

minerva  
foods



# EARNINGS RELEASE 2Q23

## Earnings Release

**Barretos, August 9, 2023** – 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 second quarter of 2023. The financial and operational information herein is presented in BRGAAP and Brazilian reais (R\$), under International Financial Reporting Standards.

### 2Q23 Highlights

- The Company's Board of Directors approved the distribution of R\$ 114.0 million as interim dividends, amounting to R\$ 0.19 per share. The payment will be made on August 23, 2023, and the Company's shares will be traded "ex-dividends" as of August 15, 2023, including this date. Since 2020, the Company has distributed approximately R\$ 1.4 billion in dividends to its shareholders.
- EBITDA reached R\$ 711.2 million in 2Q23, with an EBITDA margin of 9.8%. In the last twelve months, EBITDA totaled R\$ 2.7 billion, with an EBITDA margin of 9.2%, excluding the pro-forma EBITDA from ALC.
- Free cash flow in 2Q23, after financial expenses, Capex, and working capital, totaled R\$ 323.3 million on a recurring basis and R\$ 191.3 million after the cash effect of the derivatives. In LTM2Q23, the recurring free cash flow, after the acquisition of ALC, totaled R\$ 929,3 million.
- In 2Q23, net income totaled R\$ 120.7 million, up by 5.9% from the previous quarter. In the first six months of the year, net income totaled R\$ 234.7 million, accumulating to R\$ 350.5 million in the last twelve months ended June 2023.
- Consolidated gross revenue reached R\$ 7.8 billion in 2Q23, accumulating to R\$ 30.9 billion in the last twelve months. In the quarter, exports accounted for 65.8% of the Company's gross revenue, consolidating our position as the leading beef exporter in South America, with a market share of approximately 20%.
- The Company's net revenue amounted to R\$ 7.3 billion in 2Q23, and R\$ 28.9 billion in the last twelve months ended June 2023.
- Net leverage in 2Q23, measured by the Net Debt/LTM EBITDA ratio, remained stable at the end of the quarter, at 2.7x.
- **Sustainability Commitment:** Ahead of schedule, Minerva Foods achieved the milestone of monitoring 100% of direct suppliers in Colombia for social and environmental criteria.
- **SMGeo Prospec:** More than 2,000 vouchers distributed free of charge to partner cattle ranchers, enabling them to conduct socio-environmental analyses and incentivizing them to verify the compliance of their own suppliers.
- **Pioneering:** Minerva Foods was the first and only Brazilian company to be recognized at the European Sustainable Food Awards. The Company won second place in the "Pioneering in Sustainability" category for playing an important role in building a more sustainable food industry.
- **Renove Program:** Partnerships were established with key input, financing and technology innovation companies to accelerate the implementation of regenerative practices on participating ranches.
- **Sustainability Report:** The Company published its 12th Sustainability Report, base year 2022, once again being the first company in the sector to publish the annual report. This edition was audited by an independent third party.
- **Renewable Energy:** For the third year in a row, the Company's Brazilian operations have been awarded the "Renewable Energy" label. Since 2020, Renewable Energy Certificates (I-REC) have been purchased by the Company. These certificates guarantee that the energy consumed is of renewable origin and that the companies that generate it have adopted distinctive social and community relations practices.

#### Minerva (BEEF3)

##### Price on 08/08/23:

R\$ 10.61

##### Market Cap:

R\$ 6.4 billion

Shares: 607,283,407

Free Float: 43.7%

##### Conference Calls

August 10, 2023

##### Portugues and Ingles:

09:00a.m. (Brasília)

08:00a.m. (US EDT)

[Link Webcast](#)

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## Message from Management

Minerva Foods delivered solid operating and financial results in the first six months of 2023, in line with its business strategy and consolidating its position as one of the main players in the beef market. We ended 2Q23 with a gross revenue of R\$ 7.8 billion, an EBITDA of R\$ 711.2 million, and a net income of R\$120.7 million. I would also like to highlight our free cash flow, which reached R\$ 191.3 million in the period. Our performance in the last 12 months continues very solid, with Adjusted EBITDA reaching R\$ 2.8 billion and net income amounting to R\$ 350.5 million. Our capital structure also remains very solid, with net leverage stable at 2.7x our Net Debt / LTM EBITDA, even considering the acquisition of ALC (Australia Lamb Company) at the end of 2022.

One of the main priorities of our Management is the generation of shareholder value, which continued as one of our highlights in 2Q23. As previously announced, we paid complementary dividends of R\$ 208.6 million, thus totaling R\$ 336.7 million or R\$ 0.58/share in dividend distribution for the 2022 fiscal year. In 2Q23, the Board of Directors approved the distribution of early dividends, in the amount of R\$ 114.0 million or R\$ 0.19/share, to be paid at the end of August. It is worth mentioning that, over the last three years (2020, 2021 and 2022), and considering the recently approved dividend payment, Minerva Foods has distributed approximately R\$ 1.4 billion, equivalent to R\$ 2.49/share, in proceeds to its shareholders.

<b>Gross Revenue</b>	<b>EBITDA</b>	<b>Net Income</b>
<b>R\$ 7.8 billion</b>	<b>R\$ 711.2 million</b>	<b>R\$ 120.7 million</b>

During the quarter, even amidst the persisting volatile scenario in global markets, our geographical diversification strategy continues as one of the essential pillars that maintains our profitability, acting as an important risk mitigating agent and reflecting our ability to arbitrate in the global animal protein market, always focusing on profitability and on controlling risks. I would also like to highlight the export DNA of Minerva Foods, with 63% of our gross revenue originating from exports, demonstrating the solidity and attractiveness of the international animal protein market, even with the current volatility. The scenario for the international beef market remains very promising: the imbalance between global beef supply and demand is still one of the great vectors of our industry and is expected to become even more accentuated given the strong restrictions for the North American production in the coming years. On the other hand, South American producers, in particular Brazil, continue to benefit from the resumption of the bovine cycle in a large part of the continent, a trend that is expected to last another 2-3 years and expands the supply of animals in the region. From a demand perspective, we remain confident about a gradual rebound of the Chinese market, an economic upturn, a gradual reduction in inventories, and the seasonality of the second half of the year, which is expected to encourage a more aggressive recovery in coming quarters. We must also mention the frequent sanitary challenges in the animal protein market, such as the outbreak of avian flu in several regions of the world, including South America, which should naturally impact the international market.

Therefore, South America, with its pasture-based cattle production matrix, strengthens its competitiveness even further in the global beef market, increasingly expanding its market share. Within this context, Minerva Foods' geographical diversification strategy offers the Company access to 100% of global beef demand, making this one of our key competitive advantages.

