Operator

Good morning, ladies and gentlemen. Welcome to MBRF's earnings call to discuss its first quarter 2026 results. This earnings call is being recorded, and a recording will be available on the company's investor relations website at ri.mbrf.com. The presentation is also available for download.

At this time, all participants are in listen-only mode. Following management's remarks, we'll open the call for a Q&A session. Further instructions will be given then.

Before we begin, I would like to remind you that forward-looking statements are based on MBRF's management's beliefs and assumptions, as well as information currently available to the company. These statements may involve risks and uncertainties. As they relate to future events and therefore depend on circumstances that may or may not materialize.

Investors, analysts, and members of the press should keep in mind that factors related to macroeconomic environment, industry conditions, and other variables may cause actual results to differ materially from those expressed in such forward-looking statements.

Joining us on today's call, Mr. Marcos Molina, Founder and Chairman of the Board, Miguel Gularte, CEO, Tim Klein, CEO in North America Operations, and José Ignácio Scoseria, CFO.

I would now like to turn the call over to Mr. Miguel Gularte, who will begin the presentation. Please go ahead, sir.

Miguel Gularte

Good morning. Welcome to MBRF's conference call to discuss the consolidated results for the first quarter of 2026. Once again, we delivered solid results with steady improvement throughout the quarter. We posted net income of 111 million ahead of the level reported in the same period last year. EBITDA reached 3.1 billion with a margin of 7.8%, underscoring the strength of our business model and the consistency of our long-term strategy.

Global demand for protein remains strong, and we continue to focus on expanding our multi-protein portfolio with more value-added products aligned with our long-term strategy.

With a management approach centered on optimization, we continue to make steady progress across the synergy initiatives we identified. And we started the year with two strong deliveries. And that has already contributed with 126 million in Synergy capture in the first quarter.

To walk through the quarter with more details, I'd like to turn it over to our CFO, José Ignácio Scoseria, and I'll come back after.

José Ignácio

Good morning, everyone, and thank you for joining MBRF's conference call. I'll begin with a review of our consolidated results for the first quarter of 2026, covering the North America beef, South America beef, and BRF business segments. Let me start with a few key highlights for the quarter.

Consolidated net revenue total $39.5 billion. Consolidated adjusted EBITDA came in at 3.1 billion BRLs with a consolidated margin of 7.8%. Net income for the quarter totaled 111 million.

Operating cash flow reached 1.5 billion. And finally, we close the quarter with leverage at 3.37 times trailing 12-month EBITDA.

On the next slide, the chart on the left shows the year over year performance of total volumes and volumes by segment. Both volume and revenue in Q1 2026 were broadly in line with the same period last year. North America beef accounted for 46% of total revenue in the period, while BRF represented 38%, South America beef at 16%.

Adjusted EBITDA totaled 3.1 billion reais, with a margin of 7.8%, with BRF accounting for 79% of the total, South America 19%, and North America 2%. From a currency mix standpoint, 74% of our consolidated revenue is generated in U.S. Dollars, 26% in reais and other currencies. Reinforcing the company's geographic diversification and multi-protein platform, the revenue breakdown shows 45% coming from the U.S., 23% from Brazil, and the remainder mainly spread across Asia, the Middle East, and Europe. More than one-third of total sales volume came from processed value-added products.

We'll now move on to the performance of each business segment. I'll now turn the call over to Tim Klein, who will walk us through the results of our North America operation.

Tim Klein

Thank you, Ignácio.

Let's begin on slide six, where I will comment on the results for the first quarter. Starting on the first chart on the left, sales volume was 5.8% lower than the same period of the previous year.

Industry slaughter volume was down 8% as a result of tight cattle supplies further reduced by extended feeding periods. High fat cattle prices relative to feed cost of gain coupled with high replacement cattle prices continued to incentivize cattle feeders to extend the feeding period.

Net sales were 3.49 billion, an increase of 6.9% versus last year. EBITDA was $10 million higher than last year with an EBITDA margin of 0.3%.

Beef demand in the quarter continues strong in spite of record prices at retail. Although boxed beef prices have increased, it's not enough to offset higher cattle prices.

Now I'll move to slide 7, where I will talk about U.S. Market data. Starting on the left, USDA reported Kansas live cattle prices averaged $238.60 per hundredweight, up 17.9% versus last year. The USDA comprehensive cutout averaged $371.56 per hundredweight, up 14.4%, while the USDA reported drop credit increased 3% to an average of $11.94 per hundredweight.

The USDA cutout ratio was 1.56 versus 1.61 last year. As expected, the cyclical decline in cattle supplies, exacerbated by the drought conditions in recent years, has resulted in record prices and reduced capacity utilization across the industry. We continue to be encouraged by strong beef demand and expect this to continue as we move through this part of the cycle.

Now I will pass back to Ignácio.

José Ignácio

Thank you, Tim. Let's now move to slide eight, where we present the performance of our South America operations in Q1, 2026. Starting with the chart on the left, volume reached 271,000 tons in the quarter. Up 8.8% year over year. Moving to the center chart, net revenue totaled 6.2 billion reais in the quarter, up 23% from the first quarter of 2025. Looking at the chart on the right, adjusted EBITDA reached 616 million reais. An increase of 35% compared to the same period last year. As a result, EBITDA margin reached 10%, up 90 basis points versus Q1 2025. This performance reflects productivity gains from investments made over the past few years, higher utilization rates at our industrial complexes, and a stronger focus on value-added products.

