



# EARNINGS RELEASE 1Q22

**Minerva (BEEF3)****Price on May 10, 2022:** R\$13.10**Market cap:** R\$7.9 million**Shares:** 607,283,407**Free Float:** 43.3%**Conference Calls**

May 12, 2022

**Portuguese:**

11:00 a.m. (Brasília) 10:00 a.m. (US EST)

[Webcast](#)**English:**

11:00 a.m. (Brasília) 10:00 a.m. (US EST)

[Webcast](#)**IR Contact:**

Edison Ticle

Danilo Cabrera

Luiza Puoli

Jenniffer Capella

Gustavo Ityanagui

**Phone:** (11) 3074-2444[ri@minervafoods.com](mailto:ri@minervafoods.com)

click or scan

**Barretos, May 11, 2022** – Minerva S.A. (BM&FBOVESPA: BEEF3 | OTC - Nasdaq International: MRVSY), the South American leader in the export of fresh beef and cattle byproducts, which also operates in the processed foods segment, announces today its results for the first quarter of 2022. The financial and operational information herein is presented in BRGAAP and Brazilian reais (R\$), under International Financial Reporting Standards ).

## 1Q22 Highlights

- EBITDA in 1Q22 reached a record level for the period, reaching R\$ 646.0 million, growth of 33% on an annual basis and with an EBITDA margin of 8.9%. In LTM1Q22, EBITDA totaled R\$2.6 billion, up 15% year-on-year and the highest level ever recorded by the Company. LTM1Q22 EBITDA margin reached 9.1%.
- Consolidated gross revenue totaled R\$7.6 billion in 1Q22, 25% higher than in 1Q21, and an all-time high of R\$30.1 billion for the Company in LTM1Q22. In 1Q22, exports accounted for 70% of gross revenue, maintaining Minerva Foods' position as the leading beef exporter in South America, with a market share of approximately 20% on the continent.
- Minerva Foods' net revenue reached R\$7.2 billion in 1Q22, a growth of 25% over the same period in the previous year. In LTM1Q22, consolidated net revenue came to R\$28.4 billion, up 35% in the annual comparison. Net Result for 1Q22 reached R\$ 114.6 million, thus accumulating R\$ 453.9 million in the last twelve months ended in March.
- Financial leverage, measured by the Net Debt/LTM EBITDA ratio, stood at 2.5x in the quarter, in line with our financial discipline and Minerva Foods dividend policy.
- The Company's Management, after approved by the Shareholders' Meeting, paid additional dividends of R\$200.0 million, or approximately R\$0.34/share on 05/09. Therefore, a total of R\$400.0 million or R\$0.69/share was distributed as dividends for 2021 fiscal year, corresponding to a payout of approximately 70% of net income for the period.
- Our commitment to sustainability: we focus on achieving measurable and credible results in response to climate change. We have made advances in the monitoring of South American suppliers, with now 90% of the direct suppliers in Argentina and more than 30% in Colombia.
- Sustainability Report: our company maintains a tradition of transparency regarding disclosure of information regarding our performance on ESG issues. For the past 11 years we have annually published our progress through Sustainability Reports and in early April we published the most recent edition for 2021, and for the second year running we have been the first company in the industry to release its results.
- Renove Program: introduction of a carbon-neutral product in Uruguay with emissions offset through the sale of carbon credits generated in a livestock-forest integration project in Uruguay and marketed by MyCarbon.



## Message from Management

Minerva Foods' export DNA consolidates in the first quarter of 2022, a period in which the Company recorded strong operational performance, reflecting the goods fundamentals of the global animal protein market and strengthening its leading position in beef exports in South America. In 1Q22, despite seasonality and the challenges imposed by the global scenario, Minerva Foods' gross revenue increased by about 25%, reaching R\$7.6 billion, and EBITDA reached R\$646.0 million, a strong growth of 33% on an annual basis and a record result for the Company during a first quarter. Our capital structure remains healthy, with a Net Debt/LTM EBITDA ratio flat at 2.5x, confirming Minerva Foods' commitment to capital discipline.

**Gross Revenue**  
**R\$7.6 billion**

**EBITDA**  
**R\$ 646.0 million**

**Net Income**  
**R\$114.6 million**

**Leverage**  
**2.5x**

Given the continued scenario of volatility and logistics restrictions in global chains, I would like to emphasize our geographical diversification strategy, one of the main pillars of our business model that is still necessary for the maintenance of our profitability and as an important risk mitigating agent. Minerva Foods' operational footprint, distributed across South America, continues to play a fundamental role in the commercial and financial performance being delivered by the Company quarter after quarter, and reflecting its arbitrage capacity in the global animal protein market, always focusing on profitability and risk management.

One of the main priorities of our Management is the generation of shareholder value, which was also a highlight in 1Q22 with the recent payment of additional dividends of R\$200.0 million, or R\$0.34/share. For the 2021 fiscal year, Minerva Foods distributed a total of R\$400.0 million in dividends, or R\$0.69/share, corresponding an payout of approximately 70%. In the last two years (2020 – 2021), the Company distributed R\$942.1 million in proceeds, equivalent to R\$1.72/share, reinforcing our commitment to the creation of value for shareholders.

**Dividends per share**  
**R\$0.69/share**

**2021 Dividends**  
**R\$400.00 million**

**Payout**  
**70% of Net Income**

The outlook for the coming periods remains very positive for Minerva Foods, in particular for our operations in the foreign market. The strong balance between supply and demand continues providing opportunities for the Company, especially in Asia and the Middle East, but also in premium markets, such as the United States, whose market share expanded to nearly 10% of our consolidated exports, growth that is expected to continue in the coming periods due to the turn of the American beef cycle, putting pressure on cattle prices and on beef production volumes. I also highlight the rise in grain prices, which has a relevant impact on the global chain of certain proteins such as pork and chicken, but also on beef from confined cattle, thus increasing costs and reduction the competitiveness of South America producers. In addition, we cannot fail to mention the first positive increase in availability of animals in Brazil, the largest producer on the continent, a trend that is expected to consolidate over the coming months. Therefore, South America, with its pasture-based cattle production matrix, has been expanding its competitiveness even further in the global beef market, in particular with the inflationary pressure in the current global environment. In this context, Minerva Foods' geographical diversification strategy offers the Company access to 100% of global demand and will continue as one of the main performance vectors for the coming years.

One of the pillars of our management, the solidity of our balance sheet, was once again one of the period highlights. Our cash position remains very solid at approximately R\$5.3 billion. We ended 1Q22 with a net leverage of 2.5x the Net debt/LTM EBITDA ratio. In addition to our comfortable leverage and liquidity levels, we continued our strategy to reach a less costly capital structure and, repurchasing and canceling approximately US\$131.6 million of our 2028 and 2031 Notes. Since 2020, we already repurchased and canceled US\$421.2 million in liability management initiatives such as this, ratifying our commitment to our financial discipline.



