

EARNINGS RELEASE

Barretos, July 28, 2020 – 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 2020 (2Q20). The financial and operational information herein is presented in BRGAAP and Brazilian reais (R\$), in accordance with International Financial Reporting Standards (IFRS).

2Q20 HIGHLIGHTS

Minerva (BEEF3)

Price on 7/27/2020:

R\$14.08

Market cap:

R\$6,854.0 million

486,788,563 shares

Free Float:

53.4%

Conference Call

São Paulo, July 29, 2020.

Portuguese

10:00 a.m. (Brasília)

8:00 a.m. (US EST)

Phone: +55 (11) 2188 0155

Code: Minerva

English

10:00 a.m. (Brasília)

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- Free cash flow after financial expenses, capex and working capital was positive for the tenth consecutive quarter, totaling R\$376.5 million in 2Q20. In LTM2Q20, free cash flow totaled R\$1,882.8 million.
- Net income stood at R\$253.4 million in 2Q20, R\$524.6 million in 1H20 and R\$685.5 million in the 12 months ended June 30, 2020.
- Financial leverage, measured by the net debt/LTM EBITDA ratio, stood at 2.6x in 2Q20, the lowest level in the last 12 years. In U.S. dollars, financial leverage stood at 2.2x.
- Minerva's consolidated gross revenue reached a record of R\$19.0 billion in LTM2Q20, 7% higher than in LTM2Q19. In the second quarter of 2020, Minerva's gross revenue totaled R\$4.6 billion, 8% more than in 2Q19. The Brazilian Industry Division contributed R\$2.1 billion, or 45% of total gross revenue, while the Athena Foods Division brought in R\$2.1 billion, or 45% of the total in 2Q20. In LTM2Q20, exports accounted for 69% of gross revenue, maintaining Minerva's position as the leading beef exporter in South America, with a market share of approximately 18%.
- Net revenue reached R\$4.4 billion in 2Q20, up 9% over 2Q19, R\$8.6 billion in 1H20 and R\$18.0 billion in LTM2Q20.
- EBITDA achieved a second-quarter record of R\$590.2 million in 2Q20, increasing 62% over 2Q19, with an EBITDA margin of 13.4%, 440 bps higher than in 2Q19. In LTM2Q20, EBITDA reached an all-time high of more than R\$2.0 billion, with a margin of 11.3%, 1.7 p.p. higher year on year.

MESSAGE FROM MANAGEMENT

Minerva Foods ended the first half of 2020 with a solid operational and financial performance, consolidating its position as one of the main players in the global beef market. In 2Q20, Minerva recorded net revenue of R\$4.4 billion, EBITDA of R\$590.2 million and an EBITDA margin of 13.4%. In LTM2Q20, EBITDA was at an all-time high of more than R\$2.0 billion and 11.3% of margin EBITDA. Net income totaled R\$253.4 million in 2Q20 and R\$524.6 million in 1H20, thanks to Minerva's financial discipline and risk management model, which are fundamental pillars of our management. Finally, it is worth noting that Minerva recorded positive free cash generation for the tenth consecutive quarter, totaling R\$376.5 million in 2Q20 and R\$1.3 billion in 1H20. In the last 12 months, free cash generation stood at an impressive R\$1.9 billion.

The first half of 2020 brought numerous challenges due to the novel coronavirus pandemic, which created difficulties for the global economy. Throughout this period, Minerva followed the guidelines of authorities in order to protect the health of its employees, partners and clients, while fulfilling its vocation as a global food producer. I would like to point out our risk management model, which, together with our capital discipline and conservative cash management, played an essential role in protecting our balance sheet. In this highly complex and extremely volatile environment, we have maintained our liquidity at a very comfortable level and reduced our leverage to a net debt/LTM EBITDA ratio of 2.6x, the lowest level in the last 12 years.

The fundamentals of the beef market remain very attractive to South American exporters: the imbalance between supply and demand continues to provide excellent opportunities for producers in the region, which become more evident with each new market opening. In 1H20, the continent further expanded its access to the growing demand for beef, through the reopening of the United States to Brazil; the authorization for Colombian beef exports in Russia; the approval of Uruguayan, Paraguayan and Colombian beef exports in Saudi Arabia; and, more recently, the opening of Thailand for Brazilian beef exports in late 2Q20. We must also highlight the still ongoing outbreak of African swine fever, in China, which has been boosting demand for animal protein, thus further increasing opportunities for South American exporters.

Asian's appetite for beef continues to rise, we highlight the strong demand from China, which accounted for approximately 40% of our consolidated export revenue in the last 12 months. We also saw an increase in demand from other Asian countries, such as Indonesia and Malaysia, especially after the suspension of buffalo meat exports from India, besides the supply difficulties coming from other regions such as Australia and United States.

The outlook for the rest of 2020 remain very positive: strong international demand, still ongoing outbreak of the African swine fever and supply problems in other beef exporters (such as Australia, India and the United States), will probably directly benefit South American players. Thanks to its geographical diversification and unique operational footprint on the continent, Minerva is able to take advantage of the opportunities that have been created. In this context, we have recently announced the creation of our innovation area, which includes the development of an e-commerce/marketplace platform, as well as the development of advanced analytics tools and an investment arm focused on startups related to our business. This is another initiative that is designed to maximize market opportunities throughout Minerva Foods' value chain.

During this period of enormous challenges, completely unprecedented in the world's recent history, imposed a greater commitment not only to our business, but mainly to the communities and to Minerva's clients. Minerva made a singular contribution in supporting all of these segments, including a unique financial support initiative, such as the recently created relief fund for our small and medium clients, reaching more than 2 thousand active clients. More than producing and selling quality food, Minerva lead the action by putting into practice our purpose of always acting guided by ethics, meritocracy, financial discipline and sustainable practices.

Fernando Galletti de Queiroz
CEO

RESULTS ANALYSIS

Key Consolidated Indicators

R\$ million	2Q20	2Q19	% Chg	1Q20	% Chg	LTM2Q20	LTM2Q19	% Chg
Total slaughter ('000 head)	752.2	856.9	-12.2%	749.2	0.4%	3,346.8	3,475.2	-3.7%
Slaughter - Brazil	344.1	410.7	-16.2%	352.8	-2.5%	1,640.0	1,706.6	-3.9%
Slaughter - Athena Foods	408.1	446.2	-8.5%	396.4	3.0%	1,706.8	1,768.6	-3.5%
Total sales volume ('000 tons)	224.1	263.9	-15.1%	254.5	-12.0%	1,080.2	1,132.5	-4.6%
Volume - Brazil	110.5	133.5	-17.2%	128.0	-13.6%	564.6	584.0	-3.3%
Volume - Athena Foods	113.5	130.5	-13.0%	126.5	-10.2%	515.6	548.5	-6.0%
Gross revenue	4,625.0	4,268.8	8.3%	4,436.1	4.3%	19,014.5	17,763.7	7.0%
Export market	3,344.7	2,881.2	16.1%	2,917.4	14.6%	13,058.8	11,084.6	17.8%
Domestic market	1,280.3	1,387.6	-7.7%	1,518.8	-15.7%	5,955.7	6,679.1	-10.8%
Net revenue	4,399.2	4,024.4	9.3%	4,167.1	5.6%	17,937.1	16,699.8	7.4%
EBITDA	590.2	363.9	62.2%	381.5	54.7%	2,029.5	1,604.8	26.5%
EBITDA margin	13.4%	9.0%	4.4 p.p.	9.2%	4.3 p.p.	11.3%	9.6%	1.7 p.p.
Net debt/LTM EBITDA (x)	2.6	3.8	-1.2	2.9	-0.3	2.6	3.8	-1.2
Net debt/LTM EBITDA (x) - USD	2.2	3.9	-1.7	2.4	-0.2	2.2	3.9	-1.7
Net income (loss)	253.4	-113.3	-	271.2	-6.6%	685.5	-368.8	-