Moving on to the next slide, the chart on the left shows the revenue breakdown by origin, highlighting the diversification of the company's footprint. In this first quarter, exports accounted for 58% of total revenue in the operation. Sales to Asia represented 45% of South America beef exports. We continue to expand our commercial reach across other markets. In this context, sales to North America increased and now account for 31% of exports. Meanwhile, exports from South America to Europe accounted for 17% of revenue during the period.

Slide 10 outlines BRF's operating performance. In the first quarter of this year, demand remained solid while the reopening of poultry exports to European Union and China further boosted results. Starting with the chart on the left, volume totaled 1.205 million tons in the quarter, down 2.6% year over year. Net revenue reached 14.9 billion reais in the period, 3.2% below Q1 2025, EBITDA came in at 2.5 billion reais with a healthy margin of 16.6% down 120 bps year over year but Up 180 bps from the previous quarter.

On the next slide, the chart on the left highlights how improving consumption trends allowed us to reach solid volume levels in the domestic market toward the end of the quarter. Our consistent commercial strategy also helped maintain strong logistics service levels. Commercial integration also moved ahead, with all of Brazil now covered by a single sales team, which expanded the customer base for our beef portfolio. Innovation initiatives have continued to positively contribute to results.

On the right-hand side, I'd like to highlight the momentum and progress we continue to see in the exports market. In March, we reached record direct export volumes, driven by strong growth to Europe and Asia, following the resumption of exports to those regions. I would also like to highlight that this Ramadan saw our highest sales volume to date. Our dedicated commercial team, broad distribution network and local inventories in the Middle East were key to ensuring supply amid the logistical challenges created by the current geopolitical instability in the region. In March, we gained 12 percentage points in export market share to the Gulf countries compared to February 2026. In Q1 26, we achieved record profitability for Sadia Halal with a 15.6% margin and maintained our market share leadership with the Sadia brand in the region.

On slide 12, we present the highlights of Sadia Halal. One of the world's largest halal protein production and distribution platforms, which brings together manufacturing plants and distribution centers across the Gulf countries and access to a consumer base of over 350 million people in 14 Islamic nations. In recent days, we completed the closing of the transaction and signed a supply agreement that also includes beef products. Upon the conclusion of this stage, we have begun the preparations for the Sadia Halal IPO. The initial public offering is expected to take place in the Riyadh Stock Exchange in Saudi Arabia. In the first quarter of 2026, Sadia Halal posted EBITDA growth in US dollars of 50.2% compared to the Q1 in 2025, with a margin expansion of 4.6 percentage points. Over the last 12 months, EBITDA reached US$265 million.

Slide 13 highlights data points that reinforce the growing global demand for protein. On the left-hand side, we show Brazilian exports of beef, poultry, and pork, which reached record levels in the 12 months ended March 2026. The strong growth in exports is a result of rising protein consumption, as can be seen on the right side of the slide, where we show the increase in per capita consumption in key markets that are a priority for MBRF: the Middle East and Asia. We have also observed an increase in protein prices driven by positive consumption dynamics.

Slide 14 shows our free cash flow performance. The bridge highlights an operating cash flow of

1.5 billion reais. CapEx investments for the period amounted to 1.2 billion, and the cash amount for consolidated financial expenses was 1.5 billion, resulting, therefore, in free cash consumption of 1.3 billion reais. It's worth noting that the first quarter typically carries higher working capital consumption, which this year was further impacted by inventory dynamics. The next slide shows consolidated net debt at the end of the first quarter of this year. We reported net debt of 44 billion reais, up 1.2% from Q4 of last year. Our leverage ratio stood at 3.37 times. We remain fully focused on the company's capital structure. The current leverage level directly reflects the US cattle cycle with the North American beef segment reporting EBITDA of 137 million US over the last 12 months.

On the next slide, we show the highlights and progress of the ESG agenda. The highest ranked Brazilian company in the sector in the forest 500, a global index that monitors performance in combating deforestation.

Inclusion in the latest B3 Corporate Sustainability Index.

Recognition at the CDP Latin America Awards 2026 for the 2025 cycle.

Publication of MBRF's first integrated report.

Thank you. I'll now turn the call over to our CEO, Mr. Miguel Gularte, for his closing remarks.

Miguel Gularte

As we wrap up today's presentation, I want to reaffirm our commitment to sustainable growth with a continued focus on capital structure, value creation, and strengthening of our global footprint. In North America, despite tighter cattle supply driven to the cattle cycle, strong beef demand supported consistent revenue growth. In our South America beef operation, volumes increased supported by capacity expansion of our industrial complex over the past few years. We delivered meaningful growth both in our EBITDA, reflecting the strong performance of our operation and disciplined execution.

BRF's export business was one of the highlights in Q1. We posted record volume for the Ramadan season, and we reached an all-time high indirect exports volume in March. Leveraging our established presence in the Middle East, close ties with local partners and the consistency of our production and logistics platform, we executed well and expanded our export market share in Gulf countries by 12 percentage points between February and March.

Growing global protein demand continues to drive performance across all segments, particularly in Saudi Arabia and China, where we continue to invest through initiatives such as the acquisition of the Henan facility in China, which is already running, and the construction of a new plant in Jeddah in Saudi Arabia scheduled to come online in the second half of the year. We continue to advance on synergy capture through the optimization of our capture structure and joint negotiations across the supply chain, totally 126 million in the period. In addition, the efficiency culture already embedded at MBRF allowed us to capture 296 million during the quarter.