During the first quarter of 2022, we have made substantial progress and once again spearheaded initiatives that position us as a benchmark in the animal protein sector. We carried out the first sale of a certified carbon neutral product in Uruguay. Our emissions have been measured in terms of production, processing and logistics, with the carbon footprint audited and certified by the international organization Preferred by Nature. MyCarbon traded carbon credits to offset emissions, and with emissions reduction plans ready for both ranches and factories across the country, we are continuously working to reduce the carbon footprint.

We have made strides in the geographic monitoring of our direct suppliers in Colombia and Argentina, and we are dedicated in maintaining the communication, engagement and training of our cattle ranchers on the importance of using the SMGeo Prospec application, which was recently launched last year.

As an important recognition, Minerva Foods was evaluated by the Forest 500 Ranking as being listed as one of the companies in the animal protein sector that presents the lowest risks of being linked to deforestation or of having potential exposure to commodity supply chains with forest risks. Furthermore, in order to maintain our stakeholders up-to-date and provide greater transparency in regards to our the progress of our ESG practices, in early April we published our 11<sup>o</sup> Sustainability Report in accordance with Global Reporting Initiative (GRI) and the standards of the Sustainability Accounting Standards Board (SASB), in addition to the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), which placed us, for the second consecutive year, as the first company in the sector to disclose its results for the 2021 year.

We initiated the year of 2022 with positive expectations for the sector, always aware of the challenges and opportunities that emerge, and we remain confident in the efforts of the more than 21,000 Minerva Foods employees. We believe that our geographical diversification strategy and our commitment to capital discipline, with innovation and ethical and sustainable practices is the best way to create value in the long term.

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

**Fernando Galletti de Queiroz**  
Chief Executive Officer



# Results Analysis

## Key Consolidated Indicators

R\$ million	1Q22	1Q21	Chg. (%)	4Q21	Chg. (%)	LTM1Q22	LTM1Q21	Chg. (%)
Total slaughter ('000 head)	874.2	862.0	1.4%	890.9	-1.9%	3,584.5	3,286.4	9.1%
Total sales volume ('000 metric tons)	275.7	290.4	-5.1%	288.0	-4.2%	1,146.3	1,087.7	5.4%
Gross Revenue	7,627.6	6,109.8	24.8%	7,979.8	-4.4%	30,090.1	22,228.0	35.4%
Export market	5,359.3	4,153.4	29.0%	5,125.5	4.6%	20,518.0	15,101.5	35.9%
Domestic market	2,268.3	1,956.4	15.9%	2,854.3	-20.5%	9,572.1	7,126.4	34.3%
Net revenue	7,229.2	5,803.4	24.6%	7,505.9	-3.7%	28,391.2	21,042.6	34.9%
EBITDA	646.0	484.9	33.2%	735.3	-12.1%	2,574.3	2,246.2	14.6%
EBITDA margin	8.9%	8.4%	0.6 p.p.	9.8%	-0.9 p.p.	9.1%	10.7%	-1.6 p.p.
Net Debt / LTM EBTIDA (x) <sup>(1)</sup>	2.5	2.4	0.1	2.4	0.1	2.5	2.4	0.1
Net income (loss)	114.6	259.5	-55.8%	150.3	-23.8%	453.9	685.4	-33.8%

<sup>(1)</sup>4Q21 was adjusted by anticipated dividends of R\$200 million, paid in November/21.

### New Breakdown of information:

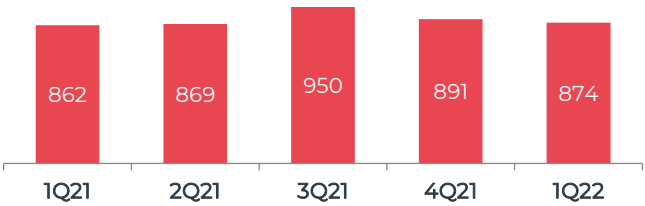
In order to facilitate the understanding of its business units, we adopted as of this earnings release, a new reporting structure for its information, with the breakdown of gross revenue and sales volume for each of its operations (Brazil, Argentina, Colombia, Paraguay and Uruguay) and a new division called “Others”, which includes the former trading division plus the operation of Australia.

## Operational and financial performance

### Slaughter

Consolidated slaughter volume totaled 874,200 head of cattle in 1Q22, a slight YoY increase.

Figure 1 – Consolidated Slaughter



### Gross Revenue

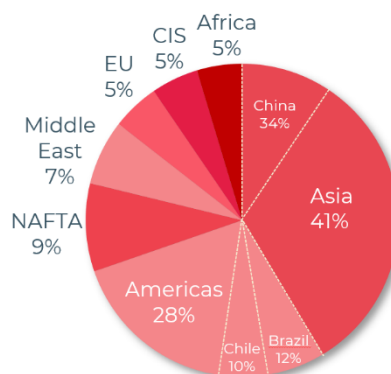
In the first quarter of 2022, the Company's consolidated gross revenue reached R\$7.6 billion, up by nearly 25% over 1Q21. In the 12-month period ended March 31, 2022, gross revenue totaled R\$30.1 billion, a strong 35.4% growth over the same comparison period of the previous year.

Follow below a more detailed breakdown of gross revenue.

Gross Revenue (R\$ million)	1Q22	1Q21	Chg. (%)	4Q21	Chg. (%)	LTM1Q22	LTM1Q21	Chg. (%)
Brazil	3,954.2	2,684.1	47.3%	3,276.8	20.7%	13,152.6	10,559.1	24.6%
Argentina	880.3	741.3	18.8%	1,282.5	-31.4%	4,060.8	2,823.4	43.8%
Colombia	315.7	414.9	-23.9%	413.0	-23.6%	1,670.3	1,171.5	42.6%
Paraguay	1,000.0	1,164.7	-14.1%	1,151.1	-13.1%	5,022.4	3,743.1	34.2%
Uruguay	962.0	746.1	28.9%	1,273.3	-24.4%	4,273.2	2,232.5	91.4%
Other <sup>(1)</sup>	515.5	358.8	43.7%	583.1	-11.6%	1,910.9	1,698.2	12.5%
<b>Total</b>	<b>7,627.6</b>	<b>6,109.8</b>	<b>24.8%</b>	<b>7,979.8</b>	<b>-4.4%</b>	<b>30,090.1</b>	<b>22,227.9</b>	<b>35.4%</b>

<sup>(1)</sup> consists of the result from live cattle exports, protein trading, energy trading, resale of third-party products, and Australia operations.