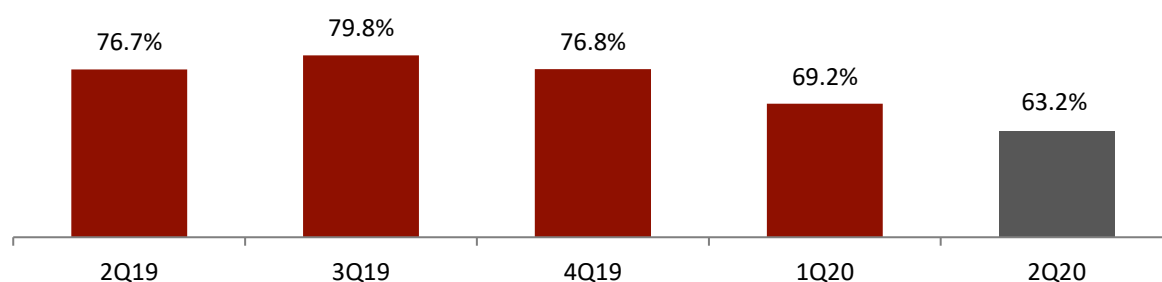
Results by Division

Slaughter

BRAZILIAN INDUSTRY DIVISION

Slaughter volume at the Brazilian Industry Division came to 344,100 head of cattle in 2Q20, with a capacity utilization rate of 63.2%. Capacity utilization fell due to the implementation of security measures to comply with standards to fight COVID-19 in the Company's plants.

Figure 1 - Installed Capacity Utilization

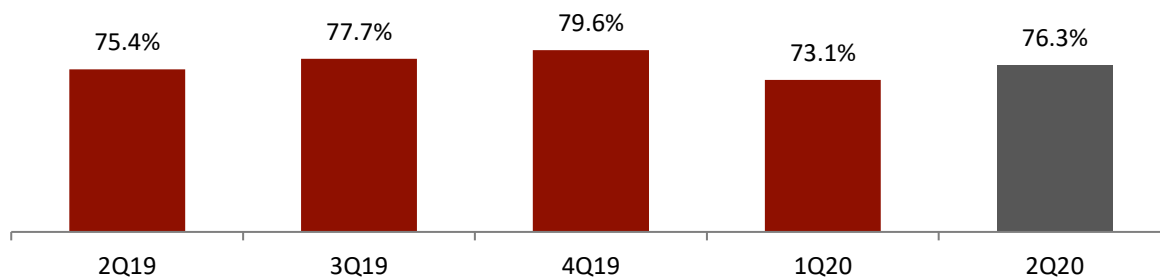


Source: Minerva

ATHENA FOODS

Slaughter volume at Athena Foods totaled 408,100 head of cattle in 2Q20, while the capacity utilization rate stood at 76.3%, approximately 1 p.p. higher than in 2Q19 and 3.2 p.p. higher than in 1Q20.

Figure 2 - Installed Capacity Utilization

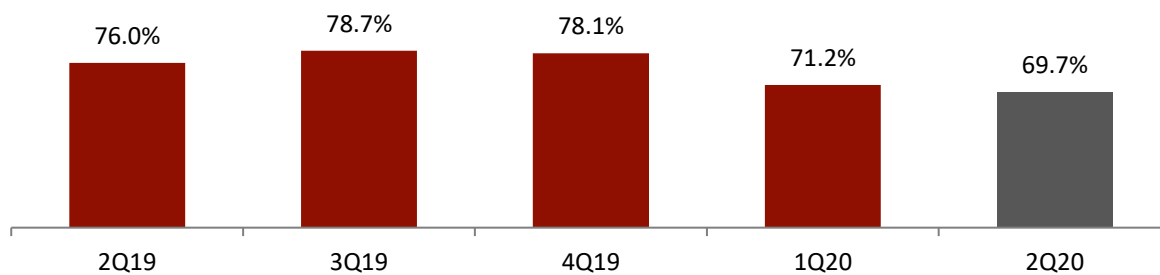


Source: Minerva

MINERVA CONSOLIDATED

The consolidated slaughter volume totaled 752,200 head of cattle in 2Q20, and the capacity utilization rate was 69.7%.

Figure 3 - Installed Capacity Utilization - Consolidated



Source: Minerva

Gross Revenue by Division

BRAZILIAN INDUSTRY DIVISION

Gross revenue from the Brazilian Industry Division totaled R\$2,060.4 million in 2Q20, up 15.2% over 2Q19. In the 12 months ended June 2020, gross revenue from the Brazilian Industry Division amounted to R\$9,133.1 million, an increase of 20.3% over LTM2Q19.

Export Market – 72.6% of Gross Revenue from the Brazilian Industry Division in 2Q20

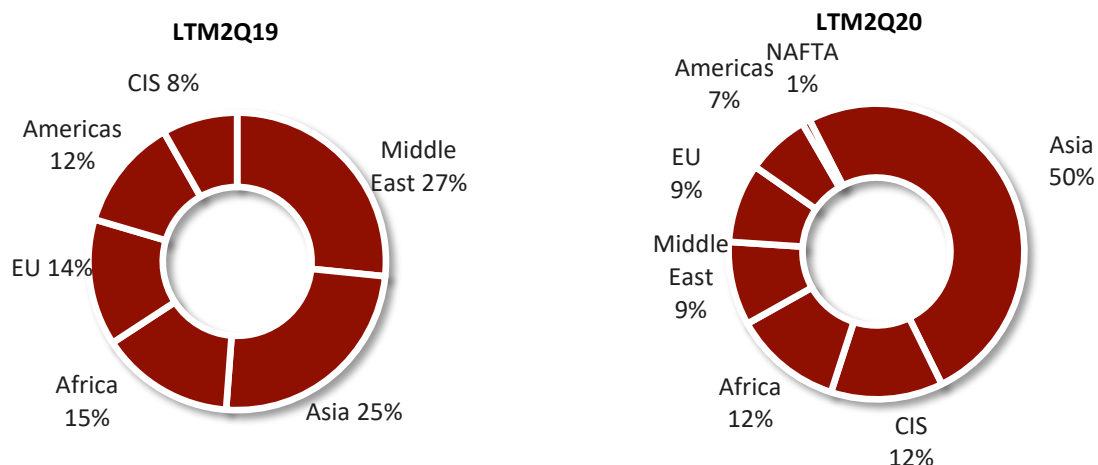
Exports from the Brazilian Industry Division brought in revenue of R\$1,495.7 million in 2Q20, 25.0% more than in 2Q19. In the last 12 months ended June 2020, export revenue totaled R\$6,214.1 million, up 24.9% on LTM2Q19.