<b>2Q23 Cash Generation</b>	<b>Dividends</b>	<b>Leverage</b>
<b>R\$ 191.3 million</b>	<b>R\$ 114.0 million</b>	<b>2.7x</b>

Back to the 2Q23 results, our free cash generation, which has always been one of the Company's priorities, reached R\$ 191.3 million in the period, reflecting our efficient operational and financial management. Our balance sheet remains very healthy, ending the quarter with a flat net leverage of 2.7x Net Debt/EBITDA LTM, even after the acquisition of ALC (Australia Lamb Company), at the end of 2022, and the recent dividend payments.

We continue to advance in our ESG agenda, allocating resources and efforts into achieving targets related to Minerva Food's Commitment to Sustainability. We achieved important results in Colombia, where we already reached the mark of having 100% of our direct supplier farms monitored prior to the deadline established in our

commitment. Another highlight to our ESG agenda is that Minerva Foods was the first and only Brazilian company to be recognized in the European 'Sustainable Food Awards', due to our pioneering spirit in building a more sustainable food industry. With the understanding that the fight against climate change is a collective effort, through the Renove Program, we signed new agreements and partnerships for technical cooperation, in addition to innovation and financial support, focused on implementing regenerative practices at participating farms to increase their productivity and eliminate or reduce greenhouse gas (GHG) emissions. We also continue to export a certified carbon neutral product from our operations in Brazil and Uruguay. Lastly, we reinforced our tradition and pioneer spirit in our ESG agenda, being, once again, the first company in the sector to publish its Sustainability Report, with the current 2022 edition being assessed by an independent audit firm, providing credibility and ratifying the transparency of our actions.

We ended the first six months and initiated the second half of the year even more confident in our business model and prepared to take advantage of the opportunities in the global animal protein market. We remain confident in the work of our team, in our operational consistency and financial discipline, and in our respect for our 5 corporate values: results orientation, commitment, sustainability, innovation and recognition of our employees, as we believe this is the best way to create stakeholder value.

**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	2Q23	2Q22	Var. %	1Q23	Var. %	LTM2Q23	LTM2Q22	Var. %
Total Slaughter ('000 head)	1,021.1	1,035.9	-1.4%	836,3	22.1%	3,696.5	3,751.4	-1.5%
Volume Sales Volume ('000 metric tons)	314.1	321.7	-2.4%	288,2	9.0%	1,228.6	1,182.9	3.9%
Gross Revenue	7,759.1	8,962.3	-13.4%	6,810,2	13.9%	30,877.3	32,384.3	-4.7%
Export Market	5,108.4	6,365.8	-19.8%	4,260,8	19.9%	20,197.7	22,221.5	-9.1%
Domestic Market	2,650.7	2,596.5	2.1%	2,549,4	4.0%	10,679.6	10,162.8	5.1%
Net Revenue	7,276.5	8,471.8	-14.1%	6,381,5	14.0%	28,934.8	30,575.1	-5.4%
EBITDA	711.2	778.0	-8.6%	531,9	33.7%	2,656.8	2,807.4	-5.4%
EBITDA Margin	9.8%	9.2%	0.6 p.p.	8,3%	1.4 p.p.	9.2%	9.2%	0.0 p.p.
Net Debt / LTM EBITDA (x)	2.7 <sup>2</sup>	2.3	0.4	2,6 <sup>1</sup>	0.1	2.7	2.3	0.4
Net Income (Loss)	120.7	424.7	-71.6%	114,0	5.9%	350.5	761.9	-54.0%

<sup>1</sup> Adjusted EBITDA ALC pro-forma (R\$200.6 million – 7 months) | <sup>2</sup> Adjusted EBITDA ALC pro-forma (R\$ 136.5 million – 4 months)

## Operational and financial performance

### Slaughter

Consolidated slaughter volume totaled 1,021 thousand head of cattle in 2Q23, flat in the annual comparison and up by 22% from the previous quarter. In the first six months of the year, slaughter volume totaled 1,857 thousand head of cattle.

The consolidated sheep slaughter volume, from the Company's operations in Australia, reached 912 thousand head in 2Q23, and 1,728 thousand head in the first six months.

Figure 1 - Consolidated Cattle Slaughter (thousand)

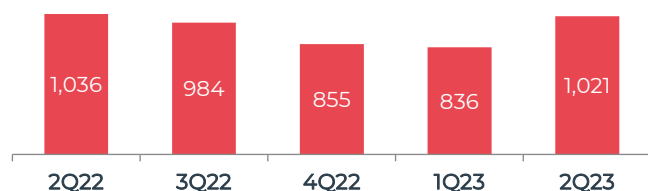
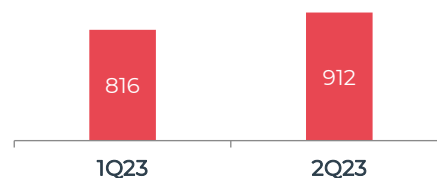


Figure 2 - Sheep Slaughter (thousand)



### Gross Revenue

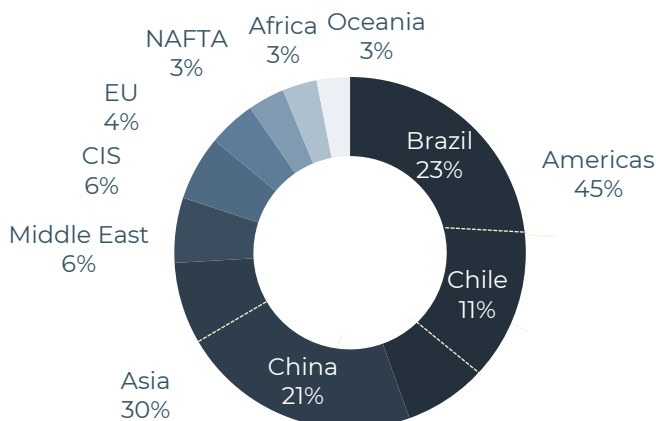
In 2Q23, the Company's consolidated gross revenue reached R\$ 7.8 billion, up by 13.9% from the previous quarter. In the first six months of 2023, gross revenue reached R\$ 14.6 billion and, in the last 12 months, gross revenue reached R\$ 30.9 billion.

The chart below provides more details on gross revenue by business unit.