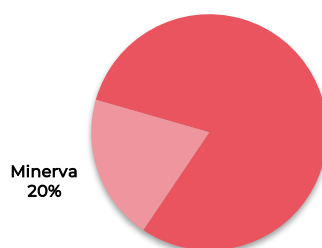
Figure 2 – 1Q22 Brekdown by Gross Revenue



## Exports - Market Share

In 1Q22, Minerva Foods remained the leading beef exporter on the continent. The Company accounted for approximately 20% of South American beef exports in the period.

Figure 3 – Market Share 1Q22



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

## Export Market – 70.3% of Gross Revenue in 1Q22 | 68.2% in LTM1Q22

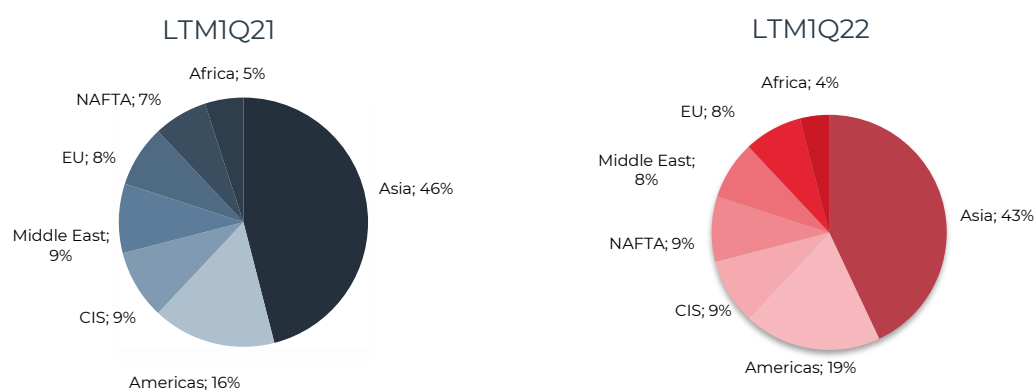
In the quarter, exports generated a revenue of R\$5.4 billion, up by 29.0% over 1Q21 and by 4.6% over the previous quarter. In the 12-month period ended March 31, 2022, export revenue totaled R\$20.5 billion, a strong growth of approximately 35.9%.

The good export performance reflects the imbalance between global supply and demand for beef. On one side, global supply has been impacted by restrictions from some of the main world producers, and on the other, demand for beef continues to grow, therefore benefiting export markets in South America.

## We present below exports by region between LTM1Q22 and LTM1Q21:

- 🍷 **Africa:** In the 12-month period ended March 31, 2022, the region accounted for 4% of exports, remaining flat over LTM1Q21.
- 🍷 **Americas:** The Americas accounted for 19% of total exports in LTM1Q22, increasing by 3 p.p. over LTM1Q21.
- 🍷 **Asia:** In LTM1Q22, Asia accounted for 43% of total exports, reducing by 3 p.p. over LTM1Q21 and remaining the main destination for our exports. China accounted for 35% of Minerva Foods' exports in the period.
- 🍷 **CIS (Commonwealth of Independent States):** The Commonwealth of Independent States, represented mainly by Russia, remained with 9% of our exports in LTM1Q22, flat in the annual comparison.
- 🍷 **Europe:** Europe accounted for 8% of our exports in LTM1Q22, in line with the previous period.
- 🍷 **NAFTA:** NAFTA was responsible for 9% of exports, up by 2 p.p. over LTM1Q21.
- 🍷 **Middle East:** In the 12-month period ended March 31, 2022, the Middle East region accounted for 8% of exports, flat over LTM1Q21.

Figures 4 and 5 - Breakdown of Export Revenue by Region - Consolidated



Source: Minerva

## Domestic Market – 29.7% of Gross Revenue in 1Q22 | 31.8% in LTM1Q22

In 1Q22, gross revenue from the domestic market reached R\$2.3 billion, increasing by 15.9% over the quarter in 2021. In LTM1Q22, gross revenue from the domestic market amounted to R\$9.6 billion, a strong 34.3% growth compared to LTM1Q21.

Follow below a more detailed breakdown of gross revenue, sales volume and average price:

Gross Revenue (R\$ million)	1Q22	1Q21	Chg. (%)	4Q21	Chg. (%)	LTM1Q22	LTM1Q21	Chg. (%)
Export Market	5,359.3	4,153.4	29.0%	5,125.5	4.6%	20,518.0	15,101.5	35.9%
Domestic Market	2,268.3	1,956.4	15.9%	2,854.3	-20.5%	9,572.1	7,126.4	34.3%
Total	7,627.6	6,109.8	24.8%	7,979.8	-4.4%	30,090.1	22,227.9	35.4%






Sales Volume ('000 metric tons)	1Q22	1Q21	Chg. (%)	4Q21	Chg. (%)	LTM1Q22	LTM1Q21	Chg. (%)
Export Market	179.4	176.6	1.6%	185.2	-3.1%	753.2	688.2	9.4%
Domestic Market	96.3	113.9	-15.4%	102.7	-6.3%	393.1	399.5	-1.6%
Total	275.7	290.4	-5.1%	288.0	-4.2%	1,146.3	1,087.7	5.4%

Average Price	1Q22	1Q21	Chg. (%)	4Q21	Chg. (%)	LTM1Q22	LTM1Q21	Chg. (%)
Export Market (US\$/Kg)	5.7	4.3	32.6%	5.0	15.0%	5.1	4.1	25.8%
Domestic Market (R\$/Kg)	23.6	17.2	37.1%	27.8	-15.2%	24.3	17.8	36.5%
Average dollar (source: BACEN)	5.24	5.47	-4.3%	5.58	-6.2%	5.33	5.41	-1.3%

## Breakdown by Origin

To increase the disclosure and transparency of the Company's information, a more detailed breakdown of performance by country is provided below:

	<b>Brazil</b>	<b>1Q22</b>	<b>1Q21</b>	<b>Chg. (%)</b>	<b>4Q21</b>	<b>Chg. (%)</b>	<b>LTM1Q22</b>	<b>LTM1Q21</b>	<b>Chg. (%)</b>
	Gross Revenue	3,954.2	2,684.1	47.3%	3,276.8	20.7%	13,152.6	10,559.1	24.6%
	Sales Volume	137.4	115.9	18.5%	129.2	6.4%	502.6	512.5	-1.9%
	<b>Argentina</b>	<b>1Q22</b>	<b>1Q21</b>	<b>Chg. (%)</b>	<b>4Q21</b>	<b>Chg. (%)</b>	<b>LTM1Q22</b>	<b>LTM1Q21</b>	<b>Chg. (%)</b>
	Gross Revenue	880.3	741.3	18.8%	1,282.5	-31.4%	4,060.8	2,823.4	43.8%
	Sales Volume	39.0	45.5	-14.3%	40.9	-4.5%	157.3	159.0	-1.1%
	<b>Colombia</b>	<b>1Q22</b>	<b>1Q21</b>	<b>Chg. (%)</b>	<b>4Q21</b>	<b>Chg. (%)</b>	<b>LTM1Q22</b>	<b>LTM1Q21</b>	<b>Chg. (%)</b>
	Gross Revenue	315.7	414.9	-23.9%	413.0	-23.6%	1,670.3	1,171.5	42.6%
	Sales Volume	16.1	26.4	-39.1%	24.0	-33.0%	88.5	74.9	18.1%
	<b>Paraguay</b>	<b>1Q22</b>	<b>1Q21</b>	<b>Chg. (%)</b>	<b>4Q21</b>	<b>Chg. (%)</b>	<b>LTM1Q22</b>	<b>LTM1Q21</b>	<b>Chg. (%)</b>
	Gross Revenue	1,000.0	1,164.7	-14.1%	1,151.1	-13.1%	5,022.4	3,743.1	34.2%
	Sales Volume	46.8	65.2	-28.2%	48.7	-3.8%	228.8	229.0	-0.1%
	<b>Uruguay</b>	<b>1Q22</b>	<b>1Q21</b>	<b>Chg. (%)</b>	<b>4Q21</b>	<b>Chg. (%)</b>	<b>LTM1Q22</b>	<b>LTM1Q21</b>	<b>Chg. (%)</b>
	Gross Revenue	962.0	746.1	28.9%	1,273.3	-24.4%	4,273.2	2,232.5	91.4%
	Sales Volume	36.4	37.4	-2.7%	45.3	-19.6%	169.1	112.3	50.6%
	<b>Other</b>	<b>1Q22</b>	<b>1Q21</b>	<b>Chg. (%)</b>	<b>4Q21</b>	<b>Chg. (%)</b>	<b>LTM1Q22</b>	<b>LTM1Q21</b>	<b>Chg. (%)</b>
	Gross Revenue	515.5	358.8	43.7%	583.1	-11.6%	1,910.9	1,698.2	12.5%

## Net Revenue

The Minerva Foods net revenue totaled R\$7.2 billion in 1Q22, up approximately 25% over 1Q21. In the 12-month period ended March 31, 2022, consolidated net revenue totaled R\$28.4 billion, a strong 35% growth over the previous year and a record level for the Company.

R\$ million	1Q22	1Q21	Chg. (%)	4Q21	Chg. (%)	LTM1Q22	LTM1Q21	Chg. (%)
Gross Revenue	7,627.6	6,109.8	24.8%	7,979.8	-4.4%	30,090.1	22,228.0	35.4%
Deductions and Discounts	-398.4	-306.4	30.0%	-473.9	-15.9%	-1,698.9	-1,185.3	43.3%
<b>Net Revenue</b>	<b>7,229.2</b>	<b>5,803.4</b>	<b>24.6%</b>	<b>7,505.9</b>	<b>-3.7%</b>	<b>28,391.2</b>	<b>21,042.6</b>	<b>34.9%</b>
% Gross Revenue	94.8%	95.0%	-0.2 p.p.	94.1%	0.7 p.p.	94.4%	94.7%	-0.3 p.p.

## Cost of Goods Sold

### COGS and Gross Margin

COGS corresponded to 83.0% of net revenue in 1Q22, implying in a gross margin of 17.0%. In LTM1Q22, COGS accounted for 82.6% of net revenue, with a gross margin of 17.4%.



R\$ million	1Q22	1Q21	Chg. (%)	4Q21	Chg. (%)	LTM1Q22	LTM1Q21	Chg. (%)
Net Revenue	7,229.2	5,803.4	24.6%	7,505.9	-3.7%	28,391.2	21,042.6	34.9%
<b>COGS</b>	<b>-6,003.2</b>	<b>-4,859.4</b>	<b>23.5%</b>	<b>-6,104.4</b>	<b>-1.7%</b>	<b>-23,464.0</b>	<b>-17,014.4</b>	<b>37.9%</b>
% Net Revenue	83.0%	83.7%	-0.7 p.p.	81.3%	1.7 p.p.	82.6%	80.9%	1.8 p.p.
<b>Gross Profit</b>	<b>1,226.0</b>	<b>943.9</b>	<b>29.9%</b>	<b>1,401.5</b>	<b>-12.5%</b>	<b>4,927.1</b>	<b>4,028.2</b>	<b>22.3%</b>
Gross Margin	<b>17.0%</b>	<b>16.3%</b>	<b>0.7 p.p.</b>	<b>18.7%</b>	<b>-1.7 p.p.</b>	<b>17.4%</b>	<b>19.1%</b>	<b>-1.8 p.p.</b>

## Selling,

### General and Administrative Expenses

In this quarter, selling expenses accounted for 6.6% of net revenue in 4Q21, while general and administrative expenses accounted for 3.2%, both remaining flat in relation to the previous quarters. The performance was similar in LTM1Q22, with selling expenses accounting for 6.6% of net revenue, while general and administrative expenses accounted for 3.2% of net revenue.

R\$ million	1Q22	1Q21	Chg. (%)	4Q21	Chg. (%)	LTM1Q22	LTM1Q21	Chg. (%)
<b>Selling Expenses</b>	<b>-480.2</b>	<b>-369.5</b>	<b>30.0%</b>	<b>-516.9</b>	<b>-7.1%</b>	<b>-1,877.3</b>	<b>-1,392.8</b>	<b>34.8%</b>
% Net Revenue	6.6%	6.4%	0.3 p.p.	6.9%	-0.2 p.p.	6.6%	6.6%	0.0 p.p.
<b>G&amp;A Expenses</b>	<b>-230.2</b>	<b>-179.8</b>	<b>28.0%</b>	<b>-249.0</b>	<b>-7.6%</b>	<b>-907.9</b>	<b>-717.3</b>	<b>26.6%</b>
% Net Revenue	3.2%	3.1%	0.1 p.p.	3.3%	-0.1 p.p.	3.2%	3.4%	-0.2 p.p.

## EBITDA

Minerva Foods' consolidated EBITDA totaled R\$646.0 million in 1Q22, the highest quarterly EBITDA ever recorded, up 33.2% over the year. EBITDA margin was 8.9% in 1Q22, up approximately 50 bps over 1Q21.