We closed the quarter with all approvals secured for the creation of Sadia Halal, establishing a benchmark Halal company with a strong presence in the Middle East and a leading position in the market. The new company delivered record profitability in the period with an adjusted EBITDA margin of 15.6%. As part of our growth strategy, we also expanded our strategic protein supply agreement with Saudi Arabia, doubling poultry capacity and adding beef products. This further strengthens our role in supporting the region's food security with reliable and high-quality supply.

Before closing, I would like to once again thank our chairman, Marcos Molina, for the strategic direction that continues to move us all towards all business fronts. I would also like to thank our shareholders and our board for their continued support and our customers, team members, integrated producers, suppliers, and the communities where we operate. Thank you very much.

Question and Answer Session

Renata Cabral – Citi

Good morning. Thank you for taking my questions. My first question is about BRF and sustainability of your margins. The market was somewhat expecting more normal margins after 2025, but the international operations provided a positive surprise, pushed by exports in halal. How much of that performance is a structure vis-vis seasonal? And when we look for the remainder of the year, does it make sense to have BRF operating at similar margins, similar to those we had back in 2025? That was my first question.

And my second question is about the capital structure, the leverage ratio, and what is up next. What's your take on the deleverage efforts, not only for 2026, but what do you expect as far as major events, what can occur to make leverage ratios be brought down to below 3%? Three times.

Miguel Gularte

Good morning, Renata. Let me put that in perspective. We started this year looking at our track record as far operations and executions are concerned. The company has invested in improving operational efficiency processes, and of course, they begin and provide that resilience to results. They are the backbone to those results. But let me remind you that up until 2025, the company had about 198 new accreditations in the case of BRF. And now in 2026, we have 74 new accreditations, 51 for BRF and 17 for Marfrig. Now, when we look at the market across the board, we see a market in which supply and demand are in perfect balance. We look at both supply and demand and there were some questions about Q4 of 2025 but now in Q1 2026 we see happening what we expected to happen supply and demand in perfect balance and we want to talk about lodging and we believed it was the appropriate level for both supply and demand in perfect balance and in international markets, I'd say they are behaving or responding as we expected. And to be honest with you, even better at a higher rate of speed.

We started 2026. Markets were being or having their prices adjusted and I mean across the board, but mostly in the Middle East. With this geopolitical uncertainty, that movement gained traction. We were prepared for growing exports markets. That's why we sped up production to these destinations. And exports were the highlight of the quarter. And when you look at the remainder of the year, we remain very optimistic. We have all the indications that 2026 will be a better year than 2025. And the company's well prepared to reap the harvest, both in terms of efficiency and accreditations.

Looking at the domestic market, let me remind you, it's a special year. We have the World Cup coming up. It's a consumption opportunity. And MBRF is now being very strong with a unified platform, including beef, poultry, and pork. They're all working together. That makes us, and we'll be introducing 40 new products at APAS, that's the My Menu line, protein-based product lines. We'll be introducing 40 innovative products next week. All this makes us feel very optimistic. Our strategy is very clear and we're operating in a very receptive market, both in terms of demand and prices. When you look closely in all markets, in all proteins, when we compare these four months of the year, not only Q1, but also April, price increases are relevant when we compare them to the same period of last year. So, we started off very well in terms of exports. And we are optimistic, as I said, so that we can navigate the rest of the year. I'll turn it over to José Ignácio. He will respond the second, he wants to the second question.

José Ignácio

Good morning, Renata. As to the capital structure, we're not gonna give you a leverage guidance or any target or a deadline. But what we see is that we have several tools and a positive scenario so that we can gradually reduce our leverage. On the one hand, we have an EBITDA that reached the minimum level in Q1, considering the target we have for the different business segments and the positive outlook, we believe that as of now, we would be able to

gradually see an improvement in the LTM EBITDA We have Sadia Halal, on the other hand, this year, we have to receive a hundred million dollars because of the 10%, besides the commitment of $170 million when it reaches 20% of the company. Additionally, as we mentioned, we had a working capital structure, especially in our stocks that was not positive in Q1 for external reasons like conflicts and the choice of the company. But we can bring that inventory down and help our leverage and our cash flow reducing that inventory to levels we had in March last year. We are almost 2 billion above our March inventory levels, we are comfortable with our CapEx level in Q1. We had mentioned that the fourth quarter was above, but we do have the tools if there is any deterioration in any business operation, we do have tools to reduce CapEx and take it to a baseline level. And lastly, the interest rates are gross debt. We did some liability management and this week, We had the bond 2026 and we had a new issue in the local market with 250 basis points. We believe that smaller predictions than we had in the beginning of the year, we believe it will drop. So we should have favorable winds that will help us reduce the service of the debt. In the different metrics, we understand that are positive factors that should help us to gradually bring that leverage down.

Henrique Brustolin – Bradesco BBI

Good morning, Miguel, Ignácio, and Tim. Thank you very much for taking my questions. I have two questions. The first on BRF. When we look at the quarter margin evolution, there is an important contribution from the international market. Could you elaborate on the domestic market? We see a higher drop in volume year on year, perhaps influenced by export dynamics. But how do you see the profitability of the domestic market mainly boxed products and my second question goes to Tim the beef operation in the US is undergoing a tough period, but in relative terms, you had a very relevant performance in Q1 and the result outlook is better year on year. I would like to hear your take on that, Tim. What do you believe is helping with your stable performance year on year? And What makes you believe there will be better results in the rest of the year?

