

minerva
foods



EARNINGS RELEASE 1Q23

Minerva (BEEF3)

Price on 05-08-23: R\$ 9.00

Market Cap: R\$ 5.5 billion

Shares: 607,283,407

Free Float: 43.4%

Conference Calls

May 10, 2023

Portuguese:

9:00 a.m. (Brasília) 07:00 am (US EDT)

[Link Webcast](#)

English:

09:00 a.m. (Brasília) 07:00 a.m. (US EDT)

[Link Webcast](#)

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Clique ou escaneie



Earnings Release

Barretos, May 09, 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 first quarter of 2023. The financial and operational information herein is presented in BRGAAP and Brazilian reais (R\$), under International Financial Reporting Standards.

1Q23 Highlights

- Net Income totaled R\$ 114.0 million in 1Q23, flat in relation to the first quarter of 2022. Minerva Foods accumulated R\$ 654.4 in the last twelve months ended March 2023, a strong 44.2% growth over LTM1Q22.
- EBITDA reached R\$ 531.9 million in 1Q23, with an EBITDA margin of 8.3%. In the last twelve months, EBITDA totaled R\$ 2.7 billion, with an EBITDA margin of 9.0%.
- Consolidated gross revenue reached R\$ 6.8 billion in 1Q23, accumulating R\$ 32.1 billion in the last twelve months, up by 6.6% over LTM1Q22. In the quarter, exports accounted for 62.6% 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 totaled R\$ 6.4 billion in 1Q23, and R\$ 30.1 billion in the last twelve months ended March 2023, up by 6.1% over LTM1Q22.
- Net leverage in 1Q23, measured by the Net Debt/LTM EBITDA ratio, ended the quarter at 2.6x, after the disbursement of R\$ 245.2 million relating to the acquisition of ALC (Australian Lamb Company).
- The Company's Management, after approved by the Shareholders' Meeting, paid complementary dividends, on May 2, in the amount of R\$ 208.6 million, or approximately R\$ 0.36/share. Therefore, a total of R\$ 336.7 million, or R\$ 0.58/share, was distributed as dividends for 2022 fiscal year.
- **Commitment to Sustainability:** progress in geographic monitoring of more than 90% of direct suppliers in Colombia and more than 20% in Uruguay.
- **SMGeo Prospec:** provided more than 1,600 free vouchers to partner ranchers to conduct socio-environmental analyses, encouraging them to verify the compliance of their own suppliers.
- **Renove Program:** signed technical cooperation agreements with partner ranchers, confirming mutual interest in converting conventional cattle management practices to regenerative practices that increase productivity and eliminate or reduce greenhouse gas emissions.
- **Carbon Disclosure Project (CDP):** Minerva Foods received a Supplier Engagement Rating (SER) of A-. This achievement places the company among the top performers in supplier engagement in its industry.
- **Forest 500:** Minerva Foods continues to be one of the companies in the protein sector with the lowest risk of being linked to deforestation or potential exposure to forest-risk commodity chains, according to an external assessment.

Message from Management

Minerva Foods initiated 2023 with a solid operational and financial performance, despite the volatility and challenges from the global scenario, consolidating its position as one of the main players in the beef market. We continue to be the leading exporter from South America, strengthening our corporate strategy and business model. Therefore, we ended 1Q23 with net revenue of R\$ 6.8 billion, EBITDA of R\$ 532 million, and net income of R\$ 114 million. In the last 12 months, accumulated performance continued very solid, with Adjusted EBITDA reaching R\$ 2.9 billion and net income totaled R\$ 654.4 million. Our capital structure remains balanced, with a Net Debt/EBITDA leverage ratio of 2.6x at the end of 1Q23, even after the acquisition of ALC (Australia Lamb Company) at the end of 2022. I would like to highlight, once again, the assertiveness of our geographic diversification strategy, which was fundamental during the period in which Brazilian beef was temporarily suspended for exports to China. Through our unique footprint and our operational and commercial flexibility, Minerva Foods continued to meet demand from Chinese customers through its operations in Argentina and Uruguay.

Gross Revenue
R\$ 6.8 billion

EBITDA
R\$ 532 million

Net Income
R\$ 114 million

Dividends
R\$ 336.7 million

One of the main priorities of our Management is the generation of shareholder value, which was also one of our highlights at the beginning of this year. As previously announced, in early May, we paid complementary dividends of R\$ 208.6 million, or R\$ 0.36/share. For the 2022 fiscal year, Minerva Foods distributed a total of R\$ 336.7 million in dividends, or R\$ 0.58/share. In the last three years (2020, 2021 and 2022), the Company distributed approximately R\$ 1.3 billion in proceeds, equivalent to R\$ 2.30/share, reinforcing our commitment to the creation of shareholder value.

Despite the seasonality at the start of 2023 and the challenges brought by the global scenario, Minerva's performance in the first quarter confirms our export DNA, with 63% of gross revenue originating from exports, demonstrating the solidity and attractiveness of the international animal protein market, even amidst current volatility. Global beef supply continues to be increasingly restricted, a trend that is expected to become even more accentuated given the strong restrictions for the North American production in the coming years, reducing availability and increasing production costs in the region. On the other hand, Brazil benefits from the consistent increase in cattle availability, reflecting resumption in cattle cycle, a trend that is expected to continue in 2023 and 2024, maximizing opportunities for local producers.

Within this context, restricted supply ends up encouraging the opening of new markets and amplifying access for beef produced in South America, exemplified with the recent approvals granted for Brazilian beef to the Mexican market, as well as for additional plants to export to Indonesia, expanding the customer base for the continent. The combination of these positive factors in our industry, plus the recovery of the Chinese market with the end of the pandemic restrictions, which has been gradually and positively impacting local demand, a movement that is expected to speed up in the coming quarters due to increased consumption and reduced inventory levels, thus directly implying an acceleration of beef imported into China. We remain very optimistic with the outlook for the coming quarters, supported by solid demand from the international market and South America's competitive advantages in beef production.

