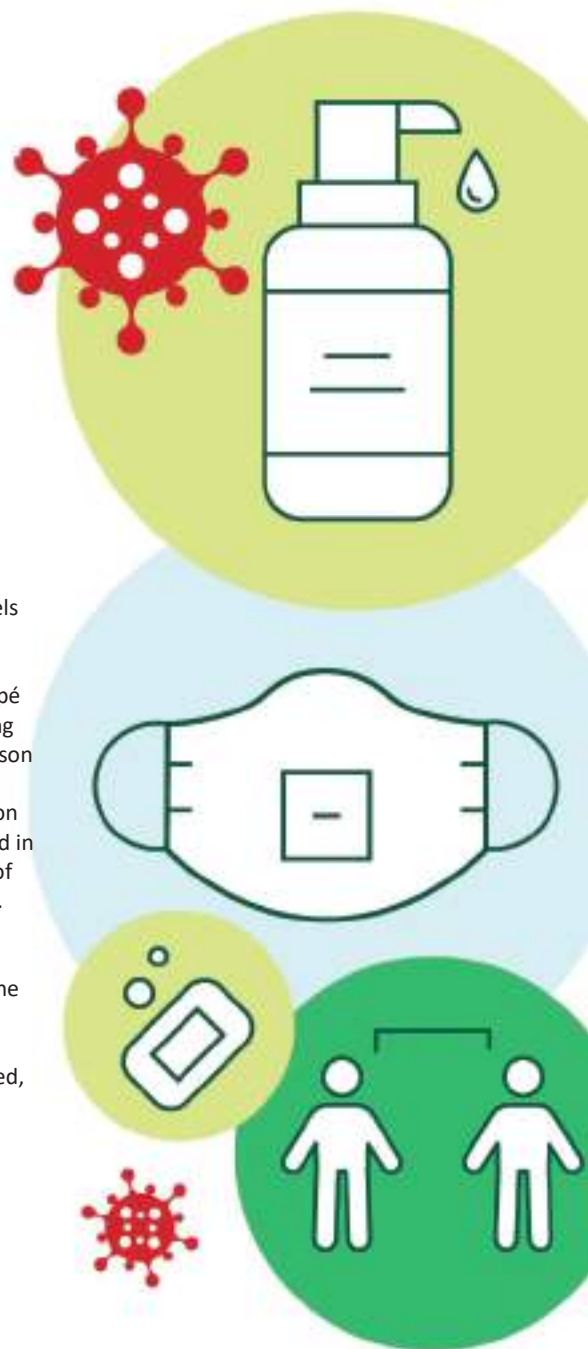
Presential meetings, suspension of travels and events, among other measures, to avoid crowding.

With the advance of vaccination, Cooxupé followed the new health rules, respecting all protocols in the resumption of in-person calls and events.

Sanitation procedures and the installation of alcohol gel containers were intensified in all units and departments. And the use of mask is still mandatory in environments.

Remotely connected

With social isolation, the holding of online events has intensified. The meetings, lectures and qualification followed and kept the cooperative members connected, with all the necessary care.



SESMT



At the cooperative, monitoring effort involved its SESMT (Specialized Service in Safety Engineering and Occupational Medicine), mainly in relation to guidance for employees on proper sanitization of hands, the need for distancing, symptom control, work leaves, among others.

Statement of benefits to Cooxupé members

1- Destination of Surpluses/Profit for Pay-ups of Capital Quotas	# of members	BRL Value
10% of surplus/profit in 2021 - Payment in the capital quotas, according to Art. 66 of Social Statement	15.462	R\$ 30.107.514
2 - Destination of Surplus/Profit for Payment in Cash		
10% of surplus/profit in 2021 for distribution in cash, according to Art.66 §22 of Social Statement	15.462	R\$ 30.107.514
20% of surplus/profit in 2021 at the disposal of the General Assembly - AGO (recommendation of the Administrative Board)	15.462	R\$ 60.215.029
Total	15.462	R\$ 90.322.543
3 - Payment of the PRCI - Capital Quota Refund Program for Age		
	# of members	BRL Value
	1.100	R\$ 5.128.680
4 - Payment for Coffee Quality Programs		
	# of members	BRL Value
Nespresso AAA Rainforest Program	516	R\$ 30.691.493
Rainforest Alliance Program	428	R\$ 20.231.947
Specialty coffee program	733	R\$ 8.741.884
Illy/Cooxupe Program	133	R\$ 2.606.935
Starbucks C.A.F.E Practices Program - Women	39	R\$ 973.665
Especialíssimo Award	50	R\$ 330.000
RGC Coffee Award – Women	49	R\$ 276.660
Total		R\$ 63.852.583
5 – Due date payment / delivery bonus for in-store purchase / Rural Product Bill - CPR		
	# of members	BRL Value
	11.143	R\$ 19.040.115
Grand total		R\$ 208.451.436

Results

Concluding this report, we present to the Annual General Assembly (AGO) the allocations in accordance with Cooxupé's bylaws and Law No. 5,764/71, to be deducted from the surplus/profit for the year, in the amount of R\$ 356,110,541 (three hundred and fifty-six million, one hundred and ten thousand, five hundred and forty-one Reais), as follows:

Direct Destinations

a) R\$ 46,886,439 (forty-six million, eight hundred and eighty-six thousand, four hundred and thirty-nine Reais) equivalent to surplus/profit from non-members, adjusted by the realization of a revaluation reserve, allocated directly to RATES;

b) R\$ 8,148,957 (eight million, one hundred and forty-eight thousand, nine hundred and fifty-seven Reais) allocated to the Development Reserve.

After these direct allocations, BRL 301,075,145 (three hundred and one million, seventy-five thousand, one hundred and forty-five Reais) remain to be allocated according to statutory provisions, as follows:

Statutory Destinations

a) R\$ 90,322,544 (ninety million, three hundred and twenty-two thousand, five hundred and forty-four Reais), or 30%, to the Legal Reserve;

b) R\$ 45,161,272 (forty-five million, one hundred and sixty-one thousand, two hundred and seventy-two Reais), or 15%, to RATES;

c) R\$ 45,161,272 (forty-five million, one hundred and sixty-one thousand, two hundred and seventy-two Reais), or 15%, to the Development Reserve;

d) R\$ 30,107,514 (thirty million, one hundred and seven thousand, five hundred and fourteen Reais), or 10%, to the Capital Quota Account;

e) R\$ 30,107,514 (thirty million, one hundred and seven thousand, five hundred and fourteen Reais), or 10%, which will be distributed to the cooperative members in cash.

After these statutory allocations, R\$60,215,029 (sixty million, two hundred and fifteen thousand, twenty-nine Reais), or 20%, remains for the Annual General Assembly to decide on its allocation.

The Administrative Board recommends to the Annual General Assembly that R\$ 60,215,029 (sixty million, two hundred and fifteen thousand and twenty-nine reais), or 20%, be allocated in cash to cooperative members.



Socio- environ mental



cooxupé

As of December 31, 2021 and 2020, attached
with the reports of the third-party auditors and
the Fiscal Board



VISITS

IN 2021



Romeo Zema visits Cooxupé



Cooxupé hosted the Governor of Minas Gerais, Romeo Zema, at Japy Complex on October 14th. H.E. Mr. Zema, accompanied by political and agribusiness authorities, spoke to the producers and delegates present, emphasizing that Minas Gerais is the largest coffee producing state in Brazil. In the occasion, the Governor also stated that he is keen to visit all sectors in the region to better understand the challenges faced by each production chain and that he hopes that coffee

grows even more in exports. Among those who were present at the Governor's reception were: State Legislator Antônio Carlos Arantes; the Mayor of Guaxupé, Heber Hamilton Quintela; Federal Legislator Emidinho Madeira; the State Secretary of Agriculture, Livestock and Supply of Minas Gerais, Ana Maria Soares Valentini; State Legislator Dalmo Ribeiro; Guaxupé's Council Member, Donizetti Luciano dos Santos; and the President of Emater, Otávio Maia.



INTERESTS OF COFFEE GROWING

The Vice Governor of the State of Minas Gerais, Paulo Eduardo Rocha Brant, visited Cooxupé on August 26th.

With his team, composed by the Head of Office Estêvão Fiuza; the Government Liaison Officer, Col. Guedes; Vice-governor's Military Officer, Lt. Cleversson Natal, and the Vice-governor's assistant, Cap. Alencar, Mr. Brant visited the Cooperative during the morning and discussed topics of interest to the coffee industry.

The visit also included a tour of Cooxupé's facilities, such as the Classification Lab, the Roastery Facility, and Japy Industrial Complex. Apart from discussing business opportunities, the Vice-governor heard suggestions from Cooxupé members about points that need to be developed in the relationship between the coffee sector and the State.



CONAB'S PRESIDENT GETS TO KNOW HEADQUARTERS' STRUCTURE



The president of the National Supply Company (Conab), Guilherme Ribeiro; along with the Harvest Manager of São Paulo Regional Office, Marisete Belloli; the advisor of the Agricultural Policy Board, Gustavo Nehemy Faria; and José Henrique de Oliveira, from the Strategic Development and Support Management of the state of Minas Gerais, visited Cooxupé's head office on August 6th. The group visited part of the cooperative's structure, such as the Classification and Quality Control Laboratory, Japy Industrial Complex, and visited a coffee farm.

MINISTRY OF ECONOMY AND CONAB IN THE COOPERATIVE



On November 23rd, representatives from the Ministry of Economy and the National Supply Company (Conab) were at Cooxupé's head office, in Guaxupé.

Undersecretary of Agricultural Policy and Environment - Ministry of the Economy, Rogério Boueri Miranda; Marisete Belloli, Conab São Paulo agricultural manager; and Candice Romero Santos, Conab's superintendent of Agricultural Information, were also present.

During the meeting, the group visited Cooxupé's facilities, and exchanged information about coffee business.

VISITS



SENATE LEGAL DIRECTOR

The Legal Director of the Federal Senate, Alexandre Silveira, accompanied by Federal Deputies Diego Andrade and Emidinho Madeira, and State Deputy Cássio Soares, visited the board of Cooxupé on September 17, for an important meeting to discuss the interests of the cooperative and the sector.



SUPERINTENDENT OF DEVELOPMENT OF REGIONAL POTENTIALITIES

In February, Guaxupé was visited by the Superintendent for the Development of Regional Potentialities, from Minas Gerais State Secretariat for Economic Development, Frederico Amaral e Silva, and representatives from GASMIG (Minas Gerais Gas Company) to analyze the area's potential for natural gas consumption. During their visit to the city, they took the opportunity to visit Cooxupé's headoffice.

MEETING ON MILITARY POLICE ACTIONS DURING THE HARVEST SEASON

On April 27th, Cooxupé's department of Property Security received the lieutenant-colonels of the 18th Region of the Military Police of Minas Gerais (RPM) from Poços de Caldas, from the 12th Military Police Battalion (BPM) from Passos, from the 29th BPM (Poços de Caldas), from the 43rd BPM (São Sebastião do Paraíso) and from the 64th BPM (Alfenas). The meeting aimed to discuss the actions of the Military Police Safe Harvest Program during the coffee harvest period by intensifying monitoring, rounds and patrols in the field and also throughout the year 2021 to prevent crimes in rural areas.

The work carried out by the Military Police seeks to prevent the producer from being an easy target, promoting the continuous improvement of security in the field.

PRESIDENT OF INDI GETS TO KNOW COOXUPÉ'S FACILITIES

In July, the president of the Integrated Development Institute of Minas Gerais (INDI), João Paulo Braga Santos, was received by the president of Cooxupé, Carlos Augusto Rodrigues de Melo; by the vice-president, Osvaldo Bachião Filho; and other members of the cooperative's team and the Guaxupé City Hall. During the visit, he was able to see the cooperative's facilities.

STARBUCKS REPRESENTATIVE

In November, representatives of the Starbucks coffee chain visited the cooperative to see the facilities of Japy Complex and the Roastery Facilities. The team also visited farms that are part of C.A.F.E. PRACTICES program.



Cooxupé reaches its members

MONTE CARMELO

On July 1st, Cooxupé's Executive Board and team visited the business unit in Monte Carmelo, where they were welcomed by the board member Leocarlos Marques Mundim.

SÃO PEDRO DA UNIÃO AND PATROCÍNIO

Cooxupé's President Director, Carlos Augusto Rodrigues de Melo, accompanied by the cooperative's team, went to São Pedro da União (MG) to check the works and new facilities of the unit, on June 30th. On the following day, July 1st, Cooxupé's President and the Vice-president, Osvaldo Bachião Filho, were in Patrocínio, in Cerrado region of Minas Gerais, to check the construction work at the site. The executive board was accompanied by members of the cooperative's team and by the Fiscal Counselor, Adriano Rogério da Silva.

ANDRADAS

Cooxupé's Directors have been to Andradas (MG) for a meeting with local members in August, listening to the demands of the region's members.

LAMBARI

Cooxupé's board of directors was at the Lambari Unit, on October 1st, for an important exchange of information with the cooperative's employees and also with cooperative members from the region. The meeting had a strategic nature for decision making and to gather proposals and specific requests for the region.

ALFENAS AND CAMPOS GERAIS

Also in October, the president Director of Cooxupé, Carlos Augusto Rodrigues de Melo, the Vice-president, Osvaldo Bachião Filho, and members of the cooperative team visited the business units in Alfenas and Campos Gerais. The meetings were productive, with the alignment of demands and strategies for those service stations to cooperative members.



Participation in events

Cooxupé participated in a series of events throughout 2021. Many of the events, in an online form, others already respecting all Covid-19 prevention measures.

RURAL CREDIT LINE

The participation in events began in February, with the Minister of Agriculture, Tereza Cristina, and the president of the Central Bank, Roberto Campos. The maintenance of the programs and rural credit financing lines aiming to help the cooperatives and the producers in relation to costing, working, commercialization and investments was the theme of a meeting among the cooperative leaders.

DROUGHT IN COFFEE FARMING

Also in February, the Parliamentary Coffee Front held a virtual debate with the participation of leaders of the Brazilian coffee sector on the impact of drought on coffee production and the consequences for the 2021 harvest. The meeting was attended by Federal Congressman Emidinho Madeira (who chairs the Parliamentary Coffee Front); Federal Congressman Evair de Melo (FPC vice-president); Federal Congressman Diego Andrade (FPC secretary and leader of the Federal Bancada Mineira); Secretary of Agriculture, Livestock, and Supply of MG, Ana Maria Soares Valentini; the president of the National Coffee Council Maurício Miarelli, and presidents of several coffee cooperatives, such as Cooxupé, which was represented by the president Carlos Augusto Rodrigues de Melo, the Board Member Carlos Alberto Paulino da Costa, and the Coordinator of Geoprocessing Department Éder Ribeiro Santos.

OCB AND CNPQ SEMINAR

In May, the OCB System (Organization of Brazilian Cooperatives) and the National Council for Scientific and Technological Development (CNPQ) held, in digital format and open to the public, another edition of the Evaluation Seminar of the CNPQ/Sescoop Call. This partnership has been in force since 2018 seeking evolution in the cooperative environment. The projects presented and the round tables followed four thematic lines: Economic and Social Impacts; Competitiveness and Innovation; Cooperative Governance; and Cooperativism and the Legal Scenario. Cooxupé participated in the last day of the program, debating the theme Governance, through its president Carlos Augusto Rodrigues de Melo.

IMPROVEMENTS FOR TRAFFIC SIGNALS ON HIGHWAYS

The cooperative also participated in discussions aimed at improving roads and logistics in the region. Mayors and other political authorities and representatives of the cities of Muzambinho, Juruaia, and Nova Resende, as well as cooperative producers, met with the state deputy of Minas Gerais, Antônio Carlos Arantes, and with members of the DER - Department of Highways - to point out the need for improvements in traffic signals at some points of highways near these municipalities, benefiting producers in this region, which generate employment and income.





TOP COOPERS 2021

President Carlos Augusto Rodrigues de Melo participated in the online panel "Top Coopers - Cooperativism Leaders", held by MundoCoop, in May, which also brought together the presidents of CooperCitrus, Castrolanda and Agro Industrial Holambra.

LIVE STREAM CROP PLAN

In July, Live Stream *Plano Safra e Cooperativismo* was held to discuss the impacts of the new Plan, released by the Ministry of Agriculture. The executive board and other members of Cooxupé participated in the virtual meeting. The stream had the participation of Tereza Cristina (Minister of Agriculture, Livestock and Supply); Márcio Lopes Freitas (President of the OCB System); Gustavo Montezano (President of the National Bank for Economic and Social Development); Luiz Roberto Baggio, among others.

MEETING OF THE AGRICULTURAL COOPERATIVES

Cooxupé was also present at the Meeting of Agricultural Cooperatives, organized by Ocemg System. The event focused on presenting scenarios and perspectives for the sector, as well as the main indicators for the period between 2016 and 2020 indicated by the Performance Program, formerly the Economic-Financial Development Program (GDA). The initiative received specialists from the economic and agricultural sectors, who explained to 115 presidents, managers and accountants from the cooperatives of Minas Gerais.



MINISTER ALYSSON PAOLINELLI NATIONAL COMMENDATION

The president, Carlos Augusto Rodrigues de Melo, received, on August 20th, the National Commendation Minister Alysson Paolinelli. The honor is granted by the Order of Lawyers of Brazil (OAB) in Minas Gerais, through the Agribusiness Law Commission. The Commendation, which recognized 50 Brazilian agribusiness personalities, bears the name of Alysson Paolinelli, who was secretary of agriculture of Minas Gerais and minister of agriculture in the 1970s.

ABAG CONGRESS

With the participation of several leaders of the Brazilian agribusiness, the ABAG Congress took place, digitally, in August. The central theme of the event was "Our carbon is green". Cooxupé's President Director, Carlos Augusto Rodrigues de Melo, participated in the panel "Future of Brazilian Agribusiness in World Trade", together with Elizabeth Farina (executive director of WRI Brazil) and Malu Nachreiner (president of Bayer's Crop Science division in Brazil).

ECONOMIC PROSPECTS

Despite the good market perspectives, coffee production costs will be higher for the next harvest. This was the scenario outlined by specialists from Itaú BBA during the live broadcast "Perspectives and Macroeconomic Challenges for Agricultural Markets". The event was broadcast in September on Cooxupé's YouTube channel. The senior economist of economic research Itaú BBA, Pedro Renault, presented the current situation of the Brazilian economy in the world and outlined the trends for 2022, with the control of the pandemic.





ENCOFFEE

October was time to debate coffee interests of the coffee sector at ENCOFFEE (Coffee Growers Management Meeting). During the panel "How cost reduction affects farming", the president of the cooperative defended that planning is key to avoid losses.

ASSUL'S TRIBUTE

The Association of Rural Producers of South of Minas Gerais (Assul) paid tribute to Cooxupé in October, by delivering a plate of recognition at an event that marked the Association's 30th anniversary and the inauguration of its new board of directors. In the tribute to Cooxupé, the Association acknowledged the cooperative for its dedication, competence and professionalism throughout the partnership of so many years.



NATIONAL MEETING OF AGRICULTURAL CO-OPS

The National Meeting of Agricultural Cooperatives (Enca) had the participation of Cooxupé in the panel "Professionalization in the Management of Cooperatives" in November. Along with Marcelo Bellardt (executive from Coopeavi), and Adilson Fuga (president of Capal), Carlos Augusto Rodrigues de Melo highlighted the numbers of cooperativism in Brazil, which has more than 1 million members and generates 223 thousand direct jobs.



Events promoted by Cooxupé

LIVE STREAM DONAS DO CAFÉ

To celebrate International Women's Day, on March 8th, Cooxupé and SMC Specialty Coffees promoted the live show "Donas do Café", which presented an exchange of experiences about being a woman in the world of specialty coffee.

The online event included presentations by Denise Andreia de Oliveira, agronomist at Cooxupé; Eliana Relvas, barista and coffee specialist; Lúcia de Fátima Freire Cardoso, member of Cooxupé's Administrative Board; Clélia Soares Magalhães de Souza, administrative and production manager of Cooxupé's Roastery; as well as the participation of professionals from England and Italy. The meeting was mediated by Priscila Castro Martins da Silva, communication analyst at SMC.

Besides the exchange of information and experiences, the stream was also marked by the launch of Prima Qualità Raízes, special edition Donas do Café, a blend of coffees produced by women.

Cooxupé has more than 2,000 women in its membership base, which represents 12% of the total number of producers.

LIVE STREAM PRE-HARVEST PREPARATIONS

To fulfill its role of providing quality information to its members and guide them on the preparations and care during the pre-harvest and specialty coffees, Cooxupé promoted a series of live streams on its YouTube channel for producers in each region where it operates. The series of lives started on April 20th.C



LIVE POST-HARVEST CARE

In May, the program of live streams for producers from the entire region where Cooxupé operates continued with the participation of the cooperative's Board of Directors and Professor Flávio Borém, from the Engineering Department at UFLA (Federal University of Lavras), with the theme "Post-harvest care for the production of specialty coffee, The initiative sought to stimulate and help the process of specialty coffee production, providing better quality in the harvest and in the management of the property, and greater profitability to the cooperative members.

LECTURES: CLIMATE

In June, July and August Cooxupé promoted videoconferences where Professor and Specialist Pedro Dias conducted analysis on the perspectives for climate anomalies to the cooperative's team. The data pointed out by the Professor dealt with the volume of rainfall, historical dry season, indications for risk of frosts, effects of La Niña phenomenon, temperatures, among others. The complete videoconferences can be watched on Cooxupé's channel on YouTube.



FERMAGRI AND CERRADO FAIRS DIGITAL VERSION EXCEEDS EXPECTATIONS



In 2021, FEMAGRI (aimed at coffee growers in South of Minas Gerais and Médio Mogiana) and the Cerrado Fair - (aimed at producers in Cerrado of Minas Gerais) were held between February 1st and 26th, for the first time in a virtual environment at Cooxupé's website and mobile App.

Despite the online version, the events had the same vocation as the face-to-face editions: to bring ' news and benefits to the cooperative members.

Although the adaptation have been led by the Covid-19 pandemic, it ensured more than 17,000 members to access good business opportunities for the harvest.

In fact, the digital version of the events has exceeded the expectations of both the organizers and the producers, who have realized a high volume of access and business.

The experience of holding a digital fair was a huge challenge for Cooxupé and the cooperative members, but it was successful in terms of revenues, as a result of easy access and via friendly resources, and the cooperative's relationship with the producers.

In the virtual environment, FEMAGRI and Feira do Cerrado reached **MORE THAN 500 ACCESSES PER DAY** via Cooxupé Mobile App and the events' websites.

COOPERATED, THE FAIRS WILL BE VIRTUAL

during the whole month of February on our website and app

Download the APP on the Available stores.

Cooxupé

Available on the App Store and Google Play



www.cooxupé.com.br/femagri



www.cooxupé.com.br/feiracerrado

Cooxupé's APP

All the news from the fairs, as well as the negotiations were done directly at Cooxupé Mobile App, which maintains a rich business platform to facilitate and speed up the operations of the cooperative members. Among the functionalities of this platform is the option "Feiras Cooxupé". By clicking it, the producers find everything they need to make orders, clear doubts, and do businesses.

Even in the virtual format, the cooperative member can count on all the benefits offered by Cooxupé at presential fairs, such as barter operation, in which the producers use coffee as exchange currency.



AGREEMENT WITH THE FAEMG/SENAR MINAS SYSTEM RENEWED

Cooxupé has renewed its agreement with the Faemg System / Senar Minas to hold improvement and training courses for cooperative members and teams until 2021. The partnership began in 2011. It is meant to bring knowledge to farmers, to progressively improve the coffee activity at their farms, and it has already trained more than 32,000 people in almost 3,000 courses since the first edition.

IN 2021, THE PARTNERSHIP WAS RESPONSIBLE FOR 370 COURSES, WHICH INVOLVED 3,359 PARTICIPANTS. ALL ACTIVITIES STRICTLY COMPLY WITH HEALTH SECURITY GUIDANCE AND PROTOCOLS.

Band and Cooxupé Against Hunger



In April, Café Evolutto - produced by Cooxupé's Roastery - donated 6 tons of ground coffee to the campaign "Band TV Against Hunger", which collected food to distribute to Brazilian families in extreme poverty in the face of the Covid-19 pandemic.