The strong export performance is explained by the growing global demand for beef, especially in Asia. In the LTM2Q20, Asia accounted for 50% of this division's total export revenue.

We present below the Brazilian Industry Division's exports by region between LTM2Q19 and LTM2Q20:

- » **Africa:** In LTM2Q20, Africa's share of this division's exports came to 12%, down 3 p.p. from LTM2Q19.
- » **Americas:** The Americas accounted for 7% of this division's exports in LTM2Q20, a 5 p.p. year-on-year decline.
- » **Asia:** Asia was the destination of 50% of the Brazilian Industry Division's exports in LTM2Q20, an impressive 25 p.p. increase over LTM2Q19. Growth in exports to Asia reflects the high demand from Southeast Asian countries, especially China, which accounted for almost 40% of this division's total exports in the period and consolidated its position as the main destination of the Brazilian Industry Division's exports.
- » **CIS (Commonwealth of Independent States):** The Commonwealth of Independent States, represented mainly by Russia, accounted for 12% of this division's exports in LTM2Q20, 4 p.p. more than in LTM2Q19. As a result, the CIS became the second main destination of this division's exports.
- » **Europe:** Europe's share of this division's exports stood at 9% in LTM2Q20, down 5 p.p. year on year.
- » **Middle East:** The Middle East was the destination of 9% of this division's exports, a 18 p.p. decline from LTM2Q19. The volume previously destined for the region was largely absorbed by the demand from the Asian market.

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



Source: Minerva

Domestic Market – 27.4% of Gross Revenue from the Brazilian Industry Division in 2Q20

Domestic gross revenue from the Brazilian Industry Division totaled R\$564.7 million in 2Q20. In the 12 months ended June, this division’s gross revenue came to R\$2.9 billion, up 11.5% year on year.

We present below a complete breakdown of the Brazilian Industry Division:

Gross Revenue (R\$ Million)	2Q20	2Q19	% Chg	1Q20	% Chg	LTM2Q20	LTM2Q19	% Chg
Fresh beef – EM	1,367.5	1,050.6	30.2%	1,249.0	9.5%	5,678.4	4,405.1	28.9%
Byproducts – EM	101.4	124.4	-18.4%	120.5	-15.9%	473.6	496.6	-4.6%
Processed foods – EM	26.8	21.9	22.3%	8.7	208.4%	62.1	72.3	-14.2%
Subtotal – EM	1,495.7	1,196.8	25.0%	1,378.2	8.5%	6,214.1	4,974.0	24.9%
Fresh beef – DM	360.0	427.5	-15.8%	523.4	-31.2%	2,044.4	1,939.5	5.4%
Byproducts – DM	169.7	108.1	56.9%	156.7	8.2%	633.0	460.5	37.5%
Processed foods – DM	35.0	56.0	-37.5%	64.7	-45.9%	241.6	218.2	10.8%
Subtotal – DM	564.7	591.7	-4.6%	744.8	-24.2%	2,919.1	2,618.1	11.5%
Total	2,060.4	1,788.5	15.2%	2,123.0	-2.9%	9,133.1	7,592.1	20.3%

Volume ('000 tons)	2Q20	2Q19	% Chg	1Q20	% Chg	LTM2Q20	LTM2Q19	% Chg
Fresh beef – EM	55.5	61.5	-9.9%	55.9	-0.8%	264.7	256.2	3.3%
Byproducts – EM	9.3	21.5	-56.9%	17.7	-47.7%	75.3	94.3	-20.2%
Processed foods – EM	0.8	1.0	-24.2%	0.3	178.4%	2.1	2.9	-26.0%
Subtotal – EM	65.5	84.1	-22.1%	73.9	-11.4%	342.1	353.3	-3.2%
Fresh beef – DM	19.9	27.4	-27.2%	28.7	-30.5%	117.2	134.5	-12.9%
Byproducts – DM	23.1	19.5	18.6%	21.6	6.9%	90.5	82.2	10.2%
Processed foods – DM	2.0	2.5	-22.3%	3.8	-47.5%	14.8	14.0	5.8%
Subtotal – DM	45.0	49.4	-8.9%	54.1	-16.7%	222.5	230.7	-3.5%
Total	110.5	133.5	-17.2%	128.0	-13.6%	564.6	584.0	-3.3%

Average Price – EM (US\$/kg)	2Q20	2Q19	% Chg	1Q20	% Chg	LTM2Q20	LTM2Q19	% Chg
Fresh beef – EM	4.6	4.4	5.2%	5.0	-8.7%	4.8	4.5	7.6%
Byproducts – EM	2.0	1.5	37.7%	1.5	33.0%	1.4	1.4	3.0%
Processed foods – EM	6.4	5.5	17.5%	7.0	-8.4%	6.6	6.6	0.0%
Total	4.2	3.6	16.8%	4.2	1.3%	4.1	3.6	11.3%
Average dollar (Source: BACEN)	5.39	3.92	37.3%	4.45	20.9%	4.48	3.86	16.0%

Average Price – EM (R\$/Kg)	2Q20	2Q19	% Chg	1Q20	% Chg	LTM2Q20	LTM2Q19	% Chg
Fresh beef – EM	24.7	17.1	44.5%	22.3	10.4%	21.5	17.2	24.7%
Byproducts – EM	10.9	5.8	89.1%	6.8	60.9%	6.3	5.3	19.5%
Processed foods – EM	34.7	21.5	61.4%	31.3	10.8%	29.4	25.3	15.9%
Total	22.8	14.2	60.4%	18.6	22.5%	18.2	14.1	29.0%

Average Price – DM (R\$/Kg)	2Q20	2Q19	% Chg	1Q20	% Chg	LTM2Q20	LTM2Q19	% Chg
Fresh beef – DM	18.1	15.6	15.7%	18.3	-1.0%	17.4	14.4	21.0%
Byproducts – DM	7.3	5.5	32.3%	7.2	1.3%	7.0	5.6	24.8%
Processed foods – DM	17.7	22.0	-19.7%	17.1	3.1%	16.4	15.6	4.7%
Total	12.5	12.0	4.7%	13.8	-8.9%	13.1	11.3	15.6%

EM - Export Market, DM – Domestic Market

ATHENA FOODS

Gross revenue from Athena Foods, which comprises the operations of the units in Paraguay, Argentina, Uruguay and Colombia, as well as distribution in Chile, totaled R\$2,092.7 million in 2Q20, 13.1% more than in 2Q19. In LTM2Q20, gross revenue amounted to R\$7,988.4 billion, 10.7% more than in LTM2Q19.