Leverage
2.6x

The strength of our balance sheet, which ended the quarter with a stable Net Debt/LTM EBITDA leverage ratio of 2.6x, even after the disbursement related to the acquisition of ALC (Australian Lamb Company) and the restricted and volatile market in 1Q23, remains one of the priorities of our business model. The health of our capital structure reflects Minerva Foods' operational and commercial consistency, efficient risk management model, as well as the many financial liability management initiatives carried out in recent years, always seeking for a balanced and less costly capital structure.

Throughout the first quarter of 2023, we have continued to focus our resources and efforts on achieving the goals of the Minerva Foods Commitment to Sustainability. Our work in the value chain stands

out, receiving two notable recognitions within international assessments by the Carbon Disclosure Project (CDP) and the Forest 500 ranking.

We are proud of our achievements in geographic monitoring of direct suppliers in Colombia and Uruguay. As for indirect suppliers, we have intensified our efforts to engage direct suppliers in the socio-environmental agenda through training in the use of the SMGeo Prospec application during on-site visits.

Under the Renove program, we have signed technical cooperation agreements with participating cattle ranchers, affirming the mutual interest of both parties in transforming conventional cattle management practices into regenerative practices that increase productivity while reducing or eliminating greenhouse gas (GHG) emissions. We further achieved the export of a certified carbon neutral product from operations in Brazil and Uruguay.

The prospects for the remaining of the year are very positive, and we are attentive to the challenges and opportunities arising from the global animal protein market. We remain confident in our team's work and in the operational consistency of Minerva Foods, reaffirming our geographic diversification strategy and our commitment with capital discipline and ethical and sustainable practices, since we believe this is the way to create long-term value.

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

Fernando Galletti de Queiroz

CEO

Results Analysis

Key Consolidated Indicators

R\$ million	1Q23	1Q22	Var. %	4Q22	Var. %	LTM1Q23	LTM1Q22	Var. %
Total Slaughter ('000 head)	836,3	874,2	-4,3%	855,3	-2,2%	3.711,4	3.584,5	3,5%
Volume Sales Volume ('000 metric tons)	288,2	275,7	4,5%	303,2	-4,9%	1.236,2	1.146,3	7,8%
Gross Revenue	6.810,2	7.627,6	-10,7%	7.328,3	-7,1%	32.080,5	30.090,1	6,6%
Export Market	4.260,8	5.359,3	-20,5%	4.573,1	-6,8%	21.455,1	20.518,0	4,6%
Domestic Market	2.549,4	2.268,3	12,4%	2.755,3	-7,5%	10.625,4	9.572,1	11,0%
Net Revenue	6.381,5	7.229,2	-11,7%	6.839,2	-6,7%	30.130,1	28.391,2	6,1%
EBITDA	531,9	646,0	-17,7%	607,5	-12,4%	2.723,7	2.574,3 ³	5,8%
EBTIDA Margin	8,3%	8,9%	-0,6 p.p.	8,9%	-0,5 p.p.	9,0%	9,1%	0,0 p.p.
Net Debt / LTM EBITDA (x)	2,6 ¹	2,5	0,1	2,2 ²	0,5	2,6	2,5	0,1
Net Income (Loss)	114,0	114,6	-0,5%	-25,7	-543,7%	654,4	453,9	44,2%

¹ Adjusted EBITDA ALC proforma (R\$ 201 million – 7 months) | ² Adjusted EBITDA ALC proforma (R\$ 262 million – 10 months) | ³ Adjusted EBITDA by non-recurring items.

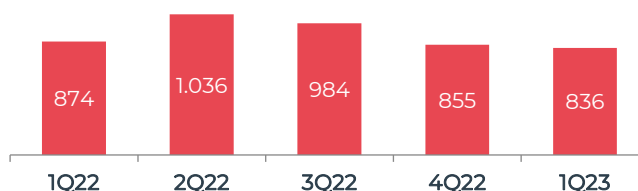
Operational and financial performance

Slaughter

In 1Q23, consolidated slaughter volume totaled 836 thousand head of cattle, down by approximately 4% YoY. Despite the growing availability of animals ready for slaughter, especially in Brazil with the arrival of the positive cycle, the decrease in slaughter volume was due to the temporary suspension for beef exports to China during the quarter.

The consolidated sheep slaughter volume, from the Company's operations in Australia, reached 816 thousand head in 1Q23.

Figure 1 – Consolidated Slaughter (thousand)



Gross Revenue

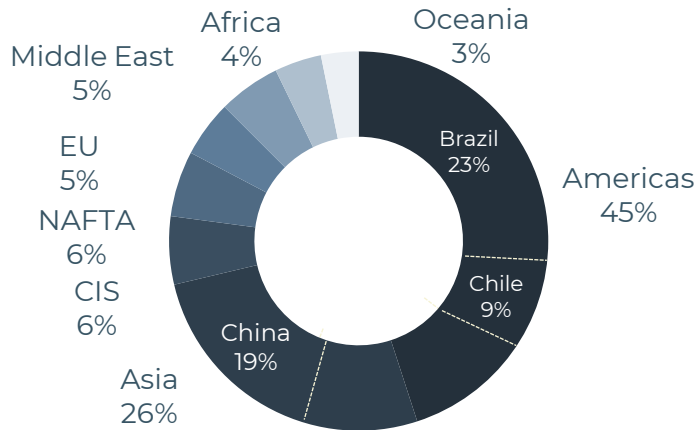
In 1Q23, the Company's consolidated gross revenue reached R\$ 6.8 billion, down by 7% from the previous quarter and declining by 11% from the first quarter of the previous year. In LTM1Q23, gross revenue reached R\$ 32.1 billion, up by 7% over the last twelve months ended March 2022.

See the chart below for more details on gross revenue by business unit.