The donation of coffee was addressed to the institutions AMIGOS DO BEM, CUFA (Central Única das Favelas), and GERANDO FALCÕES, all from São Paulo city. At the time, Carlos Augusto Rodrigues de Melo, President Director of Cooxupé, stressed the importance of collaborating with the action, by donating coffees produced by the cooperative, and helping families who, unfortunately, suffer from hunger in the country.

Solidarity at stake

In April 2021, Cooxupé's Administrative Board responded to a request from the cooperative members and approved the donation of BRL 2.5 mln to local and regional hospitals, which are part of the cooperative's action area, preferably to fight the Covid-19 pandemic.

The donation reached 81 hospitals in 78 municipalities in South and Cerrado of Minas Gerais, and Média Mogiana of São Paulo State.

From the total donated, BRL 1.5 mln went to hospitals in cities where Cooxupé operates, with the amounts distributed according to the volume of coffee received in each city. The remaining BRL 1 mln was donated to 12 regional hospitals, in eight cities, at the cooperative's action area, based on the number of beds, the volume of coffee received in each town, the number of employees.





Applause

Cooxupé received “Motion of Applause” from municipal chambers of Campos Altos and Guaxupé, for the donation to hospitals at its action area. The honor was proposed in Campos Altos by the city councilor, Flávio da Silva Gabriel, on July 22nd, and in Guaxupé by the city councilor, Donizetti Luciano dos Santos (see picture), on July 14th.



Tribute in Monte Carmelo

On November 10, Cooxupé was honored by the City Hall of Monte Carmelo in an event held at Alberto Nogueira Municipal Hospital. At the ceremony, which also recognized the work and dedication of the front-line professionals during the pandemic, the cooperative received a plaque in thanks for the support and the financial donation of R\$ 37,348.40 to the public health in Monte Carmelo, during the pandemic.

More BRL 2 mln for hospitals

In December, Cooxupé donated BRL 2 mln to 64 hospitals in its action area. Approved by Cooxupé’s Administrative Board, the resources have been allocated for two years to help meet the needs of these institutions.

From the total, BRL 1 mln was destined to hospital institutions focused on oncologic treatment and BRL 1 mln to municipal hospitals, which provide care at the cooperative’s action area, which means, to 17 thousand cooperative families, 2.4 thousand Cooxupé employees and their families.

The hospitals with oncology services benefited by the donation are from the cities: Alfenas, Passos, Patrocínio, Uberlândia, Varginha, Poços de Caldas, and Barretos.



DIA DE COOPERAR

During the "DIA C" campaign, held by OCEMG System, Cooxupé collected food, staple food items, and 486 liters of milk for entities in the city. All in partnership with Sicoob Agrocredi.

Among the entities benefited were Casa da Criança - a non-profit organization that promotes social inclusion of the inmates and offers social projects for needy children - and Casa do Caminho Bezerra de Menezes - Beneficent Spiritist Association.

The "DIA C" was created to care for the people in the regions where there are cooperatives, preserve the environment, and carry out actions to generate benefits by means of sharing experiences, volunteering, and solidarity.

Inclusion and diversity in coffee



A campaign for the diversity in coffee, in partnership with Cooxupé and the company S. Ishimitsu, promoted a special action during the Tokyo Paralympics in 2021.

A video featuring cooperative producers from Minas Gerais was shown in coffee shops during the sporting event. Through the partnership, coffee produced by people with disabilities is also sold to coffee shops on the other side of the world. The video that was shown in these coffee shops during the Paralympics showed stories and examples.

The action was possible thanks to a partnership of more than 15 years. The relationship between the Japanese food company S. Ishimitsu, and Cooxupé started in 2005. The company buys coffee from the Cerrado region of Minas Gerais and Mogiana in São Paulo State for distribution in Japan. And with the goal of connecting people and creating a better world, it started the campaign with the purchase of a batch of coffee with the exclusive production of people with disabilities, in addition to the release of the video during the Paralympics.

NATURE IS OUR DNA!

IMPACTS OF CLIMATE ON COFFEE



The 3rd edition of Cooxupé's "Fórum Café e Clima" was held on September 21st, once more online due to the pandemic, and broadcast on YouTube Cooxupé, G1, Notícias Agrícolas, and Hub do Café, by Notícias Agrícolas and Hub do Café, gathering more than 2 thousand spectators.



The climate conditions that occurred during crop year 2021, and the impacts for 2022 coffee crop were the central themes of the event. Among the scenarios outlined by the invited experts is the impact of the water crisis, in which drought is expected to put more pressure on 2022 coffee production than the frosts.

The event was conducted by Professor Dr. José Donizeti Alves, from the Federal University of Lavras (UFLA); Professor Dr. Luiz Carlos Baldicero Molion, from the Federal University of Alagoas; and Cooxupé's Geoprocessing Coordinator and Agricultural Engineer, Éder Ribeiro dos Santos.



The frosts registered on July 20th and 30th affected 48,000 hectares belonging to 5,908 Cooxupé members. The members played an important role by means of issuing occurrence reports, in an attempt to mitigate the consequences and make possible the recovery of eventual damage suffered.



MINISTER OF AGRICULTURE VISITS MINAS GERAIS TO ASSESS IMPACTS

STRATEGIES

On July 23rd, Cooxupé's President Director, Carlos Augusto Rodrigues de Melo, Vice-president Director, Osvaldo Bachião Filho, co-op members and regional authorities received the Minister of Agriculture, Livestock and Supply, Tereza Cristina Corrêa da Costa Dias; the Secretary of State of Agriculture of Minas Gerais, Ana Maria Soares Valentini; as well as federal and state deputies. The meeting took place in Alfenas, where the committee assessed the impacts of the frost that occurred in the region of the cooperative. After visiting the crops, the minister showed her concern and created an agenda of priorities to support local producers.

After the meeting with Minister Tereza Cristina, and Minas Gerais Secretary of Agriculture, Ana Maria Valentini, the executive directors and staff members of Cooxupé and the cooperative Minasul met with Federal Deputies Emidinho Madeira and Evair Melo, at Cooxupé's head office in Guaxupé, where they discussed strategies to face post-frost period.

Valuation of nature

Cooxupé's Environmental Education Center (NEA), which has been active since 2013, delivered **25 thousand seedlings during the year 2021.**



The nursery is capable for producing up to 40,000 seedlings per year of native species such as copaiba, chai-chai, dedaleiro, monjoleiro, ipê do cerrado, jatobá, pau d'alho, óleo branco, jenipapo, and jequitibá, among others, which are destined to the spring recovery programs and environmental programs developed in partnership with NGOs and schools in the region where Cooxupé operates.

Aiming at the promotion of recovery and preservation of riparian forest and forest fragments, the Minas D'Água project, implemented by Cooxupé, has already recovered, preserves, and protects more than 600 hectares of remaining Atlantic Forest.

This work, which counts on the partnership of Mother Parkers, Coffee America, and Balcoffee, restores Permanent Preservation Areas (APP) located in the headwaters of the Guaxupé River basin, which supplies the town's inhabitants, by revitalizing springs and riparian forests at farms in the region.

Up to now, 140 rural producers from the region where the cooperative operates have been assisted and received materials and support from the project.





WATER CRISIS ON THE AGENDA

The water crisis was also discussed throughout 2021. Cooxupé's Board of Directors participated in a meeting promoted by the Furnas Lake Municipalities Association (Alago), in Alfenas, in September, to discuss the topic.

State and federal government officials attended the meeting, as well as the chairman of Eletrobrás, Rodrigo Limp, and Furnas chief, Clóvis Torres. The problems caused by the low water level in Furnas dam, the shortage of water, the need to maintain the minimum quota of the lake and the loss of coffee crops due to frost were discussed. In addition, the compensatory measures for the affected municipalities were raised. At the meeting, also promoted by the Public Association of Municipalities of Médio Rio Grande Micro-region (AMEG) and the Association of Municipalities of the Lower Mogiana Micro-region (Amog), the chiefs of Eletrobrás and Furnas pledged to open a dialogue channel with the population, aiming to reduce the water crisis problem in long, medium and short term.

PREVENTION OF WILDFIRES

Still addressing environment and sustainability theme, Cooxupé, concerned about the situation and the influence that fires have on the lives of its members and all the population, participated in a meeting at Guaxupé City Hall, in August. The goal was to debate with several representatives from the municipality, and with the 4th Squad of the Fire Department. The main issue on the agenda was to raise population's awareness about these events, since the vast majority of the cases of fire have criminal origin, harming thousands of people in the region and overloading the fire department's services due to the great intensity of cases registered throughout the year.

Environmental Commitment

The correct disposal of empty product packages used by the cooperative members is a constant concern of Cooxupé. Therefore, the cooperative always carries out actions for the collection of these items so that they do not pollute nature.

LAST YEAR, THE COOPERATIVE COLLECTED 102,469 EMPTY PACKAGES.

20.89% MORE THAN 2020.

Liquid and Atmospheric Effluent Treatment



Cooxupé has programs and projects to guide and promote the correct disposal of solid and liquid waste, carried out by a specialized company, in its units and workshops.

The cooperative has Compact Sewage Treatment Stations (ECTES) installed at the head office, Japy Industrial Complex and units in Monte Carmelo, Campestre, Carmo do Rio Claro, Rio Paranaíba, Alpinópolis, Cabo Verde and São José do Rio Pardo, which return the water in adequate conditions to the environment. Cooxupé's laboratory also deploys a gas scrubber system for the treatment of atmospheric effluents.

The mechanical workshops and machine fueling lanes count on water and oil separating containers (WOWC) for the treatment of the oily liquid effluent generated.

Cooxupé is also synonymous for energy efficiency



Since 2019, Cooxupé has been purchasing renewable electricity from sources fostered by the Brazilian government, replacing the use of energy that comes from fossil and polluting materials, such as that which comes from petroleum.

The acquisition of clean energy for the Head Office and Japy Complex, in Guaxupé, and for the unit in Monte Carmelo, meets the market demands for energy efficiency. It is in line with the objectives of the cooperative in achieving the goals of sustainability in its actions in the social, economic and environmental pillars. In relation to compliance with ESG concept, which is already part of the reality of management practices at Cooxupé.

Thus, in 2021, Cooxupé was certified by 'Trinity Energia' as a cooperative that consumes 100% renewable energy. The outcomes show great positive impacts, especially in the coffee warehouses in Guaxupé and Monte Carmelo, where the demand for energy consumption is more intense.



'Trinity Energia' is the company that intermediates the purchase of clean energy by Cooxupé in the free market, whose methodology meets the requirements of the Brazilian GHG Protocol Program, the main national program for qualification of Greenhouse Gas (GHG) emissions, and is compatible with the quantification methodologies of the Intergovernmental Panel on Climate Change (IPCC).



Young Apprentice Program

Cooxupé maintains the Young Apprentice Program with the objective of giving the opportunity for theoretical and practical learning about the work of a large company.

In 2021, 34 young people, aged 14 to 20, participated in the program.

The project, carried out in partnership with the OCEMG/SESCOOP-MG System, is also an opportunity to help teenagers in their search for their first job.

Professional rich in knowledge

Through this program, Cooxupé aims to contribute to the improvement of its employees, encouraging participation in language courses, graduation and post graduation courses/MBA.

In total, in 2021, the program benefited 79 employees, 40 of whom received scholarships for language courses, 33 for undergraduate courses, and 6 for continuing their studies and technical training through post-graduate or MBA courses.

Internship Program

Cooxupé's Internship Program, in 2021, had 18 students, who had the opportunity to experience the content covered in technical courses and higher education in a corporate environment, in the departments: Distribution Center, Technical Development, Japy Industrial Complex, SESMT, Roastery, Environmental Education Center (NEA), Information Technology, Projects and Works, Controllership, Tax, and Fundraising. All the internship opportunities are available to interested people at the cooperative's website.

Embracing pregnant women

In 2021, 76 pregnant women were assisted by the program.



The Pregnant Woman Care Program aims to offer support and disseminate information to female employees and their spouses and partners during this important moment in the life of a woman and couple.

The registered pregnant women attend to lectures and events promoted by Unimed (partner healthcare co-op); they receive the 'Informed Mothers Manual' and a maternity kit with diapers, bag, medicines, among other products.



Cooxupé seeks continuous improvement in accident prevention and health care for all its employees, through SESMT (Specialized Safety Engineering and Occupational Medicine Service) and CIPA (Internal Commission for Accident Prevention).

Thus, in compliance with Brazilian Regulatory Norm NR 5, between November 22 and 30, 2021, the SIPAT (Internal Week for Workplace Accident Prevention) was carried out, in an adapted manner, respecting the protocols against Covid-19. Themed "Share Prevention", the event addressed issues such as

occupational risk management; the implementation of biometric PPE delivery and correct disposal of PPE; the Covid-19; subcontractor management; and prevention of mother-to-child transmission of HIV.

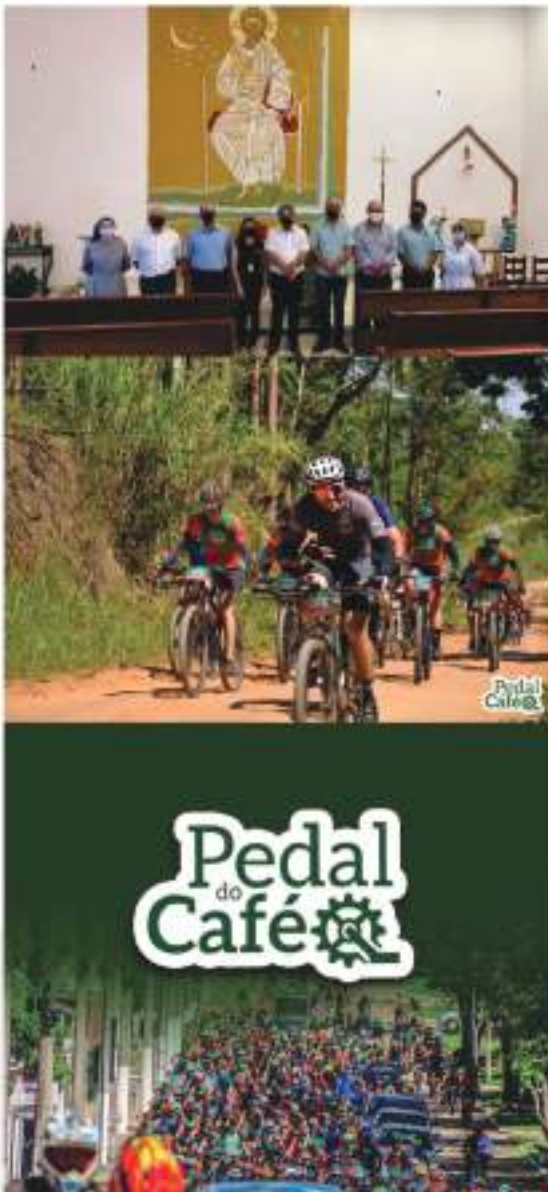
The main objective of SIPAT is to actively contribute to the reduction of labor accidents. And, once again, the Week was disclosed in a special edition of the magazine Coisa Nossa. In addition, all employees had the opportunity to participate in a quiz game with questions about the issues addressed, competing for prizes such as: a 43" Samsung Smart TV LED; Air Fryer; Samsung AI2 cell phone; JBL speaker; and coffee machine.



Assoxupé

Resumes activities

ASSOXUPE (ASSOCIATION OF THE EMPLOYEES OF COOXUPÉ), WHICH IS THE LEISURE CENTER FOR COOXUPÉ'S EMPLOYEES AND THEIR FAMILIES, IS SLOWLY RESUMING ITS EVENTS, FOLLOWING ALL HEALTH SAFETY MEASURES.



The place has a complete infrastructure that includes multi-sports courts, gym, zumba classes, and kiosks, besides a social hall that hosts official events of the cooperative and parties promoted by the members themselves.

In 2021, gym, dance classes, and soccer matches resumed. The most important sporting event promoted during the year was "Pedal do Café" (bicycling event). The fifth edition of Cooxupé's traditional event brought together 600 cyclists. The circuits started and ended at Assoxupé's headquarters.

The bike ride had the partnership of Unimed, Sicoob Agrocredi, and the support of Guaxupé City Hall. Divided into three categories, with routes of 20 km, 30 km and 50 km - which included downtown and rural circuits - the 5th Pedal do Café had support teams, as well as for emergency repairs on bicycles, food and hydration points. In addition to an ambulance and a Municipal Civil Guard vehicle.

And, at the end, medals were distributed, a macaroni meal was served at Assoxupé, and gifts were raffled off to the participants.





FINANCIAL



As of December 31, 2021 and 2020,
along with the reports of the independent
auditors and the Fiscal Board

Cooperativa Regional de Cafeicultores em Guaxupé Ltda. Social Balance Sheets	Controller - Cooxupé						Consolidated					
	December 31, 2021			December 31, 2020			31 de Dezembro de 2021			31 de Dezembro de 2020		
	Value (R\$)			Value (R\$)			Value (R\$)			Value (R\$)		
1 - Calculation Basis												
Net income from cooperative act and net income from non-cooperative act (RL)	6.561.701.568			4.941.114.790			6.707.431.615			5.030.332.845		
Profit/surplus before tax (RO)	347.939.237			311.612.757			352.276.278			314.497.415		
Direct gross remuneration of employees, outsourced and self-employed (FPB)	209.169.897			185.317.303			211.833.519			187.393.326		
2 - Internal social indicators – (Investments and expenses with employees and third parties)												
	Value (R\$)	%RL	%FPB	Value (R\$)	%RL	%FPB	Value (R\$)	%RL	%FPB	Value (R\$)	%RL	%FPB
Direct gross remuneration - employees	132.730.176	2,02%	63,46%	118.319.653	2,39%	63,85%	135.221.634	2,02%	63,83%	120.271.056	2,39%	64,18%
Direct gross remuneration - outsourced and self-employed	58.363.145	0,89%	27,90%	50.689.526	1,03%	27,35%	58.364.763	0,87%	27,55%	50.691.839	1,01%	27,05%
Direct gross remuneration - Guarantee fund for time of service (FGTS)	10.932.570	0,17%	5,23%	9.593.303	0,19%	5,18%	11.099.342	0,17%	5,24%	9.712.883	0,19%	5,18%
Direct gross remuneration - Administrators	7.144.005	0,11%	3,42%	6.714.820	0,14%	3,62%	7.147.780	0,11%	3,37%	6.717.548	0,13%	3,58%
Sub total	209.169.897	3,19%	100,00%	185.317.303	3,75%	100,00%	211.833.519	3,16%	100,00%	187.393.326	3,73%	100,00%
Health	9.312.083	0,14%	4,45%	9.149.637	0,19%	4,94%	9.552.658	0,14%	4,51%	9.330.387	0,19%	4,98%
Food	7.545.057	0,11%	3,61%	7.098.657	0,14%	3,83%	7.658.308	0,11%	3,62%	7.154.191	0,14%	3,82%
Assistance in the transportation of employees	2.834.449	0,04%	1,36%	2.174.015	0,04%	1,17%	2.866.770	0,04%	1,35%	2.191.392	0,04%	1,17%
Retirement benefit	2.067.276	0,03%	0,99%	2.186.859	0,04%	1,18%	4.359.207	0,06%	2,06%	2.379.809	0,05%	1,27%
Other investments and expenses with employees	565.366	0,01%	0,27%	541.008	0,01%	0,29%	570.793	0,01%	0,27%	542.508	0,01%	0,29%
Uniforms	986.184	0,02%	0,47%	484.024	0,01%	0,26%	990.403	0,01%	0,47%	490.448	0,01%	0,26%
Training and professional development	282.381	0,00%	0,14%	137.302	0,00%	0,07%	290.844	0,00%	0,14%	145.332	0,00%	0,08%
Security and occupational medicine	1.907.104	0,03%	0,91%	1.425.877	0,03%	0,77%	1.919.680	0,03%	0,91%	1.433.420	0,03%	0,76%
Culture and leisure	535.108	0,01%	0,26%	462.157	0,01%	0,25%	542.817	0,01%	0,26%	473.316	0,01%	0,25%
Group life insurance	563.999	0,01%	0,27%	584.445	0,01%	0,32%	571.729	0,01%	0,27%	591.426	0,01%	0,32%
Indemnity and fines paid by court order	215.014	0,00%	0,10%	144.466	0,00%	0,08%	215.014	0,00%	0,10%	144.466	0,00%	0,08%
Primary and secondary education, higher education and specialization	623.691	0,01%	0,30%	482.880	0,01%	0,26%	635.498	0,01%	0,30%	495.629	0,01%	0,26%
Daucaire and daycare assistance	32.411	0,00%	0,02%	51.088	0,00%	0,03%	35.462	0,00%	0,02%	55.313	0,00%	0,03%
Total	236.640.021	3,61%	113,13%	210.239.717	4,25%	113,45%	242.042.703	3,61%	114,26%	212.820.961	4,23%	113,57%
3 - External social indicators – (Contributions, investments and actions for society, cooperative members and the environment)												
	Value (R\$)	%RO	%RL	Value (R\$)	%RO	%RL	Value (R\$)	%RO	%RL	Value (R\$)	%RO	%RL
a) Tax and social:												
Social insurance (Rural - INSS)	53.277.339	15,31%	0,81%	49.996.333	16,04%	1,01%	54.591.346	15,50%	0,81%	50.775.772	16,15%	1,01%
Social insurance (INSS)	28.674.047	8,24%	0,44%	25.593.429	8,21%	0,52%	29.216.024	8,44%	13,79%	26.008.041	8,52%	13,88%
Social insurance (National Cooperative Learning Service – SESCOOP)	2.608.052	0,75%	0,04%	2.109.883	0,68%	0,04%	2.608.052	0,04%	1,23%	2.109.883	0,04%	1,13%
Sub total	84.559.438	24,30%	1,29%	77.699.645	24,93%	1,57%	86.415.422	24,53%	1,29%	78.893.696	25,09%	1,57%
Federal taxes	42.982.123	12,35%	0,66%	34.278.390	11,00%	0,69%	47.684.211	13,54%	0,71%	37.379.908	11,89%	0,74%
State and municipal taxes	20.249.367	5,82%	0,31%	14.567.052	4,67%	0,29%	20.277.747	5,76%	0,30%	14.614.668	4,65%	0,29%
Other taxes and fees	1.500.083	0,43%	0,02%	1.311.115	0,42%	0,03%	1.526.301	0,43%	0,02%	1.350.519	0,43%	0,03%
Social actions/donations (financial products and/or services)	6.257.968	1,80%	0,10%	3.786.782	1,22%	0,08%	6.324.671	1,80%	0,09%	3.852.360	1,22%	0,08%
Courses, training and field days for members	733.583	0,21%	0,01%	793.481	0,25%	0,02%	733.583	0,21%	0,01%	793.481	0,25%	0,02%
Organization of Cooperatives of Minas Gerais State (Ocemg) and National Council of												
Coffee (CNC)	584.599	0,17%	0,01%	576.890	0,19%	0,01%	584.599	0,17%	0,01%	576.890	0,18%	0,01%
Culture	466.982	0,13%	0,01%	469.561	0,15%	0,01%	467.402	0,13%	0,01%	470.989	0,15%	0,01%
Sub total	157.334.144	45,22%	2,40%	133.482.916	42,84%	2,70%	164.013.936	46,56%	2,45%	137.932.512	43,86%	2,74%
b) Environmental:												
Programs and/or projects for environmental health and sanitation	848.085	0,24%	0,01%	986.241	0,32%	0,02%	849.485	0,24%	0,01%	986.824	0,31%	0,02%
Brazilian Institute of Environment and Renewable Natural Resources (IBAMA) and												
Others – Contribution	29.829	0,01%	0,00%	23.896	0,01%	0,00%	29.829	0,01%	0,00%	23.896	0,01%	0,00%
Sub total	877.913	0,25%	0,01%	1.010.138	0,32%	0,02%	879.313	0,25%	0,01%	1.010.720	0,32%	0,02%
Total	158.212.057	45,47%	2,41%	134.493.054	43,16%	2,72%	164.893.250	46,81%	2,46%	138.943.232	44,18%	2,76%

Cooperativa Regional de Cafeicultores em Guaxupé Ltda. Social Balance Sheets	Controller - Cooxupé				Consolidated			
	December 31, 2021		December 31, 2020		31 de Dezembro de 2021		31 de Dezembro de 2020	
	Cooperados 2021	employees 2021	Cooperados 2020	employees 2020	Members 2021	employees 2021	Members 2020	employees 2020
4 - Indicators of the functional and associative body								
a) Members and employees:								
1 Total of members and employees in the cooperative at the end of the year	17.033	2.445	15.943	2.349	17.033	2.484	15.943	2.381
1 Total of admissions of members and employees during the year	1.355	653	1.134	547	1.355	668	1.134	553
1 Total leaves and dismissals of members and employees during the year	265	557	253	567	265	565	253	573
2 Total technical services	68.506		89.367		68.506	-	89.367	-
b) Employees and outsourced:								
Total of interns in the year	8		25		8		25	
Total of employees with disabilities at the end of the year	116		111		116		111	
Total of outsourced and self-employed at the end of the year	792		672		800		675	
Total of female employees	561		523		571		531	
Total of male employees	1.884		1.826		1.913		1.850	
Total of employees less than 18 years old	6		4		6		4	
Total of employees from 18 to 35 years old	1.205		1.173		1.233		1.196	
Total of employees from 36 to 60 years old	1.206		1.145		1.217		1.154	
Total of employees over 60 years old	28		27		28		27	
Total illiterate employees	3		2		3		2	
Total of employees with primary education	542		548		552		558	
Total of employees with secondary education	929		889		943		898	
Total of employees with technical education	208		205		208		206	
Total of employees with higher education	499		491		511		501	
Total of specialized/doctorate employees	264		214		267		216	
Percentage of female employees in leadership positions	11%		12%		12%		13%	
Percentage of male employees in leadership positions	89%		88%		88%		87%	
Number of labour lawsuits filed against the cooperative in the year	19		10		19		10	
Number of labour lawsuits deemed partially valid in the year	-		-		-		-	
Number of labour lawsuits deemed unfounded in the year	5		1		5		1	
Number of scholarships provided by the cooperative	145		79		149		81	
Number of events, lectures, courses, seminars, promoted by CIPA	455		271		455		271	
5 - Other indicators of organization, management, and citizenship								
Number of sport events, cultural and leisure	-		1		-		1	
Number of participants in leisure events	-		150		-		150	
Number of labor unions to which employees are affiliated	14		14		16		15	
Number of participants in social actions - blood donation	-		50		-		50	
Number of beneficiaries by integration project	653		547		653		547	
6 - Wealth generation and distribution								
Distribution of added value (DVA)								
employees	R\$ 182.314.024		R\$ 167.293.134		R\$ 185.498.438		R\$ 169.868.210	
Government	R\$ 21.191.241		R\$ 9.734.804		R\$ 24.833.985		R\$ 12.349.381	
Financial charges and rents	R\$ 148.735.689		R\$ 139.105.230		R\$ 150.529.965		R\$ 140.090.366	
Profit/surplus of the year	R\$ 318.804.670		R\$ 291.137.496		R\$ 318.804.670		R\$ 291.137.496	

Report of the Fiscal Board

We, Members of the Fiscal Board of Cooperativa Regional de Cafeicultores em Guaxupé Ltda – COOXUPÉ, in the use of powers attributed by the Cooperative Bylaws, met specially to give an opinion on the annual report from the Administrative Board, Balance Sheet, Surplus/Profit Statement, Statements of Changes in Equity, Statements of Cash Flows, Statements of Added Value and respective Explanatory Notes, prepared by the Cooperative's Management and audited by the independent audit PricewaterhouseCoopers, for the period from January 1, 2021 to December 31, 2021.