Gross Revenue (R\$ million)	2Q23	2Q22	Var. %	1Q23	Var. %	LTM2Q23	LTM2Q22	Var. %
Brazil	3,623.4	4,261.9	-15.0%	2,902.5	24.8%	14,539.6	14,492.6	0.3%
Argentina	945.5	1,327.8	-28.8%	948.8	-0.3%	4,074.3	4,730.7	-13.9%
Colombia	248.0	269.6	-8.0%	345.2	-28.2%	1,483.4	1,608.5	-7.8%
Paraguay	1,236.9	1,472.4	-16.0%	851.7	45.2%	4,526.7	4,979.8	-9.1%
Uruguay	790.3	1,162.7	-32.0%	828.2	-4.6%	3,010.7	4,541.4	-33.7%
Australia	534.3	0.0	n.a.	495.8	7.8%	1,030.1	0.0	n.a.
Other <sup>(1)</sup>	380.8	467.9	-18.6%	438.0	-13.1%	2,212.6	2,031.3	8.9%
<b>Total</b>	<b>7,759.1</b>	<b>8,962.3</b>	<b>-13.4%</b>	<b>6,810.2</b>	<b>13.9%</b>	<b>30,877.3</b>	<b>32,384.3</b>	<b>-4.7%</b>

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

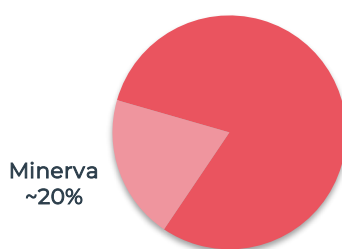
Figure 3 – Breakdown by Gross Revenue 2Q23



## Exports – Market Share

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 4 – Market Share 2Q23



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

## Export Market – 65.8% of Gross Revenue In 2Q23 | 65.4% in LTM2Q23

In 2Q23, exports generated revenues of R\$ 5.1 billion and totaled R\$ 9.4 billion in 1H23. In the last 12 months, export revenues amounted to R\$ 20.2 billion.

The export market accounted for 66.5% of the gross revenue of the Brazil division in 2Q23, and 58.9% of its total volume. As for the operations in South America ex-Brazil (Argentina, Colombia, Paraguay, and Uruguay), exports reached 70.6% of gross revenue and 65.7% of this region's volume. In relation to the sheep operation in Australia, exports accounted for 68.1% of gross revenue and 73.8% of total volume in the period.

In the last 12 months ended June 2023, exports from the Brazil division reached 66.7% of gross revenue and 62.7% of total volume, and South America ex-Brazil totaled 69.6% of gross revenue and 63.8% of total volume.

Below is a more detailed description of exports share in gross revenue and volume by origin:

Exports (% Gross Revenue)*	2Q23	2Q22	1Q23
Brazil	66.5%	71.3%	64.5%
South America ex-Brazil	70.6%	76.1%	66.4%
Sheep	68.1%	0.0%	72.2%
<b>Total</b>	<b>68.4%</b>	<b>71.0%</b>	<b>66.9%</b>

\*Excluding "Others"

Exportações (% Volume)*	2Q23	2Q22	1Q23
Brazil	58.9%	63.0%	62.3%
South America ex-Brazil	65.7%	68.2%	60.9%
Sheep	73.8%	0.0%	59.3%
<b>Total</b>	<b>63.1%</b>	<b>65.7%</b>	<b>61.6%</b>

\*Excluding "Others"

### Exports by region between LTM2Q23 and LTM2Q22 were as follows:

- **Africa:** The region accounted for 4% of exports in the last twelve months ended June 2023, and remained practically flat in relation to LTM2Q22.
- **Americas:** The Americas accounted for 17% of total exports in LTM2Q23, down by 2 p.p. from the same period in 2022, being the second main destination of Minerva Foods' exports.
- **Asia:** In LTM2Q23, Asia accounted for 46% of total exports, flat over LTM2Q22 and remaining the main destination for our exports. China accounted for 37% of the Company's exports in the period.
- **CIS (Commonwealth of Independent States):** The Commonwealth of Independent States, represented mainly by Russia, accounted for 10% of exports in LTM2Q23, increasing by 3 p.p. compared to the same period of the previous year.
- **European Union:** In LTM2Q23, the European Union accounted for 7% of the Company's exports, in line with the previous period.
- **NAFTA:** This region was responsible for 8% of exports, remaining flat compared to LTM2Q22. It is worth noting that the region continues represented, in its majority, by the United States.
- **Middle East:** In the last twelve months ended June 2023, the Middle East region accounted for 8% of total exports, remaining flat over LTM2Q22.
- In 2Q23, export revenue for the sheep operation in **Australia** was distributed as follows: NAFTA, representing 38%, followed by Asia with 25%, the Middle East with 21%, the EU with 8%, and Oceania, which reached a 6% share of exports.

Figures 5 and 6 – Breakdown of Export Revenue by Region ex-Australia

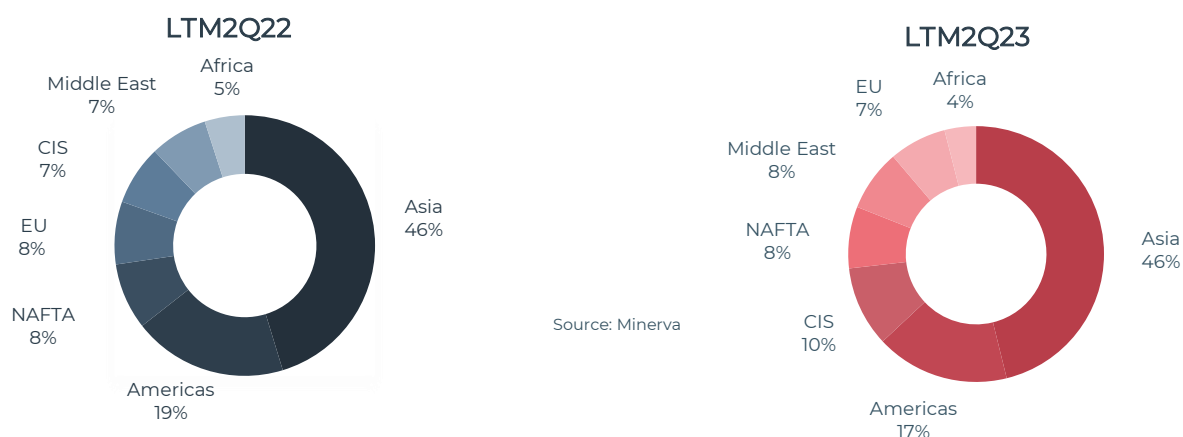
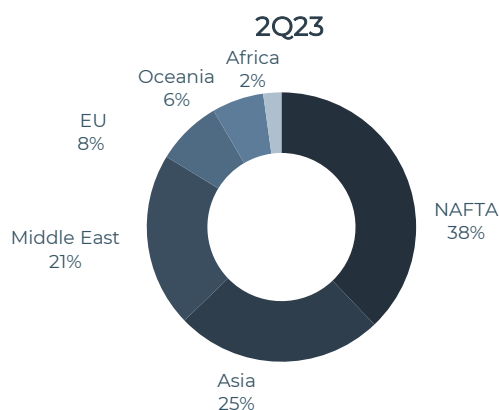


Figure 7 – Breakdown of Export Revenue in Australia



Source: Minerva

### Domestic Market – 34.2% of Gross Revenue in 2Q23 | 34.6% in LTM2Q23

Gross revenue from the domestic market reached R\$ 2.7 billion in 2Q23, increasing by 2% over 2Q22, and by 4% from the previous quarter. In LTM2Q23, gross revenue from the domestic market totaled R\$ 10.7 billion, increasing by more than 5% YoY.