Miguel Gularte

Good morning, Henrique. I'll start answering the question about BRF and the domestic market, and then José Ignácio, and then Tim will field your second question. Well, we started the year as planned, as far as the domestic market goes. We had planned out a year in which we would focus on the foreign markets initially, which is very heated as we speak. And then in the domestic market, we would ramp up February better than January, March better than February and so on and so forth. That actually happened. We saw that happening actually. And when we look at our projections, and I remember that BRF is very precise as to its projections coming through. So, we believe it's going to be a very positive year. Sales are on the rise. We see demand responding positively to our products while maintaining a healthy margin. And those price corrections that had to be made actually took place in Q1. We made adjustments. And the outlook is positive. If you take the tax exemption up to 5,000 reais, the World Cup, or stronger brands and stronger and innovative products, we remain very positive as far as the domestic market goes. Our commercial execution is excellent. The combined system, the multi-protein program will be at its fullest capacity. We started the unification of platforms last year. Now the system is way better, is fine-tuned to perfection. Sales reps are coming to points of sale providing three proteins with all the expectees coming from the different operations. So, the way we see it, 2026 is going to be a very promising year in the domestic market. Let me address your question about margin, and then I'll turn it over to José Ignácio, and then Ignácio will turn it over to Tim.

José Ignácio

Okay, good morning, Henrique. Let me talk about the margin composition in the portfolio Brazil. This is what we've seen in Q1. When we compare quarter on quarter. We saw an expansion of processed products. It's a very resilient margin. It's a combination of price transfers and the cost dynamics we implemented. So the portfolio margin of processed products remains resilient. Expanding in Q1 and we remain confident we'll see the dynamic playing as is for the rest of the year.

When you look at consolidated results in Brazil, the main driver behind that is to the fresh product portfolio. They have some limited margins. Prices came down for fresh products, for poultry and pork, and that hurt results in Brazil. So the dynamics are very different when you talk about the profitability of processed products versus the fresh products portfolio. Over to you, Tim.

Tim Klein

Regarding the first quarter, as you recall, it started out very tough with cutout values being low relative to the price of cattle. By March, we saw a significant surge in cutout values, and that pretty much shored up the first quarter. Some of that carried over into April, softened a little bit as we go into May, but we expect the same thing to happen as we close out the second quarter. So we have confidence that our second quarter will be better than the second quarter of last year.

Regarding the outlook for the year, if you think about the supply of cattle and how much it's changed year over year and how much capacity has been taken out of the system, we feel confident that margins would be no worse than a year ago. Now, when we look at our own operations, we have a much different model with our ownership structure. With ranchers, farmers, and cattle feeders. And we're all aligned on the same vision to maximize the value of every animal. So that really gives us an advantage in the marketplace in terms of offering value-added products. Also the CapEx that we spent during the good years, we increased our CapEx significantly on projects that would improve our efficiency and increase our capability for value added. And those two are really coming to, fruition now as we go into this part of the cycle. So all in all, we think a lot can happen, but we feel pretty good about it. The other piece of it that we don't know when it will happen, but it will happen, that is the reopening of the border for Mexican cattle coming across. If that happens sometime in the second half of the year, that's certainly going to have an impact on overall cattle supplies going forward.

Lucas Ferreira – J.P. Morgan

My first question is about the supply and demand of poultry. Both in the domestic and in the export market, how do you see the supply and demand and the expectation for the year?

The placements for this year, if it is in line with the increased demand in Brazil and in the export market. And in the export market, how do you see the resumption of exports to China? The shipments, prices, et cetera, last year was a little more complex in the market in general, in the export market in general. If you see a good demand, how are margins in the main markets even outside the halal market that you already talked about.

And my second question would go to Tim as a follow-up question to the previous one. If in your opinion, the removal of import quotas might not be a risk for the balance of supply and demand in the market, especially for some categories. And if, in your opinion, the extended drought that we see might delay the recovery of the herd in the US.

Miguel Gularte

Hi, Lucas. Let me answer your question. We see very interesting demand for exports and the domestic market is just the same. Now we are going to focus on exports, but in Brazil between January and April, let me give an example. Brazil exported almost 61,000 tons for China. It's a 19% increase, a 20% price increase. But when you look at all markets, you see prices going up when compared to 2024 numbers, almost 20%, 22%. This also happened in beef, but also poultry and in pork. Both volumes and prices are on the rise. Looking ahead, we don't see any major changes. And there's something I would like to highlight about MBRF. Our controller asked us to adopt a model of industrial complexes to reduce costs and a feedlot model. Almost 25% of our slaughter comes from our own feedlots. And these feedlots helped us when we had decreasing slaughter volumes in Brazil. We ended up growing almost 10%. So that was

very helpful to adapt these feedlot and industrial complexes to face these shortages. Looking into the future, I'm not giving you any guidance. We see a very favorable environment. The market will keep on demanding more products. The conflicts in the Middle East is now beneficial in that sense. And that benefit will not disappear anytime soon. And why am I saying that? Back in 2024, when we had Newcastle in Brazil, at that time, BRF made the decision of keeping products in the markets, it operates so that they would not run into any shortages. Now, with the conflict in the Middle East, which was unexpected, but that caught us at a very good inventory position. So, we managed to keep on supplying our customers with zero interruptions. Sadia has been in the Gulf since 1973 and BRF benefited from that expertise. But we kept on supplying the Middle East. What we did, not only to sell directly to ports that were beyond the Strait of Hormuz, we exported to other ports. And based on that logistics network that had been established since 1973, we distributed our products throughout the Middle East. Our customers acknowledge that. And food security is also present there. Up until recently, our food security contract with Saudi Arabia doubled in volume, including now beef products. We are not only a reliable supplier providing good quality products, we are also regarded as a backbone of food security, which is more and more relevant in a market that is growing and will only grow. That gives us a lot of confidence as far as the halal is concerned. So, when you look at that price increase in the Middle East, this is not something that is only focused on the war per se. It had already started in late 2025 and it's now only stronger now in 2026. So, we are optimistic. We supplied customers around the clock. Our team is working also around the clock in the Middle East. They're making sure that our products are delivered with safety to our employees and we are fulfilling our mission to feed the world. As far as beef is concerned, we have been working to qualify many plants, just like we did in poultry and pork, almost 200 in 2025, 74 now in 2026, We are fully prepared to provide customers with options.