Based on the assessments carried out, the Fiscal Board understands that the financial statements adequately reflect the equity and financial position of Cooperativa Regional de Cafeicultores em Guaxupé Ltda – COOXUPÉ and gives favorable opinion to the approval of the accounts for the year by the Annual General Assembly.

Adelmir Vidal



Adilson Ronchini



Adriano Rogério da Silva



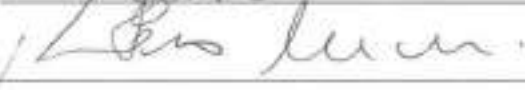
Edimar Silva Ramos



José Diniz Gomes



Ronaldo Miareli



Guaxupé, February 24, 2022.

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Cooperativa Regional de Cafeicultores em Guaxupé Ltda.

***Parent company and consolidated
financial statements at December 31, 2021
and independent auditor's report***





(A free translation of the original in Portuguese)

Independent auditor's report

To the Management and Members
Cooperativa Regional de Cafeicultores em Guaxupé Ltda.

Opinion

We have audited the accompanying parent company financial statements of Cooperativa Regional de Cafeicultores em Guaxupé Ltda. ("Cooperative"), which comprise the balance sheet as at December 31, 2021 and the statements of surplus, comprehensive surplus, changes in equity and cash flows for the year then ended, as well as the accompanying consolidated financial statements of Cooperativa Regional de Cafeicultores em Guaxupé Ltda. and its subsidiary ("Consolidated"), which comprise the consolidated balance sheet as at December 31, 2021 and the consolidated statements of surplus, comprehensive surplus, changes in equity and cash flows for the year then ended, and notes to the financial statements, including significant accounting policies and other explanatory information.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cooperativa Regional de Cafeicultores em Guaxupé Ltda. and of Cooperativa Regional de Cafeicultores em Guaxupé Ltda. and its subsidiary as at December 31, 2021, and the parent company financial performance and cash flows, as well as the consolidated financial performance and cash flows, for the year then ended, in accordance with accounting practices adopted in Brazil applicable to cooperatives.

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the parent company and Consolidated Financial Statements section of our report. We are independent of the Cooperative and its subsidiary in accordance with the ethical requirements established in the Code of Professional Ethics and Professional Standards issued by the Brazilian Federal Accounting Council, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other matters

Statement of value added

The parent company and consolidated statements of value added for the year ended December 31, 2021, prepared under the responsibility of the Cooperative's management and presented as supplementary information, were submitted to audit procedures performed in conjunction with the audit of the Cooperative's parent company and consolidated financial statements.



Cooperativa Regional de Cafeicultores em Guaxupé Ltda.

For the purposes of forming our opinion, we evaluated whether these statements are reconciled with the financial statements and accounting records, as applicable, and if their form and content are in accordance with the criteria defined in Technical Pronouncement CPC 09 - "Statement of Value Added". In our opinion, these statements of value added have been properly prepared, in all material respects, in accordance with the criteria established in the Technical Pronouncement and are consistent with the parent company and consolidated financial statements taken as a whole.

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

The Cooperative's management is responsible for the other information that comprises the Management Report.

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

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

Responsibilities of management and those charged with governance for the parent company and consolidated financial statements

Management is responsible for the preparation and fair presentation of these parent company and consolidated financial statements in accordance with accounting practices adopted in Brazil applicable to cooperatives, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the financial reporting process of the Cooperative and its subsidiary.

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

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




Cooperativa Regional de Cafeicultores em Guaxupé Ltda.

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

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

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

Ribeirão Preto, March 4, 2022


PricewaterhouseCoopers
Auditores Independentes Ltda.
CRC 2SP000160/O-5


Luis Fernando de Souza Maranhã
Contador CRC 1SP201527/O-5

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Cooperativa Regional de Cafeicultores em Guaxupé Ltda.**Balance sheet at December 31**

All amounts in reais

(A free translation of the original in Portuguese)

Assets	Note	Parent company		Consolidated	
		2021	2020	2021	2020
Current assets					
Cash and cash equivalents	6	1,253,861,451	760,401,227	1,288,261,280	777,202,582
Marketable securities	7	8,058,132	15,730,794	8,310,994	16,219,000
Derivative financial instruments	8	48,944,927	53,144,852	52,478,305	56,419,184
Trade and foreign currency notes receivable	9.1	598,881,070	315,604,968	616,541,550	328,291,910
Loans and transfers	9.2	476,679,470	292,771,386	476,679,470	290,111,715
Inventories	10.1	3,737,743,466	2,452,491,513	3,828,029,117	2,502,155,453
Agricultural products for future receipt (CPR)	10.2	1,438,264,962	913,245,391	1,451,716,129	920,240,408
Inventories - agricultural products from members	11	2,513,346,222	1,003,607,062	2,513,346,222	1,003,607,062
Taxes recoverable	12	33,877,824	73,649,596	34,402,312	74,055,831
Other assets	13	7,195,856	6,085,221	7,073,600	5,992,213
Total current assets		10,116,853,380	5,886,732,010	10,276,838,979	5,974,295,358
Non-current assets					
Derivative financial instruments	8	16,620,103	40,871,991	16,620,103	40,871,991
Trade notes receivable	9.1	2,164,066		2,164,066	
Loans and transfers	9.2	47,368,207	38,755,406	47,368,207	38,755,406
Agricultural products for future receipt (CPR)	10.2	601,016,826	568,082,913	602,623,185	568,082,913
Taxes recoverable	12	227,815,134	199,665,864	229,649,507	201,859,687
Deferred income tax and social contribution	24	59,374,780	48,287,321	63,547,604	49,973,431
		954,359,116	895,663,495	961,972,672	899,543,428
Investments	14	36,031,968	27,588,378	3,270,315	3,160,630
Property, plant and equipment	15	409,080,262	339,765,061	409,717,272	340,163,408
Right-of-use assets	16	3,032,180	1,837,209	3,034,776	1,889,238
Intangible assets	17	20,918,508	17,392,137	20,919,804	17,392,137
Total non-current assets		1,423,422,034	1,282,246,280	1,398,914,839	1,262,148,841
Total assets		11,540,275,414	7,168,978,290	11,675,753,818	7,236,444,199

Cooperativa Regional de Cafeicultores em Guaxupé Ltda.**Balance sheet at December 31**

All amounts in reais

(continued)

	Note	Parent company		Consolidated	
		2021	2020	2021	2020
Liabilities and equity					
Current liabilities					
Suppliers of goods and services	18	985,851,017	779,606,631	1,008,224,864	794,249,791
Trade payables - agricultural products from members	11	2,513,346,222	1,003,607,062	2,513,346,222	1,003,607,062
Lease liabilities	16	1,554,498	904,417	1,557,522	930,284
Derivative financial instruments	8	657,491,617	267,668,908	662,716,393	267,672,054
Advances on foreign exchange contracts and export prepayments	19	2,501,089,235	1,197,582,951	2,572,539,976	1,238,803,505
Borrowings	20	1,497,522,994	1,342,366,133	1,520,900,648	1,352,470,690
Federal Government Debt - PESA	22	952,384	442,088	952,384	442,088
Salaries, payroll charges, and taxes payable	21	66,031,964	50,179,056	70,790,392	51,471,912
Other liabilities	25	35,731,697	35,126,147	35,731,697	35,126,147
Total current liabilities		8,259,571,628	4,677,483,393	8,386,760,098	4,744,773,533
Non-current liabilities					
Trade payables for products	18	365,424,170	486,254,039	366,596,608	486,254,039
Lease liabilities	16	1,407,412	788,312	1,407,412	788,312
Derivative financial instruments	8	24,613,479		24,613,479	
Advances on foreign exchange contracts and export prepayments	19	490,752,693	263,760,924	497,471,492	263,760,924
Borrowings	20	547,272,553	120,024,228	547,272,553	120,024,228
Federal Government Debt - PESA	22		3,123,485		3,123,485
Provision for contingencies	23	14,680,387	7,423,129	14,870,300	7,438,129
Other liabilities	25	46,088,435	41,914,152	46,297,219	42,074,921
Total non-current liabilities		1,490,239,129	923,288,269	1,498,529,063	923,464,038
Total liabilities		9,749,810,757	5,600,771,662	9,885,289,161	5,668,237,571
Equity					
Capital	28	221,345,034	200,149,836	221,345,034	200,149,836
Legal reserve		581,747,205	491,424,661	581,747,205	491,424,661
Technical, educational and social assistance reserve		289,571,502	233,524,184	289,571,502	233,524,184
Carrying value adjustments		17,306,431	18,728,693	17,306,431	18,728,693
Special capitalization reserve		13,776,069	17,654,579	13,776,069	17,654,579
Reserve for development		606,503,387	553,193,158	606,503,387	553,193,158
Surplus to be allocated at the general meeting		60,215,029	53,531,517	60,215,029	53,531,517
Total equity		1,790,464,657	1,568,206,628	1,790,464,657	1,568,206,628
Total liabilities and equity		11,540,275,414	7,168,978,290	11,675,753,818	7,236,444,199

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

Cooperativa Regional de Cafeicultores em Guaxupé Ltda.**Statement of surplus
Years ended December 31**

All amounts in reais

(A free translation of the original in Portuguese)

	Note	Parent company				Consolidated			
		2021			2020	2021			2020
		Members	Non-members	Total	Total	Members	Non-members	Total	Total
Income (members) and net revenue (non-members)									
Sales to the foreign market		3,518,644,366	544,238,630	4,062,882,996	3,431,818,873	3,518,644,366	686,932,495	4,205,576,861	3,522,706,563
Sales and services to the domestic market		2,285,776,146	213,042,426	2,498,818,572	1,509,295,917	2,285,776,146	216,078,608	2,501,854,754	1,507,626,282
Cost of products and goods sold, and services rendered	29	5,804,420,512	757,281,056	6,561,701,568	4,941,114,790	5,804,420,512	903,011,103	6,707,431,615	5,030,332,845
Net result of changes in prices of agricultural commodities and foreign exchange variations	31	(4,752,051,867)	(605,845,537)	(5,357,897,404)	(3,902,225,909)	(4,752,051,867)	(724,888,489)	(5,476,940,356)	(3,972,569,587)
	30	(428,646,531)	(66,999,127)	(495,645,658)	(496,867,792)	(428,646,531)	(75,851,736)	(504,498,267)	(503,389,772)
Gross surplus/profit		623,722,114	84,436,392	708,158,506	542,021,089	623,722,114	102,270,878	725,992,992	554,373,486
Operating income/revenue (costs/expenses)									
Selling expenses	31	(321,645,944)	(29,784,979)	(351,430,923)	(209,397,252)	(321,645,944)	(33,648,274)	(355,294,218)	(211,967,624)
Administrative and general expenses	31	(60,884,694)	(5,630,843)	(66,515,537)	(65,426,278)	(60,884,694)	(7,079,021)	(67,963,715)	(65,964,798)
Other income/revenue, net	32	31,975,182	18,260,938	50,236,120	63,743,192	31,975,182	18,891,801	50,866,983	63,591,210
Equity in the results of the subsidiary	14.1		8,351,242	8,351,242	5,595,970				
Operating surplus/profit		273,166,658	75,632,750	348,799,408	336,536,721	273,166,658	80,435,384	353,602,042	340,032,274
Finance income	33	128,366,634	20,112,308	148,478,942	111,181,949	128,366,634	21,541,881	149,908,515	111,588,005
Finance costs/expenses	33	(137,809,418)	(11,529,695)	(149,339,113)	(136,105,913)	(137,809,418)	(13,424,861)	(151,234,279)	(137,122,864)
Surplus/profit before income tax and social contribution		263,723,874	84,215,363	347,939,237	311,612,757	263,723,874	88,552,404	352,276,278	314,497,415
Current income tax and social contribution			(40,338,814)	(40,338,814)	(64,049,352)		(47,162,570)	(47,162,570)	(67,084,848)
Deferred income tax and social contribution			11,204,247	11,204,247	43,574,091		13,690,962	13,690,962	43,724,929
Surplus/profit for the year	28.4	263,723,874	55,080,796	318,804,670	291,137,496	263,723,874	55,080,796	318,804,670	291,137,496

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

Cooperativa Regional de Cafeicultores em Guaxupé Ltda.
Statement of comprehensive surplus
Years ended December 31

All amounts in reais

(A free translation of the original in Portuguese)

	Parent company		Consolidated	
	2021	2020	2021	2020
Surplus/profit for the year	318,804,670	291,137,496	318,804,670	291,137,496
Other components of comprehensive income	-	-	-	-
Total comprehensive surplus for the year	<u>318,804,670</u>	<u>291,137,496</u>	<u>318,804,670</u>	<u>291,137,496</u>

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

Cooperativa Regional de Cafeicultores em Guaxupé Ltda.

Statement of changes in equity

All amounts in reais

(A free translation of the original in Portuguese)

	Note	Capital	Legal reserve	Technical, educational and social assistance reserve	Carrying value adjustments	Special capitalization reserve	Reserve for development	Surplus to be allocated at the General Meeting	Total
At December 31, 2019		187,845,708	411,127,388	190,811,497	20,078,557	19,485,871	490,714,952	28,908,874	1,348,972,847
Allocation of surplus – distribution in cash								(28,908,874)	(28,908,874)
Admissions and withdrawals of members, net		(6,294,982)				(1,013,848)			(7,308,830)
Age-based capital refund program (PRCI)	28.5	(8,166,648)				(817,444)			(8,984,092)
Realization of carrying value adjustments	28.4				(1,413,703)			1,413,703	
Adjustment to deferred taxes on carrying value adjustments					63,839				63,839
Realization/utilization of technical, educational and social reserve	28.4			(32,556,716)				32,556,716	
Surplus/profit for the year								291,137,496	291,137,496
Proposal for statutory and legal allocations	28.4								
Members									
Legal reserve			80,297,273					(80,297,273)	
Technical, educational and social assistance reserve				75,269,403				(75,269,403)	
Capital		26,765,758						(26,765,758)	
Reserve for development							62,478,206	(62,478,206)	
Distribution in cash								(26,765,758)	(26,765,758)
At December 31, 2020		200,149,836	491,424,661	233,524,184	18,728,693	17,654,579	553,193,158	53,531,517	1,568,206,628
Allocation of surplus – distribution in cash								(53,531,517)	(53,531,517)
Admissions and withdrawals of members, net		(3,876,794)				(3,621,158)			(7,497,952)
Age-based capital refund program (PRCI)	28.5	(5,035,522)				(257,352)			(5,292,874)
Realization of carrying value adjustments	28.4				(1,305,478)			1,305,478	
Adjustment to deferred taxes on carrying value adjustments					(116,784)				(116,784)
Realization/utilization of technical, educational and social reserve	28.4			(36,000,393)				36,000,393	
Surplus/profit for the year								318,804,670	318,804,670
Proposal for statutory and legal allocations	28.4								
Members									
Legal reserve			90,322,544					(90,322,544)	
Technical, educational and social assistance reserve				92,047,711				(92,047,711)	
Capital		30,107,514						(30,107,514)	
Reserve for development							53,310,229	(53,310,229)	
Distribution in cash								(30,107,514)	(30,107,514)
At December 31, 2021		221,345,034	581,747,205	289,571,502	17,306,431	13,776,069	606,503,387	60,215,029	1,790,464,657

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

Cooperativa Regional de Cafeicultores em Guaxupé Ltda.

Statement of cash flows Years ended December 31

All amounts in reais

(A free translation of the original in Portuguese)

	Note	Parent company		Consolidated	
		2021	2020	2021	2020
Cash flows from operating activities					
Surplus/profit before income tax and social contribution					
		347,939,237	311,612,757	352,276,278	314,497,415
Adjustments					
Depreciation and amortization	15, 16 and 17	33,447,859	34,342,255	33,573,546	34,484,000
Gain (loss) on unredeemed marketable securities		(106,406)	(210,843)	(122,921)	(333,853)
Gain (loss) on valuation of commodity inventories, reflecting the adjustment of inventories to net recoverable value	30	(890,763,150)	(210,676,212)	(906,984,854)	(209,507,173)
Changes in the provision for impairment of trade notes, loans and transfers, CPRs, and taxes	31	108,803,098	(16,211,978)	109,749,524	(16,391,339)
Gain (loss) on unsettled derivative financial instruments		657,412,057	173,652,064	659,103,454	170,380,878
Provision for social security contingencies	32	5,678,539		5,853,452	
Foreign exchange variation on borrowings, advances on foreign exchange contracts, and export prepayments	35.1	178,626,550	139,574,726	183,509,615	143,029,540
Foreign exchange variation on foreign currency notes receivable		3,469,150	(1,674,627)	2,731,154	(2,315,669)
Interest on borrowings, advances on foreign exchange contracts, and export and lease prepayments	35.1 and 33	137,557,441	126,210,304	139,287,185	127,191,980
Gain (loss) on disposal of property, plant and equipment	35.2	(704,815)	7,551,211	(704,815)	7,532,806
Equity in the results of investees		(8,351,242)	(5,595,970)		
		573,008,318	558,573,687	578,271,618	568,568,585
Changes in assets and liabilities					
Marketable securities		7,779,068	(1,761,315)	8,030,928	(820,016)
Derivative financial instruments		(214,524,056)	87,351,960	(211,252,870)	88,824,223
Inventories		(1,019,297,263)	(894,032,324)	(1,052,118,967)	(919,747,317)
Trade notes, loans and transfers to members receivable, taxes recoverable and other assets		(525,067,793)	(218,938,168)	(532,279,797)	(221,639,339)
Trade payables		80,121,642	(295,281,748)	89,024,767	(295,777,855)
Other liabilities, salaries, payroll charges, taxes payable and provision for contingencies		(61,119,074)	(35,171,622)	(61,397,601)	(35,156,378)
Cash used in operating activities		(1,159,099,158)	(799,259,530)	(1,181,721,922)	(815,748,097)
Interest paid	35.1	(103,885,980)	(86,103,440)	(105,185,493)	(86,738,309)
Income tax and social contribution paid		(2,794,091)		(5,825,733)	(2,521,504)
Cash used in operating activities		(1,265,779,229)	(885,362,970)	(1,292,733,148)	(905,007,910)
Cash flows from investing activities					
Purchases of property, plant and equipment, intangible assets and investments	14, 15 and 17	(104,735,401)	(40,634,913)	(105,059,796)	(40,775,113)
Cash generated on disposals of property, plant and equipment	35.2	1,980,278	4,381,938	1,980,278	4,408,438
Net cash used in investing activities		(102,755,123)	(36,252,975)	(103,079,518)	(36,366,675)
Cash flows from financing activities					
Capital return, net		(7,497,952)	(7,308,830)	(7,497,952)	(7,308,830)
Distribution of surplus	28.4	(26,765,758)	(14,454,437)	(26,765,758)	(14,454,437)
New borrowings, advances on foreign exchange contracts and export prepayments	36.1	5,179,813,683	3,198,046,347	5,296,223,078	3,268,546,699
Repayments of borrowings, advances on foreign exchange contracts and export and lease prepayments	36.1	(3,283,555,397)	(2,088,181,901)	(3,355,088,004)	(2,131,551,713)
Net cash provided by operating activities		1,861,994,576	1,088,101,179	1,906,871,364	1,115,231,719
Increase in cash and cash equivalents		493,460,224	166,485,234	511,058,698	173,857,134
Cash and cash equivalents at the beginning of the year	6	760,401,227	593,915,993	777,202,582	603,345,448
Cash and cash equivalents at the end of the year	6	1,253,861,451	760,401,227	1,288,261,280	777,202,582

Non-cash transactions are presented in Note 35.

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

Cooperativa Regional de Cafeicultores em Guaxupé Ltda.