The breakdown of gross revenue, sales volume, and average price is as follows:

Gross Revenue (R\$ million)	2Q23	2Q22	Var. %	1Q23	Var. %	LTM2Q23	LTM2Q22	Var. %
Export Market	5,108.4	6,365.8	-19.8%	4,260.8	19.9%	20,197.7	22,221.5	-9.1%
Domestic Market	2,650.7	2,596.5	2.1%	2,549.4	4.0%	10,679.6	10,162.9	5.1%
<b>Total</b>	<b>7,759.1</b>	<b>8,962.3</b>	<b>-13.4%</b>	<b>6,810.2</b>	<b>13.9%</b>	<b>30,877.3</b>	<b>32,384.3</b>	<b>-4.7%</b>

Sales Volume ('000 metric tons)	2Q23	2Q22	Var. %	1Q23	Var. %	LTM2Q23	LTM2Q22	Var. %
Export Market	198.2	211.4	-6.2%	176.9	12.1%	778.5	771.5	0.9%
Domestic Market	115.8	110.3	5.0%	111.3	4.1%	450.1	411.4	9.4%
<b>Total</b>	<b>314.1</b>	<b>321.7</b>	<b>-2.4%</b>	<b>288.2</b>	<b>9.0%</b>	<b>1,228.6</b>	<b>1,182.9</b>	<b>3.9%</b>

Average Price	2Q23	2Q22	Var. %	1Q23	Var. %	LTM2Q23	LTM2Q22	Var. %
Export Market (US\$/Kg)	5.2	6.1	-15.1%	4.6	12.2%	5.0	5.5	-8.6%
Domestic Market (R\$/Kg)	22.9	23.5	-2.8%	22.9	-0.1%	23.7	24.7	-3.9%
Average Dollar (source: BACEN)	4.95	4.92	0.8%	5.20	-4.7%	5.16	5.24	-1.4%

### 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:

Brazil	2Q23	2Q22	Var. %	1Q23	Var. %	LTM2Q23	LTM2Q22	Var. %
Gross Revenue	3,623.4	4,261.9	-15.0%	2,902.5	24.8%	14,539.6	14,492.6	0.3%
Sales Volume	141.2	152.7	-7.5%	124.2	13.7%	589.1	537.4	9.6%

Argentina	2Q23	2Q22	Var. %	1Q23	Var. %	LTM2Q23	LTM2Q22	Var. %
Gross Revenue	945.5	1,327.8	-28.8%	948.8	-0.3%	4,074.3	4,730.7	-13.9%
Sales Volume	45.3	44.3	2.3%	42.6	6.3%	176.9	165.4	6.9%



 Colombia	2Q23	2Q22	Var. %	1Q23	Var. %	LTM2Q23	LTM2Q22	Var. %
Gross Revenue	248.0	269.6	-8.0%	345.2	-28.2%	1,483.4	1,608.5	-7.8%
Sales Volume	12.8	14.2	-10.0%	17.6	-27.6%	72.4	85.0	-14.8%
 Paraguay	2Q23	2Q22	Var. %	1Q23	Var. %	LTM2Q23	LTM2Q22	Var. %
Gross Revenue	1,236.9	1,472.4	-16.0%	851.7	45.2%	4,526.7	4,979.8	-9.1%
Sales Volume	61.4	67.7	-9.3%	47.2	30.1%	226.9	224.0	1.3%
 Uruguay	2Q23	2Q22	Var. %	1Q23	Var. %	LTM2Q23	LTM2Q22	Var. %
Gross Revenue	790.3	1,162.7	-32.0%	828.2	-4.6%	3,010.7	4,541.4	-33.7%
Sales Volume	34.7	42.9	-19.1%	34.7	0.0%	122.6	171.1	-28.3%
 Australia	2Q23	2Q22	Var. %	1Q23	Var. %	LTM2Q23	LTM2Q22	Var. %
Gross Revenue	534.3	-	n.d.	495.8	7.8%	1,030.1	-	n.d.
Sales Volume	18.7	-	n.d.	21.9	-14.5%	40.6	-	n.d.
Other	2Q23	2Q22	Var. %	1Q23	Var. %	LTM2Q23	LTM2Q22	Var. %
Gross Revenue uta	380.8	467.9	-18.6%	438.0	-13.1%	2,212.6	2,031.3	8.9%

## Net Revenue

In the second quarter of the year, Minerva Foods' net revenue was R\$ 7.3 billion, increasing by 14% from the previous quarter. In LTM2Q23, net revenue reached R\$ 28.9 billion.

R\$ million	2Q23	2Q22	Var. %	1Q23	Var. %	LTM2Q23	LTM2Q22	Var. %
Gross Revenue	7,759.1	8,962.3	-13.4%	6,810.2	13.9%	30,877.3	32,384.3	-4.7%
Deductions and Discounts	-482.6	-490.6	-1.6%	-428.7	12.6%	-1,942.5	-1,809.2	7.4%
<b>Net Revenue</b>	<b>7,276.5</b>	<b>8,471.8</b>	<b>-14.1%</b>	<b>6,381.5</b>	<b>14.0%</b>	<b>28,934.8</b>	<b>30,575.1</b>	<b>-5.4%</b>
% of Gross Revenue	93.8%	94.5%	-0.7 p.p.	93.7%	0.1 p.p.	93.7%	94.4%	-0.7 p.p.

## Cost of Goods Sold (COGS) and Gross Margin

COGS corresponded to 79.2% of net revenue in 2Q23, implying in a gross margin of 20.8%, up by 2.9 p.p. from the previous year and by 2.7 p.p. compared to the first quarter. In LTM2Q23, COGS accounted for 80.4% of net revenue, consisting in a gross margin of 19.6% and increasing by 1.9 p.p. in the annual comparison.

R\$ million	2Q23	2Q22	Var. %	1Q23	Var. %	LTM2Q23	LTM2Q22	Var. %
Net Revenue	7,276.5	8,471.8	-14.1%	6,381.5	14.0%	28,934.8	30,575.1	-5.4%
<b>COGS</b>	<b>-5,764.1</b>	<b>-6,954.1</b>	<b>-17.1%</b>	<b>-5,227.6</b>	<b>10.3%</b>	<b>-23,274.8</b>	<b>-25,173.6</b>	<b>-7.5%</b>
% Net Revenue	79.2%	82.1%	-2.9 p.p.	81.9%	-2.7 p.p.	80.4%	82.3%	-1.9 p.p.
<b>Gross Profit</b>	<b>1,512.4</b>	<b>1,517.7</b>	<b>-0.4%</b>	<b>1,153.9</b>	<b>31.1%</b>	<b>5,660.0</b>	<b>5,401.5</b>	<b>4.8%</b>
Gross Margin	20.8%	17.9%	2.9 p.p.	18.1%	2.7 p.p.	19.6%	17.7%	1.9 p.p.