And let me highlight something else. I'm sorry I'm taking too long, but this is a very relevant point. In the U.S., we have a great option there because BRF is negotiating its beef products. It also negotiates that through the National Beef Platform in the U.S., We are familiar with all the routes. We can pick the best customers, the best destinations within the US. And when we talk about quota, much has been talked about the Chinese quota. Is it mid-June or early July? Let me remind you that both in Uruguay and Argentina, in the South America production platform, Uruguay has over 300,000 tons. Argentina at over 500,000 tons. And we can keep supplying our customers through other platforms. At the same time, with all the certifications Brazil has had in recent years of all these industrial plants that are of excellent competitive costs, our feedlots as well that are very well supplied with very convenient cattle prices, we'll be able to face any challenges that may come our way, but we do not see any major hurdles in the near future.

Over to you, Ignácio, to talk about placement and supply and demand, and then Tim will answer the other question.

José Ignácio

Good morning, Lucas. Some numbers that support our supply and demand that is balanced for poultry. Well, projects or forecasts for 2026, report, 2%. Other forecasts indicate 2.5%, but all of them around this increase in supply. Looking at Brazil and according to PINCO data, growth in Q1 compared to Q1 2025 is 2.7%. And if we compare Q1 2026 with Q4 25, it's down 2.7% in placement. We see a trend in more production year over year, but it's coming down quarter on quarter. In terms of Hence, 65 million to 63 million head, a 4% increase when compared to 2024. There are other females that will be replaced. This is clearly visible in terms of productivity. Mortality rates remain the same. But hatching numbers are at the lower level, at about 75%. We see some productivity issues. But it all makes us believe that we may see more supply in 2026, but it's going to be about 2%. This is what the market is forecasting. Just like Miguel said, with exports on the rise, Q1 exports for poultry provided a 5% increase year over year. These are very strong data. We remain confident that there should be no imbalance as to both supply and demand for poultry.

Over to you now, Tim.

Tim Klein

Regarding your question on quotas, first I'd like to explain how it works in our plants when we fabricate a carcass. We as a result of that process create a lot of trim and that trim will fall into different buckets, whether it's 50% lean, 75, 90% all the way up to 95% lean. So, what's important to us is to move product up that lean chain because the higher it goes, the lean point value is higher. So, bringing in lean trimmings from other countries allows us to upgrade some of the fatter product batter trim and make a product that's more valuable for us and that what is in short supply right now to the consumer. That's why we've got ground beef prices at where they're at. So, we welcome. We don't think it's going to have a big impact one way or the other, but we think that's a good move. Regarding the cattle cycle and the drought, we have not seen any meaningful signs of heifer retention yet. And when that does start, you can plan on basically a three-year window of when we would see those cattle in our plants. So, as we look at it, where we're at in the current cycle, we're up into 2028 or later. Thank you.

Isabella Simonato – Bank of America

Good morning. Thank you very much. My question has to do with the inventory of grains. There is a concern with higher grain prices driven perhaps by El Nino or more balanced consumption in the US. Could you discuss how you are positioned with your feedstock at BRF and the cost evolution involving other variables like labor and freight that might help us understand the margin for the rest of the year? Thank you.

José Ignácio

Good morning, Isabella. There is a lot of discussion on grains due to El Nino and possible crop failures in states like Goiás and others. But what we see in our team is always out in the field in the different states of the country. The outlook for the second crop is very good for corn as a second crop in states like Mato Grosso and Mato Grosso do Sul. They are expected to have an excellent production in corn as a second crop. So, both for corn and beans, for corn as a second crop, we should have between 108 and 110 million tons. The total crop for the year is 137 million tons. So, we are above the levels of last year. Even with the El Niño, we do not see corn as a second crop this year being jeopardized. The production in the U.S., is in line with last year at high levels and Argentina with a super production. So, in terms of corn supply, even with El Nino, we do not see a drop in grain supply. As for soybeans, we also estimate more than 180 million tons produced in 2026. The US should also be strong with their production. So, we should have a record year in terms of soybean production. Therefore, we are not worried in the short term with the grain supply. Even so, since last year, we've been extending our grain portfolio at very attractive levels. Our position sets us apart, I believe. So we do have higher inventories since last year. Part of the inventory increase, not quarter on quarter, but we compared to March last year. Part of it is investment to increase our grain inventory. So, we are being aggressive. But we are confident that the supply for this year will remain steady.

And how should that impact the cost dynamics to your question?