In LTM1Q22, EBITDA totaled R\$2.6 billion, a new record for a 12-month period, corresponding to a growth of 14% over LTM1Q21, with EBITDA margin reaching 9.1%.

R\$ million	1Q22	1Q21	Chg. (%)	4Q21	Chg. (%)	LTM1Q22	LTM1Q21	Chg. (%)
Net Income (Loss)	114.6	259.5	-55.8%	150.3	-23.8%	453.9	685.4	-33.8%
(+/-) Deferred income and social contribution taxes	-251.2	11.4	n.a.	-58.1	332.6%	-275.9	61.4	n.a.
(+/-) Financial result	687.6	121.0	468.4%	542.6	26.7%	2,016.5	1,140.5	76.8%
(+/-) Depreciation and amortization	95.0	83.1	14.3%	94.9	0.1%	358.7	315.4	13.7%
(+/-) Other expense adjustments	0.0	9.9	n.a.	5.6	n.a.	21.1	43.4	-51.4%
<b>EBITDA</b>	<b>646.0</b>	<b>484.9</b>	<b>33.2%</b>	<b>735.3</b>	<b>-12.1%</b>	<b>2,574.3</b>	<b>2,246.2</b>	<b>14.6%</b>
<b>EBITDA Margin</b>	<b>8.9%</b>	<b>8.4%</b>	<b>0.5 p.p.</b>	<b>9.8%</b>	<b>-0.9 p.p.</b>	<b>9.1%</b>	<b>10.7%</b>	<b>-1.6 p.p.</b>

## Financial Result

The net financial loss of R\$687.6 million in 1Q22 reflected the "Other Expenses" line, which was negative by R\$426.1 million, affected by the FX hedge result.

R\$ million	1Q22	1Q21	Chg. (%)	4Q21	Chg. (%)	LTM1Q22	LTM1Q21	Chg. (%)
Financial expenses	-264.6	-248.7	6.4%	-267.9	-1.2%	-1,029.8	-1,035.2	-0.5%
Financial revenue	24.5	13.1	87.0%	24.4	0.4%	86.4	65.2	32.4%
Monetary correction	-42.0	-47.8	-12.2%	-44.3	-5.2%	-174.0	-86.9	100.2%
FX variation	20.6	-203.0	n.a.	-287.7	n.a.	-181.6	-49.2	268.8%
Other expenses	-426.1	365.4	n.a.	32.9	n.a.	-717.4	-34.5	n.a.
<b>Financial Result</b>	<b>-687.6</b>	<b>-121.0</b>	<b>468.0%</b>	<b>-542.6</b>	<b>26.7%</b>	<b>-2,016.5</b>	<b>-1,140.6</b>	<b>76.8%</b>
Average dollar (R\$/US\$)	5.24	5.47	-4.3%	5.58	-6.2%	5.3	5.41	-1.3%
Closing dollar (R\$/US\$)	4.74	5.70	-16.8%	5.58	-15.1%	4.7	5.70	-16.8%

R\$ million	1Q22	1Q21	Chg. (%)	4Q21	Chg. (%)	LTM1Q22	LTM1Q21	Chg. (%)
FX hedge	-383.4	444.2	n.a.	103.0	n.a.	-472.5	216.5	n.a.
Commodities hedge	22.1	-21.1	n.a.	-3.1	n.a.	-23.8	-35.3	-32.6%
Fees, commissions, and other financial expenses	-64.8	-57.7	12.3%	-67.0	-3.3%	-221.1	-215.7	2.5%
<b>Total</b>	<b>-426.1</b>	<b>365.4</b>	<b>n.a</b>	<b>32.9</b>	<b>n.a</b>	<b>-717.4</b>	<b>-34.5</b>	<b>n.a</b>

## Net Income (Loss)

Net income for the quarter totaled R\$114.6 million. In the last 12 months, the Company's net income stood at R\$453.9 million.

R\$ million	1Q22	1Q21	Chg. (%)	4Q21	Chg. (%)	LTM1Q22	LTM1Q21	Chg. (%)
Net income (loss) before income and social contribution taxes	-136.6	270.9	n.a.	92.2	n.a.	178.1	746.8	-76.2%
Income and social contribution taxes	251.2	-11.4	n.a.	58.1	332.6%	275.9	-61.4	n.a.
<b>Net income (loss)</b>	<b>114.6</b>	<b>259.5</b>	<b>-55.8%</b>	<b>150.3</b>	<b>-23.8%</b>	<b>453.9</b>	<b>685.4</b>	<b>-33.8%</b>
<b>% Net Margin</b>	<b>1.6%</b>	<b>4.5%</b>	<b>-2.9 p.p</b>	<b>2.0%</b>	<b>-0.4 p.p</b>	<b>1.60%</b>	<b>3.3%</b>	<b>-1.7 p.p</b>

## Cash Flow

### Operating Cash Flow

Operating cash flow was a positive R\$840.2 million in 1Q22. The variation in working capital requirements was negative by R\$280.8 million, mainly impacted by the Suppliers item, as an effect of the acceleration in the volume of slaughter, especially in Brazil, due to the resumption of exports to China in mid-December 2021. It is worth mentioning that, with the consolidation of operations in the Chinese market, it is natural that the need for working capital will end up stabilizing over the next few months.

In LTM1Q22, the Company's operating cash flow totaled R\$2.4 billion.

R\$ million	1Q22	1Q21	4Q21	LTM1Q22
Net income (loss)	114.6	259.5	150.3	453.9
(+) Net income (loss) adjustments	1,006.4	914.4	561.9	2,072.9
(+) Variation in working capital requirements	-280.8	-123.7	-63.5	-142.1
<b>Operating cash flow</b>	<b>840.2</b>	<b>1,050.2</b>	<b>648.8</b>	<b>2,384.6</b>

### Free Cash Flow

The Company's free cash flow, after investments, payment of interest and working capital, was negative by R\$172.6 million, impacted by investments in working capital. Excluding the impact of the foreign exchange cash hedge, free cash flow was negative by R\$46.6 million. In the last 12 months, free cash generation totals R\$532.3 million.

It is worth mentioning that the accumulated cash generation of LTM1Q22 does not include the R\$584.3 million in dividends distributed to Minerva Foods shareholders over the same period.