Export Market – 77.2% of Gross Revenue from Athena Foods in 2Q20

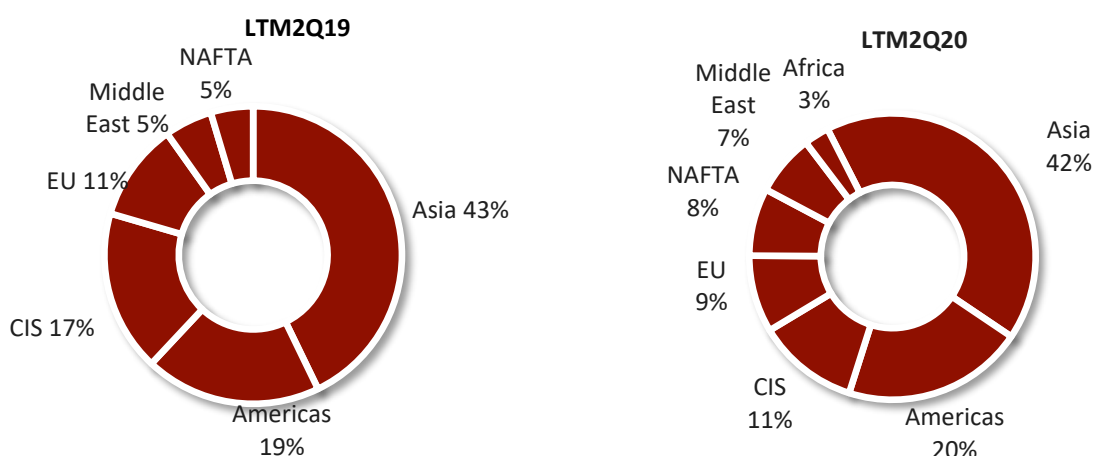
Gross export revenue totaled R\$1,616.2 million in 2Q20, 14.4% more than in 2Q19. In the 12 months ended June 2020, export revenue from Athena Foods totaled R\$6,130.9 million, up 15.3% over LTM2Q19.

Athena's export growth reflects strong Asian demand for beef, led by China. Asia was the main destination of this division's exports in LTM2Q20, with 42% of the total.

We present below Athena Foods' export revenue by region between LTM2Q19 and LTM2Q20:

- » **Americas:** The Americas accounted for 20% of Athena Foods' exports in LTM2Q20, virtually in line with LTM2Q19, becoming this division's second main destination.
- » **Asia:** Asia consolidated its position as the main destination of this division's exports, with 42% of the total. It is worth noting that China alone accounts for 35% of Athena's total exports.
- » **CIS (Commonwealth of Independent States):** The Commonwealth of Independent States, represented mainly by Russia, accounted for 11% of this division's exports in LTM2Q20, 6 p.p. less than in LTM2Q19.
- » **Europe:** Exports to Europe represented 9% of this division's exports in LTM2Q20, down 2 p.p. year on year.
- » **NAFTA:** NAFTA accounted for 8% of this division's exports in LTM2Q20, 3 p.p. more than in LTM2Q19.
- » **Middle East:** The Middle East accounted for 7% of Athena Foods' exports in LTM2Q20, 2 p.p. more than in LTM2Q19.
- » **Africa:** The share of Africa in this division's exports stood at 3% in LTM2Q20.

Figures 6 and 7 - Breakdown of Exports by Region – Athena Foods



Source: Minerva

Domestic Market – 22.8% of Gross Revenue from Athena Foods in 2Q20

Athena Foods recorded domestic gross revenue of R\$476.5 million in 2Q20, an increase of 8.7% over 2Q19. In the 12 months ended June, revenue reached R\$1.9 billion.

We present below a complete breakdown of Athena Foods:

Gross Revenue (R\$ Million)	2Q20	2Q19	% Chg	1Q20	% Chg	LTM2Q20	LTM2Q19	% Chg
Fresh beef – EM	1,459.2	1,266.7	15.2%	1,274.8	14.5%	5,561.1	4,753.5	17.0%
Byproducts – EM	151.3	144.0	5.0%	140.1	8.0%	557.9	559.7	-0.3%
Processed foods – EM	5.7	1.7	238.5%	1.4	302.3%	11.9	5.6	111.7%
Subtotal – EM	1,616.2	1,412.5	14.4%	1,416.3	14.1%	6,130.9	5,318.9	15.3%
Fresh beef – DM	290.3	272.7	6.4%	299.3	-3.0%	1,156.2	1,144.1	1.1%
Byproducts – DM	49.5	46.8	5.8%	46.0	7.8%	189.2	173.1	9.3%
Processed foods – DM	136.7	118.8	15.1%	145.8	-6.3%	512.1	582.3	-12.1%
Subtotal – DM	476.5	438.3	8.7%	491.0	-3.0%	1,857.4	1,899.5	-2.2%
Total	2,092.7	1,850.7	13.1%	1,907.4	9.7%	7,988.4	7,218.4	10.7%

Volume ('000 tons)	2Q20	2Q19	% Chg	1Q20	% Chg	LTM2Q20	LTM2Q19	% Chg
Fresh beef – EM	64.5	72.5	-11.1%	63.6	1.4%	280.0	277.6	0.9%
Byproducts – EM	14.7	16.4	-10.3%	21.5	-31.3%	71.5	71.1	0.5%
Processed foods – EM	0.4	0.1	163.4%	0.1	315.6%	0.9	0.5	65.4%
Subtotal – EM	79.6	89.1	-10.7%	85.1	-6.5%	352.4	349.2	0.9%
Fresh beef – DM	15.9	17.7	-10.2%	16.5	-3.7%	70.2	78.5	-10.6%
Byproducts – DM	8.9	14.3	-37.4%	14.7	-39.3%	54.2	76.9	-29.5%
Processed foods – DM	9.1	9.4	-2.8%	10.1	-9.7%	38.8	43.9	-11.5%
Subtotal – DM	34.0	41.4	-17.9%	41.4	-17.9%	163.2	199.3	-18.1%
Total	113.5	130.5	-13.0%	126.5	-10.2%	515.6	548.5	-6.0%

Average Price – EM (US\$/kg)	2Q20	2Q19	% Chg	1Q20	% Chg	LTM2Q20	LTM2Q19	% Chg
Fresh beef – EM	4.2	4.5	-5.7%	4.5	-6.6%	4.4	4.4	0.0%
Byproducts – EM	1.9	2.2	-14.8%	1.5	29.9%	1.7	2.0	-14.5%
Processed foods – EM	2.9	3.1	-6.4%	3.6	-19.9%	3.1	2.8	10.4%
Total	3.8	4.0	-6.8%	3.7	1.0%	3.9	3.9	-1.5%
Average dollar (Source: BACEN)	5.39	3.92	37.3%	4.45	20.9%	4.48	3.86	16.0%