The lowest grain consumption should take place in the second half of the year. There is a slight reduction expected for Q2 as compared to Q1. It shouldn't be significant between 30 and 40 basis points. And then we will reach the floor in terms of the cost of grain. But we expect for Q3 and four to have a spike. So that's the cost dynamics that we can expect in terms of cost for poultry. On the other hand, cost-wise, we might suffer pressure from logistics costs. We see that mainly in the MENA region, the cost inflation is not reaching other regions for now. So, the cost increase in the Middle East has been transferred to prices, maintaining our profitability. That's very attractive. And we continue our efficiency agenda as you saw. We delivered, yes, GNA is very in line, both at national and South America and BRF. We are working on synergies. We've already captured 20% of what was expected for the year in Q1. We will continue working. And with that, we will try and offset any inflation pressure due to macroeconomic reasons.

Thiago Bortolucci – Goldman Sachs

Good morning, everyone. Thank you for taking my question, Ignácio, Miguel, Tim. It's always great to talk to you. Let me go back to what Ignácio said during his presentation about the bridge. I recall in the last earnings call, we talked about gross debt level and Ignácio had promised a decrease in gross debt and we saw that happen. You talked about an increase beyond the seasonality of finished products. A little bit in Marfrig, but that inventory is concentrated at BRF. I'd like to understand where is this inventory located? What was this rationale behind that inventory buildup to think about the monetization and when inventory levels should go back to normal levels? And then I'll talk about efficiency in my follow-up question.

José Ignácio

Good morning. Yes, in terms of working capital, Inventory was the key factor in the quarter. The main driver behind that inventory increase was at BRF. As we said, there was a deviation in terms of export prices and fresh products in the domestic market. And we made a choice. We focused on exports. That made us increase inventory turnaround and in late February we had the war in Iran. Exports to the region had to we had to adopt a longer lead time. Pre-war we had about 120,000 and the water to the Middle East. At the end of the quarter, we were at 170,000 tons. In itself, that impacted our inventory turnover. We remain confident that these inventory levels will go back to more attractive margins. As you've seen in the halal numbers, profitability levels are very attractive in the region. So that quota and that continued flow of exports to the region will provide very attractive returns to the company. On the other hand, now focusing on the beef production, we had an increase in the biological assets of about 300 million. This is also part of the working capital. That's because of the feedlot increase It's a very good quarter. The corn-arroba ratio was very attractive. We sped up that strategy. We expanded the feedlots. And in turn, we kept the occupancy rates in our plants at high levels. So, we provided a 9% increase in volumes in South America, despite the drop of 6% in Brazil. And we managed to increase occupancy rates in our feedlots. We kept on investing in the price increase of beef and also the price increase of the arroba. That, of course, explains the biological assets How it's going to play out in the future, in the coming quarters?

Well, there's a major opportunity ahead of us. 1.1 billion when compared to Q4 in terms of biological assets. But when you compare that to March 2025, a year ago, therefore, the increase is almost 2 billion. It's a major challenge, albeit a major opportunity to bring those 2 billion back to the company's cash. We made decisions, we had to make a choice, and we were forced by external events like the war. But for the remainder of the year, we expect to bring that inventory level to what we saw about a year ago. It is a challenge. We are at its peak. And now we're only coming down. And we'll be able to reduce inventory to the end of the year.

José Ignácio

Good morning, Thiago. The question about CAPEX, the answer is yes. It makes sense to think about an organic CAPEX based on what you said, similar to the levels we had in 2025, just like you said.

I have to point out that we do have options. If the scenario worsens, we can reduce that CAPEX and maybe cut down on projects or extend them or bring that number lower at the 4 billion level if necessary according to the market conditions.

But again, the number you pointed out makes sense.

Thiago Bortolucci – Goldman Sachs

Thank you. That's very clear. If I may, I have a follow-up question to Miguel.

Running the risk of oversimplifying this story, but one of the hallmarks of your management is operational efficiency and synergies. We still see today MBRF generating gains and there is a

discussion of the efficiency of the merger, something you delivered in Q1. How comfortable are you with the initial guidance of 600 million for the year? And if you could speak about those four structures, like supply, where are you more advanced? What are the next opportunities? And where could the upside be? I think that would be an important discussion for us to analyze your P&L.

Miguel Gularte

Thiago, first, thank you. But it was not my authorship. It was the whole team, shareholders, the controllers. And the program runs very well because everyone was engaged in every geography at every level of the company.

To your comment, we have to separate what is the efficiency program and their synergy program. The synergy program delivered now, and as you mentioned it, 126 million in Q1, and we are likely to get over 600 during 2026. Whereas the operational efficiency program delivered 296. And we are very encouraged to continue with that process. Ignácio will talk about those boxes or each item, as you mentioned. We are encouraged because it's a living program. Both programs, synergies and operational efficiency. You can always do better every day. And when you have synergy that was developed over the four years the companies were working together, but separately as companies, many of the initiatives that we had when the merger took place in September, all of that will be potentiated over time, as you saw in previous answers.

The possibility of a salesman to sell all proteins as they learn about several proteins and maximize results. It's only natural. It's also the same in the industry, in our admin area, in every aspect we gain with that combined operation with excellent quality. Something I should underscore, it's very nice having two very good companies merging because that brings a lot of knowledge. We are very excited. We have a lot to do and opportunities will arise. But I'll turn it over to Ignácio so that he can quantify and mention numbers to the different boxes.

José Ignácio

Well, 126 million is about 20% we forecast for the year. On one hand, as far as structure is concerned, it's a more linear process. We did most of it in Q4, and we're going to capture those 231 million linearly throughout the year. This is what actually happened. Most of those 126 million is actually the capture from the corporate structure. In terms of size, in terms of capture intensity, we had the landmark in the end of Q1 by unifying commercial and logistics platforms, including BEEF and BRF, in practical terms, we have the same sales force selling an entire multi-protein portfolio. And now, we're including the commercial cubbyhole segment. This is a very synergy programs are very positive. We are very confident. This is the area that can provide more upside, both domestically as well as for the exports markets. And finally, the supply box. As we said, it will come in later in the year. It's not as linear as the other categories. In terms of qualitative terms, initially, we had this structural block. And then the supply capture and commercial captures, that will be growing throughout the year.