R\$ million	1Q22	4Q21	3T21	2T21	LTM1Q22
EBITDA	646.0	735.3	648.1	544.9	2,574.3
CAPEX	-172.8	-230.7	-194.9	-69.5	-667.9
Financial result (on a cash basis)	-365.0	-228.0	-182.0	-457.0	-1,232.0
Variation in working capital requirements	-280.8	-63.5	-204.1	406.3	-142.1
<b>Free Cash Flow</b>	<b>-172.6</b>	<b>213.1</b>	<b>67.1</b>	<b>424.7</b>	<b>532.3</b>



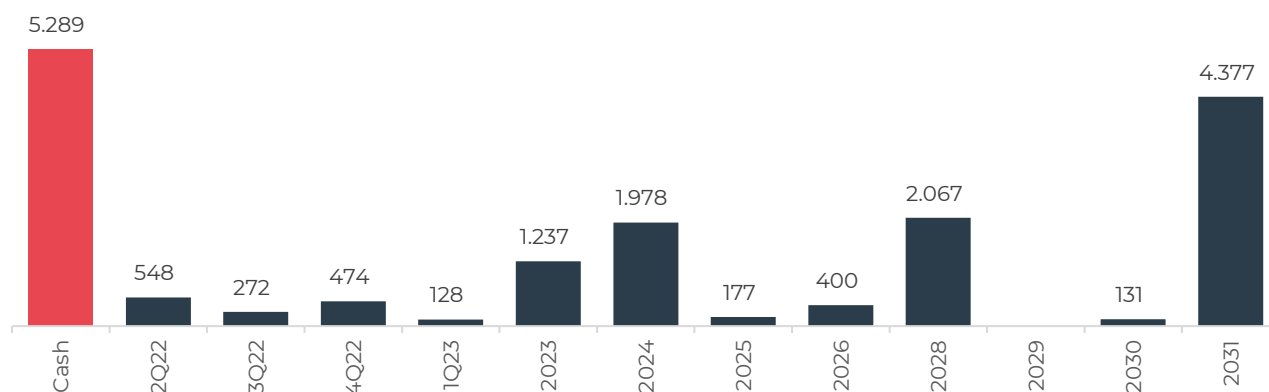
## Capital Structure

At the end of 1Q22, Minerva's cash position reached R\$5.3 billion, which is sufficient to amortize its debt through 2026 and is in line with the Minerva Foods's conservative cash management and capital discipline. On March 31, 2022, around 67% of the gross debt was pegged to the U.S. dollar and, according to our hedge policy, the Company hedges at least 40% of the long-term FX exposure, protecting its balance sheet at times of high exchange rate volatility. Debt duration expanded to approximately 5.4 years at the end of 1Q22.

Net leverage, measured by the Net Debt/LTM EBITDA ratio, ended 1Q22 at 2.5x, flat over the previous quarters, in line with our financial discipline and dividend policy.

In search of a more balanced and less costly capital structure, with a lower risk profile, we continue to work on initiatives focused on liability management. In 1Q22, approximately USD 131.6 million related to our Bonds were repurchased and canceled, with USD 89.4 million related to Notes 2028 and USD 42.2 million to Notes 2031. Since 2020, Minerva Foods has repurchased and canceled debt securities in the amount of USD 421.2 million.

Figure 6 – Debt Amortization Schedule on 03/31/2022 (R\$ million)



R\$ million	1Q22	1Q21	Chg. (%)	4Q21	Chg. (%)
<b>Short-term Debt</b>	<b>1,421.0</b>	<b>1,411.1</b>	<b>0.7%</b>	<b>1,488.4</b>	<b>-4.5%</b>
% Short-term debt	12.1%	12.0%	0.1 p.p.	11.1%	1.0 p.p.
Local currency	270.6	508.9	-46.8%	233.3	16.0%
Foreign currency	1,150.4	902.1	27.5%	1,255.1	-8.3%
<b>Long-term Debt</b>	<b>10,366.0</b>	<b>10,383.7</b>	<b>0.2%</b>	<b>11,916.3</b>	<b>-13.0%</b>
% Long-term debt	87.9%	88.0%	-0.1 p.p.	88.9%	-1.0 p.p.
Local currency	3,626.2	2,199.6	64.9%	3,349.8	8.3%
Foreign currency	6,739.8	8,184.2	-17.6%	8,566.5	-21.3%
<b>Total Debt</b>	<b>11,787.0</b>	<b>11,794.8</b>	<b>-0.1%</b>	<b>13,404.7</b>	<b>-12.1%</b>
Local currency	3,896.9	2,708.5	43.9%	3,583.1	8.8%
Foreign currency	7,890.1	9,086.3	-13.2%	9,821.6	-19.7%
<b>Cash and cash equivalents</b>	<b>-5,289.4</b>	<b>6,410.1</b>	<b>-17.5%</b>	<b>7,302.0</b>	<b>-27.6%</b>
Early dividends	-	-	-	200.0	-
<b>Net Debt</b>	<b>6,497.6</b>	<b>5,374.3</b>	<b>20.9%</b>	<b>5,902.7</b>	<b>6.5%</b>
<b>Net Debt/EBITDA (x) <sup>(1)</sup></b>	<b>2.5</b>	<b>2.4</b>	<b>0.1 p.p.</b>	<b>2.4</b>	<b>0.1 p.p.</b>

<sup>(1)</sup> 4Q21 adjusted by anticipated dividends of R\$200 million, effectively paid in November/21.

## Capex

In 1Q22, investments totaled R\$172.8 million. Of the total amount, R\$101.0 million went to the maintenance, and R\$71.8 million to expansion. See below a breakdown of investments (cash effect) by quarter and in the last twelve months, especially in the capacity of the plants in Colombia.

R\$ million	1Q22	4Q21	3T21	2T21	LTM1Q22
Maintenance	101.0	97.2	83.7	40.9	322.8
Expansion	71.8	133.5	111.2	28.6	345.1
<b>Total</b>	<b>172.8</b>	<b>230.7</b>	<b>194.9</b>	<b>69.5</b>	<b>667.9</b>

## ESG

Awareness that the sustainability of our business depends on maintaining the ecosystems that support agricultural production, is at the core of the Minerva Foods Commitment to Sustainability. It is centered around the contribution to a healthy planet and prosperous communities. It is geared towards providing support to South American producers in implementing practices that sequester and store carbon, protect biodiversity, and increase the resilience of their businesses. It has now been one year since the launch of our goals built upon the pillar "Dedication to the Planet" set in April of last year.