Statement of value added Years ended December 31

All amounts in reais

(A free translation of the original in Portuguese)

	Note	Parent company				Consolidated			
		2021	%	2020	%	2021	%	2020	%
Revenue									
Income (members), revenue (non-members) and other income/ revenue, net		6,632,141,327	988%	5,019,396,500	963%	6,778,530,321	997%	5,108,506,950	968%
Net result of changes in prices of agricultural commodities and foreign exchange variations	30	(495,645,658)	-74%	(496,867,792)	-13%	(504,498,267)	-74%	(503,389,772)	-12%
Changes in the provision for impairment of trade notes, loans and transfers to members, CPRs, and taxes	31	(108,803,098)	-16%	16,211,978	-2%	(109,749,524)	-16%	16,391,339	-3%
		<u>6,027,692,571</u>		<u>4,538,740,686</u>		<u>6,164,282,530</u>		<u>4,621,508,517</u>	
Inputs purchased									
Materials consumed		(5,327,795,112)	-794%	(3,870,867,567)	-811%	(5,446,011,213)	-801%	(3,940,164,576)	-814%
Costs/expenses with services rendered		(23,799,658)	-4%	(21,256,673)	-5%	(24,518,033)	-4%	(21,895,276)	-4%
Operating expenditures/expenses		(128,434,502)	-19%	(121,781,446)	-53%	(130,421,194)	-19%	(123,107,217)	-53%
		<u>(5,480,029,272)</u>		<u>(4,013,905,686)</u>		<u>(5,600,950,440)</u>		<u>(4,085,167,069)</u>	
Gross value added									
		547,663,299		524,835,000		563,332,090		536,341,448	
Depreciation and amortization (cost)	31	(32,142,384)	-5%	(32,928,552)	-7%	(32,268,071)	-5%	(33,070,297)	-7%
Depreciation of revaluation increment	31 and 28.4	(1,305,475)	0%	(1,413,703)	0%	(1,305,475)	0%	(1,413,703)	0%
		<u>514,215,440</u>		<u>490,492,745</u>		<u>529,758,544</u>		<u>501,857,448</u>	
Net value added generated by the Cooperative									
Value added received through transfer									
Equity in the results of subsidiary	14.1 (i)	8,351,242	1%	5,595,970	1%				
Finance income/revenue	33	148,478,942	22%	111,181,949	26%	149,908,515	22%	111,588,005	26%
		<u>671,045,624</u>	100%	<u>607,270,664</u>	100%	<u>679,667,059</u>	100%	<u>613,445,453</u>	100%
Total value added to distribute									
Distribution of value added									
Employees									
Direct remuneration		140,524,746		126,678,257		143,006,360		128,626,318	
Benefits		29,594,688		28,219,633		30,130,717		28,727,068	
Government Severance Indemnity Fund for Employees (FGTS)		12,194,590		12,395,244		12,361,362		12,514,824	
Taxes		21,191,241		9,734,804		24,833,985		12,349,381	
Financing agents									
Interest		147,768,486		135,723,419		149,562,762		136,708,555	
Rentals		967,203		3,381,811		967,203		3,381,811	
Surplus/profit for the year		318,804,670		291,137,496		318,804,670		291,137,496	
		<u>671,045,624</u>		<u>607,270,664</u>		<u>679,667,059</u>		<u>613,445,453</u>	
Value added distributed									

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

(A free translation of the original in Portuguese)

Cooperativa Regional de Cafeicultores em Guaxupé Ltda.

Notes to the financial statements

at December 31, 2021

All amounts in reais unless otherwise stated

1 General information

Cooperativa Regional de Cafeicultores em Guaxupé Ltda. ("Cooxupé") is an agricultural production cooperative headquartered in Guaxupé, State of Minas Gerais, mainly engaged in the storage, standardization and trade of raw coffee beans, roasted and ground coffee and cereals, the resale of agribusiness inputs, as well as the rendering of technical assistance services and transfer of funds to its members. Its subsidiary, SMC - Comercial e Exportadora de Café S.A., sells and exports raw coffee beans for the special and certified coffee segment, and together with Cooxupé is referred to as the "Cooperative". In order to achieve its goals, the Cooperative fosters the sustainable development of its members, promoting the benefits of its cooperative structure to add value to its members through effective participation, by upholding the values of trust, dedication and cooperation. These are implemented through a policy designed to achieve customer satisfaction, by offering products that meet the requirements of their businesses, with qualified and engaged employees, and always seeking improved forms of delivery.

Cooxupé operates in 168 municipalities located within the States of Minas Gerais (Southern, Southeast and "Cerrado" regions) and São Paulo (Média Mogiana region), rendering services to members through its Head Office, 17 Operational Centers, 7 Service Centers, 12 Advanced Units, and an export office in Santos. At December 31, 2021, the Cooperative had 17,033 members (15,943 in 2020).

The issue of the parent company and consolidated financial statements was authorized by the Board of Directors and the Statutory Audit Committee, the bodies charged with the Cooperative's governance, on February 24, 2022.

1.1 COVID-19 effects

In March 2020, in response to the COVID-19 pandemic declared by the World Health Organization (WHO), which has significant economic effects in Brazil and globally, the Cooperative put in place and continues to adopt measures to prevent the spread of the virus, prioritizing the safety and well-being of cooperative members, employees, business partners, and other groups with which the Cooperative maintains direct or indirect relationships.

In 2021, to assist health care providers in tackling the COVID-19 virus, the Board of Directors, at the request of members, approved a donation of R\$ 2.5 million to hospitals in the region where the Cooperative operates (R\$ 2 million in 2020). This amount was recognized within "Other income/revenue, net" in the statement of surplus for 2021.

The Cooperative continues to monitor the effects of the new coronavirus on its operating and financial activities on a daily basis, and, to date, has not identified material effects which would require disclosure in its financial statements or lead to changes in critical accounting policies, estimates and judgments.

Management believes that the current events or circumstances do not cast significant doubt on the ability of Cooxupé and its subsidiary to continue as going concerns. Therefore, these financial statements were prepared under the going concern assumption.

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Notes to the financial statements at December 31, 2021

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2 Basis of preparation

The parent company and consolidated financial statements have been prepared in accordance with accounting practices adopted in Brazil, including the pronouncements issued by the Brazilian Accounting Pronouncements Committee (CPC), especially those applicable to cooperatives, and Cooperative Law 5764/71, and disclose all information significant to the financial statements, which is consistent with the information utilized by management in the performance of its duties.

The significant accounting policies adopted by the Cooperative are presented in the respective Notes; the accounting policies applicable to the financial statements as a whole are presented from Note 37.

The financial statements have been prepared under the historical cost convention, as modified to reflect the revaluation of property, plant and equipment recorded in 2007, and the measurement of financial assets and financial liabilities (including derivatives) at fair value.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Cooperative's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

The Cooperative's Executive Board, superintendents, and the controllership department are responsible for the management functions required for the preparation and fair presentation of these financial statements.

2.1 Consolidation

2.1.1 Consolidated financial statements

The following accounting policies are applied in the preparation of the consolidated financial statements.

(a) Subsidiary

A subsidiary is an entity over which Cooxupé has control. In 2021 and 2020, Cooxupé had only one subsidiary (Note 14).

Transactions, balances and unrealized gains on transactions between Cooxupé and its subsidiary are eliminated. Unrealized losses are also eliminated, unless the transaction provides evidence of impairment of the asset transferred. The accounting policies of the subsidiary have been changed where necessary to ensure consistency with the policies adopted by Cooxupé.

(b) Cooperative companies

Investments in cooperative companies are recorded at cost of acquisition, in accordance with accounting practices adopted in Brazil, specifically General Technical Interpretation (ITG) 2004 - Cooperative entities. These investments are not consolidated, as the Cooperative does not have control over the companies.

Gains and losses relating to the associated cooperative companies are recorded in the statement of surplus within "Finance income/revenue" or "Finance expenses/costs".

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2.1.2 Parent company financial statements

In the Cooperative's financial statements, the subsidiary is recorded using the equity method of accounting. The same adjustments are made in the parent company and consolidated financial statements to align results and equity.

3 Critical accounting estimates and judgments

Critical accounting estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Based on assumptions, the Cooperative makes estimates concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

3.1 Valuation of commodity inventories

The fair value of commodity inventories ("agricultural products") is determined through the valuation of the physical quantity of the Cooperative's agricultural products and purchases for future delivery (CPR), to which a pre-negotiated sales price or realizable market value is assigned, based on the characteristics of the product ("quality"), net of costs to sell. The Cooperative exercises judgment to determine these assumptions (product quality, quality-based pricing, cost of preparation and transportation, port dues etc.), which are primarily based on the market conditions at the balance sheet date.

At December 31, 2021, had the average prices used in the calculation of the fair value presented a difference of 10% in relation to management's estimates, the carrying amount of the agricultural commodity inventories would have been higher/ lower by approximately R\$ 6,094,210 (R\$ 3,039,915 in 2020, using a 10% variation).

3.2 The Cooperative as an extension of the members' activities

Management believes that its operations with members (business deals carried out between the Cooperative and the members) are activities that connect the members to the market, thus representing a continuation of the activities carried out by each member. Therefore, based on this interpretation of Technical Pronouncement CPC 16 - Inventories, Cooxupé values its commodity inventories at net realizable value, which represents the best estimate of the price to be obtained from a future sale, based on past conditions.

3.3 Provision for impairment of trade receivables and CPRs

The provision for impairment of trade receivables is based on a percentage for estimated losses by category of trade receivables and the Rural Product Notes (CPRs) receivable. Notes receivable are classified according to their category/nature, the collection status (overdue or not yet due), and existing collateral.

At December 31, 2021, if the estimated impairment loss percentage were 10% higher/lower, the provision for impairment of trade receivables would have been increased/decreased by R\$ 18,109,079 in relation to management's estimates (R\$ 6,827,285 in 2020, using a 10% variation).

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4 Financial risk management

4.1 Financial risk factors

The Cooperative's activities expose it to a number of financial risks: market risk, credit risk, and liquidity risk. The Cooperative's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on its financial performance. The Cooperative uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by the Cooperative's treasury department, under policies approved by the Board of Directors. The treasury department identifies, evaluates and hedges financial risks in close cooperation with the Cooperative's operating units. The Board provides formal protocols for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, price risk of agricultural commodities, credit risk, use of derivative and non-derivative financial instruments, and investment of cash surpluses.

4.1.1 Market risk

(a) Foreign exchange risk

The Cooperative operates internationally, which exposes it to foreign exchange risk arising from currency exposure, primarily with respect to the U.S. dollar. Foreign exchange risk arises from future commercial transactions, and recognized assets and liabilities.

The Cooperative's risk policy establishes strict limits on asset and liability exposure in foreign currency. On a net basis, the position may vary from minus US\$ 2 million to plus US\$ 2 million. In order to offset its asset and/or liability positions in foreign currency, the Cooperative carries out sales/purchases of U.S. dollars on the B3 futures exchange market, and enters into Non-Deliverable Forward (NDF) contracts with prime financial institutions.

(b) Price risk of agricultural commodities

The Cooperative purchases and sells coffee and corn, and, consequently, is subject to the risk of fluctuations in the prices of these commodities. The diversification of its receivables portfolio, the procedures for the assessment of members' credit, the selectivity in accepting customers, as well as the monitoring of its sales terms per business segment and individual limits of position are the procedures adopted to minimize potential default on its accounts receivable.

The Cooperative's risk policy limits the exposure to agricultural commodities (coffee) from 30 thousand bags sold to 50 thousand bags purchased, except for low quality coffee, which is not subject to hedge, since it is impractical to contract hedging instruments for this product.

4.1.2 Credit risk

The Cooperative's sales policy considers the credit risk level it is willing to accept in the course of its business. The diversification of its receivables portfolio, the procedures for the assessment of members' credit, the selectivity in accepting customers, as well as the monitoring of its sales terms per business segment and individual limits of position are the procedures adopted to minimize potential default on its accounts receivable.

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Sales policies are subordinated to the credit assignment rules determined by the Cooperative's management, which aim at avoiding problems from default by the members. The credit limit of each member is established according to the Cooperative's past experience with the member, through a credit system integrated with other computerized systems.

4.1.3 Liquidity risk

This is the risk of the Cooperative not having sufficient liquid funds to honor its financial commitments, due to a mismatch of terms or volume in expected receipts and payments.

To manage cash liquidity in local and foreign currency, strategies for future disbursements and receipts are established and monitored by the treasury department on a daily basis.

The table below analyzes the Cooperative's non-derivative financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. Derivative financial liabilities are included in the analysis if their contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows:

	Parent company				Total
	Up to 1 year	From 1 to 2 years	From 2 to 5 years	Over 5 years	
At December 31, 2021					
Derivative financial instruments (Note 8)	666,281,407	26,694,121			692,975,528
Agricultural products from members (Note 11)	2,513,346,222				2,513,346,222
Lease liabilities (Note 16)	1,773,347	1,484,076	85,778		3,343,201
Trade payables for products and services (Note 18)	1,062,373,503	312,614,718	142,726,997		1,517,715,218
Advances on foreign exchange contracts and export prepayments (Note 19)	2,535,952,004	334,781,421	170,469,936		3,040,303,361
Borrowings (Note 20)	1,553,463,805	264,011,273	315,498,362	32,709,970	2,165,683,410
Federal Government Debt - PESA (Note 22)	969,671				969,671
Other liabilities (Note 25)	34,925,171	2,173,650	4,985,903	3,027,868	45,112,592
	<u>8,368,185,130</u>	<u>941,759,259</u>	<u>633,766,976</u>	<u>35,737,838</u>	<u>9,979,449,203</u>
	Consolidated				Total
	Up to 1 year	From 1 to 2 years	From 2 to 5 years	Over 5 years	
At December 31, 2021					
Derivative financial instruments (Note 8)	671,584,059	26,694,121			698,278,180
Agricultural products from members (Note 11)	2,513,346,222				2,513,346,222
Lease liabilities (Note 16)	1,777,509	1,484,076	85,778		3,347,363
Trade payables for products and services (Note 18)	1,085,460,415	314,017,849	142,726,997		1,542,205,261
Advances on foreign exchange contracts and export prepayments (Note 19)	2,607,267,076	341,659,968	170,469,936		3,119,396,980
Borrowings (Note 20)	1,577,734,447	264,011,273	315,498,362	32,709,970	2,189,954,052
Federal Government Debt - PESA (Note 22)	969,671				969,671
Other liabilities (Note 25)	34,925,171	2,173,650	4,985,903	3,027,868	45,112,592
	<u>8,493,064,570</u>	<u>950,040,937</u>	<u>633,766,976</u>	<u>35,737,838</u>	<u>10,112,610,321</u>

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4.2 Capital management

The Cooperative's objectives when managing capital are to ensure the availability of sufficient funds for the investments required for it to continue as a going concern, and the necessary liquidity for its commercial activities.

Funds for investments in the Cooperative's property, plant and equipment, to assure sustainable growth and technological modernization, are financed by retained surpluses and long-term credit facilities from the Brazilian Bank for Economic and Social Development (BNDES), which are obtained either directly or through onlending.

The funds required to ensure the liquidity of the Cooperative's commercial operations are obtained through borrowings in the financial market, primarily: advances on foreign exchange contracts, export prepayments, export credit notes, rural credit, financial Rural Product Notes (CPRs), Program for Capitalization of Agricultural Cooperatives (PROCAP), Law 4131, and the Coffee Economy Defense Fund (FUNCAFÉ).

Maintaining liquidity is of utmost importance, particularly regarding purchases of coffee from members, when they take the decision to sell, and the purchase of agricultural inputs to be supplied to members. The borrowings required to ensure the liquidity of these operations are disclosed in Notes 16, 19, 20 and 22 and in the table below:

	Consolidated	
	2021	2020
Borrowings (Note 20)	2,068,173,201	1,472,494,918
Advances on foreign exchange contracts and export prepayments (Note 19)	3,070,011,468	1,502,564,429
Federal Government Debt - PESA (Note 22)	952,384	3,565,573
Lease liabilities (Note 16)	2,964,934	1,718,596
Total borrowings	5,142,101,987	2,980,343,516
(-) Cash and cash equivalents (Note 6)	(1,288,261,280)	(777,202,582)
Total finance costs, net	3,853,840,707	2,203,140,934
Total equity	1,790,464,657	1,568,206,628
Total capitalization	5,644,305,364	3,771,347,562
Gearing ratio - %	68	58

4.3 Fair value estimation

The carrying values of trade receivables and payables, less impairment provision in the case of trade receivables, are assumed to approximate their fair values.

The table below classifies assets and liabilities carried at fair value by valuation method. The various levels have been defined as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities. Financial instruments included in Level 1 comprise mainly coffee and U.S. dollar futures;
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). The fair value of

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financial instruments is determined by using valuation techniques. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. Financial instruments included in Level 2 comprise NDFs, swaps, borrowings and onlendings - Federal Government Debt (PESA), Rural Product Notes (CPRs), and agricultural products of the Cooperative and cooperative members.

- Level 3 - inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs). The Cooperative does not have any instruments included in Level 3.

The Cooperative's financial assets and liabilities measured at fair value at December 31, 2021 were as follows:

	Parent company		
	Level 1	Level 2	Total
Assets			
Financial assets at fair value through profit or loss			
Derivative financial instruments (Note 8)	27.652.693	37.912.337	65.565.030
Loans and funds transferred to members - PESA (Note 9.2)		1.838.109	1.838.109
Agricultural products – physical inventory (Note 10)		3.365.340.362	3.365.340.362
Agricultural products for future receipt (CPR) (Note 10)		2.039.281.788	2.039.281.788
Agricultural products from members (Note 11)		2.513.346.222	2.513.346.222
Total assets	27.652.693	7.957.718.818	7.985.371.511
Liabilities			
Financial liabilities at fair value through profit or loss			
Agricultural products from members (Note 11)		2.513.346.222	2.513.346.222
Derivative financial instruments (Note 8)		682.105.096	682.105.096
Federal Government Debt - PESA (Note 22)		952.384	952.384
Total liabilities		3.196.403.702	3.196.403.702
Consolidated			
	Level 1	Level 2	Total
Assets			
Financial assets at fair value through profit or loss			
Derivative financial instruments (Note 8)	30.862.781	38.235.627	69.098.408
Loans and funds transferred to members - PESA (Note 9.2)		1.838.109	1.838.109
Agricultural products – physical inventory (Note 10)		3.454.714.129	3.454.714.129
Agricultural products for future receipt (CPR) (Note 10)		2.054.339.314	2.054.339.314
Agricultural products from members (Note 11)		2.513.346.222	2.513.346.222
Total assets	30.862.781	8.062.473.401	8.093.336.182
Liabilities			
Financial liabilities at fair value through profit or loss			
Agricultural products from members (Note 11)		2.513.346.222	2.513.346.222
Derivative financial instruments (Note 8)		687.329.872	687.329.872
Federal Government Debt - PESA (Note 22)		952.384	952.384
Total liabilities		3.201.628.478	3.201.628.478

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At December 31, 2020, the Cooperative's financial assets and liabilities measured at fair value were as follows:

	Parent company		
	Level 1	Level 2	Total
Assets			
Financial assets at fair value through profit or loss			
Derivative financial instruments (Note 8)	18.795.044	75.221.799	94.016.843
Loans and funds transferred to members - PESA (Note 9.2)		3.469.106	3.469.106
Agricultural products – physical inventory (Note 10)		2.264.871.695	2.264.871.695
Agricultural products for future receipt (CPR) (Note 10)		1.481.328.304	1.481.328.304
Agricultural products from members (Note 11)		1.003.607.062	1.003.607.062
Total assets	18.795.044	4.828.497.966	4.847.293.010
Liabilities			
Financial liabilities at fair value through profit or loss			
Agricultural products from members (Note 11)		1.003.607.062	1.003.607.062
Derivative financial instruments (Note 8)	14.040	267.654.868	267.668.908
Federal Government Debt - PESA (Note 22)		3.565.573	3.565.573
Total liabilities	14.040	1.274.827.503	1.274.841.543
Consolidated			
	Level 1	Level 2	Total
Assets			
Financial assets at fair value through profit or loss			
Derivative financial instruments (Note 8)	20.485.011	76.806.164	97.291.175
Loans and funds transferred to members - PESA (Note 9.2)		3.469.106	3.469.106
Agricultural products – physical inventory (Note 10)		2.314.057.479	2.314.057.479
Agricultural products for future receipt (CPR) (Note 10)		1.488.323.321	1.488.323.321
Agricultural products from members (Note 11)		1.003.607.062	1.003.607.062
Total assets	20.485.011	4.886.263.132	4.906.748.143
Liabilities			
Financial liabilities at fair value through profit or loss			
Agricultural products from members (Note 11)		1.003.607.062	1.003.607.062
Derivative financial instruments (Note 8)	14.040	267.658.014	267.672.054
Federal Government Debt - PESA (Note 22)		3.565.573	3.565.573
Total liabilities	14.040	1.274.830.649	1.274.844.689

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5 Financial instruments by category

5.1 Assets as per balance sheet

	Parent company		
	At amortized cost	At fair value through profit or loss	Total
At December 31, 2021			
Cash and cash equivalents (Note 6)	1,253,861,451		1,253,861,451
Marketable securities (Note 7)	8,058,132		8,058,132
Derivative financial instruments (Note 8)		65,565,030	65,565,030
Trade and foreign exchange notes receivable (Note 9.1)	601,045,136		601,045,136
Loans and funds transferred to members (Note 9.2)	522,209,568	1,838,109	524,047,677
Judicial deposits (Note 23)	295,043,533		295,043,533
	<u>2,680,217,820</u>	<u>67,403,139</u>	<u>2,747,620,959</u>
At December 31, 2020			
Cash and cash equivalents (Note 6)	760,401,227		760,401,227
Marketable securities (Note 7)	15,730,794		15,730,794
Derivative financial instruments (Note 8)		94,016,843	94,016,843
Trade and foreign exchange notes receivable (Note 9.1)	315,604,968		315,604,968
Loans and funds transferred to members (Note 9.2)	328,057,686	3,469,106	331,526,792
Judicial deposits (Note 23)	247,414,656		247,414,656
	<u>1,667,209,331</u>	<u>97,485,949</u>	<u>1,764,695,280</u>
			Consolidated
	At amortized cost	At fair value through profit or loss	Total
At December 31, 2021			
Cash and cash equivalents (Note 6)	1,288,261,280		1,288,261,280
Marketable securities (Note 7)	8,310,994		8,310,994
Derivative financial instruments (Note 8)		69,098,408	69,098,408
Trade and foreign exchange notes receivable (Note 9.1)	618,705,616		618,705,616
Loans and funds transferred to members (Note 9.2)	522,209,568	1,838,109	524,047,677
Judicial deposits (Note 23)	296,163,582		296,163,582
	<u>2,733,651,040</u>	<u>70,936,517</u>	<u>2,804,587,557</u>
At December 31, 2020			
Cash and cash equivalents (Note 6)	777,202,582		777,202,582
Marketable securities (Note 7)	16,219,000		16,219,000
Derivative financial instruments (Note 8)		97,291,175	97,291,175
Trade and foreign exchange notes receivable (Note 9.1)	328,291,910		328,291,910
Loans and funds transferred to members (Note 9.2)	325,398,015	3,469,106	328,867,121
Judicial deposits (Note 23)	248,507,902		248,507,902
	<u>1,695,619,409</u>	<u>100,760,281</u>	<u>1,796,379,690</u>

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5.2 Liabilities as per balance sheet

	Parent company		
	Amortized cost	Fair value through profit or loss	Total
At December 31, 2021			
Derivative financial instruments (Note 8)		682,105,096	682,105,096
Agricultural products from members (Note 11)		2,513,346,222	2,513,346,222
Lease liabilities (Note 16)	2,961,910		2,961,910
Trade pay ables for products and services (Note 18)	1,351,275,187		1,351,275,187
Advances on foreign exchange contracts and export prepayments (Note 19)	2,991,841,928		2,991,841,928
Borrowings (Note 20)	2,044,795,547		2,044,795,547
Federal Government Debt - PESA (Note 22)		952,384	952,384
Other liabilities (Note 25)	45,112,592		45,112,592
	<u>6,435,987,164</u>	<u>3,196,403,702</u>	<u>9,632,390,866</u>
At December 31, 2020			
Derivative financial instruments (Note 8)		267,668,908	267,668,908
Agricultural products from members (Note 11)		1,003,607,062	1,003,607,062
Lease liabilities (Note 16)	1,692,729		1,692,729
Trade pay ables for products and services (Note 18)	1,265,860,670		1,265,860,670
Advances on foreign exchange contracts and export prepayments (Note 19)	1,461,343,875		1,461,343,875
Borrowings (Note 20)	1,462,390,361		1,462,390,361
Federal Government Debt - PESA (Note 22)		3,565,573	3,565,573
Other liabilities (Note 25)	41,681,383		41,681,383
	<u>4,232,969,018</u>	<u>1,274,841,543</u>	<u>5,507,368,473</u>
Consolidated			
	Amortized cost	Fair value through profit or loss	Total
At December 31, 2021			
Derivative financial instruments (Note 8)		687,329,872	687,329,872
Agricultural products from members (Note 11)		2,513,346,222	2,513,346,222
Lease liabilities (Note 16)	2,964,934		2,964,934
Trade pay ables for products and services (Note 18)	1,374,821,472		1,374,821,472
Advances on foreign exchange contracts and export prepayments (Note 19)	3,070,011,468		3,070,011,468
Borrowings (Note 20)	2,068,173,201		2,068,173,201
Federal Government Debt - PESA (Note 22)		952,384	952,384
Other liabilities (Note 25)	45,112,592		45,112,592
	<u>6,561,083,667</u>	<u>3,201,628,478</u>	<u>9,762,712,145</u>
At December 31, 2020			
Derivative financial instruments (Note 8)		267,672,054	267,672,054
Agricultural products from members (Note 11)		1,003,607,062	1,003,607,062
Lease liabilities (Note 16)	1,718,596		1,718,596
Trade pay ables for products and services (Note 18)	1,280,503,830		1,280,503,830
Advances on foreign exchange contracts and export prepayments (Note 19)	1,502,564,429		1,502,564,429
Borrowings (Note 20)	1,472,494,918		1,472,494,918
Federal Government Debt - PESA (Note 22)		3,565,573	3,565,573
Other liabilities (Note 25)	41,681,383		41,681,383
	<u>4,298,963,156</u>	<u>1,274,844,689</u>	<u>5,573,807,845</u>

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6 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits with banks, other short-term highly liquid investments with original maturities of three months or less, and with immaterial risk of change in value, and are held for the purpose of meeting short-term cash needs.