Gross Revenue (R\$ million)	1Q23	1Q22	Var. %	4Q22	Var. %	LTM1Q23	LTM1Q22	Var. %
Brazil	2,902.5	3,954.2	-26.6%	3,460.4	-16.1%	15,178.1	13,152.6	15.4%
Argentina	948.8	880.3	7.8%	734.3	29.2%	4,456.6	4,060.8	9.7%
Colombia	345.2	315.7	9.3%	329.0	4.9%	1,505.0	1,670.3	-9.9%
Paraguay	851.7	1,000.0	-14.8%	1,112.3	-23.4%	4,762.3	5,022.4	-5.2%
Uruguay	828.2	962.0	-13.9%	768.8	7.7%	3,383.0	4,273.2	-20.8%
Australia	495.8	0.0	n.a.	0.0	n.a.	495.8	0.0	n.a.
Other ⁽¹⁾	438.0	515.5	-15.0%	923.5	-52.6%	2,299.6	1,910.9	20.3%
Total	6,810.2	7,627.6	-10.7%	7,328.4	-7.1%	32,080.5	30,090.1	6.6%

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

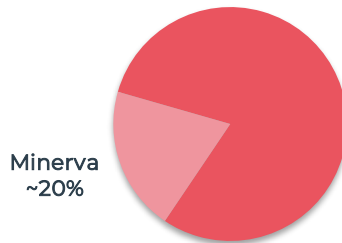
Figure 2 – Breakdown by Gross Revenue 1Q23



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 3 – Market Share LTM1Q23



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

Export Market – 62.6% of Gross Revenue in 1Q23 | 66.9% in LTM1Q23

In the first quarter of 2023, exports generated revenues of R\$ 4.3 billion and totaled R\$ 21.5 billion in the last 12 months, up by 4.6% over the same period in 2022.

In 1Q23, the export market accounted for 64.5% of the gross revenue and 62.3% of the total volume of the Brazil division. As for the operations in South America ex-Brazil (Argentina, Colombia, Paraguay and Uruguay), exports represented 66.4% of gross revenue and 60.9% of volume. In relation to the sheep operation in Australia, exports accounted for 72.2% of gross revenue and 59.3% of total volume in the period.

For the last 12 months ended March 2023, exports from the Brazil division reached 68.0% of gross revenue and 63.7% of total volume, and South America ex-Brazil totaled 71.5% of gross revenue and 64.6% of total volume.

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

Exports (% Gross Revenue)*	1Q23	1Q22	4Q22
<i>Brazil</i>	64.5%	72.7%	62.1%
<i>South America ex-Brazil</i>	66.4%	74.7%	68.0%
<i>Sheep</i>	72.2%	n.a.	n.a.
Total	66.9%	70.3%	62.4%

*Excluding others

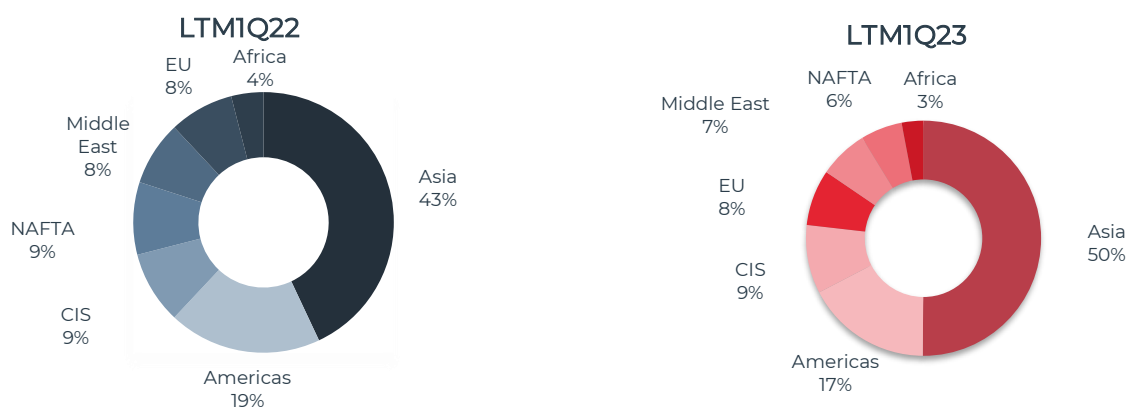
Exports (% Volume)*	1Q23	1Q22	4Q22
<i>Brazil</i>	62.3%	65.0%	62.7%
<i>South America ex-Brazil</i>	60.9%	65.1%	63.1%
<i>Sheep</i>	59.3%	n.a.	n.a.
Total	61.6%	65.1%	62.9%

*Excluding others

Exports by region between LTM1Q23 and LTM1Q22 were as follows:

- **Africa:** The region accounted for 3% of exports in the last twelve months ended March 2023, and remained practically flat in relation to LTM1Q22.
- **Americas:** Accounted for 17% of total exports in LTM1Q23, down by 2 p.p. from the same period in 2022, being the second main destination of Minerva Foods' exports.
- **Asia:** Accounted for 50% of total exports in LTM1Q23, growing by 7 p.p. over LTM1Q22 and remaining the main destination for our exports. China represented 35% of Company exports in the period. It is worth noting that, in LTM1Q22, Brazilian exports were restricted to China during almost 3 months.
- **CIS (Commonwealth of Independent States):** This region, represented mainly by Russia, accounted for 9% of our exports in LTM1Q23, flat in the annual comparison.
- **European Union:** In LTM1Q23, the European Union accounted for 8% of the Company's exports, in line with the previous period.
- **NAFTA:** This region was responsible for 6% of exports, down by 2 p.p. in relation to LTM1Q22. It is worth noting that the region continues represented, in its majority, by the United States.
- **Middle East:** In the 12-month period ended March 2023, the Middle East region accounted for 7% of exports, remaining flat over LTM1Q22.
- In 1Q23, export revenue for the sheep operation in **Australia** was distributed as follows: NAFTA, representing 39%, followed by Asia with 23%, the Middle East with 21%, the EU with 8%, and Oceania with a 6% share of exports.