Minerva Foods continues to focus its efforts on 3 key areas in order to achieve its goal of zero net emissions by 2035 for scopes 1, 2 and 3 emissions:

1. Scopes 1 and 2 - Environmental Efficiency of operations:
  - 1.1. Reduce by 30% the intensity of greenhouse gas emissions in scopes 1 and 2 by 2030.
  - 1.2. Carbon neutral energy matrix (zero net emissions in scope 2 - target achieved in 2020 and upheld in 2021).
2. Scope 3 - Combat illegal deforestation through geospatial monitoring of the supply chain:
  - 2.1. No illegal deforestation throughout the supply chain (direct and indirect suppliers) for all countries of operation in South America by 2030.
  - 2.2. Geographic monitoring of 100% of direct suppliers in Paraguay by December 2021 (target achieved in December), Colombia by 2023, Uruguay by 2025, and further implementation to all other South American countries of operation by 2030.
  - 2.3. Monitoring program of indirect suppliers in all countries of operation in South America by 2030, including:
    - i. Integration of the Visipec tool into the geographic monitoring system for the Amazon by December 2021 (target achieved four months ahead of schedule);
    - ii. Release of a mobile app for the verification of indirect suppliers located in Brazil, together with Niceplanet Geotecnologia, by December 2021 (goal achieved two months ahead of schedule)).
3. Scope 3 - *Renove* Program - low carbon emission in the production chain:
  - 3.1. 50% of beef suppliers taking part in the *Renove* program by 2030.
  - 3.2. Partnership with research institutions for the application of a methodology to monitor, report and verify the carbon balance of the ranches of suppliers in the South American countries of operation, with preliminary results expected in 2021 (target achieved with the release during the United Nations Climate Change Conference - COP26 held in November 2021).

During the first quarter of 2022, the pioneering efforts to combat illegal deforestation in the supply chain were highlighted by the expansion of geographic monitoring of operations in Colombia and Argentina. In Colombia we are now monitoring more than 30% of our direct suppliers, and 90% in Argentina. At the end of 2021, SMGeo Prospec was launched and made available to Minerva Foods'



suppliers. It is an application developed by Niceplanet Geotecnologia, which allows ranchers to conduct detailed research, access the history and analysis of social and environmental compliance of their own suppliers. Since the launch, Minerva remains dedicated to carrying out its efforts to engage and maintain communications with cattle ranchers, providing them with additional training through workshops and field visits, in order to emphasize the benefits and importance of using this application.

With respect to the Renove program, the first quarter of 2022 featured important advances in support for the implementation of low emission cattle ranching and the activities of MyCarbon, a company dedicated to the development and commercialization of carbon credits with the launch of a certified carbon neutral product in Uruguay. The partner ranches that participated in the study with Imaflora and the industrial units in the country had their carbon footprints audited and certified by Preferred by Nature, a non-profit organization that is active in over one hundred countries. The Renove program monitors the ranches in order to assist in the reduction of emissions in the production systems and to increase the number of ranches in the certification program. The emissions were offset with carbon credits generated in a livestock-forest integration project in Uruguay and sold through MyCarbon.

At MyCarbon we initiated our interactions with the CBL Exchange (Chicago) and bought credits from two more projects at the Emsurge Market Place, for the development of our portfolio. In addition, we began to establish a relationship with the service providers for tokenization of the credits. We also made progress in approaching carbon market players in other countries in which the company operates, laying the groundwork for future MyCarbon operations by means of new partnerships.

We have received significant recognition at the institutional level. We were evaluated by the Forest 500 Ranking as one of the companies in the protein sector that presents the lowest risks of linkage to deforestation or potential exposure to supply chains of forest risk commodities. For 2022, Minerva Foods finds itself among the 5 best Brazilian companies with regard to its sustainability policies, according to the ranking.

To conclude, ESG topics remain a priority for Minerva Foods, which has just published its 11<sup>o</sup> Sustainability Report following Global Reporting Initiative standards, for the second year in a row. As such, Minerva Foods is the first company in the sector to publish its results for the year 2021. We will continue to follow this practice as a standard in our communication with the most diverse stakeholders, providing our public with up-to-date information on ESG developments in a holistic and transparent format.

This new edition features new elements such as a revised materiality matrix, implementation of recommendations from the Task Force on Climate-Related Financial Disclosures (TCFD), and indicators based on the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB).

Learn more about our results regarding the Minerva Foods ESG agenda detailed in our 11<sup>o</sup> 2020 Sustainability Report by clicking on the link or via our website <https://www.minervafoods.com/sustentabilidade#relatorios>. We reinforce our ongoing innovation and our commitment to deliver material results today, thereby contributing to the sustainability of our planet now.



## Subsequent Events

### Additional dividends

On May 09, 2022, after approval at the Annual Shareholders' Meeting held on April 25, 2022, the Company paid additional dividends totaling R\$200.00 million, or R\$0.34, per share, excluding 23.1 million treasury shares.

Considering all payments to shareholders for fiscal year 2021, Minerva Foods' payout totaled R\$400.00 million, or R\$0.69 per share. As a result, considering net income of R\$598.9 million in 2021, the consolidated amount distributed represented around 70% of the Company's net income in the period, totaling a dividend yield of 6.5%.

2021	R\$ million		2021
Early dividends	200.00	Net Income (Loss)	598.9
Additional dividends	200.00	Total distributuín/share	0.69
<b>Total</b>	<b>400.00</b>	BEEF3 <sup>(1)</sup>	10.60
		<b>Dividend Yield</b>	<b>6.5%</b>

<sup>(1)</sup> Share on December 31, 2021

## About Minerva S.A.

Minerva Foods is the South American leader in beef exports, and also operates in the processed foods segment, selling its products to over 100 countries. Present in Brazil, Paraguay, Argentina, Uruguay, Colombia and Australia, Minerva operates 27 slaughter and deboning plants and 3 processing plants. In the 12 months ended March 31, 2022, the Company recorded gross sales revenue of **R\$30.1 billion, 35% more** than in the same period in 2021.

### Relationship with Auditors

Under CVM Instruction 381/03, we announce that our auditors were not engaged in services other than those related to the external audit in 2020, 2021, and the quarter ended March 31, 2022.

### Statement from Management

Under CVM Instructions, Management declares that it has discussed, reviewed and agreed with the individual and consolidated accounting information related to the period ended March 31, 2022 and the opinions expressed in the independent auditors' review report, hereby authorizing their disclosure.