	Parent company		Consolidated	
	2021	2020	2021	2020
Cash and banks	499,615,286	293,240,833	528,520,893	307,094,345
Marketable securities (i)	754,246,165	467,160,394	759,740,387	470,108,237
	<u>1,253,861,451</u>	<u>760,401,227</u>	<u>1,288,261,280</u>	<u>777,202,582</u>

- (i) Marketable securities consist of floating-rate investments in Bank Deposit Certificates (CDBs), which accrue interest from 99% to 103% (99% to 102% in 2020) of the variation of the Interbank Deposit Certificate (CDI).

7 Marketable securities

	Parent company		Consolidated	
	2021	2020	2021	2020
CDB - floating rate	8,058,132	15,730,794	8,310,994	16,219,000
	<u>8,058,132</u>	<u>15,730,794</u>	<u>8,310,994</u>	<u>16,219,000</u>

This amount is pledged as collateral for transactions carried out on B3 and for a purchase of electric power.

Marketable securities consist of floating-rate investments in Bank Deposit Certificates (CDBs), which earn interest from 99% to 100.5% (100% to 102.5% in 2020) of the Interbank Deposit Certificate (CDI) rate.

8 Derivative financial instruments

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. Although the Cooperative uses derivatives to hedge fluctuations in exchange rates and commodity prices, it does not apply hedge accounting. Changes in the fair value of derivative instruments are recognized immediately in the statement of surplus within "Net results of changes in agricultural commodity prices and foreign exchange variations".

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8.1 Parent company

	Parent company			
	2021		2020	
	Assets	Liabilities	Assets	Liabilities
Non-deliverable forward - NDF - US dollar	23,223,503	109,278,796	75,221,799	230,354,015
Non-deliverable forward - NDF - coffee	13,240,480	572,781,682		35,419,846
Interest rate swap	1,448,354	44,618		1,881,007
Futures market operations:				
Coffee - ICE (NY)	26,655,184		18,641,634	
US dollar - B3			23,601	
Coffee - B3	997,509		129,809	14,040
	65,565,030	682,105,096	94,016,843	267,668,908
Current	(48,944,927)	(657,491,617)	(53,144,852)	(267,668,908)
Non-current	16,620,103	24,613,479	40,871,991	

8.2 Consolidated

	Consolidated			
	2021		2020	
	Assets	Liabilities	Assets	Liabilities
Non-deliverable forward - NDF - US dollar	23,546,793	111,165,118	76,806,164	230,357,161
Non-deliverable forward - NDF - coffee	13,240,480	575,773,887		35,419,846
Interest rate and currency swaps	1,448,354	390,867		1,881,007
Futures market operations:				
Coffee - ICE (NY)	28,666,397		19,345,921	
US dollar - B3	1,197,343		1,009,281	
Coffee - B3	999,041		129,809	14,040
	69,098,408	687,329,872	97,291,175	267,672,054
Current	(52,478,305)	(662,716,393)	(56,419,184)	(267,672,054)
Non-current	16,620,103	24,613,479	40,871,991	

8.3 Characteristics of these transactions

The Cooperative's derivative financial instruments comply with the exposure limits in its risk policy (Note 4.1.1).

8.3.1 Non-Deliverable Forwards

NDFs are contracted by the Cooperative for the purpose of hedging its operations against the risk of fluctuations in foreign exchange rates and commodity prices, and are not used for speculative purposes. At December 31, 2021, the notional amounts of the outstanding NDFs (short position) totaled approximately R\$ 4,865,000,000 (R\$ 3,749,000,000 in 2020) for foreign exchange operations.

8.3.2 Interest rate and currency swaps

At December 31, 2021, the notional amounts of the outstanding interest rate and currency swap contracts in Cooxupé totaled R\$ 357,000,000 (R\$ 364,000,000 in 2020), and their purpose is to reduce the exposure to borrowings accruing interest based on the London Interbank Offered Rate (LIBOR) and the Extended Consumer Price Index (IPCA).

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8.3.3 Futures market transactions

At December 31, 2021, the notional amounts of the transactions carried out by the Cooperative to hedge agricultural commodity prices on the futures market corresponded to R\$ 2,396,000,000 (R\$ 2,010,000,000 in 2020), of which R\$ 1,303,000,000 (R\$ 1,014,000,000 in 2020) in a long position, R\$ 1,093,000,000 (R\$ 996,000,000 in 2020) in a short position, and, to hedge against fluctuations in foreign exchange rates, R\$ 3,000,000 (R\$ 14,000,000 in 2020) in a short position.

9 Trade and foreign currency notes receivable, and loans and transfers to members

Trade and foreign currency notes receivable and loans and transfers to members correspond to amounts receivable from customers and members for the sale of goods, the rendering of services, or the transfer of funds obtained for specific purposes from financial institutions in the ordinary course of the Cooperative's activities. If collection is expected in one year or less, the receivables are classified as current assets. Receivables classified as non-current comprise invoices with maturity and payment expected later than one year (including overdue invoices under judicial collection).

Accounts receivable from customers and members are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method, less a provision for impairment of trade receivables. Usually, in practice, they are recognized at the amount billed, adjusted to present value, plus interest and, when necessary, less a provision for impairment.

9.1 Trade and foreign currency notes receivable

	Parent company		Consolidated	
	2021	2020	2021	2020
Foreign currency notes receivable (i)	498,533,265	253,444,486	516,290,183	266,154,571
Trade notes receivable	131,579,680	83,370,242	131,483,242	83,347,099
Provision for impairment	(29,067,809)	(21,209,760)	(29,067,809)	(21,209,760)
	601,045,136	315,604,968	618,705,616	328,291,910
Current	(598,881,070)	(315,604,968)	(616,541,550)	(328,291,910)
Non-current (ii)	2,164,066		2,164,066	

(i) The Cooperative's foreign currency notes receivable are denominated in U.S. dollars, and totaled US\$ 92,526,781 in 2021 (US\$ 51,221,988 in 2020).

(ii) The breakdown of trade and foreign currency notes receivable classified as non-current assets, by maturity year, is presented in Note 9.3.

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Trade and foreign currency notes receivable, net of impairment, have the following maturities:

	Parent company		Consolidated	
	2021	2020	2021	2020
Not yet due:				
Current				
2021		312,980,729		325,667,671
2022	594,740,545		612,401,025	
	594,740,545	312,980,729	612,401,025	325,667,671
Non-current				
2023	2,164,066		2,164,066	
	2,164,066		2,164,066	
Total not yet due	596,904,611	312,980,729	614,565,091	325,667,671
Overdue:				
Current				
From 1 to 15 days	3,253,353	2,514,463	3,253,353	2,514,463
From 16 to 30 days	282,364	56,091	282,364	56,091
From 31 to 60 days	487,047	44,322	487,047	44,322
From 61 to 90 days	61,606	6,780	61,606	6,780
From 91 to 180 days	52,421	2,083	52,421	2,083
Over 180 days	3,734	500	3,734	500
	4,140,525	2,624,239	4,140,525	2,624,239
Total overdue	4,140,525	2,624,239	4,140,525	2,624,239
Current	598,881,070	315,604,968	616,541,550	328,291,910
Non-current	2,164,066		2,164,066	
	601,045,136	315,604,968	618,705,616	328,291,910

Changes in the provision for impairment of trade and foreign currency notes receivable were as follows:

	Parent company	
	2021	2020
At January 1	21,209,760	20,872,141
Provisions for the period	13,861,191	5,521,445
Write-offs during the year	(8,976,474)	(9,951,600)
Transfer of Rural Product Notes – CPRs		58,212
Transfer to loans and transfers to members	(383,672)	(7,151)
Transfer from loans and transfers to members	3,357,004	4,716,713
At December 31	29,067,809	21,209,760

The maximum exposure to credit risk at the reporting date is the carrying amount of the balances of trade and foreign currency notes receivable.

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9.2 Loans and transfers to members

Type	Financial charges	Parent company		Consolidated	
		2021	2020	2021	2020
Financing of inputs					
Rural credit	Interest of up to 7.5% p.a. (2020 - up to 7% p.a.)	398,835,323	221,426,316	398,835,323	221,426,316
Own resources	Interest from 7% to 15.5% p.a. (2020 - 7% to 13.12% p.a.)	154,007,174	122,262,884	154,007,174	122,262,884
Special financing	Interest from 7.5% to 18.48% p.a. (2020 - 6% to 13.12% p.a.)	25,410,992	21,574,734	25,410,992	21,574,734
	Variation of the coffee bag price	13,178,355	2,012,673	13,178,355	2,012,673
	IGP-M variation (i)	1,838,109	3,469,106	1,838,109	3,469,106
	Interest of 3% p.a.	540,251	716,990	540,251	716,990
	Interest of 6.75% p.a.		127,342		127,342
Advance on sale					
	Interest of 11.39% p.a. (2020 - 5.17% to 6.46% p.a.)	1,641,624	501,575	1,641,624	501,575
Cash loans (loan agreement)					
	Interest of 100% of CDI		2,659,671		
Provision for impairment of loans and transfers		(71,404,151)	(43,224,499)	(71,404,151)	(43,224,499)
Current		524,047,677	331,526,792	524,047,677	328,867,121
Non-current (ii)		(476,679,470)	(292,771,386)	(476,679,470)	(290,111,715)
		<u>47,368,207</u>	<u>38,755,406</u>	<u>47,368,207</u>	<u>38,755,406</u>

- (i) Special financing includes receivables under the Special Asset Recovery Program, negotiated under the same terms and conditions as the Federal Government Debt (PESA) program (Note 22), recorded at realizable fair value, determined based on the future flow of receipts discounted to present value.

Loans and transfers to members are guaranteed by sureties, mortgages, commercial liens, and/or promissory notes issued by the members.

- (ii) The breakdown of trade and foreign currency notes receivable classified as non-current assets, by maturity year, is presented in Note 9.3.

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Loans and transfers to members, net of impairment losses, mature as follows:

	Parent company		Consolidated	
	2021	2020	2021	2020
Not yet due:				
Current				
2021		292,644,416		289,984,745
2022	476,343,832		476,343,832	
	476,343,832	292,644,416	476,343,832	289,984,745
Non-current				
2022		7,901,681		7,901,681
2023	8,272,408	25,534,821	8,272,408	25,534,821
2024	28,633,389	5,191,714	28,633,389	5,191,714
2025	10,098,857	127,190	10,098,857	127,190
2056	363,553		363,553	
	47,368,207	38,755,406	47,368,207	38,755,406
Total not yet due	523,712,039	331,399,822	523,712,039	328,740,151
Overdue				
Current				
From 1 to 15 days		16		16
From 16 to 60 days	1,795		1,795	
From 61 to 90 days		78,670		78,670
From 91 to 180 days	331,087		331,087	
Over 180 days	2,756	48,284	2,756	48,284
Total overdue	335,638	126,970	335,638	126,970
Current	476,679,470	292,771,386	476,679,470	290,111,715
Non-current	47,368,207	38,755,406	47,368,207	38,755,406
	524,047,677	331,526,792	524,047,677	328,867,121

Changes in the provision for impairment of loans and transfers to members were as follows:

	Parent company	
	2021	2020
At January 1	43,224,499	42,194,081
Provisions for the period	59,441,700	27,656,224
Write-offs during the year	(35,927,953)	(23,189,043)
Transfer of Rural Product Notes – CPRs	7,639,237	1,272,799
Transfer from trade notes receivable	383,672	7,151
Transfer to trade notes receivable	(3,357,004)	(4,716,713)
At December 31	71,404,151	43,224,499

The maximum exposure to credit risk at the reporting date is the carrying amount of the loans and transfers to members.

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9.3 Analysis of the portfolios of trade and foreign currency notes receivable and loans and transfers to members, classified as non-current assets, by maturity year

	Parent company	
	2021	2020
2022		12,042,088
2023	14,190,392	28,452,203
2024	31,901,076	6,917,823
2025	12,244,865	1,507,909
2026	382,688	
Under judicial collection	19,014,886	15,204,459
Provision for impairment	(28,201,634)	(25,369,076)
	<u>49,532,273</u>	<u>38,755,406</u>
Trade and foreign currency notes receivable	2,164,066	
Loans and transfers	<u>47,368,207</u>	<u>38,755,406</u>
	<u>49,532,273</u>	<u>38,755,406</u>

At December 31, the provision for impairment was as follows:

	Parent company	
	2021	2020
Under judicial collection	19,014,886	15,204,459
Renegotiated by the Management of Cooxupé	6,451,522	8,293,421
Other notes receivable	<u>2,735,226</u>	<u>1,871,196</u>
	<u>28,201,634</u>	<u>25,369,076</u>

10 Inventories and agricultural products for future delivery (CPR)

10.1 Inventories

	Parent company		Consolidated	
	2021	2020	2021	2020
Agricultural products – physical inventory (i)	3.365.340.362	2.264.871.695	3.454.714.129	2.314.057.479
Goods for resale – stores (ii)	327.539.989	160.352.760	327.539.989	160.352.760
Warehouse materials and others	<u>44.863.115</u>	<u>27.267.058</u>	<u>45.774.999</u>	<u>27.745.214</u>
	<u>3.737.743.466</u>	<u>2.452.491.513</u>	<u>3.828.029.117</u>	<u>2.502.155.453</u>

10.2 Agricultural products for future delivery (CPR)

	Parent company		Consolidated	
	2021	2020	2021	2020
Agricultural products for future receipt – CPR (i and iii)	2,160,434,382	1,533,484,631	2,176,130,879	1,540,759,428
Impairment of agricultural products for future receipt – CPR	<u>(121,152,594)</u>	<u>(52,156,327)</u>	<u>(121,791,565)</u>	<u>(52,436,107)</u>
	<u>2,039,281,788</u>	<u>1,481,328,304</u>	<u>2,054,339,314</u>	<u>1,488,323,321</u>
Current	<u>(1,438,264,962)</u>	<u>(913,245,391)</u>	<u>(1,451,716,129)</u>	<u>(920,240,408)</u>
Non-current	<u>601,016,826</u>	<u>568,082,913</u>	<u>602,623,185</u>	<u>568,082,913</u>

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- (i) Physical inventories of commodities held by the Cooperative and agricultural products for future delivery (Rural Product Note - CPR), recorded at fair value, are presented at the amount negotiated or realized, considering the selling price of these products at the reporting date, less the costs required for their realization, net of estimated losses, where applicable. The adjustments arising from this valuation are recorded in "Net results of changes in agricultural commodity prices and foreign exchange variations" in the statement of surplus for the year (Note 30).
- (ii) Goods for resale at stores mainly refer to fertilizers and crop protection products, and are stated at the lower of cost and net realizable value. Cost is determined using the weighted moving average method. Net realizable value is the estimated selling price in the ordinary course of business, less selling expenses.
- (iii) Rural Product Notes (CPR) are guaranteed by sureties from members, mortgages and/or lien on crops.

At December 31, 2021, the Cooperative had entered into agreements with customers for the delivery of approximately 5,204,432 bags of coffee and 6,647 bags of corn, at fixed prices (5,784,837 bags of coffee and 33,259 bags of corn in 2020); the negotiated prices were considered in the valuation of the agricultural commodity inventories. The Cooperative uses these instruments in its strategy to hedge against the volatility risk of the agricultural commodities market (Note 4.1.1 (b)).

Physical inventories of commodities and agricultural products for future delivery, in 60-kilogram bags, are comprised as follows:

	Parent company		Consolidated	
	2021	2020	2021	2020
Coffee - physical inventory	3,141,307	3,750,925	3,204,688	3,819,212
Corn - physical inventory	33,303	37,326	33,303	37,326
Sub-total	3,174,610	3,788,251	3,237,991	3,856,538
Coffee – purchase for future receipt – CPR	2,173,905	2,316,135	2,184,526	2,323,474
Corn – purchase for future receipt – CPR	6,836	12,701	6,836	12,701
Sub-total	2,180,741	2,328,836	2,191,362	2,336,175
Total bags of agricultural products	5,355,351	6,117,087	5,429,353	6,192,713

Changes in the provision for impairment of CPRs were as follows:

	Parent company		Consolidated	
	2021	2020	2021	2020
At January 1	52,156,327	73,438,512	52,436,107	73,905,612
Provisions for the period	93,518,626	10,155,478	94,157,598	10,435,258
Write-offs during the period	(16,883,122)	(30,106,652)	(17,162,903)	(30,573,752)
Transfer to loans and transfers to members	(7,639,237)	(1,272,799)	(7,639,237)	(1,272,799)
Transfer to trade notes receivable		(58,212)		(58,212)
At December 31	121,152,594	52,156,327	121,791,565	52,436,107

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11 Inventories - Members' commodities stored by the Cooperative and related trade payables

These relate to inventories received from members for storage purposes and not yet purchased by the Cooperative, which are recognized with a corresponding entry to trade payables in current liabilities. These inventories, and the related payables, are measured based on the best estimate of the selling price at the reporting date, as determined by ITG 2004.

Members' inventories are reclassified to Cooperative-owned inventories at the time the member sells these agricultural commodities to the Cooperative.

At December 31, the composition of the members' agricultural commodities stored by the Cooperative and related trade payables was as follows:

	<u>Parent company</u>	
	<u>2021</u>	<u>2020</u>
Coffee	2,512,817,375	1,003,342,227
Corn	528,847	264,835
Total bags of agricultural products	<u>2,513,346,222</u>	<u>1,003,607,062</u>

At December 31, the members' agricultural commodities stored by the Cooperative, in 60-kilogram bags, were as follows:

	<u>Parent company</u>	
	<u>2021</u>	<u>2020</u>
Coffee	1,741,444	1,565,328
Corn	6,222	3,678
Total bags of agricultural products	<u>1,747,666</u>	<u>1,569,006</u>

12 Taxes recoverable

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
IPI (i)	194.479.741	206.085.351	194.479.741	206.085.351
PIS and COFINS (ii)	74.387.230	74.599.298	79.894.059	79.630.252
ICMS (iii)	45.405.906	40.147.716	46.008.402	40.523.122
IRRF, IRPJ, and CSLL	4.749.611	16.271.540	4.813.165	16.958.485
Others			462.878	462.844
Impairment of taxes recoverable	(57.329.530)	(63.788.445)	(61.606.426)	(67.744.536)
	261.692.958	273.315.460	264.051.819	275.915.518
Current	<u>(33.877.824)</u>	<u>(73.649.596)</u>	<u>(34.402.312)</u>	<u>(74.055.831)</u>
Non-current	<u>227.815.134</u>	<u>199.665.864</u>	<u>229.649.507</u>	<u>201.859.687</u>

- (i) In 2019, a decision was rendered in favor of Cooxupé in a lawsuit which claimed its right to the deemed IPI credits provided for in Law 9363/96, as amended, on coffee exports from January 1997 to April 2004.

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These credits were recognized at the net amount of R\$ 253,567,463, at the time the decision was made final and unappealable. From December 2019 to June 2021, the Company offset R\$ 90,426,107 of these credits against other Federal taxes due, supported by the aforementioned final ruling.

In August 2021, Cooxupé was notified of an order issued by the Brazilian Federal Revenue Service (RFB) disallowing the offsetting of the credits. Against this backdrop, Cooxupé lodged an appeal against the RFB administrative decision, which legal counsel believes is barred by *res judicata*. The appeal has not yet been heard. According to the Cooperative's legal advisors, the final decision rendered on the lawsuit in favor of Cooxupé clearly recognized its right to the IPI credits, even though the Cooperative's operations are classified as non-taxable; therefore, the legal advisors are confident that the administrative decision will be reversed to preserve the previously recognized rights, either at the administrative or judicial level.

As regards the tax credits not yet offset, Cooxupé may resume the offsetting process in the event the appeal is granted in its favor, but must do so in compliance with the statute of limitation, by August 2024 (five years from the date of the final and unappealable court decision). The Cooperative may then resume legal proceedings to request the court decision be applied to any remaining balance of the tax credits not offset, by means of a court-ordered debt. Supported by the opinion of its legal advisors, Management believes that there will be no losses on the amount of the credits, and therefore has not set up any provision for impairment of this balance.

- (ii) PIS and COFINS recoverable relate substantially to credits on manufacturing costs linked to revenue from exports and sales in the domestic market, calculated pursuant to Article 3 of Laws 10,637/02 and 10,833/03, and credits on export revenues, calculated pursuant to Law 12,599/12 as from January 1, 2012. The breakdown and expected realization of tax credits at December 31, 2021 are presented below:
- R\$ 35.8 million - credits on manufacturing costs linked to export revenues, relating to the period from 2008 to 2021, which require a tax refund application. Of this amount, R\$ 8.2 million is awaiting review of the refund application by the Brazilian Federal Revenue Office, and R\$ 27.6 million is currently under analysis by administrative bodies, without an expected deadline for the decision.
 - R\$ 29.9 million - credits on manufacturing costs linked to revenues from sales in the domestic market, relating to the period from 2014 to 2020, which are being offset against PIS/COFINS.
 - R\$ 13.2 million - deemed credit on export revenues (Article 5 of Law 12,599/12), relating substantially to the fourth quarter of 2021, which will be offset against social security contributions in 2022.
- (iii) Value-added Tax on Sales and Services (ICMS) relates basically to credits on purchases of goods for sale, raw materials, packaging materials and property, plant and equipment items, which were accumulated mainly due to subsequent shipments in which the ICMS exemption was not applied. These credits may be offset against the ICMS debt balance calculated as per the tax records. The Cooperative will also file a request for authorization to subsequently transfer the credits to third parties in the State of Minas Gerais. Therefore, these credits are expected to be realized within three years, due to the transfer queue imposed by the State of Minas Gerais after the authorization is granted.

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Changes in the provision for impairment of taxes recoverable were as follows:

	Parent company		Consolidated	
	2021	2020	2021	2020
At January 1	63,788,445	81,362,682	67,744,536	85,150,331
Provisions for the period	10,599,288	21,185,081	11,006,916	21,353,523
Write-offs during the period	(17,058,203)	(38,759,318)	(17,145,026)	(38,759,318)
At December 31	<u>57,329,530</u>	<u>63,788,445</u>	<u>61,606,426</u>	<u>67,744,536</u>

The balance of the provision for impairment relates substantially to PIS and COFINS credits on manufacturing costs linked to export revenues and sales revenues in the domestic market, which are derecognized by management as the credits are used.

13 Other assets

Other assets comprise the following non-financial assets:

	Parent company		Consolidated	
	2021	2020	2021	2020
Prepaid expenses	5,187,964	4,320,153	5,187,964	4,320,153
Advances to employees	1,883,164	1,662,539	1,884,454	1,670,660
Others	124,728	102,529	1,182	1,400
	<u>7,195,856</u>	<u>6,085,221</u>	<u>7,073,600</u>	<u>5,992,213</u>

14 Investments

The investment in the subsidiary SMC - Comercial e Exportadora de Café S.A. is accounted for in the parent company financial statements under the equity method.

Investments in cooperatives are stated at cost of acquisition, since the accounting practices adopted in Brazil do not permit their recognition using the equity method. The carrying amount of these investments is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.1.1(b)).

