

# EARNINGS RELEASE

**Barretos, July 25, 2019** – 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 2019 (2Q19). The financial and operational information herein is presented in BRGAAP and Brazilian reais (R\$), in accordance with International Financial Reporting Standards (IFRS).

## 2Q19 Highlights

### Minerva (BEEF3)

Price on 7/24/2019:  
R\$8.61  
Market cap:  
R\$3,243.6 million  
376,730,261 shares  
Free Float:  
37.0%

### Conference Call

July 26, 2019

### Portuguese

10:00 a.m. (Brasília)

9:00 a.m. (US EST)

Phone: +55 (11) 2188 0155

Code: Minerva

### English

12:00 p.m. (Brasília)

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- » Free cash flow, after financial expenses, Capex and working capital, was positive for the sixth consecutive quarter, totaling R\$99.8 million in 2Q19. In LTM2Q19, free cash flow reached R\$579.4 million. Recurring cash flow adjusted for non-recurring expenses amounted to R\$142.8 million in 2Q19 and R\$641.9 million in the last 12 months.
- » In 2Q19, Minerva's gross revenue totaled R\$4,268.8 million, 8% more than in 2Q18. The Athena Foods Division accounted for 43%, or R\$1.9 billion, of total gross revenue. The Brazilian Industry Division contributed R\$1.8 billion, or 42% of total gross revenue, while the Trading Division generated R\$629.6 million, or 15% of the total in 2Q19. In the last 12 months ended June, the Company's gross revenue totaled R\$17.8 billion, 14% higher year on year and an all-time high.
- » Exports accounted for 67% of gross revenue, maintaining Minerva's position as the largest beef exporter in South America, with a market share of 21% in the continent.
- » Net revenue totaled R\$4,024.4 million in 2Q19, up 7.7% year on year. In the last 12 months ended June, net revenue came to R\$16.7 billion, up 12% year on year.
- » EBITDA reached R\$363.9 million in 2Q19, up 3.0% over 2Q18, with an EBITDA margin of 9.0% in the quarter, 20 bps higher than in 1Q19. In LTM2Q19, EBITDA totaled R\$1.6 billion, with an EBITDA margin of 9.6%, 50 bps higher year on year.
- » The cash position ended June 30, 2019 at R\$3.1 billion, while net debt stood at R\$6.1 billion, and financial leverage, measured by the net debt/LTM EBITDA, was 3.8x, in line with 1Q19.
- » In June 2019, Athena Foods resumed its deboning activities at Venado Tuerto plant in Argentina, with the start of slaughter operations scheduled for August.

## MESSAGE FROM MANAGEMENT

We closed the first half of 2019 on a very positive note, and we are especially confident about the positive outlook for the upcoming quarters, in terms of both exports and domestic sales in the markets where we operate. Our Athena Foods' operations are increasingly more integrated, and, for the first time, they accounted for the lion's share of Minerva's gross revenue, with 43% of the total. Another major highlight was the Brazilian Industry Division, whose gross revenue reached R\$7.6 billion in LTM2Q19, an all-time high. In the second half of 2019, we will continue to pursue excellence in our operating and commercial practices in order to obtain increasingly better and less volatile results.

Demand from Asia continued to stand out, with a significant increase in its share of export volume. In the last 12 months ended June, 42% of Athena Foods' export revenue came from Asia (especially China), representing a significant upturn of 11 percentage points over the same period a year before. The resumption of Venado Tuerto operations, in June, is expected to further contribute to Athena Foods' export growth over the coming quarters. In the Brazilian Industry Division, Asia accounted for 25% of export revenue, and, with the possible accreditation of new plants to export the Chinese market, we expect this destination to become even more relevant.

The outlook for the rest of the year remains positive: the impact of the outbreak of African swine fever, especially in China, should become even more evident in the next six months, directly benefiting South American beef producers. We currently have five plants authorized to export to China; they are located in Brazil, Argentina and Uruguay and have a total capacity of 6,400 head/day. The Company has also stood out as one of the main global players in the beef industry, consolidating its position as the largest beef exporter in South America, reaching a market share of 21% in the region in the second quarter of 2019.