Average Price – EM (R\$/Kg)	2Q20	2Q19	% Chg	1Q20	% Chg	LTM2Q20	LTM2Q19	% Chg
Fresh beef – EM	22.6	17.5	29.5%	20.0	12.9%	19.9	17.1	16.0%
Byproducts – EM	10.3	8.8	17.0%	6.5	57.1%	7.8	7.9	-0.8%
Processed foods – EM	15.6	12.1	28.5%	16.1	-3.2%	13.7	10.7	28.0%
Total	20.3	15.9	28.1%	16.6	22.1%	17.4	15.2	14.2%

Average Price – DM (R\$/Kg)	2Q20	2Q19	% Chg	1Q20	% Chg	LTM2Q20	LTM2Q19	% Chg
Fresh beef – DM	18.3	15.4	18.6%	18.1	0.7%	16.5	14.6	13.0%
Byproducts – DM	5.5	3.3	69.0%	3.1	77.6%	3.5	2.3	55.0%
Processed foods – DM	15.0	12.7	18.4%	14.4	3.8%	13.2	13.3	-0.6%
Total	14.0	10.6	32.5%	11.9	18.1%	11.4	9.5	19.4%

EM - Export Market, DM – Domestic Market

TRADING DIVISION

Gross revenue from the Trading Division, which consists of the result from the live cattle exports, protein trading, energy trading and resale of third-party products segments, reached R\$472.0 million in 2Q20. In the 12 months ended June 2020, gross revenue from this division stood at R\$1,893.0 million.

Export Market – 49.3% of Gross Revenue from the Trading Division in 2Q20

Gross export revenue from the Trading division totaled R\$232.8 million in 2Q20 and R\$713.8 million in LTM2Q20.

Domestic Market – 50.7% of Gross Revenue from the Trading Division in 2Q20

Domestic sales of the Trading division reached R\$239.2 million in 2Q20 and R\$1,179.2 million in LTM2Q20.

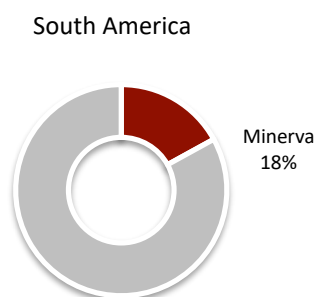
Gross Revenue (R\$ Million)	2Q20	2Q19	% Chg	1Q20	% Chg	LTM2Q20	LTM2Q19	% Chg
Trading gross revenue	472.0	629.6	-25.0%	405.7	16.3%	1,893.0	2,953.2	-35.9%
Export market	232.8	272.0	-14.4%	122.8	89.5%	713.8	809.7	-11.8%
Domestic market	239.2	357.6	-33.1%	282.9	-15.4%	1,179.2	2,143.5	-45.0%

Consolidated Results Analysis

Exports - Market Share by Country

In the second quarter of 2020, Minerva Foods remained the leading beef exporter on the continent. Minerva accounted for approximately 18% of South American beef exports in 2Q20.

Figure 8 – 2Q20 Market Share (% of Revenue)



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

Gross Revenue

Based on the performance of its three divisions (the Brazilian Industry Division, Athena Foods and the Trading Division), the Company's consolidated gross revenue came to an all-time high of R\$19,014.5 billion in LTM2Q20, up 7.0% over LTM2Q19. Consolidated gross revenue totaled R\$4,625.0 million in 2Q20, 8.3% more than in 2Q19.

R\$ million	2Q20	2Q19	% Chg	1Q20	% Chg	LTM2Q20	LTM2Q19	% Chg
Gross revenue	4,625.0	4,268.8	8.3%	4,436.1	4.3%	19,014.5	17,763.7	7.0%
Brazilian Industry Division	2,060.4	1,788.5	15.2%	2,123.0	-2.9%	9,133.1	7,592.1	20.3%
Athena Foods	2,092.7	1,850.7	13.1%	1,907.4	9.7%	7,988.4	7,218.4	10.7%
Trading Division	472.0	629.6	-25.0%	405.7	16.3%	1,893.0	2,953.2	-35.9%

Net Revenue

Consolidated net revenue came to R\$4,399.2 million in 2Q20, up 9.3% year on year, and R\$17,937.1 million in LTM2Q20, up 7.4% year on year.

R\$ million	2Q20	2Q19	% Chg	1Q20	% Chg	LTM2Q20	LTM2Q19	% Chg
Gross revenue	4,625.0	4,268.8	8.3%	4,436.1	4.3%	19,014.5	17,763.7	7.0%
Deductions and discounts	-225.8	-244.4	-7.6%	-269.0	-16.1%	-1,077.4	-1,063.9	1.3%
Net revenue	4,399.2	4,024.4	9.3%	4,167.1	5.6%	17,937.1	16,699.8	7.4%
% Gross revenue	95.1%	94.3%	0.8 p.p.	93.9%	1.2 p.p.	94.3%	94.0%	0.3 p.p.

Cost of Goods Sold (COGS) and Gross Margin

COGS corresponded to 76.8% of net revenue in 2Q20, which implies a gross margin of 23.2%, 5 p.p. more than in 2Q19. In LTM2Q20, COGS was equivalent to 79.5% of net revenue and the gross margin stood at 20.5%, up 2.6 p.p. over LTM2Q19.

R\$ million	2Q20	2Q19	% Chg	1Q20	% Chg	LTM2Q20	LTM2Q19	% Chg
Net revenue (R\$ million)	4,399.2	4,024.4	9.3%	4,167.1	5.6%	17,937.1	16,699.8	7.4%
COGS (R\$ million)	-3,380.0	-3,296.0	2.5%	-3,416.4	-1.1%	-14,263.7	-13,717.6	4.0%
% Net revenue	76.8%	81.9%	-5.1 p.p.	82.0%	-5.2 p.p.	79.5%	82.1%	-2.6 p.p.
Gross profit (R\$ million)	1,019.2	728.4	39.9%	750.6	35.8%	3,673.4	2,982.2	23.2%
Gross margin	23.2%	18.1%	5.1 p.p.	18.0%	5.2 p.p.	20.5%	17.9%	2.6 p.p.

Selling, General and Administrative Expenses

Selling expenses represented 7.1% of net revenue in 2Q20, while general and administrative expenses corresponded to 4.5% of net revenue. In LTM2Q20, selling expenses represented 7.0% of net revenue in 3Q19, while general and administrative expenses corresponded to 3.8% of net revenue.