14.1 Nature of the investments

	Parent company		Consolidated	
	2021	2020	2021	2020
Investments in other cooperative companies	3,089,469	2,997,121	3,270,315	3,160,630
SMC - Comercial e Exportadora de Café S.A. (i)	32,942,499	24,591,257		
	<u>36,031,968</u>	<u>27,588,378</u>	<u>3,270,315</u>	<u>3,160,630</u>

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(i) Investment in SMC - Comercial e Exportadora de Café S.A.

	<u>2021</u>	<u>2020</u>
Information on the subsidiary		
Number of shares held	10,000,000	10,000,000
Shareholding	100%	100%
Profit (loss) for the year	8,351,242	5,595,970
Equity	32,942,499	24,591,257
Changes in the investment		
At the beginning of the year	24,591,257	18,995,287
Equity in the results	<u>8,351,242</u>	<u>5,595,970</u>
At the end of the year	<u>32,942,499</u>	<u>24,591,257</u>

This subsidiary's financial statements may be summarized as follows:

	<u>2021</u>	<u>2020</u>
Current assets	164,987,671	90,672,985
Non-current assets	<u>8,435,305</u>	<u>4,812,146</u>
Total assets	<u>173,422,976</u>	<u>95,485,131</u>
Current liabilities	132,190,543	70,718,105
Non-current liabilities	<u>8,289,934</u>	<u>175,769</u>
Total liabilities	<u>140,480,477</u>	<u>70,893,874</u>
Equity	<u>32,942,499</u>	<u>24,591,257</u>
Total liabilities and equity	<u>173,422,976</u>	<u>95,485,131</u>
Net revenue	159,342,613	96,401,986
Costs and expenses	(146,085,711)	(87,248,053)
Finance income (costs)	(568,619)	(673,305)
Taxes on profit	<u>(4,337,041)</u>	<u>(2,884,658)</u>
Profit (loss) for the year	<u>8,351,242</u>	<u>5,595,970</u>

SMC - Comercial e Exportadora de Café S.A., headquartered in Guaxupé, State of Minas Gerais, was incorporated on March 12, 2009. Its activities comprise the sale and export of raw coffee beans in the special and certified coffee segment.

At December 31, 2021, the sureties and/pr collateral granted by the Cooperative in favor of SMC - Comercial e Exportadora de Café S.A. totaled R\$ 52,545,477 (R\$ 48,322,140 in 2020). No costs were incurred by Cooxupé and SMC in connection with the sureties/collateral granted.

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15 Property, plant and equipment

Land and buildings comprise mainly warehouses, stores, factories, and offices. As permitted by the accounting practices adopted in Brazil, the Cooperative has carried forward the revalued balances which became a part of the deemed costs of the related assets, with a corresponding entry to "Carrying value adjustments", in equity. The recognition of this revaluation surplus, calculated based on reports issued by independent experts in 2007, was approved by the members at an Annual General Meeting held on March 28, 2008. At December 31, 2021, property, plant and equipment included R\$ 19,431,888 (R\$ 20,737,363 in 2020) corresponding to the balance of these revaluations, the depreciation and disposals of which totaled R\$ 1,305,478 in the year (R\$ 1,413,703 in 2020).

Property, plant and equipment items recorded at cost since the last revaluation include expenditures directly attributable to the acquisition of the items, as well as borrowing costs related to the acquisition of assets, when applicable.

Subsequent costs are included in an asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will be realized and the cost of the item can be measured reliably. The carrying amount of replaced items or parts is derecognized. All other repair and maintenance costs are recorded in the statement of surplus as incurred.

Land is not depreciated. Depreciation of other assets is calculated using the straight-line method to reduce their cost to the residual values over their estimated useful lives, in accordance with the average rates disclosed in Note 15. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The carrying amount of these investments is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within "Other income/revenue, net", in the statement of surplus.

Assets pledged as collateral

At December 31, 2021, property, plant and equipment items totaling R\$ 13,198,478 (R\$ 15,903,445 in 2020) were pledged as collateral for borrowings (Note 20).

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15.1 Parent company

	Land	Buildings and leasehold improvements	Machinery equipment and facilities	Furniture and fixtures	Vehicles	IT equipment	Others	Construction in progress	Total PP&E
At December 31, 2019	28,806,670	187,372,395	97,845,575	3,210,963	1,045,702	4,303,095	12,584,406	4,361,914	339,530,720
Additions	1,018,969	1,953,650	12,338,159	232,695	161,512	1,794,966		18,090,441	35,590,392
Sales and disposals	(100,415)	(217,934)	(321,925)	(24,097)	(158,800)	(539,011)	(9,540,833)		(10,903,015)
Transfers		2,529,315	(235,990)	87,235		12,000		(2,392,560)	
Depreciation for the year		(9,231,054)	(11,873,609)	(696,081)	(635,530)	(1,533,912)	(1,612,497)		(25,582,683)
Depreciation write-offs		91,923	332,034	21,237	145,733	538,721			1,129,648
At December 31, 2020	29,725,223	182,498,295	98,084,244	2,831,952	558,617	4,575,859	1,431,076	20,059,795	339,765,061
Total cost	29,725,223	252,601,111	172,268,874	8,464,801	3,949,210	18,505,716	6,787,693	20,059,795	512,362,423
Accumulated depreciation		(70,102,816)	(74,184,630)	(5,632,849)	(3,390,593)	(13,929,857)	(5,356,617)		(172,597,362)
Net book value	29,725,223	182,498,295	98,084,244	2,831,952	558,617	4,575,859	1,431,076	20,059,795	339,765,061
At December 31, 2020	29,725,223	182,498,295	98,084,244	2,831,952	558,617	4,575,859	1,431,076	20,059,795	339,765,061
Additions	6,198,483	7,635,291	23,814,852	571,337	1,697,552	3,833,126	6,726,563	44,183,095	94,660,299
Sales and disposals			(2,084,032)	(65,487)	(862,114)	(109,590)	(1,159,167)		(4,280,390)
Transfers		22,584,048	10,264,196	2,020,220		3,472	2,195,424	(37,067,360)	
Depreciation for the year		(9,574,145)	(12,524,122)	(605,879)	(495,435)	(1,612,112)	(371,819)		(25,183,512)
Depreciation write-offs			1,925,767	62,568	862,114	109,189	1,159,167		4,118,805
At December 31, 2021	35,923,705	203,143,489	119,480,905	4,814,711	1,760,734	6,799,944	9,981,244	27,175,530	409,080,262
Total cost	35,923,705	282,820,450	204,263,890	10,990,871	4,784,648	22,232,724	14,550,513	27,175,530	602,742,331
Accumulated depreciation		(79,676,961)	(84,782,985)	(6,176,160)	(3,023,914)	(15,432,780)	(4,569,269)		(193,662,069)
Net book value	35,923,705	203,143,489	119,480,905	4,814,711	1,760,734	6,799,944	9,981,244	27,175,530	409,080,262
Annual depreciation rates - %		4%	9%	10%	20%	20%	10%		

Construction in progress relates substantially to the expansion of coffee storage facilities, construction of new facilities for resale of agricultural inputs, and construction of a photovoltaic power plant, which are expected to be completed by the end of 2022 (in 2020, construction in progress related substantially to the expansion of the coffee grinding and roasting facilities, construction of coffee warehouses, and a facility for resale of agribusiness inputs).

In 2021, the Cooperative's capitalized borrowing charges of R\$ 873,522 (R\$ 474,903 in 2020).

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15.2 Consolidated

	Land	Buildings and leasehold improvements	Machinery equipment and facilities	Furniture and fixtures	Vehicles	IT equipment	Others	Construction in in progress	Total PP&E
At December 31, 2019	28,806,670	187,474,479	98,014,038	3,240,181	1,062,626	4,309,307	12,584,406	4,361,914	339,853,621
Additions	1,018,969	1,953,650	12,339,494	233,675	299,398	1,794,966		18,090,441	35,730,593
Sales and disposals	(100,415)	(217,934)	(321,925)	(24,097)	(202,953)	(539,011)	(9,540,833)		(10,947,168)
Transfers		2,529,315	(235,990)	87,235		12,000		(2,392,560)	
Depreciation for the period		(9,238,054)	(11,894,710)	(703,616)	(654,581)	(1,535,885)	(1,612,497)		(25,639,343)
Depreciation write-offs		91,923	332,034	21,237	181,791	538,721			1,165,706
At December 31, 2020	29,725,223	182,593,379	98,232,941	2,854,615	686,281	4,580,098	1,431,076	20,059,795	340,163,408
Total cost	29,725,223	252,776,111	172,491,121	8,547,427	4,087,096	18,565,667	6,787,693	20,059,795	513,040,133
Accumulated depreciation		(70,182,732)	(74,258,180)	(5,692,812)	(3,400,815)	(13,985,569)	(5,356,617)		(172,876,725)
Net book value	29,725,223	182,593,379	98,232,941	2,854,615	686,281	4,580,098	1,431,076	20,059,795	340,163,408
At December 31, 2020	29,725,223	182,593,379	98,232,941	2,854,615	686,281	4,580,098	1,431,076	20,059,795	340,163,408
Additions	6,198,484	7,635,291	23,888,368	575,504	1,697,552	3,871,272	6,916,495	44,183,095	94,966,061
Sales and disposals			(2,084,032)	(65,487)	(862,114)	(109,590)	(1,159,167)		(4,280,390)
Transfers		22,584,048	10,264,196	2,020,220		3,472	2,195,424	(37,067,360)	
Depreciation for the period		(9,581,145)	(12,544,088)	(612,301)	(523,012)	(1,615,080)	(374,985)		(25,250,611)
Depreciation write-offs			1,925,767	62,568	862,114	109,189	1,159,167		4,118,805
At December 31, 2021	35,923,706	203,231,573	119,683,152	4,835,119	1,860,821	6,839,361	10,168,010	27,175,530	409,717,272
Total cost	35,923,706	282,995,450	204,559,653	11,077,664	4,922,534	22,330,821	14,740,445	27,175,530	603,725,803
Accumulated depreciation		(79,763,877)	(84,876,501)	(6,242,545)	(3,061,713)	(15,491,460)	(4,572,435)		(194,008,531)
Net book value	35,923,706	203,231,573	119,683,152	4,835,119	1,860,821	6,839,361	10,168,010	27,175,530	409,717,272
Annual depreciation rates - %		4%	9%	10%	20%	20%	10%		

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16 Right-of-use assets

These relate to leases of commercial properties for resale of agricultural inputs, vehicles for own use, servers to support the corporate systems, and the central telephone exchange system for corporate communications. Lease agreements have an average term of up to two years, and the lease liability is periodically settled over this average term.

16.1 Parent company

	<u>Buildings</u>	<u>Vehicles</u>	<u>IT equipment</u>	<u>Total</u>
Right-of-use-assets				
At December 31, 2019	859,728	948,398	2,269,811	4,077,937
Acquisitions/remeasurements	426,662			426,662
Disposals	(314,374)			(314,374)
Depreciation for the period	(505,780)	(812,912)	(1,348,698)	(2,667,390)
Depreciation write-offs	314,374			314,374
At December 31, 2020	<u>780,610</u>	<u>135,486</u>	<u>921,113</u>	<u>1,837,209</u>
Total cost	1,762,429	1,606,329	3,618,509	6,987,267
Accumulated depreciation	(981,819)	(1,470,843)	(2,697,396)	(5,150,058)
Net book value	<u>780,610</u>	<u>135,486</u>	<u>921,113</u>	<u>1,837,209</u>
At December 31, 2020	<u>780,610</u>	<u>135,486</u>	<u>921,113</u>	<u>1,837,209</u>
Acquisitions/remeasurements	521,427	2,444,736	36,772	3,002,935
Disposals	(354,651)	(2,277,302)	(2,297,781)	(4,929,734)
Depreciation for the period	(641,047)	(806,459)	(360,458)	(1,807,964)
Depreciation write-offs	354,651	2,277,302	2,297,781	4,929,734
At December 31, 2021	<u>660,990</u>	<u>1,773,763</u>	<u>597,427</u>	<u>3,032,180</u>
Total cost	1,929,205	1,773,763	1,357,500	5,060,468
Accumulated depreciation	(1,268,215)		(760,073)	(2,028,288)
Net book value	<u>660,990</u>	<u>1,773,763</u>	<u>597,427</u>	<u>3,032,180</u>
Annual depreciation rate	33%	45%	27%	36%
Lease liabilities				
At December 31, 2021				
Current	427,474	886,881	240,143	1,554,498
Non-current	309,388	886,881	211,143	1,407,412
	<u>736,862</u>	<u>1,773,762</u>	<u>451,286</u>	<u>2,961,910</u>
Lease liabilities				
At December 31, 2020				
Current	368,731	130,344	405,342	904,417
Non-current	359,996		428,316	788,312
	<u>728,727</u>	<u>130,344</u>	<u>833,658</u>	<u>1,692,729</u>

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16.2 Consolidated

	<u>Buildings</u>	<u>Vehicles</u>	<u>IT equipment</u>	<u>Total</u>
Right-of-use-assets				
At December 31, 2019	946,294	948,398	2,269,811	4,164,503
Acquisitions/remeasurements	477,210			477,210
Disposals	(314,374)			(314,374)
Depreciation for the period	(590,865)	(812,912)	(1,348,698)	(2,752,475)
Depreciation write-offs	314,374			314,374
At December 31, 2020	<u>832,639</u>	<u>135,486</u>	<u>921,113</u>	<u>1,889,238</u>
Total cost	1,928,529	1,606,329	3,618,509	7,153,367
Accumulated depreciation	<u>(1,095,890)</u>	<u>(1,470,843)</u>	<u>(2,697,396)</u>	<u>(5,264,129)</u>
Net book value	<u>832,639</u>	<u>135,486</u>	<u>921,113</u>	<u>1,889,238</u>
At December 31, 2020	<u>832,639</u>	<u>135,486</u>	<u>921,113</u>	<u>1,889,238</u>
Acquisitions/remeasurements	530,582	2,444,736	36,772	3,012,090
Disposals	(1,408,155)	(2,277,302)	(2,297,781)	(5,983,238)
Depreciation for the period	(699,635)	(806,459)	(360,458)	(1,866,552)
Depreciation write-offs	<u>1,408,155</u>	<u>2,277,302</u>	<u>2,297,781</u>	<u>5,983,238</u>
At December 31, 2021	<u>663,586</u>	<u>1,773,763</u>	<u>597,427</u>	<u>3,034,776</u>
Total cost	1,050,956	1,773,763	1,357,500	4,182,219
Accumulated depreciation	<u>(387,370)</u>	<u>(760,073)</u>	<u>(760,073)</u>	<u>(1,147,443)</u>
Net book value	<u>663,586</u>	<u>1,773,763</u>	<u>597,427</u>	<u>3,034,776</u>
Annual depreciation rate	67%	45%	27%	45%
Lease liabilities				
At December 31, 2021				
Current	430,498	886,881	240,143	1,557,522
Non-current	<u>309,388</u>	<u>886,881</u>	<u>211,143</u>	<u>1,407,412</u>
	<u>739,886</u>	<u>1,773,762</u>	<u>451,286</u>	<u>2,964,934</u>
Lease liabilities				
At December 31, 2020				
Current	394,598	130,344	405,342	930,284
Non-current	<u>359,996</u>	<u>130,344</u>	<u>428,316</u>	<u>788,312</u>
	<u>754,594</u>	<u>130,344</u>	<u>833,658</u>	<u>1,718,596</u>

Changes in lease liabilities are presented in Note 35.1.

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Current and non-current portions recorded in liabilities mature as follows:

	Parent company		Consolidated	
	2021	2020	2021	2020
Current				
2021		904,417		930,284
2022	1,554,498		1,557,522	
	1,554,498	904,417	1,557,522	930,284
Non-current				
2022		456,414		456,414
2023	1,342,444	309,920	1,342,444	309,920
2024	56,340	14,134	56,340	14,134
2025	8,628	7,844	8,628	7,844
	1,407,412	788,313	1,407,412	788,312
	2,961,910	1,692,729	2,964,934	1,718,596

17 Intangible assets

Computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with maintaining computer software programs are recognized as an expense as incurred.

Development costs that are directly attributable to identifiable and unique software products controlled by the Cooperative are recognized as intangible assets. Other development expenditures that do not meet these capitalization criteria are recognized as an expense as incurred.

These costs are amortized over their estimated useful lives of up to eight years.

17.1 Parent company

	Software licenses	Software development	Total
At December 31, 2019	13,512,079	4,954,165	18,466,244
Additions	309,225	4,708,850	5,018,075
Amortization for the year	(6,092,182)		(6,092,182)
Transfers	6,379,713	(6,379,713)	
At December 31, 2020	14,108,835	3,283,302	17,392,137
Total cost	69,131,433	3,283,302	72,414,735
Accumulated amortization	(55,022,598)		(55,022,598)
Net book value	14,108,835	3,283,302	17,392,137
At December 31, 2020	14,108,835	3,283,302	17,392,137
Additions	962,974	9,019,780	9,982,754
Amortization for the year	(6,456,383)		(6,456,383)
Transfers	121,212	(121,212)	
At December 31, 2021	8,736,638	12,181,870	20,918,508
Total cost	70,215,619	12,181,870	82,397,489
Accumulated amortization	(61,478,981)		(61,478,981)
Net book value	8,736,638	12,181,870	20,918,508

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17.2 Consolidated

	Software licenses	Software development	Total
At December 31, 2019	13,512,079	4,954,165	18,466,244
Additions	309,225	4,708,850	5,018,075
Amortization for the year	(6,092,182)		(6,092,182)
Transfers	6,379,713	(6,379,713)	
At December 31, 2020	<u>14,108,835</u>	<u>3,283,302</u>	<u>17,392,137</u>
Total cost	69,141,957	4,932,822	74,074,779
Accumulated amortization	(55,033,122)	(1,649,520)	(56,682,642)
Net book value	<u>14,108,835</u>	<u>3,283,302</u>	<u>17,392,137</u>
At December 31, 2020	14,108,835	3,283,302	17,392,137
Additions	964,270	9,019,780	9,984,050
Amortization for the year	(6,456,383)		(6,456,383)
Transfers	121,212	(121,212)	
At December 31, 2021	<u>8,737,934</u>	<u>12,181,870</u>	<u>20,919,804</u>
Total cost	70,227,439	13,831,390	84,058,829
Accumulated amortization	(61,489,505)	(1,649,520)	(63,139,025)
Net book value	<u>8,737,934</u>	<u>12,181,870</u>	<u>20,919,804</u>

18 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired from suppliers or members in the ordinary course of business. Trade payables are classified as current liabilities if payment is due within one year. If not, they are presented as non-current liabilities.

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method, and are adjusted to present value at an average rate of 10.83% per year (2.61% per year in 2020). The rate used for adjustment to present value is the Interbank Deposit Certificate (CDI) rate offered in the market.

	Parent company		Consolidated	
	2021	2020	2021	2020
Agricultural products (i)	1,262,716,577	1,168,530,144	1,285,983,680	1,182,946,261
Services	41,949,998	40,573,647	42,229,180	40,800,690
Goods for resale	34,701,236	50,755,742	34,701,236	50,755,742
Property, plant and equipment	6,769,823	1,813,888	6,769,823	1,813,888
Others	3,390,773	2,476,521	3,390,773	2,476,521
Roasting activities	1,746,780	1,710,728	1,746,780	1,710,728
	<u>1,351,275,187</u>	<u>1,265,860,670</u>	<u>1,374,821,472</u>	<u>1,280,503,830</u>
Current	(985,851,017)	(779,606,631)	(1,008,224,864)	(794,249,791)
Non-current	<u>365,424,170</u>	<u>486,254,039</u>	<u>366,596,608</u>	<u>486,254,039</u>

- (i) Payables to suppliers of agricultural products refer mainly to coffee purchased from members, under the Purchase for Future Delivery (CPR) method, and fall due up to 2025.

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19 Advances on foreign exchange contracts and export prepayments

Advances on foreign exchange contracts and export prepayments are recognized initially at fair value, net of transaction costs incurred, and are subsequently carried at amortized cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the total amount payable is recognized in the statement of surplus over the period of the borrowings.

Advances on foreign exchange contracts and export prepayments are classified in current liabilities if payment is due in one year or less. If not, they are presented as non-current liabilities.

Type	Financial charges	Parent company		Consolidated	
		2021	2020	2021	2020
Advances on foreign exchange contracts	US dollar variation plus interest from 1.39% to 2.85% p.a. (2020 - 2.19% to 3.82% p.a.)	2,119,204,088	888,181,217	2,197,373,628	929,401,771
Export prepayments	US dollar variation plus interest from 2.14% to 5.12% p.a. (2020 - 5.10% to 5.12% p.a.)	611,051,446	209,654,856	611,051,446	209,654,856
	US dollar variation plus interest from 2.20% to 2.81% p.a. + LIBOR) (i) (2020 - 2.19% to 2.95% p.a.)	261,586,394	363,507,802	261,586,394	363,507,802
		2,991,841,928	1,461,343,875	3,070,011,468	1,502,564,429
Current		(2,501,089,235)	(1,197,582,951)	(2,572,539,976)	(1,238,803,505)
Non-current (ii)		490,752,693	263,760,924	497,471,492	263,760,924

Advances on foreign exchange contracts of the subsidiary are collateralized by sureties from Cooxupé. The export prepayments contracted up to June 30, 2018 are guaranteed by officers' sureties, while the transactions entered into after this date are not. In addition, for long-term transactions, Cooxupé must comply with certain financial covenants, which are being met on a timely basis.

- (i) Cooxupé entered into derivative financial instruments to lock the LIBOR rate for export prepayment agreements. The LIBOR rate will be locked for export agreements up to May 31, 2023, and therefore no impacts are expected from its phasing out on June 30, 2023.
- (ii) Export prepayments classified in non-current liabilities fall due as follows:

	Parent company		Consolidated	
	2021	2020	2021	2020
2022		118,584,631		118,584,631
2023	323,337,693	145,176,293	330,056,492	145,176,293
2024	167,415,000		167,415,000	
Non-current	490,752,693	263,760,924	497,471,492	263,760,924

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19.1 Analysis of the fair value of advances on foreign exchange contracts and export prepayments by modality

Type	Parent company		Consolidated	
	2021	2020	2021	2020
Advances on foreign exchange contracts	2,116,525,303	889,478,171	2,194,493,442	930,714,089
Export prepayments	866,262,503	575,519,709	866,262,503	575,519,709
	<u>2,982,787,806</u>	<u>1,464,997,880</u>	<u>3,060,755,945</u>	<u>1,506,233,798</u>

20 Borrowings

Borrowings are recognized using the same accounting practices applicable to advances on foreign exchange contracts and export prepayments (Note 19).

Borrowing costs directly related to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset, when it is probable that future economic benefits associated with the item will flow to the Cooperative, and such costs can be measured reliably. A qualifying asset is an asset that requires a substantial period of time to become ready for its intended use or sale. The other borrowing costs are recognized as "Finance costs/expenses" in the period in which they are incurred.