## Selling, General and Administrative Expenses

Selling expenses accounted for 7.8% of net revenue in 2Q23, while general and administrative expenses accounted for around 5.3%, especially impacted by the following: (i) approximately R\$ 28 million in the amortization of intangibles (relationships with customers, suppliers, non-competition agreements, among others) related to the acquisition of ALC (Australian Lamb Company) and (ii) approximately R\$ 35 million as an impact of accounting for

the Long-Term Incentive Plan, approved in 2022. In LTM2Q23, selling expenses accounted for 7.9% of net revenue, while general and administrative expenses accounted for 4.2%.

R\$ million	2Q23	2Q22	Var. %	1Q23	Var. %	LTM2Q23	LTM2Q22	Var. %
<b>Selling Expenses</b>	<b>-565.0</b>	<b>-609.8</b>	<b>-7.3%</b>	<b>-469.2</b>	<b>20.4%</b>	<b>-2,277.8</b>	<b>-2,109.1</b>	<b>8.0%</b>
% Net Revenue	7.8%	7.2%	0.6 p.p.	7.4%	0.4 p.p.	7.9%	6.9%	1.0 p.p.
<b>G&amp;A Expenses</b>	<b>-382.2</b>	<b>-244.2</b>	<b>56.5%</b>	<b>-286.2</b>	<b>33.5%</b>	<b>-1,220.2</b>	<b>-934.0</b>	<b>30.6%</b>
% Net Revenue	5.3%	2.9%	2.4 p.p.	4.5%	0.8 p.p.	4.2%	3.1%	1.2 p.p.

## EBITDA

In the second quarter of 2023, Minerva Foods' consolidated EBITDA reached the mark of R\$ 711.2 million, increasing by 33.7% QoQ, with an EBITDA margin of 9.8% in the period. In the first six months of the year, EBITDA reached R\$ 1.2 billion, with an EBITDA margin of 9.1%.

In the last twelve months ended June 2023, EBITDA totaled R\$ 2.7 billion, with an EBITDA margin of 9.2%.

Adjusted EBITDA in the last 12 months, considering the performance of ALC (Australian Lamb Company), totaled R\$ 2.8 billion.

R\$ million	2Q23	2Q22	Var. %	1Q23	Var. %	LTM2Q23	LTM2Q22	Var. %
Net Income (Loss)	120.7	424.7	-71.6%	114.0	5.9%	350.5	761.9	-54.0%
(+/-) Deferred Income Tax and Social Contribution	23.6	-15.7	-250.0%	2.9	711.2%	26.5	-312.6	-108.5%
(+/-) Financial Result	427.1	262.1	62.9%	284.0	50.4%	1,796.5	1,956.3	-8.2%
(+/-) Depreciation and Amortization	139.8	107.0	30.6%	131.0	6.7%	483.3	387.0	24.9%
(+/-) Other Expense Adjustments	0.0	0.0	n.a.	0.0	n.a.	0.0	14.8	n.a.
<b>EBITDA</b>	<b>711.2</b>	<b>778.0</b>	<b>-8.6%</b>	<b>531.9</b>	<b>33.7%</b>	<b>2,656.8</b>	<b>2,807.4</b>	<b>-5.4%</b>
<b>EBITDA Margin</b>	<b>9.8%</b>	<b>9.2%</b>	<b>0.6 p.p.</b>	<b>8.3%</b>	<b>1.4 p.p.</b>	<b>9.2%</b>	<b>9.2%</b>	<b>0.0 p.p.</b>

## Financial Result

The net financial result in 2Q23 came in as a loss of R\$ 427.0 million, reflected in the "Other Expenses" line, which impacted the FX hedge result by R\$ 146.5 million.

In line with the risk management policy, the Company has been hedging around 30% of its long-term debt in foreign currency.

R\$ million	2Q23	2Q22	Var. %	1Q23	Var. %	LTM2Q23	LTM2Q22	Var. %
Financial Expenses	-292.6	-296.6	-1.3%	-294.0	-0.5%	-1,246.8	-1,091.9	14.2%
Financial Revenue	34.1	27.1	25.9%	48.8	-30.1%	216.5	98.3	120.3%
Monetary Correction	-11.9	-62.6	-81.0%	-16.3	-27.0%	-79.1	-191.4	-58.7%
FX Variation	50.6	-25.3	n.a.	-136.3	n.a.	-79.0	-411.6	-80.8%
Other Expenses	-207.2	95.3	n.a.	113.9	n.a.	-608.0	-359.7	69.0%
<b>Financial Result</b>	<b>-427.0</b>	<b>-262.1</b>	<b>62.9%</b>	<b>-284.0</b>	<b>50.4%</b>	<b>-1,796.4</b>	<b>-1,956.3</b>	<b>-8.2%</b>
Average Dollar (R\$/US\$)	4.95	4.92	0.8%	5.20	-4.7%	5.16	5.24	-1.4%
Closing Dollar (R\$/US\$)	4.82	5.24	-8.0%	5.08	-5.1%	4.82	5.24	-8.0%

R\$ million	2Q23	2Q22	Var. %	1Q23	Var. %	LTM2Q23	LTM2Q22	Var. %
FX Hedge	-146.5	201.3	-172.8%	161.6	-190.7%	-267.7	-48.8	448.6%
Commodities Hedge	13.2	-32.9	-140.1%	18.6	-29.0%	-33.1	-58.8	-43.7%
Fees, Commissions, and Other Financial Expenses	-73.9	-73.1	1.1%	-66.3	11.5%	-307.2	-252.1	21.9%
<b>Total</b>	<b>-207.2</b>	<b>95.3</b>	<b>-317.4%</b>	<b>113.9</b>	<b>-281.9%</b>	<b>-608.0</b>	<b>-359.7</b>	<b>69.0%</b>

## Net Income

Net income was positive by R\$ 120.7 million in 2Q23, totaling R\$ 234.7 million in 1H23. In the last 12 months, the Company's accumulated net income totaled R\$ 350.5 million.

R\$ million	2Q23	2Q22	Var. %	1Q23	Var. %	LTM2Q23	LTM2Q22	Var. %
Net income (loss) before Income Tax and Social Contribution	144.3	408.9	-64.7%	116.9	23.5%	377.0	449.4	-16.1%
Income Tax and Social Contribution	-23.6	15.7	n.a.	-2.9	711.2%	-26.5	312.6	n.a.
<b>Net Income</b>	<b>120.7</b>	<b>424.7</b>	<b>-71.6%</b>	<b>114.0</b>	<b>5.9%</b>	<b>350.5</b>	<b>761.9</b>	<b>-54.0%</b>
% Net margin	1.7%	5.0%	-3.4 p.p.	1.8%	-0.1 p.p.	1.2%	2.5%	-1.3 p.p.

## Cash Flow

### Operating Cash Flow

In 2Q23, the Company's operating cash flow was positive by R\$ 578.4 million. The variation in working capital requirements was positive by R\$ 62.2 million. It is worth noting that the trade payables line returned approximately R\$ 317.8 million to the Company's cash.

In LTM2Q23, the Company's operating cash flow totaled R\$ 2.8 billion.