R\$ million	2Q20	2Q19	% Chg	1Q20	% Chg	LTM2Q20	LTM2Q19	% Chg
Selling expenses	-314.1	-283.9	10.6%	-280.7	11.9%	-1,254.5	-1,071.5	17.1%
% Net revenue	7.1%	7.1%	0.1 p.p.	6.7%	0.4 p.p.	7.0%	6.4%	0.6 p.p.
G&A expenses	-197.7	-141.1	40.1%	-168.4	17.4%	-689.0	-626.9	9.9%
% Net revenue	4.5%	3.5%	1.0 p.p.	4.0%	0.5 p.p.	3.8%	3.8%	0.1 p.p.

EBITDA

EBITDA hit a second-quarter record of R\$590.2 million in 2Q20, increasing approximately 62% over 2Q19. The EBITDA margin was 13.4%, up 4.4 p.p. over 2Q19.

In LTM2Q20, EBITDA totaled R\$2,029.5 million, another all-time high, 27% higher than in LTM2Q19. The EBITDA margin stood at 11.3% in LTM2Q20, 1.7 p.p. more than in LTM2Q19.

R\$ million	2Q20	2Q19	% Chg	1Q20	% Chg	LTM2Q20	LTM2Q19	% Chg
Net income (loss)	253.4	-113.3	-	271.2	-6.6%	685.5	-368.8	-
(+/-) Deferred income and social contribution taxes	40.9	7.2	469.4%	18.9	116.5%	-98.1	28.9	-
(+/-) Financial result	201.5	414.7	-51.4%	8.2	2352.3%	1,127.1	1,659.8	-32.1%
(+/-) Asset impairment	-	-	-	-	-	-	18.8	-100%
(+/-) Depreciation and amortization	81.5	55.3	47.3%	76.3	6.7%	290.2	246.5	17.7%
(+/-) Other expense adjustments	12.9	-	-	6.9	88.2%	24.7	19.5	26.7%
EBITDA	590.2	363.9	62.2%	381.5	54.7%	2,029.5	1,604.8	26.5%
EBITDA margin	13.4%	9.0%	4.4 p.p.	9.2%	4.3 p.p.	11.3%	9.6%	1.7 p.p.

Financial result

The net financial result was a loss of R\$201.5 million in 2Q20. The depreciation of the real against the U.S. dollar had a negative non-cash effect of R\$147.0 million on financial liabilities. However, as a result of our hedge policy, we recorded a financial gain of R\$225.8 million in 2Q20 from financial instruments used for FX hedging, which protected our balance sheet in this scenario of significant volatility.

R\$ million	2Q20	2Q19	% Chg	1Q20	% Chg	LTM2Q20	LTM2Q19	% Chg
Financial expenses	-249.1	-241.0	3.4%	-259.7	-4.1%	-1,003.9	-985.3	1.9%
Financial income	19.8	17.8	11.5%	22.7	-12.7%	71.3	87.5	-18.5%
Monetary correction	-8.5	-42.4	-80.0%	-23.9	-64.5%	-183.5	-46.6	294.0%
FX variation	-147.0	17.8	-	-570.5	-74.2%	-980.2	-255.0	284.5%
Other expenses (*)	183.2	-167.0	-	823.1	-77.7%	969.3	-460.5	-
Financial result	-201.5	-414.8	-51.4%	-8.3	2,336.7%	-1,127.0	-1,659.8	-32.1%
Average dollar (R\$/US\$)	5.39	3.92	37.3%	4.45	20.9%	4.48	3.86	16.0%
Closing dollar (R\$/US\$)	5.48	3.83	42.9%	5.20	5.3%	5.48	3.83	42.9%

R\$ million	2Q20	2Q19	% Chg	1Q20	% Chg	LTM2Q20	LTM2Q19	% Chg
FX hedge	225.8	-65.0	-	891.0	-74.7%	1,196.8	-56.2	-
Commodities hedge	-	-9.0	-	-18.9	-100.0%	-26.9	-58.8	-54.3%
Fees, commissions and other financial expenses	-42.6	-93.0	-54.2%	-49.0	-13.1%	-200.6	-345.5	-41.9%
Total	183.2	-167.0	-	823.1	-77.7%	969.3	-460.5	-

Net Income (Loss)

Minerva recorded net income of R\$253.4 million in 2Q20, versus a net loss in 2Q19. The Company posted net profit of R\$524.6 million in 1H20 and R\$685.5 million in LTM2Q20, versus a net loss of R\$368.8 million in LTM2Q19.

R\$ million	2Q20	2Q19	% Chg	1Q20	% Chg	LTM2Q20	LTM2Q19	% Chg
Net income (loss) before income and social contribution taxes	294.3	-106.1	-	290.1	1.5%	587.4	-339.9	-
Income and social contribution taxes	-40.9	-7.2	469.4%	-18.9	116.5%	98.1	-28.9	-
Net income (loss)	253.4	-113.3	-	271.2	-6.6%	685.5	-368.8	-
% Net margin	5.8%	-2.8%	8.6 p.p.	6.5%	-0.7 p.p.	3.8%	-2.2%	6.0 p.p.

Cash Flow

Operating Cash Flow

In the second quarter of 2020, operating cash flow was a positive R\$711.2 million. Net income adjustments amounted to R\$659.5 million, while the variation in working capital requirements was negative by R\$201.8 million. The main working capital variations refer to the “Receivables” line, which consumed R\$83.7 million, as the share of exports increased and the “Inventories” and Biological Assets” lines, which together consumed R\$119.1 million. Non the less, the “Suppliers” line released R\$115.4 million in cash this quarter. In the 12 months ended June, operating cash flow was positive by R\$3,625.3 million.

R\$ million	2Q20	2Q19	1Q20	LTM2Q20
Net income (loss)	253.4	-113.3	271.2	685.5
(+) Net income (loss) adjustments	659.5	336.4	1,199.3	2,610.9
(+) Variation in working capital requirements	-201.8	99.3	247.5	329.0
Operating cash flow	711.2	322.4	1,718.0	3,625.3

R\$ million	2Q20	1Q20	Change
Advances from clients	1,712.6	1,750.0	-37.4
Other	72.1	66.7	5.4
Other payables	1,784.7	1,816.7	-32.0

Free Cash Flow

Free cash flow after Capex, interest payments and working capital was positive by R\$376.5 million in 2Q20, considering the R\$215.0 million cash effect of FX hedge. The Company recorded positive cash generation for the tenth consecutive quarter. In the 12 months ended June 30, 2020, free cash flow, using the same criteria, was positive by R\$1,882.8 million.