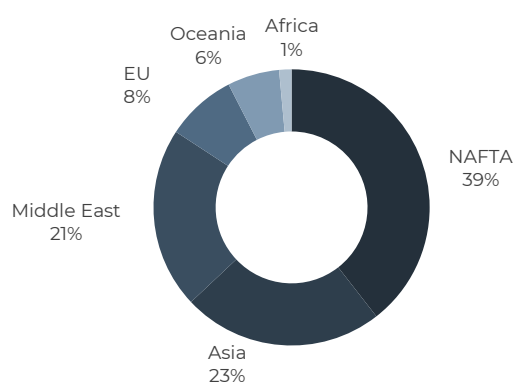
Figures 4 and 5 – Breakdown of Export Revenue by Region ex-Australia



Source: Minerva

Figure 6 – Breakdown of Export Revenue in Australia

Source: Minerva



Domestic Market – 37.4% of Gross Revenue in 1Q23 | 33.1% in LTM1Q23

Gross revenue from the domestic market reached R\$ 2.5 billion in 1Q23, increasing by 12% over 1Q22. In LTM1Q23, gross revenue from the domestic market totaled R\$ 10.6 billion, up by 11% YoY.

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







Gross Revenue (R\$ million)	1Q23	1Q22	Var. %	4Q22	Var. %	LTM1Q23	LTM1Q22	Var. %
Export Market	4,260.8	5,359.3	-20.5%	4,573.1	-6.8%	21,455.1	20,518.0	4.6%
Domestic Market	2,549.4	2,268.3	12.4%	2,755.3	-7.5%	10,625.4	9,572.1	11.0%
Total	6,810.2	7,627.6	-10.7%	7,328.4	-7.1%	32,080.5	30,090.1	6.6%

Sales Volume ('000 metric tons)	1Q23	1Q22	Var. %	4Q22	Var. %	LTM1Q23	LTM1Q22	Var. %
Export Market	176.9	179.4	-1.4%	190.6	-7.2%	791.7	753.2	5.1%
Domestic Market	111.3	96.3	15.6%	112.6	-1.1%	444.5	393.1	13.1%
Total	288.2	275.7	4.5%	303.2	-4.9%	1,236.2	1,146.3	7.8%

Average Price	1Q23	1Q22	Var. %	4Q22	Var. %	LTM1Q23	LTM1Q22	Var. %
Export Market (USD/Kg)	4.6	5.7	-18.8%	4.6	1.6%	5.3	5.1	2.9%
Domestic Market (R\$/Kg)	22.9	23.6	-2.8%	24.5	-6.4%	23.9	24.3	-1.8%
Average Dollar (source: BACEN)	5.20	5.24	-0.7%	5.26	-1.2%	5.15	5.33	-3.3%

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:

 Brazil	1Q23	1Q22	Var. %	4Q22	Var. %	LTM1Q23	LTM1Q22	Var. %
Gross Revenue	2,902.5	3,954.2	-26.6%	3,460.4	-16.1%	15,178.1	13,152.6	15.4%
Sales Volume	124.2	137.4	-9.6%	154.1	-19.4%	600.6	502.6	19.5%
 Argentina	1Q23	1Q22	Var. %	4Q22	Var. %	LTM1Q23	LTM1Q22	Var. %
Gross Revenue	948,8	880,3	7,8%	734,3	29,2%	4.456,6	4.060,8	9,7%
Sales Volume	42,6	39,0	9,1%	42,5	0,3%	175,9	157,3	11,8%
 Colombia	1Q23	1Q22	Var. %	4Q22	Var. %	LTM1Q23	LTM1Q22	Var. %
Gross Revenue	345,2	315,7	9,3%	329,0	4,9%	1.505,0	1.670,3	-9,9%
Sales Volume	17,6	16,1	9,6%	19,6	-10,0%	73,9	88,5	-16,5%
 Paraguay	1Q23	1Q22	Var. %	4Q22	Var. %	LTM1Q23	LTM1Q22	Var. %
Gross Revenue	851,7	1.000,0	-14,8%	1.112,3	-23,4%	4.762,3	5.022,4	-5,2%
Sales Volume	47,2	46,8	0,8%	56,3	-16,2%	233,2	228,8	1,9%
 Uruguay	1Q23	1Q22	Var. %	4Q22	Var. %	LTM1Q23	LTM1Q22	Var. %
Gross Revenue	828,2	962,0	-13,9%	768,8	7,7%	3.383,0	4.273,2	-20,8%
Sales Volume	34,7	36,4	-4,6%	30,8	12,6%	130,8	169,1	-22,6%
 Australia	1Q23	1Q22	Var. %	4Q22	Var. %	LTM1Q23	LTM1Q22	Var. %
Gross Revenue	495,8	-	n.a.	-	n.a.	495,8	-	n.a.
Sales Volume	21,9	-	n.a.	-	n.a.	21,9	-	n.a.
Other	1Q23	1Q22	Var. %	4Q22	Var. %	LTM1Q23	LTM1Q22	Var. %
Gross Revenue	438,0	515,5	-15,0%	923,5	-52,6%	2,299,6	1,910,9	20,3%

Net Revenue

Minerva Foods' net revenue was R\$ 6.4 billion in the first quarter of the year. In LTM1Q23, net revenue reached R\$ 30.1 billion, up by 6.1% over 2022.

R\$ million	1Q23	1Q22	Var. %	4Q22	Var. %	LTM1Q23	LTM1Q22	Var. %
Gross Revenue	6,810.2	7,627.6	-10.7%	7,328.3	-7.1%	32,080.5	30,090.1	6.6%
Deductions and Discounts	-428.7	-398.4	7.6%	-489.2	-12.4%	-1,950.4	-1,698.9	14.8%
Net Revenue	6,381.5	7,229.2	-11.7%	6,839.2	-6.7%	30,130.1	28,391.2	6.1%
% Gross Revenue	93.7%	94.8%	-1.1 p.p.	93.3%	0.4 p.p.	93.9%	94.4%	-0.4 p.p.

Cost of Goods Sold (COGS) and Gross Margin

COGS corresponded to 81.9% of net revenue in 1Q23, implying in a gross margin of 18.1% and increasing by 1.1 p.p. from the previous year. In LTM1Q23, COGS accounted for 81.2% of net revenue, with a gross margin of 18.8%, up by 1.4 p.p. in the annual comparison.