R\$ million	2Q23	2Q22	1Q23	LTM2Q23
Net Income (Loss)	120.7	424.7	114.0	350.5
(+) Net Income (Loss) Adjustments	395.4	-267.6	719.2	1,977.0
(+) Variation in Working Capital Requirements	62.2	-51.4	-841.5	431.4
<b>Operating Cash Flow</b>	<b>578.4</b>	<b>105.6</b>	<b>-8.4</b>	<b>2,758.9</b>

### Free Cash Flow

In 2Q23, the Company's Free cash flow after Capex, interest payments, and working capital, was positive by R\$ 191.3 million. Excluding the cash impact of the FX hedge, recurring cash flow totaled R\$ 323.3 million in 2Q23.

In the last 12 months and excluding the impacts from the acquisition of ALC, free cash flow was positive by R\$ 929.3 million.

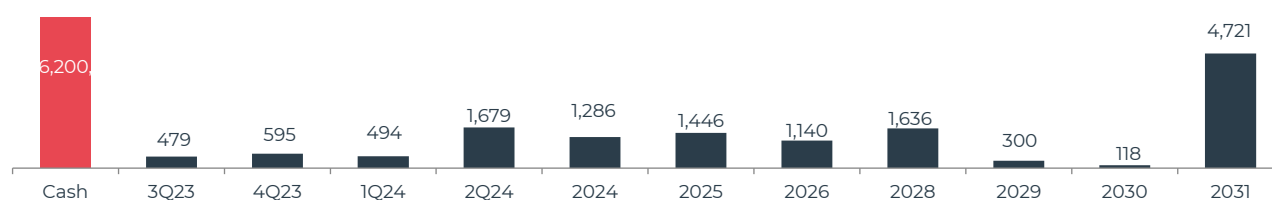
R\$ million	2Q23	1Q23	4Q22	3Q22	LTM2Q23
EBITDA	711.2	531.9	607.5	806.2	2,656.8
CAPEX	-187.1	-371.5	-1,091.8	-214.5	-1,865.0
Financial Result (on a Cash Basis)	-395.0	-172.0	-520.0	-394.0	-1,481.0
Variation in Working Capital Requirements	62.2	-841.5	872.0	338.7	431.4
<b>Free Cash Flow</b>	<b>191.3</b>	<b>-853.1</b>	<b>-132.4</b>	<b>536.4</b>	<b>-257.8</b>

## Capital Structure

In 2Q23, the Company's cash balance was R\$ 6.2 billion, sufficient to amortize its debt maturity schedule until 2025, and in line with the Minerva Food's conservative cash management and capital discipline. On June 30, 2023, approximately 54% of gross debt was linked to the US Dollar and, in line with our hedging policy, the Company hedges approximately 30% of its long-term currency exposure, protecting our balance sheet during periods with high exchange rate volatility. The debt duration was around 4.2 years at the end of 2Q23.

Net leverage, measured by the Net Debt/LTM EBITDA ratio, was stable in the last 12 months, ending 2Q23 at 2.7x and adjusted by the proforma EBITDA of R\$136.5 million of ALC (Australian Lamb Company).

Figure 8 - Debt Amortization Schedule on June 30, 2023 (R\$ million)



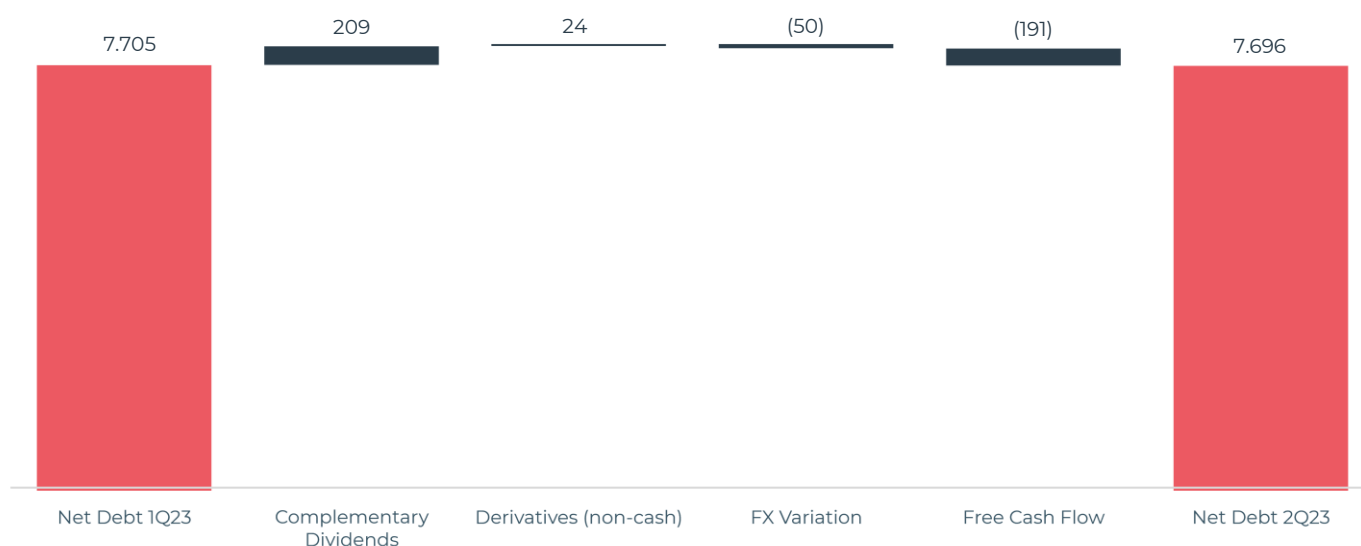
R\$ million	2Q23	2Q22	Var.%	1Q23	Var.%
<b>Short-term Debt</b>	<b>3,246.8</b>	<b>1,939.6</b>	<b>67.4%</b>	<b>2,255.1</b>	<b>44,0%</b>
% of Short-term Debt	23.4%	15.1%	8.2 p.p.	16.0%	7,4 p.p.
Local Currency	2,124.3	103.0	1963.0%	453.7	368,2%
Foreign Currency	1,122.6	1,836.7	-38.9%	1,801.4	-37,7%
<b>Long-term Debt</b>	<b>10,646.6</b>	<b>10,867.3</b>	<b>-2.0%</b>	<b>11,823.3</b>	<b>-10,0%</b>
% of Long-term Debt	76.6%	84.9%	-8.2 p.p.	84.0%	-7,4 p.p.
Local Currency	4,248.4	4,051.5	4.9%	5,377.9	-21,0%
Foreign Currency	6,398.2	6,815.8	-6.1%	6,445.3	-0,7%
<b>Total Debt</b>	<b>13,893.4</b>	<b>12,806.9</b>	<b>8.5%</b>	<b>14,078.3</b>	<b>-1,3%</b>
Local Currency	6,372.6	4,154.4	53.4%	5,831.6	9,3%
Foreign Currency	7,520.8	8,652.5	-13.1%	8,246.7	-8,8%
<b>Cash and Cash Equivalents</b>	<b>-6,197.3</b>	<b>-6,203.3</b>	<b>-0.1%</b>	<b>-6,373.6</b>	<b>-2,8%</b>
<b>Net Debt</b>	<b>7,696.2</b>	<b>6,603.6</b>	<b>16.5%</b>	<b>7,704.8</b>	<b>-0,1%</b>
<b>Net Debt/EBITDA (x)</b>	<b>2.7**</b>	<b>2.3</b>	<b>0.4</b>	<b>2.6*</b>	<b>0,1</b>

\* Adjusted EBITDA ALC pro-forma (R\$ 200.6 million)

\*\* Adjusted EBITDA ALC pro-forma (R\$ 136.5 million)

More details on the net debt variations for the quarter are provided below.