R\$ million	2Q20	1Q20	4Q19	3Q19	LTM2Q20
EBITDA	577.3	374.7	598.3	454.5	2,004.7
Capex	-50.0	-95.5	-63.2	-61.9	-270.6
Financial result (on a cash basis)	38.0	371.0	-316.0	-298.0	-205.0
Variation in working capital requirements	-201.8	247.5	-132.1	415.3	329.0
Free cash flow to equity	363.5	897.7	87.1	509.9	1,858.1
Non-recurring items	12.9	6.9	5.0	-	24.7
Recurring free cash flow to equity	376.5	904.6	92.1	509.9	1,882.8

Capital Structure

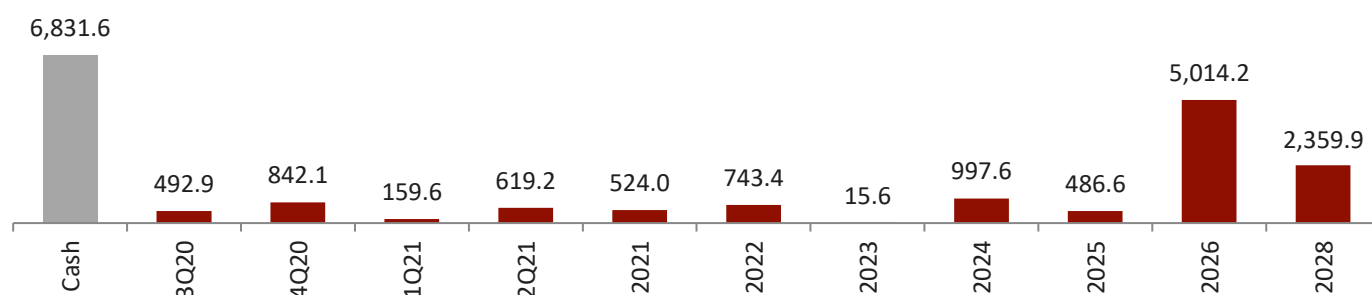
At the end of June 2020, Minerva’s cash and cash equivalents reached a record of R\$6.8 billion, which is sufficient to amortize its debt through 2026 and is in line with Minerva Foods conservative cash management and capital discipline. At the end of the quarter, around 77% of gross debt was denominated in U.S. dollars. However, in accordance with its hedge policy, the Company hedges at least 50% of the long-term FX exposure, protecting its balance sheet against the recent high exchange rate volatility.

Net leverage, measured by the net debt to LTM EBITDA ratio, closed the quarter at 2.6x. In U.S. dollars, leverage stood at 2.2x in 2Q20.

It is worth noting that the Company repurchased some 2026 Notes and 2028 Notes (debt instruments issued abroad) on the secondary market at a price substantially below their face value. At the end of 2Q20, the Company had already repurchased around US\$96.7 million (approximately R\$530 million), considering the face value of the notes, which were cancelled in early June.

The debt duration stood at around 4.6 years at the end of 2Q20.

Figure 9 – Debt Amortization Schedule on 6/30/2020.
(R\$ million)



R\$ million	2Q20	2Q19	% Chg	1Q20	% Chg
Short-term debt	2,113.8	2,269.8	-6.9%	2,165.7	-2.4%
% Short-term debt	17.2%	24.5%	-7.3 p.p.	18.5%	-1.2 p.p.
Local currency	1,002.3	758.4	32.2%	818.6	22.4%
Foreign currency	1,111.5	1,511.4	-26.5%	1,347.1	-17.5%
Long-term debt	10,141.2	6,990.2	45.1%	9,554.8	6.1%
% Long-term debt	82.8%	75.5%	7.3 p.p.	81.5%	1.2 p.p.
Local currency	1,814.3	857.6	111.5%	1,048.9	73.0%
Foreign currency	8,326.9	6,132.5	35.8%	8,505.9	-2.1%
Total debt ⁽¹⁾	12,255.0	9,260.0	32.3%	11,720.5	4.6%
Local currency	2,816.6	1,616.1	74.3%	1,867.5	50.8%
Foreign currency	9,438.4	7,643.9	23.5%	9,853.0	-4.2%
Cash and cash equivalents	-6,831.6	-3,087.9	121.2%	-6,316.0	8.2%
Net debt ⁽¹⁾	5,414.1	6,165.0	-12.2%	5,396.1	0.3%
Net debt/EBITDA (x)	2.6	3.8	-1.2	2.9	-0.3
Net debt/ EBITDA (x) - USD	2.2	3.9	-1.7	2.4	-0.2

(1) Net debt includes FIDC subordinated shares totaling R\$9.4 million in 2Q20, R\$7.1 million in 2Q19 and R\$8.4 million in 1Q20.

Capex

Investments in fixed assets totaled R\$50.0 million in 2Q20, of which R\$40.7 million went to maintenance of current operations and R\$9.3 million to expansion. In the 12 months ended June 2020, investments totaled R\$270.6 million.

See below a breakdown of investments (cash effect) by quarter in the last 12 months:

R\$ million	2Q20	1Q20	4Q19	3Q19	LTM2Q20
Maintenance	40.7	46.2	49.7	47.0	183.6
Expansion	9.3	49.3	13.5	14.9	87.0
Total	50.0	95.5	63.2	61.9	270.6

Subsequent Events

Innovation Department

On July 21, 2020, the Company announced to the market the creation of the new Innovation Area, which will be composed of three (3) main initiatives: (i) Advanced Analytics; (ii) E-commerce/Marketplace Platform; and (iii) Venture Capital.

The Advanced Analytics segment will be responsible for the development and management of statistical data and artificial intelligence tools to support Minerva's decision-making process on the operational, financial and risk management fronts. The E-commerce/Marketplace Platform will identify opportunities in the digital sales market, initially focused on Brazil, Argentina and Paraguay. Finally, the Venture Capital initiative will invest in startups and tech companies related to Minerva's value chain (alternative proteins, logistics, ingredients, livestock and food retail) that have potential to enhance synergies and unlock unique opportunities in the long term.

Capital Increase as a Result of the Exercise of Subscription Warrants

	07/15/2020
Capital stock	R\$967,979,542.85
Issued shares	486,788,563
Outstanding warrants	121,007,292
Exercise price	6.42
Estimated capital increase (by 2021)	R\$776,866,815
Total Shares Issued After Exercise	607,795,855

About Minerva S.A.

Minerva Foods is the South American leader in beef exports, which also operates in the processed foods segment, selling its products to over 100 countries. Present in Brazil, Paraguay, Argentina, Uruguay and Colombia, Minerva operates 24 slaughter and deboning plants and 3 processing plants. In the 12 months ended June 30, 2020, the Company recorded gross sales revenue of R\$19.1 billion, 8% more than in the same period a year ago.

Relationship with Auditors

In accordance with CVM Instruction 381/03, we announce that our auditors did not provide services other than those related to the external audit in 2018, 2019 and in the first six months of 2020.

Statement from Management

In compliance with CVM Instructions, Management declares that it has discussed, reviewed and agreed with the individual and consolidated accounting information related to the fiscal year ended June 30, 2020 and the opinions expressed in the independent auditors' review report, hereby authorizing their disclosure.