R\$ million	1Q23	1Q22	Var. %	4Q22	Var. %	LTM1Q23	LTM1Q22	Var. %
Net Revenue	6,381.5	7,229.2	-11.7%	6,839.2	-6.7%	30,130.1	28,391.2	6.1%
COGS	-5,227.6	-6,003.2	-12.9%	-5,504.3	-5.0%	-24,464.8	-23,464.0	4.3%
% Net Revenue	81.9%	83.0%	-1.1 p.p.	80.5%	1.4 p.p.	81.2%	82.6%	-1.4 p.p.
Gross Profit	1,153.9	1,226.0	-5.9%	1,334.9	-13.6%	5,665.3	4,927.1	15.0%
Gross Margin	18.1%	17.0%	1.1 p.p.	19.5%	-1.4 p.p.	18.8%	17.4%	1.4 p.p.

Selling, General and Administrative Expenses

Selling expenses accounted for 7.4% of net revenue in 1Q23, while general and administrative expenses accounted for around 4.5%. In LTM1Q23, selling expenses accounted for 7.7% of net revenue, while general and administrative expenses accounted for 3.6%.

R\$ million	1Q23	1Q22	Var. %	4Q22	Var. %	LTM1Q23	LTM1Q22	Var. %
Selling Expenses	-469.2	-480.2	-2.3%	-552.3	-15.0%	-2,322.7	-1,877.3	23.7%
% Net Revenue	7.4%	6.6%	0.7 p.p.	8.1%	-0.7 p.p.	7.7%	6.6%	1.1 p.p.
G&A Expenses	-286.2	-230.2	24.3%	-295.3	-3.1%	-1,082.2	-907.9	19.2%
% Net Revenue	4.5%	3.2%	1.3 p.p.	4.3%	0.2 p.p.	3.6%	3.2%	0.4 p.p.

EBITDA

In the first quarter of 2023, Minerva Foods' consolidated EBITDA reached the mark of R\$ 531.9 million, with an EBITDA margin of 8.3% in the period.

In the last twelve months ended March 2023, EBITDA totaled approximately R\$ 2.7 billion, representing a growth of nearly 6% compared to LTM1Q22, and with an EBITDA margin of 9.0%.

Adjusted EBITDA in the last 12 months, considering the performance of ALC (Australian Lamb Company), totaled R\$ 2.9 billion.

R\$ million	1Q23	1Q22	Var. %	4Q22	Var. %	LTM1Q23	LTM1Q22	Var. %
Net Income (Loss)	114.0	114.6	-0.5%	-25.7	-543.7%	654.4	453.9	44.2%
+/- Deferred income tax and social contribution	2.9	-251.2	-101.2%	-39.1	-107.4%	-12.8	-275.9	-95.3%
(+/-) Financial Result	284.0	687.6	-58.7%	562.4	-49.5%	1,631.5	2,016.5	-19.1%
(+/-) Depreciation and Amortization	131.0	95.0	38.0%	109.9	19.2%	450.6	358.7	25.6%
(+/-) Non-recurring adjustments	0.0	0.0	n.a.	0.0	n.a.	0.0	21.1	-100.0%
EBITDA	531.9	646.0	-17.7%	607.5	-12.4%	2,723.7	2,574.3¹	5.8%
EBITDA Margin	8.3%	8.9%	-0.6 p.p.	8.9%	-0.5 p.p.	9.0%	9.1%	-0.1 p.p.

¹ Adjusted EBITDA by non-recurring items..

Financial Result

The Company's net financial result was negative by R\$ 284.0 million in 1Q23. It should be noted that, in 1Q23, as a result of our hedging policy, we recorded a positive result of R\$ 161.6 million from financial instruments used for FX hedge, which is essential to protect our balance sheet.

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

R\$ million	1Q23	1Q22	Var. %	4Q22	Var. %	LTM1Q23	LTM1Q22	Var. %
Financial Expenses	-294.0	-264.6	11.1%	-337.4	-12.9%	-1,250.8	-1,029.8	21.5%
Financial Revenue	48.8	24.5	99.4%	60.2	-19.0%	209.5	86.4	142.5%
Monetary Adjustment	-16.3	-42.0	-61.1%	-0.3	5,465.9%	-129.8	-174.0	-25.4%
FX Variation	-136.3	20.6	n.a.	49.4	n.a.	-154.9	-181.6	-14.7%
Other Expenses	113.9	-426.1	n.a.	-334.3	n.a.	-305.5	-717.4	-57.4%
Financial Result	-284.0	-687.6	-58.7%	-562.4	-49.5%	-1,631.5	-2,016.5	-19.1%
Average Dollar (R\$/US\$)	5.20	5.24	-0.7%	5.26	-1.2%	5.15	5.33	-3.3%
Closing Dollar (R\$/US\$)	5.08	4.74	7.2%	5.22	-2.6%	5.08	4.74	7.2%

R\$ million	1Q23	1Q22	Var. %	4Q22	Var. %	LTM1Q23	LTM1Q22	Var. %
FX Hedge	161.6	-383.4	n.a.	-198.4	n.a.	80.1	-472.5	n.a.
Commodities Hedge	18.6	22.1	-15.8%	-44.8	n.a.	-79.2	-23.8	232.8%
Fees, Commissions, and Other	-66.3	-64.8	2.3%	-91.1	-27.2%	-306.4	-221.1	38.6%
Financial Expenses								
Total	113.9	-426.1	n.a.	-334.3	n.a.	-305.5	-717.4	-57.4%

Net Income

Net Income was positive by R\$ 114.0 million in 1Q23. In the last 12 months, the Company's accumulated net income totaled R\$ 654.4 million.

R\$ million	1Q23	1Q22	Var. %	4Q22	Var. %	LTM1Q23	LTM1Q22	Var. %
Net income (loss) before Income Tax and Social Contribution	116.9	-136.6	-185.5%	-64.8	n.a.	641.6	178.1	260.3%
Income Tax and Social Contribution	-2.9	251.2	-101.2%	39.1	n.a.	12.8	275.9	-95.3%
Net Income	114.0	114.6	-0.5%	-25.7	n.a.	654.4	453.9	44.2%
% Net Margin	1.8%	1.6%	0.2 p.p.	-0.4%	2.2 p.p.	2.2%	1.6%	0.6 p.p.