Figure 9 – Net Debt Bridge (R\$ million)



## Capex

Investments totaled R\$ 187.1 million in 2Q23. Of this total amount, nearly R\$ 125.4 million went to maintenance and R\$ 61.7 million were allocated to expansion projects. Investments were concentrated in operations in Brazil, Uruguay, and Colombia.

See below a breakdown of investments (cash effect) by quarter and in the last twelve months:

R\$ million	2Q23	1Q23	4Q22	3Q22	LTM2Q23
Maintenance	125.4	75.8	103.7	118.0	422.8
Expansion	61.7	295.7	988.1	96.5	1,442.1
<b>Total</b>	<b>187.1</b>	<b>371.5</b>	<b>1,091.8</b>	<b>214.5</b>	<b>1,865.0</b>

## Value Creation

### Dividends

On August 9, 2023, Minerva Foods' Board of Directors approved the early distribution of dividends in the amount of R\$ 114.0 million, or approximately R\$ 0.19/share, which will be paid in the same month. It is worth mentioning that, in the last 3 years, the Company has already distributed around R\$ 1.4 billion reais, or R\$ 2.49 per share, as dividends to shareholders.

	R\$ million	R\$/share
FY 2020	542.1	1.03
FY 2021	400.0	0.69
FY 2022	336.7	0.58
FY 2023	114.0	0.19
<b>Total Dividends</b>	<b>1,393</b>	<b>2.49</b>

## ESG

In Q2, the Company continued to make progress on its environmental, social and governance (ESG) agenda, in line with the Sustainability Commitment announced in 2021. During this period, the pioneering work of the Company in the fight against illegal deforestation in the supply chain in Latin America was highlighted by the achievement of yet another target ahead of schedule (six months ahead of schedule). Minerva Foods reached its target of having 100% of its direct suppliers in Colombia monitored for compliance with socio-environmental criteria.

In addition, having launched at the end of 2021 the SMGeo Prospec application, developed in partnership with Niceplanet Geotecnologia, allowing producers access to the same socio-environmental compliance analysis technology used by the industry, Minerva Foods intensified its engagement with its direct suppliers by providing training on the use of the tool during on-site visits. More than 2,000 vouchers have already been distributed free of charge to participating ranchers enabling them to conduct socio-environmental analysis and assess the compliance of their own suppliers.

The European organization Ecovia Intelligence recognized our advancements in value chain monitoring. Minerva Foods was the first and only Brazilian company to be recognized at the Sustainable Food Awards. The Company was awarded second place in the "Pioneering in Sustainability" category for its significant role in contributing to a more sustainable food industry.

The Renove program is pioneering the ability to generate carbon credits from agriculture practices. In Brazil, the program is transforming conventional livestock management practices into more renewable practices. These practices offer several advantages, including increased agriculture productivity and reduced greenhouse gas (GHG) emissions while simultaneously sequestering carbon in the soil. Located throughout six states of Brazil, these farms are supported by the program's technical team who travel to the farms and help identify opportunities for rehabilitating degraded pastures, implementing integrated systems - Crop-Livestock-Forest Integration (ILPF) - and using food additive in animal feed to reduce enteric methane. To facilitate the implementation of these practices, partnerships have been established with major input, finance and technology innovation companies committed to the shared goal of a highly productive and low-carbon agricultural sector.

As a result of this program, Minerva Foods continues to export a certified carbon neutral product from its operations in Brazil and Uruguay. Thanks to the presence of the "CO<sub>2</sub> Neutral" label, granted by an independent organization with certification systems in more than 100 countries, Minerva Foods is able to guarantee the offsetting of greenhouse gas emissions from the entire meat production process, including emissions from ranches, the industry and logistics. MyCarbon, a subsidiary of the company, is responsible for offsetting the emissions necessary to neutralize the remaining emissions by means of carbon credits generated from tree planting and forest conservation projects.

In May, the Company published its 12th Sustainability Report, base year 2022, making it once again the first company in the sector to release its annual report. The report was developed in accordance with the major sustainability reporting frameworks - the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB), and the Task Force on Climate-Related Financial Disclosures (TCFD). The report has been audited by an independent third party.

The Company received the "Renewable Energy" label for its Brazilian operations for the third year in a row. Since 2020, the Company has been acquiring Renewable Energy Certificates (I-REC). These certificates guarantee that the energy consumed is of renewable origin and that the power generating

companies have also adopted distinctive social and community relations practices. The seal is issued by the Totum Institute, in partnership with the Brazilian Wind Energy Association (ABEEólica) and the Brazilian Clean Energy Association (Abragel). The Totum Institute conducts a certification audit based on the requirements of the label.

## Subsequent Events

### Intercalary Dividends

On August 9, 2023, the Company's Board of Directors approved the distribution of interim dividends in the amount of R\$ 114.0 million or R\$ 0.19/share, excluding the 20.5 million in treasury shares. Including the proceeds paid by Minerva Foods since 2020, a total of R\$ 1.4 billion or R\$ 2.49/share was distributed to shareholders.

## 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 three processing plants. In the twelve months ended June 30, 2023, the Company recorded gross sales revenue of **R\$ 30.9 billion**, 4.7% lower than in the same period of 2022.

### Relationship with Auditors

Under CVM Resolution 162/22, we announce that our auditors were not engaged in services other than those related to the external audit in 2022, and in the quarter ended June 30, 2023.

### 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 June 30, 2023 and the opinions expressed in the independent auditors' review report, hereby authorizing their disclosure.