APPENDIX 1 - INCOME STATEMENT (CONSOLIDATED)

(R\$ thousand)	2Q20	2Q19	1Q20
Revenue from domestic sales	1,280,336	1,387,572	1,518,754
Revenue from exports	3,344,713	2,881,221	2,917,359
Gross sales revenue	4,625,049	4,268,793	4,436,113
Revenue deductions – taxes and other	-225.847	-244.424	-269.039
Net operating revenue	4,399,202	4,024,369	4,167,074
Cost of goods sold	-3,379,964	-3,295,994	-3,416,446
Gross profit	1,019,238	728,375	750,628
Selling expenses	-314.134	-283.930	-280.700
General and administrative expenses	-197,668	-141,127	-168,365
Other operating revenues (expenses)	-11,623	5,295	-3,234
Result before financial expenses	495,813	308,613	298,329
Financial expenses	-249,116	-240,987	-259,741
Financial income	19,839	17,791	22,729
Monetary correction	-8,463	-42,357	-23,862
FX variation	-146,970	17,759	-570,496
Other expenses	183,246	-166,952	823,155
Financial result	-201,464	-414,746	-8,215
Result before taxes	294,349	-106,133	290,114
Income and social contribution taxes - current	-32,507	-12,261	-17,455
Income and social contribution taxes - deferred	-8,428	5,072	-1,454
Result before non-controlling interest	253,414	-113,322	271,205
Controlling shareholders	253,414	-113,322	271,205
Net income (loss)	253,414	-113,322	271,205

APPENDIX 2 - BALANCE SHEET (CONSOLIDATED)

(R\$ thousand)	2Q20	4Q19
ASSETS		
Cash and cash equivalents	6,831,561	4,469,687
Accounts receivable from clients	2,105,233	1,778,214
Inventories	876,033	714,565
Biological assets	308,957	235,773
Taxes recoverable	875,576	763,227
Other receivables	360,808	307,818
Total current assets	11,358,168	8,269,284
Taxes recoverable	179,387	179,387
Deferred tax assets	427,940	426,386
Other receivables	14,714	13,348
Judicial deposits	21,025	24,550
Fixed assets	4,167,994	3,632,800
Intangible assets	783,041	687,982
Total non-current assets	5,594,101	4,964,453
Total assets	16,952,269	13,233,737
LIABILITIES		
Loans and financing	2,113,811	2,867,602
Commercial leasing	9,842	6,990
Suppliers	1,387,253	1,362,369
Labor and tax liabilities	365,283	330,265
Other payables	1,783,044	1,060,774
Total current liabilities	5,659,233	5,628,000
Loans and financing	10,141,178	7,610,124
Commercial leasing	40,392	39,457
Labor and tax liabilities	63,567	64,776
Provision for contingencies	40,501	38,272
Accounts payable	1,664	1,753
Deferred tax liabilities	167,517	133,017
Total non-current liabilities	10,454,819	7,887,399
Shareholders' equity		
Capital stock	906,276	282,017
Capital reserves	118,271	118,271
Revaluation reserves	49,840	50,614
Accumulated profit (loss)	525,393	-380,210
Treasury shares	-32,695	-32,695
Equity valuation adjustments	-728,868	-319,659
Total shareholders' equity attributed to controlling shareholders	838,217	-281,662
Total shareholders' equity	838,217	-281,662
Total liabilities and shareholders' equity	16,952,269	13,233,737

APPENDIX 3 – CASH FLOW (CONSOLIDATED)

(R\$ thousand)	2Q20	2Q19	1Q20
Cash flow from operating activities			
Net income (loss)	253,414	-113,322	271,205
Reconciliation of net income to net cash provided by operating activities:			
Depreciation and amortization	81,471	55,301	76,321
Estimated loss on doubtful accounts	9,005	1,201	3,329
Proceeds from the sale of fixed assets	13	282	198
Fair value of biological assets	-3,382	13,520	1,324
Realization of deferred taxes – temporary differences	8,428	-5,072	1,454
Financial charges	249,116	240,987	259,741
FX variation – not realized	306,648	-11,781	830,592
Monetary correction	8,463	42,357	23,862
Provision for contingencies	-218	-426	2,447
Accounts receivable from clients and other receivables	-83,689	-96,395	-310,020
Inventories	-86,986	-12,910	-74,482
Biological assets	-32,166	-8,419	-38,960
Taxes recoverable	-80,239	13,949	-32,110
Judicial deposits	2,019	-434	1,506
Suppliers	115,388	49,578	-90,504
Labor and tax liabilities	-4,085	18,008	37,894
Other payables	-32,004	135,966	754,185
Cash flow from operating activities	711,196	322,390	1,717,982
Cash flow from investing activities			
Acquisition of intangible assets	-2,601	11,413	-3,663
Acquisition of fixed assets	-47,424	-105,505	-91,865
Cash flow from investing activities	-50,025	-94,092	-95,528
Cash flow from financing activities			
Loans and financing raised	1,459,160	413,201	272,425
Loans and financing settled	-1,720,023	-1,332,332	-1,669,745
Commercial leasing	-4,745	-7,536	-2,119
Capital payment in cash	5,547	209	1,052,735
(-) Transition cost in the issue of shares	-4,003	0	-49,810
Cash flow from financing activities	-264,064	-926,458	-396,514
FX variation on cash and cash equivalents	118,468	-76,946	620,359
Net increase/decrease in cash and cash equivalents	515,575	-775,106	1,846,299
Cash and cash equivalents			
Beginning of period	6,315,986	3,863,018	4,469,687
End of period	6,831,561	3,087,912	6,315,986
Net increase/decrease in cash and cash equivalents	515,575	-775,106	1,846,299

APPENDIX 4 – ATHENA FOODS' INCOME STATEMENT (US\$)

Athena Foods' gross revenue totaled US\$388.5 million in 2Q20, a decline of 6.7% from 2Q19.

Athena Foods' EBITDA amounted to US\$43.8 million in 2Q20, up 15.6% compared with 2Q19 and with an adjusted EBITDA margin of 11.7%, 3.7 p.p more than in 2Q19. The net income stood at US\$25.6 million, an increase of 78.3% when compared to 2Q19.

EBITDA - Athena Foods

EBITDA (US\$ million)	2Q20	1Q20	% Chg	2Q19	% Chg
Gross revenue	388.5	416.2	-6.7%	485.6	-20.0%
EBITDA	43.8	32.1	36.5%	37.9	15.6%
EBITDA margin (%)	11.7%	8.0%	3.7 p.p.	8.1%	3.6 p.p.
Net income	25.6	20.4	25.8%	14.4	78.3%

APPENDIX 5 – EXCHANGE RATE

	2Q20	2Q19	1Q20
(USD- Closing)			
Brazil (BRL/USD)	5.48	3.93	5.20
Paraguay (PYG/USD)	6,817.50	6,361.00	6,563.00
Uruguay (UYU/USD)	42.20	34.99	43.10
Argentina (ARS/USD)	70.46	45.07	64.40
Colombia (COP/USD)	3,757.75	3,293.00	4,055.75