Cash Flow

Operating Cash Flow

Operating cash flow from the Company's operating activities was negative by R\$ 8.4 million in 1Q23. The variation in working capital requirements was negative by R\$ 841.5 million mostly impacted by the suppliers line, which totaled R\$ 867.3 million, resulting from the strong volatility that impacted the credit market in Brazil in 1Q23, with greater restrictions and less favorable conditions for bank credit lines, which encouraged the Company to be more aggressive in its cash use.

In LTM1Q23, the Company's operating cash flow totaled R\$ 2.3 billion.

R\$ million	1Q23	1Q22	4Q22	LTM1Q23
Net Income (Loss)	114.0	114.6	-25.7	654.4
(+) Net Income (Loss) Adjustments	719.2	1,006.4	231.7	1,314.0
(+) Variation in Working Capital Requirements	-841.5	-280.8	872.0	317.7
Operating Cash Flow	-8.4	840.2	1,078.0	2,286.1

Free Cash Flow

In 1Q23, the Company's free cash flow after capex, interest payments, and working capital, was negative by R\$ 853.1 million which, as previously explained, was impacted mainly by the working capital line.

Excluding the impact for the ALC acquisition, the free cash flow ended the last twelve months in a positive R\$ 612.6 million. In the last 12 months, free cash generation was negative by R\$ 33.4 million.

R\$ million	1Q23	4Q22	3Q22	2Q22	LTM1Q23
EBITDA	531.9	607.5	806.2	778.0	2,723.7
CAPEX	-371.5	-1,091.8	-214.5	-179.0	-1,856.8
Financial Result (on a Cash Basis)	-172.0	-520.0	-394.0	-132.0	-1,218.0
Variation in Working Capital Requirements	-841.5	872.0	338.7	-51.4	317.7
Free Cash Flow	-853.1	-132.4	536.4	415.7	-33.4

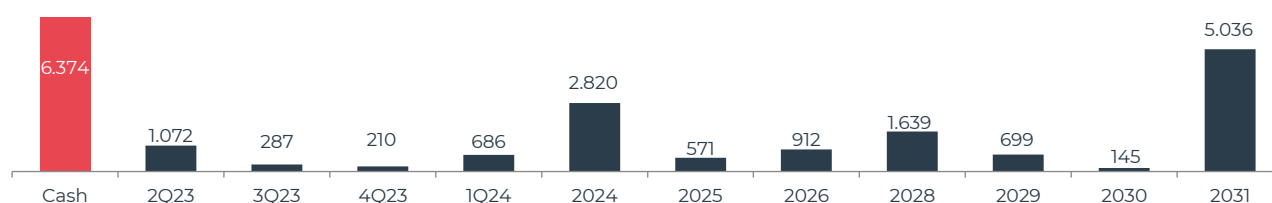
Capital Structure

In 1Q23, Minerva's cash balance was R\$ 6.4 billion, sufficient to amortize its debt until 2026, and in line with the Company's conservative cash management and capital discipline. On March 31, 2023, around 59% of gross debt was pegged to the U.S. dollar and, according to our hedge policy, the Company hedges at least 30% of the long-term FX exposure, protecting its balance sheet at times of high exchange rate volatility. The debt duration was around 4.5 years at the end of 1Q23.

Net leverage, measured by the Net Debt/LTM EBITDA ratio, ended 1Q23 at 2.6x and was impacted by the disbursement of approximately R\$ 245.2 million related to the investment and by the proforma EBITDA of R\$ 200.6 million of ALC (Australian Lamb Company).

In 1Q23, in line with the commitment to maintaining a less costly and healthier capital structure, we canceled approximately US\$ 8 million of our 2031 Bonds. Over the last 3 years, the Company repurchased and canceled approximately R\$ 2.6 billion in debt securities, in line with its commitment to maintaining a balanced, healthy capital structure with a lower risk profile.

Figure 7 - Debt Amortization Schedule on March 31, 2023 (R\$ million)



R\$ million	1Q23	4Q22	3Q22	2Q22	LTM1Q23
Short-term Debt	2,255.1	1,421.0	58.7%	2,077.9	8.5%
% of Short-term Debt	16.0%	12.1%	4.0 p.p.	15.1%	0.9 p.p.
Local Currency	453.7	270.6	67.6%	285.0	59.2%
Foreign Currency	1,801.4	1,150.4	56.6%	1,793.0	0.5%
Long-term Debt	11,823.3	10,366.0	14.1%	11,688.5	1.2%
% of Long-term Debt	84.0%	87.9%	-4.0 p.p.	84.9%	-0.9 p.p.
Local Currency	5,377.9	3,626.2	48.3%	5,716.6	-5.9%