## APPENDIX 1 - INCOME STATEMENT (CONSOLIDATED)

(R\$ thousand)	2Q23	2Q22	1Q23
<b>Net operating revenue</b>	<b>7.276.483</b>	<b>8.471.762</b>	<b>6.381.473</b>
Cost of goods sold	-5.764.102	-6.954.067	-5.227.573
<b>Gross profit</b>	<b>1.512.381</b>	<b>1.517.695</b>	<b>1.153.900</b>
Selling expenses	-564.994	-609.806	-469.219
General and administrative expenses	-382.176	-244.170	-286.186
Other operating revenues (expenses)	6.194	7.324	2.366
<b>Result before financial expenses</b>	<b>571.405</b>	<b>671.043</b>	<b>400.861</b>
Financial expenses	-292.639	-296.634	-294.034
Financial revenue	34.095	27.089	48.771
Monetary correction	-11.899	-62.622	-16.308
FX variation	50.612	-25.278	-136.336
Other expenses	-207.253	95.347	113.918
<b>Financial result</b>	<b>-427.084</b>	<b>-262.098</b>	<b>-283.989</b>
<b>Income (loss) before taxes</b>	<b>144.321</b>	<b>408.945</b>	<b>116.872</b>
Income and social contribution taxes - current	-11.319	-8.079	712
Income and social contribution taxes - deferred	-12.270	23.806	-3.620
<b>Income (loss) before non-controlling interest</b>	<b>120.732</b>	<b>424.672</b>	<b>113.964</b>
Controlling shareholders	118.010	424.672	119.783
Non-controlling shareholders	2.722	0	-5.819
<b>Profit (loss) for the period</b>	<b>120.732</b>	<b>424.672</b>	<b>113.964</b>

## APPENDIX 2 – BALANCE SHEET (CONSOLIDATED)

(R\$ thousand)	2Q23	4Q22
<b>ASSETS</b>		
Cash and cash equivalents	6.197.271	7.071.463
Trade receivables	2.088.319	2.487.540
Inventories	1.685.326	1.658.467
Biological assets	416.228	434.897
Taxes recoverable	708.615	750.670
Other receivables	565.380	583.682
<b>Total current assets</b>	<b>11.661.139</b>	<b>12.986.719</b>
Taxes recoverable	119.490	115.481
Deferred tax assets	790.594	792.811
Other receivables	158.297	146.840
Judicial deposits	21.828	22.013
Investments	242.092	242.104
Fixed assets	5.195.464	5.234.666
Intangible assets	1.677.764	1.859.494
<b>Total non-current assets</b>	<b>8.205.529</b>	<b>8.413.409</b>
<b>Total assets</b>	<b>19.866.668</b>	<b>21.400.128</b>
<b>LIABILITIES</b>		
Loans and financings	3.246.827	2.077.939
Commercial leasing	7.740	9.677
Trade payables	2.970.031	3.519.543
Labor and tax liabilities	420.322	373.011
Other payables	1.104.566	2.149.571
<b>Total current liabilities</b>	<b>7.749.486</b>	<b>8.129.741</b>
Loans and financings	10.646.610	11.688.535
Commercial leasing	24.623	28.688
Labor and tax liabilities	37.683	40.147
Provision for contingencies	35.930	58.886
Accounts payable	136.100	11.395
Deferred tax liabilities	330.370	380.241
<b>Total non-current liabilities</b>	<b>11.211.316</b>	<b>12.207.892</b>
<b>Shareholders' equity</b>		
Share capital	1.619.074	1.619.074
Capital reserves	137.249	138.711
Revaluation reserves	45.196	45.970
Profit reserves	671.267	671.267
Additional dividend proposed	0	181.314
Retained earnings (losses)	238.569	0
Treasury shares	-215.699	-235.396
Other comprehensive income	-2.085.874	-1.914.112
<b>Total shareholders' equity attributed to controlling shareholders</b>	<b>409.782</b>	<b>506.828</b>
Non-controlling interest	496.084	555.667
<b>Total shareholders' equity</b>	<b>905.866</b>	<b>1.062.495</b>
<b>Total liabilities and shareholders' equity</b>	<b>19.866.668</b>	<b>21.400.128</b>

## APPENDIX 3 - CASH FLOW (CONSOLIDATED)

(R\$ thousand)	2Q23	2Q22	1Q23
<b>Cash flow from operating activities</b>			
Net income (loss)	120.732	424.672	113.964
<b>Adjustments to reconcile net income provided by operating activities:</b>			
Depreciation and amortization	139.759	106.998	131.020
Estimated loss with doubtful accounts	4.327	411	2.548
Proceeds from the sale of fixed assets	488	11.824	50
Fair value of biological assets	4.148	32.134	48.263
Realization of deferred taxes – temporary differences	12.270	-23.806	3.620
Financial charges	293.986	296.634	295.146
FX variation – not realized	-54.429	-794.891	216.864
Monetary correction	11.899	104.582	16.308
Provision for contingencies	-22.936	-1.522	-20
Equity instruments granted	5.877	0	5.368
Trade receivables and other receivables	61.632	-755.748	337.559
Inventories	59.157	52.244	-86.016
Biological assets	-36.046	-27.733	2.304
Taxes recoverable	-35.761	-68.565	73.807
Judicial deposits	71	13	114
Trade payables	317.829	615.422	-867.341
Labor and tax liabilities	89.370	21.148	-44.523
Other payables	-394.018	111.805	-257.391
<b>Cash flow from operating activities</b>	<b>578.355</b>	<b>105.622</b>	<b>-8.356</b>
<b>Cash flow from investing activities</b>			
Acquisition of subsidiary, net of cash obtained on acquisition	0	0	-245.225
Acquisition of investments	0	0	0
Acquisition of intangible assets	-10.464	-24.753	-4.303
Acquisition of fixed assets	-176.627	-154.205	-121.963
<b>Cash flow from investing activities</b>	<b>-187.091</b>	<b>-178.958</b>	<b>-371.491</b>
<b>Cash flow from financing activities</b>			
Loans and financing raised	342.027	1.199.853	695.083
Loans and financing settled	-602.571	-416.816	-895.231
Commercial leasing	-1.957	-2.448	-2.937
Additional dividend proposed	-181.314	0	0
Distribution of interim dividends	0	-200.000	0
Sale of treasury shares	6.877	0	0
Non-controlling interest	-33.099	1.586	-26.484
<b>Cash flow from financing activities</b>	<b>-470.037</b>	<b>582.175</b>	<b>-229.569</b>
FX variation on cash and cash equivalents	-97.523	405.101	-88.480
<b>Net increase/decrease in cash and cash equivalents</b>	<b>-176.296</b>	<b>913.940</b>	<b>-697.896</b>
Cash and cash equivalents			
Beginning of period	6.373.567	5.289.375	7.071.463
End of period	6.197.271	6.203.315	6.373.567
<b>Net increase/decrease in cash and cash equivalents</b>	<b>-176.296</b>	<b>913.940</b>	<b>-697.896</b>

## APPENDIX 4 – FOREIGN EXCHANGE

(R\$ thousand)	2Q23	2Q22	1Q23
(USD - Closing)			
Brazil (BRL/USD)	4,79	5,24	5,06
Paraguay (PYG/USD)	7.265,80	6.849,10	7.181,80
Uruguay (UYU/USD)	37,50	39,77	41,14
Argentina (ARG/USD)	256,73	125,22	208,98
Colombia (COP/USD)	4.171,79	4.155,11	4.653,96
Australia (AUD/USD)	1,50	1,45	1,49