Type/Purpose	Financial charges	Parent company	
		2021	2020
FUNCAFÉ (i)	Interest from 3.25% to 6% p.a. (3.25% to 5.25% p.a. in 2020)	1,021,273,340	576,670,987
Crops and inputs (ii)	Interest from 3.1% to 7.5% p.a. (2% to 6% p.a. in 2020)	325,760,841	390,314,605
PRODECOOP, PCA and FINAME PSI (iii)	Interest from 4% to 9.5% p.a. (2021 and 2020)	103,841,643	107,403,127
Working capital	Interest from 2.95% to 9% p.a. (3.5% to 5.23% p.a. in 2020)	259,499,124	288,797,124
	Interest from 2.35% to 2.37% p.a. + foreign exchange variation	180,027,089	
	Interest of 1.85% p.a. + CDI		99,204,518
Financial CPR (iv)	Interest of 5.89% p.a. + 100% of IPCA	86,760,463	
	Interest of 1.90% p.a. + 100% of CDI	67,633,047	
Current		2,044,795,547	1,462,390,361
		(1,497,522,994)	(1,342,366,133)
Non-current (v)		<u>547,272,553</u>	<u>120,024,228</u>

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Type/Purpose	Financial charges	Consolidated	
		2021	2020
FUNCAFÉ (i)	Interest from 3.25% to 6% p.a. (3.25% to 5.25% p.a. in 2020)	1,037,464,827	586,775,544
Crops and inputs (ii)	Interest from 3.1% to 7.5% p.a. (2% to 6% p.a. in 2020)	325,760,841	390,314,605
PRODECOOP, PCA and FINAME PSI (iii)	Interest from 4% to 9.5% p.a. (2021 and 2020)	103,841,643	107,403,127
Working capital	Interest from 2.95% to 9% p.a. (3.5% to 5.23% p.a. in 2020)	259,499,124	288,797,124
	Interest from 2.35% to 2.37% p.a. + foreign exchange variation	180,027,089	
	Interest of 9.95% p.a. (i)	7,186,167	
Financial CPR (iv)	Interest of 1.85% p.a. + CDI		99,204,518
	Interest of 5.89% p.a. + 100% of IPCA	86,760,463	
	Interest of 1.90% p.a. + 100% of CDI	67,633,047	
		2,068,173,201	1,472,494,918
Current		(1,520,900,648)	(1,352,470,690)
Non-current (v)		547,272,553	120,024,228

- (i) Relate to funds originated from the Coffee Economy Defense Fund (FUNCAFÉ), under the conditions established in the Rural Credit Manual (MCR), Chapter 9, to finance the storage of coffee (pre-trading), working capital, working capital for coffee roasting and trading activities, and input costs.
- (ii) These relate to mandatory Rural Credit funds obtained from financial institutions in the form of crop loans, to pay suppliers of agricultural inputs that are transferred to members, or non-earmarked funds obtained from banks to be used for the same purpose.
- (iii) Financing obtained through the National Bank for Economic and Social Development (BNDES), under the Cooperative Development Program for the Enhancement of Value of Agricultural Production (PRODECOOP), pursuant to Resolution 2,987 of July 3, 2002, which aims to increase the competitiveness of the agro-industrial complex of Brazilian cooperatives, through the modernization of production and trading systems. In addition, financing under the Program for Construction and Expansion of Warehouses (PCA) aims to support the necessary investments to increase the storage capacity through the construction and expansion of warehouses, and financing under the Government Agency for Machinery and Equipment Financing (FINAME) - Investment Sustainability Program (PSI) aims to support the acquisition of equipment.
- (iv) Financial Rural Product Notes (CPRs) were issued, with expected maturity in August 2024 and August 2026, to back up Agribusiness Receivables Certificates (CRAs) issued in the capital market by the securitization firm Virgo Companhia de Securitização, in compliance with CVM Instruction 476. Cooxupé entered into a swap contract to convert the cost of this transaction from Extended Consumer Price Index (IPCA) + 5.89% per year to the Interbank Deposit (DI) rate + 1.90% per year.

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(v) Borrowings classified in non-current liabilities fall due as follows:

	Parent company	
	2021	2020
2022		47,282,790
2023	230,438,072	13,427,322
2024	183,630,655	12,747,879
2025	60,815,116	12,378,978
2026	42,888,874	12,378,978
2027	13,586,551	11,772,728
2028	6,686,640	4,872,774
2029	5,605,028	3,791,162
2030	2,496,617	1,371,617
2031	1,125,000	
	<u>547,272,553</u>	<u>120,024,228</u>
Working capital	309,224,572	32,035,005
Financial CPR	151,484,695	
FUNCAFÉ/ PRODECOOP/ PCA/ FINAME PSI/ CROP AND INPUTS	<u>86,563,286</u>	<u>87,989,223</u>
Non-current	<u>547,272,553</u>	<u>120,024,228</u>

Borrowings obtained up to June 30, 2018 are fully guaranteed by officers' sureties. Certain types of financing are also guaranteed by property, plant and equipment items and commercial lien. In addition to these guarantees, the Cooperative must comply with certain covenants provided for in the agreements, which are being met on a timely basis. Borrowings obtained by Cooxupé from July 1, 2018 are not guaranteed by directors' sureties, but the other guarantees remain unchanged.

20.1 Analysis of fair value by financing type

Type/Purpose	Parent company		Consolidated	
	2021	2020	2021	2020
FUNCAFÉ	1,010,720,244	576,700,206	1,026,178,438	586,833,525
Working capital	425,809,166	384,655,678	432,705,366	384,655,678
Crops and inputs	315,018,571	388,498,212	315,018,571	388,498,212
Financial CPR	153,733,501		153,733,501	
PRODECOOP, PCA, and FINAME PSI	<u>101,256,920</u>	<u>108,893,235</u>	<u>101,256,920</u>	<u>108,893,235</u>
	<u>2,006,538,402</u>	<u>1,458,747,331</u>	<u>2,028,892,796</u>	<u>1,468,880,650</u>

21 Salaries, social charges and taxes payable

	Parent company		Consolidated	
	2021	2020	2021	2020
Provision for vacation pay and related charges, and share of surplus	41,552,611	37,017,827	42,334,083	37,613,346
Income tax and social contribution	10,310,361	2,085,537	13,986,736	2,571,445
Salaries and social charges payable	10,985,835	9,288,961	11,171,712	9,421,017
Social security contribution (INSS) on sales of agricultural products	2,255,412	1,327,445	2,359,841	1,401,236
Others	<u>927,745</u>	<u>459,286</u>	<u>938,020</u>	<u>464,868</u>
	<u>66,031,964</u>	<u>50,179,056</u>	<u>70,790,392</u>	<u>51,471,912</u>

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22 Federal Government Debt - Special Asset Recovery Program (PESA)

	<u>Parent company</u>	
	<u>2021</u>	<u>2020</u>
Debt principal at present value	116,872,222	97,047,643
Restricted financial investments - National Treasury Certificate (CTN), at fair value	(116,872,222)	(97,047,643)
Present value of interest payable	<u>952,384</u>	<u>3,565,573</u>
	952,384	3,565,573
Current - Interest payable	<u>(952,384)</u>	<u>(442,088)</u>
Non-current	<u><u> </u></u>	<u><u>3,123,485</u></u>

This debt relates to bank borrowings, whose maturity dates were extended through renegotiation with the government-owned financial institution in 1998, as per Brazilian Central Bank Resolution 2,471/98, under the Special Asset Recovery Program (PESA). This debt is recorded at the fair value of the amount payable, which was determined based on the future flow of disbursements discounted to present value.

Based on this renegotiation, the principal amount is inflation-indexed to the IGP-M and will be settled in a single installment in 2022, through the redemption of the CTNs acquired, assigned and transferred irrevocably to the creditor. The annual interest of 4.935% is calculated on the principal amount, indexed to the IGP-M, limited to 9.5% p.a., and is settled in November of each year.

The above certificates are also indexed to the IGP-M, plus annual interest of 12%, which is contractually capitalized so that, upon maturity, the CTN amount equals the debt amount.

Based on Provisional Measure 2,196, the Federal Government became the creditor of this borrowing, and the remaining conditions included in the agreement signed with the financial institution remained unchanged.

In addition to the certificates described above, which fall due on the same date as the debt, sureties, mortgages, and property, plant and equipment items have also been pledged as collateral for this debt.

23 Provision for contingencies

The Cooperative is a party to civil, labor, social security and tax lawsuits, and is discussing such matters at the administrative and judicial levels. The provision for probable losses arising from these matters is estimated and periodically adjusted by management, supported by the advice of its legal counsel.

The nature of the contingencies is summarized as follows:

- Tax - relate mainly to state taxes levied on operations carried out by the Cooperative, and the Funrural (Rural Workers' Assistance Fund) lawsuit and its respective judicial deposits.
- Labor and social security - relate mainly to employee claims, social security contributions on dismissal with prior notice, the Accident Prevention Factor (FAP), and the e Level of Incidence of Disability Arising from Environmental Labor Risks (GILRAT).

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. Civil - relate mainly to indemnity claims.

Provisions for contingencies are recognized when the Cooperative has a present legal or constructive obligation as a result of past events; it is probable that an outflow of funds will be required to settle the obligation; and the amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation, according to the specific risks of the obligation. The increase in the obligation is recorded in the statement of surplus for the year, within "Operating costs/expenses".

23.1 Composition and changes in the provision for contingencies

23.1.1 Composition of contingencies

At the reporting dates, the Cooperative had the following contingencies and related judicial deposits:

	Parent company		Consolidated	
	2021	2020	2021	2020
Tax	284,428,837	238,275,550	285,548,886	239,368,796
Labor and social security	23,509,366	15,459,124	23,699,279	15,474,124
Civil	1,785,717	1,103,111	1,785,717	1,103,111
(-) Judicial deposits	(295,043,533)	(247,414,656)	(296,163,582)	(248,507,902)
	<u>14,680,387</u>	<u>7,423,129</u>	<u>14,870,300</u>	<u>7,438,129</u>

23.1.2 Changes in contingencies

	Parent company				
	Civil	Labor and Social security	Tax	(-) Judicial deposits	Total
At 1 January 2020	1,136,683	14,386,386	192,737,953	(200,748,637)	7,512,385
Additions (i)	85,735	1,073,685	40,272,342	(41,289,086)	142,676
Reductions	(119,307)	(309,427)		85,217	(343,517)
Restatement		<u>308,480</u>	<u>5,265,255</u>	<u>(5,462,150)</u>	<u>111,585</u>
At December 31, 2020	1,103,111	15,459,124	238,275,550	(247,414,656)	7,423,129
Additions (i)	724,615	6,582,967	37,715,562	(38,825,107)	6,198,037
Reductions	(54,000)	(453,775)		49,879	(457,896)
Restatement	<u>11,991</u>	<u>1,921,050</u>	<u>8,437,725</u>	<u>(8,853,649)</u>	<u>1,517,117</u>
At December 31, 2021	<u>1,785,717</u>	<u>23,509,366</u>	<u>284,428,837</u>	<u>(295,043,533)</u>	<u>14,680,387</u>

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	Consolidated				
	<u>Civil</u>	<u>Labor and Social security</u>	<u>Tax</u>	<u>(-) Judicial deposits</u>	<u>Total</u>
At 1 January 2020	1,136,683	14,401,386	193,809,442	(201,820,126)	7,527,385
Additions (i)	85,735	1,073,685	40,272,342	(41,289,086)	142,676
Disposals	(119,307)	(309,427)		85,217	(343,517)
Restatement		308,480	5,287,012	(5,483,907)	111,585
At December 31, 2020	1,103,111	15,474,124	239,368,796	(248,507,902)	7,438,129
Additions (i)	724,615	6,772,880	37,715,562	(38,825,107)	6,387,950
Disposals	(54,000)	(468,775)		49,879	(472,896)
Restatement	11,991	1,921,050	8,464,528	(8,880,452)	1,517,117
At December 31, 2021	<u>1,785,717</u>	<u>23,699,279</u>	<u>285,548,886</u>	<u>(296,163,582)</u>	<u>14,870,300</u>

- (i) Tax - relate substantially to the FUNRURAL lawsuit. In April 2015, Cooxupé obtained a favorable ruling in a lawsuit, which allowed it to deposit in court the FUNRURAL amounts relating to coffee exports. In the event this lawsuit is finally ruled in favor of Cooxupé, the escrow deposit will be returned to the members with interest. The FUNRURAL amounts relating to sales in the domestic market are being duly paid.

Labor and social security - relate substantially to an additional social contribution tax rate applicable based on the Level of incidence of Work Disability Arising from Environmental Labor Risks (GILRAT) caused by noise and chemical agents. Despite the proven efficiency of the Personal Protective Equipment (PPE) provided, informed in the Professional Profile for Social Security Purposes (PPP), special retirement, as defined by the Federal Supreme Court (STF), is not precluded.

23.2 Possible risk of losses not provided for in the balance sheet

At December 31, 2021, the Cooperative had tax, civil and labor contingencies involving risks of loss classified by management, under the advice of legal advisors, as possible, amounting to R\$ 8,825,227 (R\$ 8,095,544 in 2020), for which no provision has been recorded, as determined by the accounting practices adopted in Brazil, in accordance with CPC 25 - "Provisions, Contingent Liabilities and Assets".

24 Deferred income tax and social contribution

The income tax and social contribution expenses for the year comprise current and deferred taxes and are recognized in the statement of surplus. The current income tax and social contribution are calculated based on tax laws enacted up to the balance sheet date. Management periodically reviews the positions taken by the Cooperative in income tax returns with respect to situations in which the applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, based on the amounts expected to be paid to the tax authorities.

Since Cooxupé is a not-for-profit entity, the operations carried out with its members are exempt from corporate income tax and social contribution on net income.

The results obtained by Cooxupé from operations with non-members, as well as the results obtained by the subsidiary, are taxed at the current income tax and social contribution rates.

Deferred income tax and social contribution are recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

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Deferred income tax and social contribution assets are recognized only to the extent that it is probable that future taxable profit (arising from operations with non-members and the operations of the subsidiary) will be available against which the temporary differences can be utilized, based on management's projections of future results, which may, therefore, suffer changes. The operations carried out with non-members accounted for approximately 11.54% of the total operations in 2021 (12.74% in 2020). At December 31, 2021 and 2020, deferred tax assets were expected to be realized as follows:

	Parent company		Consolidated	
	2021	2020	2021	2020
2021		80,146,219		80,282,885
2022	101,638,624	12,463,024	115,466,022	12,463,024
2023	6,336,452	1,191,775	6,336,452	1,191,775
After 2023	7,675,147	7,403,342	9,370,167	8,967,379
	<u>115,650,223</u>	<u>101,204,360</u>	<u>131,172,641</u>	<u>102,905,063</u>

Deferred tax assets and liabilities are presented net in the balance sheet when there is a legally enforceable right and the intention to offset them upon the calculation of current taxes, generally when related to the same legal entity and the same tax authority.

The currently enacted tax rates of 25% for income tax and 9% for social contribution are used to calculate deferred taxes.

The balances of deferred tax assets and liabilities are as follows:

	Parent company		Consolidated	
	2021	2020	2021	2020
Assets				
Deferred tax assets on:				
Derivative transactions	94,837,617	67,277,228	108,271,948	67,277,228
Income tax and social contribution losses	9,768,682	23,777,222	9,768,682	23,777,222
Impairment of taxes	4,683,331	6,282,959	6,307,364	7,792,335
Provision for contingencies	2,116,001	1,020,171	2,220,424	1,025,271
Impairment of trade notes, loans, and transfers to members	2,037,613	399,765	2,254,863	494,890
Retirement benefit obligations	983,536	979,475	1,054,523	1,034,136
Other temporary differences	659,939	868,328	731,333	904,769
Provision for legal fees	563,504	599,212	563,504	599,212
	<u>115,650,223</u>	<u>101,204,360</u>	<u>131,172,641</u>	<u>102,905,063</u>
Liabilities				
Deferred tax liabilities on:				
Derivative transactions	46,522,653	49,281,517	57,551,369	49,281,517
Adjustment of trade payables to present value	7,581,763	1,597,700	7,902,641	1,612,293
Carrying value adjustments	2,125,458	2,008,670	2,125,458	2,008,670
Other temporary differences	45,569	29,152	45,569	29,152
	<u>56,275,443</u>	<u>52,917,039</u>	<u>67,625,037</u>	<u>52,931,632</u>
Deferred taxes, net	<u>59,374,780</u>	<u>48,287,321</u>	<u>63,547,604</u>	<u>49,973,431</u>

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24.1 Reconciliation of income tax and social contribution

Income tax and social contribution levied on operations with non-members are reconciled from the statutory tax rates as follows:

	Parent company		Consolidated	
	2021	2020	2021	2020
Profit before income tax and social contribution	84,215,363	61,007,390	88,552,402	63,892,048
Income tax and social contribution at the rate of 34%	(28,633,223)	(20,742,513)	(30,107,817)	(21,723,296)
Income from financial investment transferred to members, as per ITG 2004	(2,109,554)	(786,478)	(2,109,554)	(786,478)
Other permanent differences	(2,014,590)	(2,269,553)	(2,061,615)	(2,294,798)
Prior period adjustments	(41,610)	1,268,413	(41,610)	1,268,413
Equity in the results of subsidiary	2,839,422	1,902,630		
Tax incentives	806,988	140,240	806,988	140,240
Tax rate adjustment	18,000	12,000	42,000	36,000
Income tax and social contribution expense	(29,134,567)	(20,475,261)	(33,471,608)	(23,359,919)
Current income tax and social contribution	(40,338,814)	(64,049,352)	(47,162,570)	(67,084,848)
Deferred income tax and social contribution	11,204,247	43,574,091	13,690,962	43,724,929
	(29,134,567)	(20,475,261)	(33,471,608)	(23,359,919)

25 Other liabilities

	Parent company		Consolidated	
	2021	2020	2021	2020
Retirement benefit obligations (Note 26.2)	35,464,599	31,062,549	35,673,383	31,223,318
Surplus to be distributed (Note 28.4)	30,107,515	26,765,758	30,107,515	26,765,758
Age-based capital refund program (PRCI)	12,851,337	12,518,214	12,851,337	12,518,214
Capital and Special Capitalization Fund (FEC) refundable	2,153,740	2,397,411	2,153,740	2,397,411
Advances from customers	1,242,941	4,296,367	1,242,941	4,296,367
	81,820,132	77,040,299	82,028,916	77,201,068
Current	(35,731,697)	(35,126,147)	(35,731,697)	(35,126,147)
Non-current	46,088,435	41,914,152	46,297,219	42,074,921
Financial liabilities	45,112,592	41,681,383	45,112,592	41,681,383
Non-financial liabilities	36,707,540	35,358,916	36,916,324	35,519,685
	81,820,132	77,040,299	82,028,916	77,201,068

26 Pension obligations

26.1 Free Benefit Generating Plan (PGBL)

The Cooperative signed a Contract of Adhesion to the PGBL, of the defined contribution type, with its own contributions and those of participating employees calculated in equal proportions for each party. The contribution can either be contractual or voluntary; the Cooperative has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions are recognized as "Employee benefit costs/expenses" as they become due.

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During 2021, the contributions paid by the Cooperative under this plan amounted to R\$ 1,640,158 (R\$ 1,579,664 in 2020).

26.2 Post-employment benefits

In addition, Cooxupé grants a "retirement premium" benefit equivalent to half of the employee's monthly salary for each year worked for Cooxupé. This premium is paid at the termination date of the employment contract, provided that the employee (i) is not included in the private pension plan, (ii) has completed a minimum service period of 15 years with Cooxupé, and (iii) is terminating the employment contract because of retirement. The employees included in the private pension plan also receive from Cooxupé the difference between the amounts deposited in their pension plan accounts and the retirement premium benefit, should the latter represent a higher benefit to the employee.

At December 31, 2021, the actuarial liability (present value of the actuarial obligation), calculated based on a report issued by a specialized firm, was R\$ 28,523,589 (R\$ 26,018,526 in 2020).

26.3 Other post-employment obligations

The Cooperative provides post-retirement healthcare benefits to its employees for two years. Entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period of 15 years.

27 Related parties

27.1 Parent company

		2021	2020
	SMC Comercial e Exportadora de Café S.A.	Management	Total
		Total	Total
Main balances			
Current assets			
Trade notes receivable	111,257	850,761	962,018
Loans and transfers		12,129,017	12,129,017
Rural Product Notes – CPRs	1,671,674	36,517,101	38,188,775
Inventories - agricultural products from members		49,435,821	49,435,821
Non-current assets			
Loans and transfers		4,069,703	4,069,703
Rural Product Notes – CPRs		6,749,138	6,749,138
Current liabilities			
Trade payables for products		27,915,650	27,915,650
Trade payables - agricultural products from members		49,435,821	49,435,821
Non-current liabilities			
Trade payables for products		5,002,409	5,002,409
Main transactions			
Purchases of agricultural products (commodities)	2,057,382	79,431,961	81,489,343
Purchase of Rural Product Note (CPR)		46,106,731	46,106,731
Loans and transfers to members		28,591,749	28,591,749
Sales of agricultural products (commodities)	9,734,109	9,734,109	9,734,109
Sales of agricultural inputs		8,637,935	8,637,935
Sale of Rural Product Note (CPR)	8,278,926	8,278,926	8,278,926
Management compensation		7,629,841	7,629,841
Interest on loans and transfers to members		1,823,456	1,823,456
Advance payment for sale	427,500	1,364,000	1,791,500
Sale of services	1,244,963		1,244,963
Professional consultancy and services	595,000		595,000
Interest on loan granted to subsidiary (intercompany loan)	20,559		20,559

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27.2 Consolidated - Management

	2021	2020
Main balances		
Current assets		
Trade notes receivable	850,761	336,745
Loans and transfers	12,129,017	11,150,522
Rural Product Notes – CPRs	36,517,101	27,432,548
Inventories - agricultural products from members	49,435,821	17,529,072
Non-current assets		
Loans and transfers	4,069,703	2,162,263
Rural Product Notes – CPRs	6,749,138	7,057,263
Current liabilities		
Trade payables for products	29,443,747	21,647,726
Trade payables - agricultural products from members	49,435,821	17,529,072
Non-current liabilities		
Trade payables for products	5,002,409	4,449,317
Main transactions		
Purchases of agricultural products (commodities)	84,162,675	54,853,942
Purchase of Rural Product Note (CPR)	49,071,517	40,564,289
Loans and transfers to members	28,591,749	23,749,056
Sales of agricultural inputs	8,637,935	3,969,435
Management compensation	7,629,841	6,782,636
Finance income	1,823,456	1,606,494
Advance payment for sale	1,504,000	1,749,346

27.3 Other information

- (i) Cooxupé is a partnership of individuals under which all the members are allowed to carry out commercial transactions with the entity.
- (ii) The Cooperative carries out commercial and financial transactions with related parties under usual market conditions.
- (iii) Management includes officers, members of the statutory audit committee, members of the Board of Directors, superintendents, as well as their first-degree family members.
- (iv) The subsidiary SMC Comercial e Exportadora de Café S.A. is managed by the officers and Board of Directors of Cooxupé.
- (v) The loans and transfers to members (loans with SMC Comercial e Exportadora de Café S.A.) are disclosed in Note 9.2.

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28 Equity

28.1 Capital

The capital quotas (Cooxupé) are classified in equity. Capital is represented by quotas with a par value of R\$ 1.00 each.

28.2 Statutory and legal allocations

Pursuant to the Cooperative's bylaws and Law 5,764/71, the surplus for the year, as adjusted by the realization of the revaluation reserve and the Technical, Educational and Social Assistance Reserve (RATES) (Note 28.4), is allocated as follows:

- the results of operations (net profit) with non-members are allocated to the RATES,
- 30% to the legal reserve, to be used to offset losses and support the development of activities,
- 15% to the RATES, for the provision of assistance to members, their families and Cooxupé employees,
- 15% to the reserve for development, to be used for investments in infrastructure, new technologies and working capital,
- 10% to the reserve for capital increase, recorded directly in each member's capital account, proportionally to each member's contribution to the Cooperative's total billings,
- 10% of the surplus is distributed to the members, in cash, proportionately to the specific transactions that each member carried out with the Cooperative,
- losses for the year are offset against the legal reserve, and, if this is not sufficient, are apportioned among the members,
- other reserves may be created at the General Meeting, including revolving funds to be used for specific purposes, with pre-established rules for their formation, investment and settlement.

At the Extraordinary General Meeting held on November 28, 2008, the members approved the creation of a development fund reserve, to be constituted, prior to statutory allocations, through the recovery or reimbursement of taxes and/or reversal of the provisions for tax contingencies, paid or recorded in prior years. At the Extraordinary General Meeting held on September 3, 2010, the members decided that the development fund reserve could also include the recovery of overdue receivables recognized as definitive losses in prior years.

At the Extraordinary General Meeting held on December 20, 1998, the members approved the creation of the Special Capitalization Fund (FEC), to be constituted during the period that the Cooperatives' Revitalization Program (RECOOP) is in effect, through the allocation of the surplus for each year. At the Extraordinary General Meeting held on November 5, 2007, the members decided that this allocation would be optional as from 2008.

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28.3 Carrying value adjustments

This account refers to the balance of the revaluation reserve, constituted as described in Note 15, which was transferred to "Carrying value adjustments" when the Cooperative decided to maintain the revaluation amounts. The reserve is realized based on the depreciation or disposal of the revalued assets, and transferred to surplus/profit before allocations.