Guilherme Guttila – BTG Pactual

Good morning, Miguel and Ignácio. I hope you're all feeling fine. Let me first ask a question about capex. It's 1.2, 1.1 billion reais for the quarter. When we look at it, it may seem a little lower than the number we had in the last earnings call. Does that calculation make sense for the year? Or should we expect an increase of that amount throughout the year?

And the other question I have is about, let me shift gears a bit. How beneficial is the verticalization for beef in Brazil? Has this been helping in the arroba volatility? That's it. Thank you.

Miguel Gularte

Thank you, Guilherme. I'll start with your second question and then I'll turn it over to Ignácio for your first question. We're very excited about the combination of proteins due to several aspects. First, you truly obtain impressive synergy. Let me give you a practical example. We

have international offices selling all proteins, so this makes it easier to control our labor and also for the customer. Some customers buy several proteins, and they go to a single place to get their products. On the other hand, you have the possibility, BRF with 32 plants, Marfrig with two plants in Brazil and two large industries. We can benchmark our operations. That same process takes place in Uruguay with our four plants and in Argentina in three plants. So the constant benchmark comparing best practices and the adoption of best practices is highly beneficial to the business, not only from a cost standpoint, as Ignácio mentioned about SG&A, but also due to our business model. Speaking about Brazil having the possibility in a year where irrespective of reduction in slaughter volume, and I don't think it's dramatic, it's between two and 4% that slaughter reduction that is expected to happen. With our own feedlot, with our own production in two large plants with high performance, we can place those products and add value to those products. Because more than 40% of what we produce in Brazil involves branded value-added products. And then the commercial area in the domestic market, 340,000 customers at MBRF that are now being called upon by one salesperson offering multi, several proteins. And control is also better because obviously when you have a company that sells that volume of products in different geographies, the fact that you use the same process, same system, the same management, not only does it provide better control, but better cost as well. Both at Marfrig and BRF, now MBRF, we've always been obsessed with comparisons because one plant might be performing better than the other. What should we do to bring everyone to the upper limit? We have an industrial vice president handling the three proteins. So, we have all areas combined. And once again, I'd like to say that we are very proud of the team that we have. A team that is working together to deliver the results the market and the shareholders expect and that the controller demands.

I turn it over to Ignácio for the second part.

José Ignácio

Good morning. As I said before, Q4 was an outlier as far as CapEx is concerned. In Q4 in the Q&A session, you brought that up. You asked me whether the 5.3 billion annualized would make sense for the year. For the year 2026, my answer was affirmative. So, we're heading in that direction. 1.2 in the first quarter. It's a little low when you annualize the number. But as I said in a previous answer, these investments are part of the tool we have at our disposal to adjust working capital or cash flow. And when we look at the capital structure, capital allocation for the company, it's a little lower.

Yes, you're right. In the second quarter, we'll speed up the contribution of the Jeddah plant and some one-off events. But again, it will be about 5 billion. That's what we have to take into account for the year 2026. And we'll make adjustments as needed, looking at the cash generation of the business and looking at the operations overall.

Guilherme Palhares - Santander

Good morning, Miguel, Tim, and Ignácio. Thank you for taking my questions. We're talking about geopolitics, markets being opened up, being shut down. What's the net effect of not having additional taxation to the US. Can this help the operation here in Brazil? What is the impact in the US? What would be the net effect of both things happening? That is my first question. The second question is about your take on Europe. We have been talking about the importance of pre-listing. We saw that demand happening in the SECEX numbers. Is it becoming a reality to you? Is or can this discussion impact this new growth avenue? Thank you.

Miguel Gularte

Guilherme, good morning. Geopolitics just surfaced with the recent news from Europe. It's important to remember how it happened. This discussion didn't start now. It's been a while since Brazil has been adjusting its procedure, providing more information to Europe. We firmly believe it's a matter of proving the good practices that we have in food production. I don't want to go into politics, about the Mercosul agreement, the EU-Mercosul agreement. I think this is information request Europe presented. I think the Ministry of Agriculture is fully capable of

answering all their questions. There is no scientific discussion. It's just a matter of demonstrating the processes used. We are truly convinced that this will happen, that Brazil will be able to prove what we do. It's a matter of logic. The antibiotics used is the same everywhere in the world. Europe is just requesting information, and we have until September the 2nd to provide that information. On the quota side, the tariff exemption on the US is not concrete yet. If it comes for MBRF, it's going to be very good. Tim has already answered in the previous question that the blend of lean and fat carcass, very good. If you want to add anything, please feel free to do so. Let's see if it will happen. If it doesn't, the US market will keep on demanding. We will keep on providing products to the US. With our production.

There is another geopolitical point that you didn't specify, but I'd like to take the opportunity and allude to it. It has to do with quotas to China. Brazil is close to reaching that target, that quota, 1.1 million tons. So less 600,000 tons due to the safeguards process. As we expect to have a 3% to 4% drop in the slaughter in Brazil. Well, what we sell to China, we will depend on the reduction in production in our specific case. This, we already have 74 approvals this year. So, there is a self-offsetting dynamic in the market. And Brazil will be reinstated to the list. We are celebrating being back to that market with very good performance. Our brand is still recognized and there is important demand for it. So, there is high demand in the market. As we said, wherever you look at in the international market, you see Very good science, not only in terms of demand, but demand with a very attractive price. And there is the outlook for sustained demand.