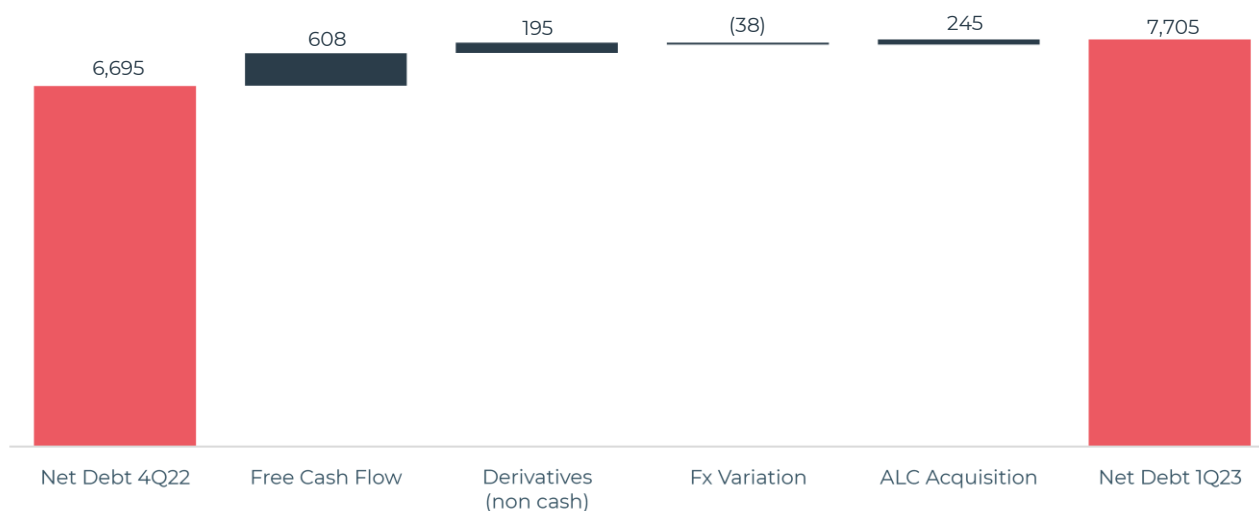
Foreign Currency	6,445.3	6,739.8	-4.4%	5,971.9	7.9%
Total Debt	14,078.3	11,787.0	19.4%	13,766.5	2.3%
Local Currency	5,831.6	3,896.9	49.6%	6,001.6	-2.8%
Foreign Currency	8,246.7	7,890.1	4.5%	7,764.9	6.2%
Cash and Cash Equivalents	-6,373.6	-5,289.4	20.5%	-7,071.5	-9.9%
Net Debt	7,704.8	6,497.6	18.6%	6,695.0	15.1%
Net Debt/EBITDA (x)	2.6*	2.5	0.1 p.p.	2.2**	0.5 p.p.

* Adjusted EBITDA ALC proforma (R\$ 201 million – 7 months)

** Adjusted EBITDA ALC proforma (R\$ 262 million – 10 months)

More details on the net debt variations for the first quarter of 2023 are provided below.

Figure 8 – Net Debt Bridge (R\$ million)



Capex

Investments totaled R\$ 371.5 million in 1Q23. Of this total amount, nearly R\$ 75.8 million was allocated to maintenance and R\$ 295.7 million was used for expansion projects. It is worth noting that in the expansion line we have the 2nd portion of the ALC (Australian Lamb Company) acquisition that totals R\$ 245.2 million. In addition, it is accounted the investments 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	1Q23	4Q22	3Q22	2Q22	LTM1Q23
Maintenance	75.8	103.7	118.0	103.8	401.3
Expansion	295.7	988.1	96.5	75.2	1,455.5
Total	371.5	1,091.8	214.5	179.0	1,856.8

ESG

During the first quarter of 2023, further progress was made on the ESG agenda, in line with our Sustainability Commitment announced in 2021. The Company's groundbreaking efforts to combat illegal deforestation in the supply chain in Latin America became most evident during this period, with the percentage of geographic monitoring of ranches that directly supply the Company's operations in Colombia increasing to over 90%. In Uruguay, having completed the mapping of local socio-environmental legislation and the geographic assessment, the Company has now registered more than 20% of the direct suppliers being monitored.

In addition, following the launch of the SMGeo Prospec application, developed in partnership with Niceplanet Geotecnologia to provide rural producers with access to the same socio-environmental compliance analysis technology used by the industry, Minerva Foods has stepped up its efforts to engage its direct suppliers and provide training in the use of the tool during field visits. More than 1,600 free vouchers have been distributed to partner ranchers to conduct socio-environmental analyses, encouraging them to verify the compliance of their own suppliers.

As part of the *Renove* program, the Company has signed technical cooperation agreements with partner cattle ranchers, affirming the mutual interest of both parties in converting conventional cattle management practices to regenerative practices that increase productivity and eliminate or reduce greenhouse gas emissions. The ranches, located throughout six Brazilian states, are being evaluated in the field by the program's technical team, with the goal of restoring degraded pastures, implementing integrated systems - Crop-Livestock-Forestry Integration (ILPF) - and using feed additives in animal feed to reduce enteric methane. Partnerships have been established with major input, financing and technological innovation companies to make these practices feasible, with a shared commitment to a highly productive agricultural sector with low carbon emissions.

In addition, Minerva Foods has continued to export certified carbon neutral beef from its operations in Brazil and Uruguay as part of the *Renove* program. With the addition of the "CO₂ Neutral" label, issued by an independent organization with certification systems in over 100 countries, Minerva Foods can guarantee the offsetting of greenhouse gas emissions from the entire meat production process, in other words, emissions generated from the ranch, through the industrial process and logistics. The offsetting required to make the remaining emissions neutral has been provided by MyCarbon, a subsidiary of the Company, using carbon credits from tree planting and forest conservation projects.

On an institutional level, the Company's supply chain management performance was recognized by the Carbon Disclosure Project (CDP) in its Supplier Engagement Rating (SER). The Company received an A- rating, placing it among the leaders in supplier engagement in its respective industry. Notably, the Company's score is higher than the regional average for South America and for the food and beverage processing sector. The Company was also ranked by the Forest 500 as one of the leading companies in the protein sector with the lowest risk of being linked to deforestation or potential exposure to forest-risk commodity chains. In 2023, the Company remained among the top five Brazilian companies in terms of sustainability policy.



Subsequent Events

Complementary Dividends

On May 02, 2023, after approval at the Annual Shareholders' Meeting held on April 18, 2023, the Company paid complementary dividends totaling R\$ 208.6 million, or R\$ 0.36, per share, excluding R\$ 23.1 million treasury shares. Considering all payments to shareholders for fiscal year 2022, Minerva Foods' payout totaled R\$ 336.7 million, or R\$ 0.58 per share.

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 March 31, 2023, the Company recorded gross sales revenue of **R\$ 32.1 billion, 6.6% higher** than in the same period in 2022.

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 2022, and in the quarter ended March 31, 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 March 31, 2023 and the opinions expressed in the independent auditors' review report, hereby authorizing their disclosure.