28.4 Composition of statutory and legal allocations

The statutory and legal allocations at December 31 were as follows:

	<u>2021</u>	<u>2020</u>
Surplus/profit for the year	310,453,428	285,541,526
Surplus/profit for the year - SMC	<u>8,351,242</u>	<u>5,595,970</u>
	318,804,670	291,137,496
Realization of the Technical, Educational and Social Assistance Reserve (RATES)	36,000,393	32,556,716
Realization of revaluation reserve	<u>1,305,478</u>	<u>1,413,703</u>
Surplus/profit for the year before allocations	356,110,541	325,107,915
Direct allocations		
Profit (non-members), adjusted by the realization of the revaluation reserve, allocated directly to RATES	(46,886,439)	(35,120,768)
Reserve for development (recovery of tax credits)	(1,934,946)	
Reserve for development (recovery of trade receivables)	<u>(6,214,011)</u>	<u>(22,329,567)</u>
Surplus, calculation basis of the statutory allocations	301,075,145	267,657,580
Legal reserve - 30%	(90,322,544)	(80,297,273)
RATES - 15%	(45,161,272)	(40,148,637)
Development reserve - 15%	(45,161,272)	(40,148,637)
Capital - 10%	(30,107,514)	(26,765,758)
Distribution in cash - 10%	<u>(30,107,514)</u>	<u>(26,765,758)</u>
Surplus to be allocated at the General Meeting	<u>60,215,029</u>	<u>53,531,517</u>

As determined by ITG 2004, the allocations of the results of the Cooperative's financial investments and equity interests (in cooperative and non-cooperative entities) is decided at the general meeting, when not provided for in the bylaws. The Cooperative understands that Article 66 of its bylaws addresses the allocations of the results recognized for the year, and includes the result of the aforementioned operations in the calculation basis of statutory and legal allocations (Note 28.2).

Statutory and legal allocations, including interest on paid-up capital, where applicable, are recognized in Cooxupé's financial statements at the end of the year, based on its bylaws. The surplus to be allocated at the General Meeting is only provisioned on the date it is approved by the members, at the General Meeting.

The Annual General Meeting held on March 31, 2021 approved the allocation of the surplus for 2020, totaling R\$ 53,531,517, as a cash distribution to members.

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The Annual General Meeting held on May 20, 2020 approved the allocation of the surplus for 2019, totaling R\$ 28,908,874, as a cash distribution to members.

28.5 Age-based capital refund program (PRCI)

This program aims to provide a capital refund for members aged over 75 years, provided that the minimum capital amount required by Cooxupé is maintained.

Since the inception of this program, a total of R\$ 30,700,000 has been refunded to members.

The capital refund will only be granted upon request by the respective member.

29 Income (members) and revenue (non-members), net

Income/revenue comprises the fair value received or receivable for the sale of products and services in the ordinary course of the Cooperative's activities. Income/revenue is shown net of value-added tax, returns, rebates, interest and discounts and after eliminating sales between the Cooperative and its subsidiary, in the case of the consolidated financial statements.

The Cooperative recognizes income/revenue when the amount can be reliably measured, it is probable that future economic benefits will flow to it, and when specific criteria have been met for each of the Cooperative's activities, as described below:

29.1 Sale of coffee and cereals

The Cooperative is responsible for the receipt, storage, standardization and sale of coffee and cereals. Sales of products are recognized when the Cooperative has delivered products to the customer, the customer has full discretion over the channel and price to resell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery does not occur until: (i) the products have been shipped to the specified location; (ii) the risks of obsolescence and loss have been transferred to the customer; (iii) the customer has accepted the products in accordance with the sales contract; and (iv) the acceptance provisions have lapsed, or the Cooperative has objective evidence that all criteria for acceptance have been satisfied.

Credit sales with payment terms longer than 90 days and characteristics of financing are discounted to present value using an average discount rate of 8.20% p.a. (5.68% p.a. in 2020) if the sales price already includes financial charges.

29.2 Resale of agribusiness inputs

Cooxupé operates through its head office, distribution centers and advanced units for sale of agribusiness inputs and various products. Sales are recognized when the Cooperative delivers a product to the member. Sales of agribusiness inputs usually have a payment term of more than 90 days and characteristics of crop financing. These sales, when applicable, are discounted to present value, using an average discount rate of 4.92% p.a. (4.95% p.a. in 2020), if the sales price already includes financial charges, and are presented net of bonuses.

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29.3 Sale of services

The Cooperative sells services mainly related to the storage of coffee and corn. These services are provided based on the time of storage, and the revenue is recognized at the contractual rates. The reconciliation between gross and net sales revenue is as follows:

	Parent company		Consolidated	
	2021	2020	2021	2020
Gross sales - foreign market	4,070,626,360	3,438,286,990	4,213,320,225	3,529,372,549
Gross sales - domestic market	2,516,744,264	1,518,789,599	2,521,011,944	1,518,189,703
Gross sales of services	36,797,779	35,545,356	35,713,323	34,749,783
Taxes on sales and services	(20,203,639)	(14,538,517)	(20,231,724)	(14,582,894)
Discounts	(14,574,856)	(16,054,786)	(14,693,813)	(16,111,463)
Returns	(27,688,340)	(20,913,852)	(27,688,340)	(21,284,833)
	<u>6,561,701,568</u>	<u>4,941,114,790</u>	<u>6,707,431,615</u>	<u>5,030,332,845</u>

30 Net result of changes in agricultural commodity prices and foreign exchange variations

The classification of "Net results of changes in agricultural commodity prices and foreign exchange variations" as operating profit or loss is based on the nature of the assets and liabilities exposed to the foreign exchange rate risk and variations in commodity prices, which are mainly contracted or acquired for the purpose of hedging sales and purchases of agricultural commodities, especially coffee.

In 2021 and 2020, these were as follows:

	Parent company		Consolidated	
	2021	2020	2021	2020
NDF transactions	(1,050,198,860)	(766,145,078)	(1,056,083,117)	(764,760,739)
Transactions on commodities and futures exchanges (B3 and ICE)	(167,489,256)	(48,983,937)	(181,807,801)	(49,582,547)
Exchange variation	(168,720,692)	107,585,011	(173,592,203)	101,446,341
Gain (loss) on valuation of commodity inventories, reflecting the adjustment of inventories to net recoverable value	<u>890,763,150</u>	<u>210,676,212</u>	<u>906,984,854</u>	<u>209,507,173</u>
	<u>(495,645,658)</u>	<u>(496,867,792)</u>	<u>(504,498,267)</u>	<u>(503,389,772)</u>

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31 Expenses by nature

	Parent company		Consolidated	
	2021	2020	2021	2020
Commodities	3,797,083,117	2,830,833,652	3,913,874,847	2,899,285,674
Inputs and other products for resale	1,451,575,025	970,422,370	1,451,575,025	970,422,370
Personnel	215,027,577	196,350,943	218,753,968	199,340,631
Changes in the provision for impairment of trade notes, loans and transfers to members, CPRs, and taxes	108,803,098	(16,211,978)	109,749,524	(16,391,339)
Commissions	38,475,443	36,232,553	38,904,722	36,610,887
Freight and loading	35,901,283	33,995,697	36,120,223	34,201,422
Depreciation and amortization	33,447,859	34,342,255	33,573,546	34,484,000
Other expenses	26,296,379	25,130,751	27,368,898	25,865,798
Water, electricity and telephone bills	13,851,030	14,276,049	14,354,180	14,560,839
Marketing actions	13,638,424	12,995,682	13,638,424	12,995,682
Maintenance	12,800,194	11,610,021	12,918,024	11,724,336
Professional consultancy and services	6,888,183	6,905,261	7,086,355	7,052,143
Travel and lodging	6,975,445	5,450,455	7,058,348	5,492,195
IT expenses	6,945,989	6,185,821	6,947,432	6,192,134
Banking expenses	3,757,363	2,582,018	3,848,094	2,662,494
Insurance	1,829,360	1,142,287	1,852,366	1,157,737
Taxes and fees	1,580,892	1,423,792	1,607,110	1,463,196
Rentals	967,203	3,381,811	967,203	3,381,811
	<u>5,775,843,864</u>	<u>4,177,049,440</u>	<u>5,900,198,289</u>	<u>4,250,502,010</u>
Cost of products and goods sold, and services rendered	5,357,897,404	3,902,225,909	5,476,940,356	3,972,569,587
Selling expenses	351,430,923	209,397,252	355,294,218	211,967,624
Administrative and general expenses	66,515,537	65,426,278	67,963,715	65,964,798
	<u>5,775,843,864</u>	<u>4,177,049,440</u>	<u>5,900,198,289</u>	<u>4,250,502,010</u>

32 Other income/revenues, and costs/expenses, net

	Parent company		Consolidated	
	2021	2020	2021	2020
Other income/revenue				
Tax credits (i)	21,473,074	25,192,435	22,447,170	25,192,435
Discounts obtained	21,045,760	21,113,680	21,258,013	21,278,028
Recovery of losses on receivables	14,940,256	22,818,950	14,957,138	22,819,199
Gain (loss) on disposal of assets	1,828,217	(7,276,842)	1,829,561	(7,258,104)
Others	632,589	838,499	233,790	503,182
Rental of booths	558,025	3,018,471	558,025	3,018,471
	<u>60,477,921</u>	<u>65,705,193</u>	<u>61,283,697</u>	<u>65,533,211</u>
Other costs/expenses				
Provision for social security contingencies	(5,678,539)		(5,853,452)	
Donations to fight COVID-19	(2,568,234)	(1,962,001)	(2,568,234)	(1,962,001)
Donations for hospital treatment	(1,995,028)		(1,995,028)	
	<u>(10,241,801)</u>	<u>(1,962,001)</u>	<u>(10,416,714)</u>	<u>(1,962,001)</u>
	<u>50,236,120</u>	<u>63,743,192</u>	<u>50,866,983</u>	<u>63,591,210</u>

- (i) In 2021 and 2020, these relate substantially to PIS and COFINS credits on manufacturing costs linked to revenue from exports and sales to the domestic market, calculated as per Article 3 of Laws 10637/02 and 10833/03. These credits were approved, refunded and offset against other taxes managed by the Brazilian Federal Revenue Service.

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33 Finance income/revenue and finance costs/expenses, net

Interest income is recognized on the accrual basis, using the effective interest rate method. Receivables with characteristics of financing are discounted to present value at initial recognition, and, as time elapses, interest is incorporated into receivables against "Finance income". This interest income is mainly calculated at the same effective interest rate used to determine the present value, that is, the original rate of the receivables.

Finance costs are recognized on the accrual basis.

	Parent company		Consolidated	
	2021	2020	2021	2020
Interest on loans and transfers to members	64,438,016	52,183,363	64,417,458	52,113,155
Adjustment to present value	34,995,811	21,346,689	36,075,398	21,617,067
Income from National Treasury Certificates (CTNs)	28,190,913	23,149,028	28,190,913	23,149,028
Income from marketable securities	20,694,642	14,406,149	21,027,792	14,591,407
Others	159,560	96,720	196,954	117,348
Total finance income/revenues	148,478,942	111,181,949	149,908,515	111,588,005
Interest on borrowings	(94,441,899)	(80,466,182)	(94,988,717)	(80,570,739)
Interest on advances on foreign exchange contracts and export prepayments	(42,935,102)	(45,510,293)	(44,108,373)	(46,382,257)
Interest on National Treasury Certificates (CTN)	(10,106,820)	(9,406,686)	(10,106,820)	(9,406,686)
Tax on Financial Transactions (IOF)	(1,415,240)	(285,334)	(1,516,130)	(317,149)
Interest on lease	(180,440)	(233,829)	(190,095)	(238,984)
Interest on contingencies	(155,387)	(97,160)	(155,387)	(97,160)
Others	(104,225)	(106,429)	(168,757)	(109,889)
Total finance costs/expenses	(149,339,113)	(136,105,913)	(151,234,279)	(137,122,864)
Finance income (costs)	(860,171)	(24,923,964)	(1,325,764)	(25,534,859)

Cooperativa Regional de Cafeicultores em Guaxupé Ltda.

Notes to the financial statements

at December 31, 2021

All amounts in reais unless otherwise stated

34 Statement of surplus for the year, by activity

						2021	2020
	Surplus for the year (members)	Profit for the year (non- members)	Surplus/profit for the the year	Realization of revaluation reserve	Realization of technical, educational, and social assistance reserve	Surplus/profit for the the year before allocations (Note 28.4)	Surplus/profit for the the year before allocations (Note 28.4)
Coffee	163,126,570	51,725,370	214,851,939	971,320	12,439,191	228,262,450	253,240,019
Inputs	100,537,192	2,894,018	103,431,210	334,108	23,552,662	127,317,980	71,356,560
Cereals	60,112	461,409	521,521	50	8,540	530,111	511,336
	<u>263,723,874</u>	<u>55,080,797</u>	<u>318,804,670</u>	<u>1,305,478</u>	<u>36,000,393</u>	<u>356,110,541</u>	<u>325,107,915</u>

Cooperativa Regional de Cafeicultores em Guaxupé Ltda.

Notes to the financial statements at December 31, 2021

All amounts in reais unless otherwise stated

35 Other disclosures on cash flows

35.1 Reconciliation of net debt

35.1.1 Parent company

	<u>Lease liabilities</u>	<u>Advances on foreign exchange contracts and export prepayments</u>	<u>Federal Government Debt - PESA</u>	<u>Total debt</u>	<u>Cash equivalents</u>	<u>Net debt</u>
Net debt at January 1, 2020	3,899,137	572,254,439	1,062,866,264	1,639,019,840	(593,915,993)	1,045,103,847
Changes that affected cash flow						
Proceeds from new borrowings		1,469,660,060	1,728,386,287	3,198,046,347		3,198,046,347
Amortization	(2,866,899)	(729,105,452)	(1,356,209,550)	(2,088,181,901)		(2,088,181,901)
Interest paid		(30,964,034)	(55,139,406)	(86,103,440)		(86,103,440)
Other					(166,485,234)	(166,485,234)
Changes that did not affect cash flow						
Inclusions/remeasurements	426,662			426,662		426,662
Interest	233,829	45,510,293	80,466,182	126,210,304		126,210,304
Exchange variation		133,988,569	5,586,157	139,574,726		139,574,726
Net debt at December 31, 2020	<u>1,692,729</u>	<u>1,461,343,875</u>	<u>1,465,955,934</u>	<u>2,928,992,538</u>	<u>(760,401,227)</u>	<u>2,168,591,311</u>
Changes that affected cash flow						
Proceeds from new borrowings		2,999,932,690	2,179,880,993	5,179,813,683		5,179,813,683
Amortization	(1,914,193)	(1,642,417,565)	(1,639,223,639)	(3,283,555,397)		(3,283,555,397)
Interest paid		(44,527,263)	(59,358,717)	(103,885,980)		(103,885,980)
Other					(493,460,224)	(493,460,224)
Changes that did not affect cash flow						
Inclusions/remeasurements	3,002,934			3,002,934		3,002,934
Interest	180,440	42,935,102	94,441,899	137,557,441		137,557,441
Exchange variation		174,575,089	4,051,461	178,626,550		178,626,550
Net debt at December 31, 2021	<u>2,961,910</u>	<u>2,991,841,928</u>	<u>2,045,747,931</u>	<u>5,040,551,769</u>	<u>(1,253,861,451)</u>	<u>3,786,690,318</u>

Cooperativa Regional de Cafeicultores em Guaxupé Ltda.

Notes to the financial statements at December 31, 2021

All amounts in reais unless otherwise stated

35.1.2 Consolidated

	<u>Lease liabilities</u>	<u>Advances on foreign exchange contracts and export prepayments</u>	<u>Federal Government Debt - PESA</u>	<u>Total debt</u>	<u>Cash equivalents</u>	<u>Net debt</u>
Net debt at January 1, 2020	3.950.013	592.571.832	1.062.866.264	1.659.388.109	(603.345.448)	1.056.042.661
Changes that affected the cash flow						
Proceeds from new borrowings		1.530.160.412	1.738.386.287	3.268.546.699		3.268.546.699
Amortization	(2.947.611)	(772.394.552)	(1.356.209.550)	(2.131.551.713)		(2.131.551.713)
Interest paid		(31.598.903)	(55.139.406)	(86.738.309)		(86.738.309)
Other					(173.857.134)	(173.857.134)
Changes that did not affect the cash flow						
Inclusions/remeasurements	477.210			477.210		477.210
Interest	238.984	46.382.257	80.570.739	127.191.980		127.191.980
Exchange variation		137.443.383	5.586.157	143.029.540		143.029.540
Net debt at December 31, 2020	<u>1.718.596</u>	<u>1.502.564.429</u>	<u>1.476.060.491</u>	<u>2.980.343.516</u>	<u>(777.202.582)</u>	<u>2.203.140.934</u>
Changes that affected the cash flow						
Proceeds from new borrowings		3.093.342.085	2.202.880.993	5.296.223.078		5.296.223.078
Amortization	(1.955.847)	(1.703.920.248)	(1.649.211.909)	(3.355.088.004)		(3.355.088.004)
Interest paid		(45.541.325)	(59.644.168)	(105.185.493)		(105.185.493)
Other					(511.058.698)	(511.058.698)
Changes that did not affect the cash flow						
Inclusions/remeasurements	3.012.090			3.012.090		3.012.090
Interest	190.095	44.108.373	94.988.717	139.287.185		139.287.185
Exchange variation		179.458.154	4.051.461	183.509.615		183.509.615
Net debt at December 31, 2021	<u>2.964.934</u>	<u>3.070.011.468</u>	<u>2.069.125.585</u>	<u>5.142.101.987</u>	<u>(1.288.261.280)</u>	<u>3.853.840.707</u>

Cooperativa Regional de Cafeicultores em Guaxupé Ltda.

Notes to the financial statements at December 31, 2021

All amounts in reais unless otherwise stated

35.2 Sale of property, plant and equipment

	Parent company		Consolidated	
	2021	2020	2021	2020
Net book value (Note 15.2)	161,585	9,773,367	161,585	9,781,462
Surplus/profit on disposal of property, plant and equipment	704,815	(7,551,211)	704,815	(7,532,806)
Proceeds from disposal of property, plant and equipment	866,400	2,222,156	866,400	2,248,656
Cash generated on disposals of property, plant and equipment in prior years	1,113,878	2,159,782	1,113,878	2,159,782
Cash generated on disposals of property, plant and equipment in the year	866,400	2,222,156	866,400	2,248,656
	1,980,278	4,381,938	1,980,278	4,408,438

36 Insurance

The Cooperative's assets are insured against risks at amounts considered sufficient by management to cover losses, considering the nature of its activities (unaudited information).

The Cooperative contracts insurance for its inventories taking into consideration the physical structure of the locations at risk, the history of claims, the individual risk of each unit, and protective measures. The Cooperative, based on an analysis conducted by the Insurance Committee and experts in risk analysis, opted to contract all its insurance under the Multi-risk type, in order to cover its own assets and inventories of members held by the Cooperative.

The maximum indemnity limit is R\$ 300,000,000. The individual risk of each Cooperative unit does not exceed this limit and corresponds to the total amount insured.

37 Summary of significant accounting policies

The accounting policies used for preparing the Cooperative's financial statements are described below. These policies have been consistently applied to all the years presented.

37.1 Foreign currency translation

Functional and presentation currency

Items included in the financial statements of the parent company and subsidiary are measured using the currency of the primary economic environment in which the entities operate (the "functional currency"). The parent company and consolidated financial statements are presented in Brazilian Real/Reais (R\$), which is the Cooperative's functional and presentation currency.

Cooperativa Regional de Cafeicultores em Guaxupé Ltda.

Notes to the financial statements

at December 31, 2021

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Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are converted into the functional currency at the exchange rate in effect at the reporting date.

Foreign exchange gains and losses resulting from the settlement of these transactions and from the translation at year-end exchange rates are recognized in the statement of surplus.

37.2 Financial assets

37.2.1 Classification and measurement

The Cooperative's financial assets are classified in the following categories:

- "Financial assets at fair value": with the related gains and losses recognized in the statement of surplus within "Finance income/revenue" when related to "Loans and transfers to members", and within "Net results of changes in agricultural commodity prices and foreign exchange variations", when related to derivative transactions, in the period in which they occur.
- "Financial assets at amortized cost": which are held by the Cooperative for the collection of contractual cash flows when these cash flows represent solely payment of principal and interest. Interest income from these financial assets is recognized under "Finance income " using the effective interest rate method. Any gains or losses due to the write-off of assets are recognized directly in the statement of surplus and presented under "Finance income " and "Finance costs ". Impairment losses are also presented under "Selling costs " in the statement of surplus.

Regular purchases and sales of financial assets are recognized on the trade date, i.e., the date on which the Cooperative commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows have expired or have been transferred, and the Cooperative has transferred substantially all the risks and rewards of ownership.

The Cooperative initially recognizes financial assets at fair value plus, in the case of financial assets not stated at fair value through surplus or deficit, transaction costs directly attributable to the acquisition of the financial asset. Transaction costs of financial assets at fair value through surplus or deficit are expensed in the statement of surplus or deficit.

Classification depends on the purpose for which the financial assets have been acquired, and the business model adopted by the Cooperative is to hold the financial assets to collect contractual cash flows.

Cooperativa Regional de Cafeicultores em Guaxupé Ltda.

Notes to the financial statements at December 31, 2021

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37.2.2 Offsetting of financial instruments

Financial assets and liabilities are offset, and the net amount presented in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Cooperative or the counterparty.

37.2.3 Impairment of financial assets

The Cooperative assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Cooperative applies the simplified approach allowed by CPC 48, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

37.3 New standards and interpretations

The following amendments to standards have been adopted for the first time in the year beginning on January 1, 2021:

- Interest Rate Benchmark Reform: amendments to CPC 48, CPC 38 and CPC 40 - "Financial Instruments",
- COVID-19-Related Benefits Granted to Lessees under Lease Agreements (amendments to CPC 06).

After reviewing the content of the aforementioned amendments, Cooxupé and its subsidiary concluded that their adoption would not have any material impacts on their financial statements.

37.4 Amendments to new standards that are not yet effective

On October 25, 2021, the Brazilian Accounting Pronouncements Committee (CPC) issued the tenth revision to accounting standards, effective on or after January 1, 2022, i.e., not applicable to the year ended December 31, 2021. Early adoption of standards is not permitted by the CPC in Brazil.

- Inclusion of item 39AG, and introduction of a new item D13A, through an amendment to sub-item (f) of item D1 and renumbering of item D13A to D1B3 in CPC 37 (R1) - First-time Adoption of the International Accounting Standards, to simplify the application of this standard by a subsidiary which adopts international standards for the first time at a date later than its parent company, with respect to the measurement of the cumulative amount of foreign exchange variations.
- Inclusion of items 7.1.9 and 7.2.35 and their heading, and item B3.3.6A, and amendment to item B3.3.6 in CPC 48 - Financial Instruments, to clarify which fees should be included in the 10% test for derecognition of financial liabilities.

Cooperativa Regional de Cafeicultores em Guaxupé Ltda.

Notes to the financial statements

at December 31, 2021

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- Amendment to item 22 and inclusion of item 65 in CPC 29 - Biological Assets and Agricultural Produce, to remove the requirement to exclude cash flows from taxation when measuring the fair value of biological assets and agricultural produce, thus aligning fair value measurement under CPC 29 with the measurement provided for in other CPCs.
- Amendment to items 17 and 74, and inclusion of items 20A, 74A, 80D and 81N in CPC 27 - Property, Plant and Equipment, to prohibit entities from deducting from the cost of PP&E amounts received from selling items produced while the asset is being prepared for its intended use. These related revenues and costs must be recognized in profit or loss for the year.
- Inclusion of items 68A, 94A and 108, and amendment to item 69 in CPC 25 - Provisions, Contingent Liabilities and Contingent Assets, to clarify that, in order to assess whether a contract is onerous, the cost of fulfilling the contract includes both the incremental costs and an allocation of other costs that relate directly to the fulfillment of the contract.
- Amendment to items 11, 14, 21, 22 and 23 and inclusion of items 21A, 21B, 21C, 23A and 64Q in CPC 15 (R1) - Business Combinations, with the aim of replacing the references to the older version of the conceptual framework with references to the latest one.

There are no other CPCs or ICPC interpretations that are not yet effective that would be expected to have a material impact on the parent company and consolidated financial statements.

* * *

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