



**MINERVA S.A.**

Publicly Held Company

Corporate Taxpayer's ID (CNPJ): 67.620.377/0001-14

Company Registry (NIRE): 35.300.344.022 | CVM Code: 02093-1

**MATERIAL FACT**

**Minerva S.A.** ("**Minerva**" or "**Company**"), a leading beef exporter in South America, pursuant to the provisions of paragraph 4 of article 157 of Law 6404 of December 15, 1976, as amended ("**Brazilian Corporate Law**"), and the regulations of the Brazilian Securities Commission ("**CVM**"), especially CVM Resolution 44, of August 23, 2021 ("**Resolution 44**"), informs its shareholders and the market that, at a meeting held on this date, the Company's Board of Directors approved the acquisition of Australian Lamb Company Pty Ltd ("**Australian Lamb Company**"), one of the main Lamb and Sheep processors in the Australian market ("**Acquisition**").

The Acquisition will be carried out through a Joint Venture ("**JV Australia**") of constitution between Minerva Foods Australia (65%) and SALIC (35%).

In the context of the Australian Lamb Company Acquisition, the Company and SALIC must contribute, in proportion to their respective indirect interests held on JV Australia, the approximate total amount of four hundred million Australian dollars (AUD\$ 400,000,000.00 or USD 260,000,000.00), being, therefore, two hundred and sixty million Australian dollars (AUD\$ 260,000,000.00 or USD 169,000,000.00) by the Company and the amount of one hundred and forty million Australian dollars (AUD\$ 140,000,000.00 or USD 91,000,000.00) by SALIC. The price paid includes fifty-three million and one hundred thousand Australian dollars (AUD\$ 53,100,000.00 or USD 34,515,000.00) of positive working capital and an estimate of seven million Australian dollars (AUD\$ 7,000,000.00 or USD 4,550,000.00) of net cash balance.

The agreement setting the terms of the Acquisition was entered into on the present date and has suspensive conditions including the approval of the Acquisition by the applicable regulatory bodies ("**Acquisition Agreement**").

Pursuant to the terms of the Acquisition Agreement, the purpose of the investment will be: (i) the acquisition of new assets; and (ii) investments to improvement of the production structures.



The Australian Lamb Company has more than 30 years' experience in the market and is run by a highly skilled management team, serving top clients in Australia and in the main premium markets in the world. It has a Lamb and Sheep slaughtering capacity of 3,780,000 heads/year, which added to Minerva's Shark Lake and Great Eastern Abattoir, gives a total nominal capacity of 4,780,000 heads/year. This gives Minerva approximately 15% of share of the Australian market.

Additionally, Australian Lamb Company has two processing facilities in the state of Victoria and is among the main Lamb and Sheep operators in the country, with about 93% of sales dedicated to export and accessing more than 70 international destinations, such as United States (40% of exports), Japan, South Korea and countries in Europe and the Middle East. In the last twelve months its net revenue totaled six-hundred and twenty-four million and nine hundred thousand Australian dollars (AUD\$ 624,900,000.00 or USD 448,500,00.00, as at June 2022) and an adjusted EBITDA of eighty-two million and six hundred thousand Australian dollars (AUD\$ 82,600,000.00. or USD 53,950,000.00, as at June 2022). We believe the consolidation of our operations in Australia, the investments in improvement of the facilities and maximization of operational and commercial structures would bring significative synergies in the coming months .

Currently, Australia is the largest global exporter of processed sheep, with approximately 42,6% of the world's market, being recognized worldwide both for the tradition and quality of its products, as well as for the access to high growth destinations, such as Asia and the Middle East and the premium markets, such as United States, Europe, Japan, South Korea, among others.

The Company expects that with the Acquisition, it will improve its penetration in niche markets and expand its portfolio of products with greater added value, capturing opportunities both in exports and in markets with high income and consumption capacity, such as the Australian.

The acquisition of Australian Lamb Company is in line with Minerva Foods strategy and uniquely complements the existing operations of the group in South America, maximizing commercial opportunities and operational synergies, reducing risks and contributing to the consolidation strategy in the animal protein export market, always respecting its commitments to financial discipline, sustainability and value creation for the stakeholders.



The Company commits itself to keep the shareholders and the market in general informed about the progress of this and any other relevant matter.

Barretos, October 20, 2022.

**Minerva S.A.**

Edison Ticle de Andrade Melo e Souza Filho

**Chief Financial and Investor Relations Officer**