APPENDIX 1 - INCOME STATEMENT (CONSOLIDATED)

(R\$ thousand)	1Q23	1Q22	4Q22
Net operating revenue	6,381,473	7,229,165	6,839,176
Cost of goods sold	-5,227,573	-6,003,152	-5,504,312
Gross profit	1,153,900	1,226,013	1,334,864
Selling expenses	-469,219	-480,226	-552,265
General and administrative expenses	-286,186	-230,152	-295,341
Other operating revenues (expenses)	2,366	35,374	10,368
Result before financial expenses	400,861	551,009	497,626
Financial expenses	-294,034	-264,580	-337,409
Financial revenue	48,771	24,458	60,242
Monetary correction	-16,308	-41,960	-293
FX variation	-136,336	20,607	49,378
Other expenses	113,918	-426,152	-334,308
Financial result	-283,989	-687,627	-562,390
Income (loss) before taxes	116,872	-136,618	-64,764
Income and social contribution taxes - current	712	-12,165	-26,613
Income and social contribution taxes - deferred	-3,620	263,375	65,693
Income (loss) before non-controlling interest	113,964	114,592	-25,684
Controlling shareholders	119,783	114,592	-28,215
Non-controlling shareholders	-5,819	0	2,531
Profit (loss) for the period	113,964	114,592	-25,684

APPENDIX 2 - BALANCE SHEET (CONSOLIDATED)

(R\$ thousand)	1Q23	4Q22
ATIVO		
Cash and cash equivalents	6,373,567	7.071.463
Trade receivables	2,130,345	2.487.540
Inventories	1,744,483	1.658.467
Biological assets	384,330	434.897
Taxes recoverable	678,621	750.670
Other receivables	600,385	583.682
Total current assets	11,911,731	12.986.719
Taxes recoverable	113,723	115.481
Deferred tax assets	791,716	792.811
Other receivables	147,225	146.840
Judicial deposits	21,899	22.013
Investments	242,104	242.104
Fixed assets	5,216,752	5.234.666
Intangible assets	1,776,238	1.859.494
Total non-current assets	8,309,657	8.413.409
Total assets	20,221,388	21.400.128
LIABILITIES		
Loans and financings	2,255,084	2.077.939
Commercial leasing	9,624	9.677
Trade payables	2,652,202	3.519.543
Labor and tax liabilities	329,720	373.011
Other payables	1,624,855	2.149.571
Total current liabilities	6,871,485	8.129.741
Loans and financings	11,823,252	11.688.535
Commercial leasing	26,831	28.688
Labor and tax liabilities	38,915	40.147
Provision for contingencies	58,866	58.886
Accounts payable	9,829	11.395
Deferred tax liabilities	335,379	380.241
Total non-current liabilities	12,293,072	12.207.892
Shareholders' equity		
Share capital	1,619,074	1.619.074
Capital reserves	144,079	138.711
Revaluation reserves	45,583	45.970
Profit reserves	671,267	671.267
Additional dividend proposed	181,314	181.314
Retained earnings (losses)	120,170	0
Treasury shares	-235,396	-235.396
Other comprehensive income	-2,012,624	-1.914.112
Total shareholders' equity attributed to controlling shareholders	533,467	506.828
Non-controlling interest	523,364	555.667
Total shareholders' equity	1,056,831	1.062.495
Total liabilities and shareholders' equity	20,221,388	21.400.128

ANEXO 3 - FLUXO DE CAIXA (CONSOLIDADO)

(R\$ thousand)	1Q23	1Q22	4Q22
Cash flow from operating activities			
Net income (loss)	113,964	114,592	-25,684
Adjustments to reconcile net income provided by operating activities:			
Depreciation and amortization	131,020	94,970	109,881
Estimated loss with doubtful accounts	2,548	455	2,187
Proceeds from the sale of fixed assets	50	10,794	2,722
Fair value of biological assets	48,263	12,511	-7,386
Realization of deferred taxes – temporary differences	3,620	-263,375	-65,693
Financial charges	295,146	264,580	337,773
FX variation – not realized	216,864	893,656	-191,217
Monetary correction	16,308	0	293
Provision for contingencies	-20	-7,177	24,831
Equity instruments granted	5,368	0	18,291
Trade receivables and other receivables	337,559	203,163	442,962
Inventories	-86,016	234,313	226,156
Biological assets	2,304	-1,340	65,600
Taxes recoverable	73,807	19,353	132,835
Judicial deposits	114	-209	-456
Trade payables	-867,341	-584,267	-314,186
Labor and tax liabilities	-44,523	-39,793	-66,706
Other payables	-257,391	-112,018	385,752
Cash flow from operating activities	-8,356	840,208	1,077,955
Cash flow from investing activities			
Acquisition of subsidiary	0	0	-802,618
Acquisition of investments	-245,225	0	-42,263
Acquisition of intangible assets	-4,303	-1,944	-15,286
Acquisition of fixed assets	-121,963	-170,875	-231,651
Cash flow from investing activities	-371,491	-172,819	-1,091,818
Cash flow from financing activities			
Loans and financing raised	695,083	765,936	1,514,060
Loans and financing settled	-895,231	-2,917,381	-2,087,991
Commercial leasing	-2,937	-2,724	-6,115
Capital payment in cash	0	2,936	0
Sale of treasury shares	0	0	9,521
Non-controlling interest	-26,484	39,475	0
Cash flow from financing activities	-229,569	-2,111,758	-570,525
FX variation on cash and cash equivalents	-88,480	-568,265	-310,298
Net increase/decrease in cash and cash equivalents	-697,896	-2,012,634	-894,686
Cash and cash equivalents			
Beginning of period	7,071,463	7,302,009	7,966,149
End of period	6,373,567	5,289,375	7,071,463
Net increase/decrease in cash and cash equivalents	-697,896	-2,012,634	-894,686

APPENDIX 4 – FOREIGN EXCHANGE

(R\$ thousand)	1Q23	1Q22	4Q22
(US\$ - Closing)			
Brazil (R\$/US\$)	5.06	5.28	4.74
Paraguay (PYG/US\$)	7,181.80	7,339.50	6,941.90
Uruguay (UYU/US\$)	41.14	39.98	41.14
Argentina (ARG/US\$)	208.98	176.74	111.01
Colombia (COP/US\$)	4,653.96	4,847.31	3,771.20
Australia (AUD/US\$)	1.49	1.34	1.47