**APPENDIX 1 - INCOME STATEMENT (CONSOLIDATED)**

(R\$ thousand)	1Q22	1Q21	4Q21
<b>Net operating revenue</b>	<b>7,229,165</b>	<b>5,803,374</b>	<b>7,505,928</b>
Cost of goods sold	-6,003,152	-4,859,449	-6,104,381
<b>Gross profit</b>	<b>1,226,013</b>	<b>943,925</b>	<b>1,401,547</b>
Selling expenses	-480,226	-369,526	-516,900
General and administrative expenses	-230,152	-179,791	-249,005
Other operating revenues (expenses)	35,374	-2,689	-857
<b>Result before financial expenses</b>	<b>551,009</b>	<b>391,919</b>	<b>634,785</b>
Financial expenses	-264,580	-248,675	-267,890
Financial revenue	24,458	13,080	24,354
Monetary correction	-41,960	-47,806	-44,282
FX variation	20,607	-203,041	-287,693
Other expenses	-426,152	365,460	32,940
<b>Financial Result</b>	<b>-687,627</b>	<b>-120,982</b>	<b>-542,571</b>
<b>Income (loss) before taxes</b>	<b>-136,618</b>	<b>270,937</b>	<b>92,214</b>
Income and social contribution taxes - current	-12,165	-9,876	-534
Income and social contribution taxes - deferred	263,375	-1,515	58,609
<b>Income (loss) before non-controlling interest</b>	<b>114,592</b>	<b>259,546</b>	<b>150,289</b>
Controlling shareholders	114,592	259,546	150,289
<b>Profit (loss) for the period</b>	<b>114,592</b>	<b>259,546</b>	<b>150,289</b>

## APPENDIX 2 - BALANCE SHEET (CONSOLIDATED)

(R\$ thousand)	1Q22	4Q21
<b>ASSETS</b>		
Cash and cash equivalents	5,289,375	7,302,009
Trade receivables	2,352,721	2,598,563
Inventories	1,880,981	2,115,294
Biological assets	456,789	467,960
Taxes recoverable	785,723	805,076
Other receivables	522,022	478,198
<b>Total current assets</b>	<b>11,287,611</b>	<b>13,767,100</b>
Taxes recoverable	106,942	106,942
Deferred tax assets	721,938	415,665
Other receivables	146,565	148,165
Judicial deposits	22,411	22,202
Investments	199,841	199,841
Fixed assets	4,358,476	4,581,352
Intangible assets	776,075	828,195
<b>Total non-current assets</b>	<b>6,332,248</b>	<b>6,302,362</b>
<b>Total assets</b>	<b>17,619,859</b>	<b>20,069,462</b>
<b>LIABILITIES</b>		
Loans and financings	1,421,003	1,488,416
Commercial leasing	11,056	10,435
Trade payables	3,139,975	3,724,242
Labor and tax liabilities	362,879	400,727
Other payables	1,507,025	1,614,550
<b>Total current liabilities</b>	<b>6,441,938</b>	<b>7,238,370</b>
Loans and financings	10,365,984	11,916,289
Commercial leasing	27,361	29,272
Labor and tax liabilities	51,234	53,179
Provision for contingencies	36,200	43,377
Accounts payable	14,031	18,524
Deferred tax liabilities	157,882	116,320
<b>Total non-current liabilities</b>	<b>10,652,692</b>	<b>12,176,961</b>
<b>Shareholders' Equity</b>		
Share capital	1,619,074	1,616,138
Capital reserves	118,271	118,271
Revaluation reserves	47,131	47,518
Profit reserves	353,865	353,865
Additional dividend proposed	200,000	200,000
Retained earnings (accumulated losses)	114,979	0
Treasury shares	-242,768	-242,768
Equity valuation adjustments	-1,724,798	-1,438,893
<b>Total shareholders' equity attributed to controlling shareholders</b>	<b>485,754</b>	<b>654,131</b>
Non-controlling interest	39,475	0
<b>Total shareholders' equity</b>	<b>525,229</b>	<b>654,131</b>
<b>Total liabilities and shareholders' equity</b>	<b>17,619,859</b>	<b>20,069,462</b>



**APPENDIX 3 – CASH FLOW (CONSOLIDATED)**

<b>(R\$ thousand)</b>	<b>1Q22</b>	<b>1Q21</b>	<b>4Q21</b>
<b>Cash flow from operating activities</b>			
Net income (loss)	114,592	259,546	150,289
<b>Adjustments to reconcile net income provided by operating activities:</b>			
Depreciation and amortization	94,970	83,064	94,892
Estimated loss with doubtful accounts	455	730	457
Proceeds from the sale of fixed assets	10,794	1,304	1,036
Fair value of biological assets	12,511	-36,185	-19,978
Realization of deferred taxes – temporary differences	-263,375	1,515	-58,609
Financial charges	264,580	248,675	267,890
FX variation – not realized	893,656	565,478	230,809
Monetary correction	0	47,806	44,282
Provision for contingencies	-7,177	1,977	1,168
Trade receivables and other receivables	203,163	-610,695	130,449
Inventories	234,313	-347,105	-263,043
Biological assets	-1,340	-9,980	20,333
Taxes recoverable	19,353	-52,816	55,726
Judicial deposits	-209	1,238	543
Trade payables	-584,267	128,162	181,645
Labor and tax liabilities	-39,793	20,994	-39,703
Other payables	-112,018	746,530	-149,433
<b>Cash flow from operating activities</b>	<b>840,208</b>	<b>1,050,238</b>	<b>648,753</b>
<b>Cash flow from investing activities</b>			
Investment acquisition	0	-29,000	-19,700
Acquisition of intangible assets	-1,944	-1,875	-12,165
Acquisition of fixed assets	-170,875	-42,540	-198,902
<b>Cash flow from investing activities</b>	<b>-172,819</b>	<b>-73,415</b>	<b>-230,767</b>
<b>Cash flow from financing activities</b>			
Loans and financing raised	765,936	1,157,545	1,219,037
Loans and financing settled	-2,917,381	-2,455,687	-2,671,452
Commercial leasing	-2,724	-2,523	-3,181
Capital payment in cash	2,936	7,618	304,383
Payment of interest on equity	0	-19,240	0
Payment of dividends	0	0	-200,000
Non-controlling interest	39,475	0	0
<b>Cash flow from financing activities</b>	<b>-2,111,758</b>	<b>-1,312,287</b>	<b>-1,351,213</b>
FX variation on cash and cash equivalents	-568,265	354,167	204,527
<b>Net increase/decrease in cash and cash equivalents</b>	<b>-2,012,634</b>	<b>18,703</b>	<b>-728,700</b>
Cash and cash equivalents			
Beginning of the period	7,302,009	6,391,429	8,030,709
End of the period	5,289,375	6,410,132	7,302,009
<b>Net increase/decrease in cash and cash equivalents</b>	<b>-2,012,634</b>	<b>18,703</b>	<b>-728,700</b>



## APPENDIX 4 – FOREIGN EXCHANGE

	1Q22	4Q21	1Q21
(US\$ - Closing)			
Brazil (R\$/US\$)	4.74	5.58	5.63
Paraguay (PYG/US\$)	6,941.9	6,876.90	6,311.10
Uruguay (UYU/US\$)	41.14	44.69	44.22
Argentina (ARS/US\$)	111.01	102.74	91.99
Colombia (COP/US\$)	3,771.05	4,080.32	3,704.37