Guilherme Palhares – Santander

Thank you, Miguel. If I may have a follow-up question, Ignácio. I still have some trouble with other revenue If you could try and give us some colors on that others, so that we have a bit of predictability.

And lastly, I'd like to congratulate your team on the World Cup campaign. It was very beautiful. Thank you very much.

José Ignácio

Hello Guilherme. Yes, it was a very high basis in Q4 because you had that outlier. The normal value would be 250 million. About 170 million is about present value. And there are some tariffs, interests, the run rate. There are other variables in the line. It's about 150 million in the quarter. It was slightly above. We had a one-off impact of some financial derivatives. But in order to model this line, it should be about 250 million to 400 million. 75% of that amount is present value adjustments. And there's also the hyperinflation adjustments included there.

Ricardo Alves – Morgan Stanley

Good morning, Miguel and Ignácio and Tim. My first question is to Tim. The protein inventory level in the US is at its lowest to date and demand indicators are higher. But there haven't been any spikes in the short run as we expected. And buying beef for deliveries in July, you see a smaller amount. So Tim, what have you been hearing in retail channels, food service channels? What's their expectations for this next season? To may see some sort of reaction that would be more meaningful as we expected, a more positive outlook. That's my first question to Tim. And my second question is, you've talked about it, but it's a follow-up of something that Ignácio has already partially answered. That's the liability management issue. If I'm not mistaken, for 2026, it was about 11 billion. But you mentioned it at the very beginning of the call that you had addressed the 2026 bonds issue, which is very good. My question is what is left to be done for the rest of the year? In other words, what are your short-term priorities as to these deadlines in the coming quarters Ignácio? Thank you.

Tim Klein

Yes, we feel very good about beef demand as we see it both on the retail and food service side. Nothing's really different from what it's been. Now, I will say that typically what happens when we get to record price levels on items, there'll be a delay and when the bookings occur and

that's kind of what we saw in March with the big spike in the cutout. So they'll let the inventories draw down and then they'll replenish. So we don't expect it to be any different this time, but overall demand is as expected.

José Ignácio

Good morning. In terms of liability management, the maturity that you mentioned is correct, the bulk. Is short-term debt financing our exports. As we had mentioned in Q4, we had some volumes in 2025. We have a robust cash above the optimum level of the company for the maturity in 2026. We already began Q1 applying part of that cash and we still have room to reduce a little further and carry a little less cash. Two levels closer than we had in Q1 2025 at about 20 billion. So we still have room to reduce our cash level and gross debt. We canceled the bonds in the beginning of the year. We now had another mission in the domestic market. And we settled more than 200 million of bonds that were at 7% and we raised locally of 250 basis points in cost reduction. But we still have a lot. The average maturity, we still see that is low. We can increase that maturity period. We will continue the rest of the year. In that attempt, trying to extend the maturity of our bonds and try and improve our debt profile. We are comfortable with the current level. We have a robust cash to pay what will mature, but we have some homework to do to extend the average maturity of that debt. I think it's an opportunity we have as a company.

Igor Guedes – Genial Investimentos

Good morning, everyone, once again, for taking my question. We saw that there was pressure in your working capital that affected your operational cash flow. What led to that pressure was your inventory and biological assets consuming 1 billion. Well, you wanted to maintain higher levels of a beef inventory. But also, the Iran conflict affected the BRF inventory. I'd like to understand how we should look at the working capital until the end of the year, that inventory buildup might be reversed or releasing some working capital for the second half of the year. And how did the Iran conflict affect your numbers in the first half? If the war continues, your working capital will remain under pressure. Or will you be able to release some of your inventory over the year?

José Ignácio

Good morning, Igor. As I mentioned before, that's right. The pressure of investments, working capital, inventory, biological assets was 1.1 billion, 800 million of inventory, the rest of biological assets. The drivers are different in biological assets. That was the consequence of an increase of our feedlot volumes and the arroba price increases. As to the inventory levels and in line with what you said, this is a direct consequence first of our focus on exports, focusing more on export because of better prices.

Of in natura protein and of course the results of the geopolitical turmoil in the middle east and the logistics implications as I said before the conflict was 120 million after the conflict then that volume went up to 170 So there's a major inventory level shifts, especially because of the conflict in the Middle East. As to the outlook for the coming quarters, again, as I said, when you compare to March 2025, we're carrying an additional $2 billion in inventory. Part of it because of the decision made by the company to invest in inventory that could be profitable, just like the inventory directed to the Middle East, as I said, and part of it due to one-off effects that resulted in that change. But we remain very confident that these, when we compare to March 2025, this might come down gradually. We understand it's a challenge.

For the 2026, but gradually we will be reducing inventory levels for the rest of the year we will be able to capture and bring inventory levels down.

Victor Modanese - UBS

Good morning. The more strategic questions were addressed. My question is to José Ignácio. There's a half a billion reduction in the withdrawn risk from suppliers. Is that due to specific demand in Q1? Or is it part of a company strategy to reduce that instrument in the effort to

deleverage the company? That's my question.

José Ignácio

Good morning. It was nothing strategic done by the company. It was due to product demand, really. It was not strategic on our part. It was a market context and demand for the products. We use that tool as a tool to loyalize suppliers in our capital structure. Depending on the demand, we may use it more or less.