Regarding the results for the quarter, it is worth noting this was the sixth consecutive quarter of positive free cash flow, which reached R\$99.8 million in 2Q19, totaling R\$579.4 million in the last 12 months, thanks to our efficient financial and risk management. As a result, Minerva's leverage, which remained an absolute priority, together with our profitability and value creation goals, remained flat with a net debt-to-EBITDA ratio of 3.8x, with good prospects for reduction in the coming quarters.

We remain confident in our business model, seeking to maximize market opportunities, always relying on our team's efforts and believing that the combination of meritocracy, appropriate strategy, capital discipline and commitment to ethical and sustainable practices is the best way to create consistent long-term value.

**Fernando Galletti de Queiroz, CEO**

## RESULTS ANALYSIS

### Key Consolidated Indicators

R\$ Million	2Q19	2Q18	% Chg	1Q19	% Chg	LTM2Q19	LTM2Q18	% Chg
Total slaughter ('000 head)	856.9	804.0	6.6%	845.9	1.3%	3,475.2	3,333.3	4.3%
Slaughter - Brazil	410.7	385.0	6.7%	419.3	-2.1%	1,706.6	1,733.6	-1.6%
Slaughter - Athena	446.2	419.0	6.5%	426.6	4.6%	1,768.6	1,599.7	10.6%
Total sales volume ('000 tons)	301.6	247.4	21.9%	293.1	2.9%	1,170.2	1,034.3	13.1%
Volume - Brazil	133.5	132.9	0.5%	148.3	-10.0%	584.0	588.6	-0.8%
Volume - Athena	168.1	114.5	46.9%	144.8	16.2%	586.2	445.6	31.5%
Gross revenue	4,268.8	3,953.6	8.0%	3,975.3	7.4%	17,763.7	15,617.1	13.7%
Export market	2,881.2	2,521.2	14.3%	2,412.2	19.4%	11,084.6	9,397.9	17.9%
Domestic market	1,387.6	1,432.4	-3.1%	1,563.1	-11.2%	6,679.1	6,219.2	7.4%
Net revenue <sup>(1)</sup>	4,024.4	3,735.7	7.7%	3,727.6	8.0%	16,699.8	14,913.7	12.0%
EBITDA <sup>(1)</sup>	363.9	353.4	3.0%	328.8	10.7%	1,604.8	1,359.9	18.0%
EBITDA margin <sup>(1)</sup>	9.0%	9.5%	-0.4 p.p.	8.8%	0.2 p.p.	9.6%	9.1%	0.5 p.p.
Net debt/LTM EBITDA <sup>(1)</sup>	3.8	5.0	-1.2	3.8	0.0	3.8	5.0	-1.2
Net income (loss)	-113.3	-926.0	-87.8%	-31.4	260.8%	-368.8	-1,268.2	-70.9%

<sup>(1)</sup> LTM2Q18 includes proforma net revenue and EBITDA figures for the plants of the Mercosur assets acquired on August 1, 2017.

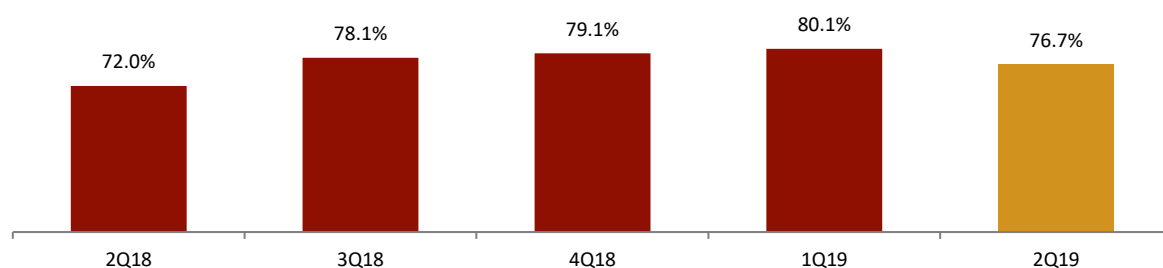
## Results by Division

### Slaughter

#### BRAZILIAN INDUSTRY DIVISION

In 2Q19, the Company's slaughter volume in Brazil came to 410,700 head of cattle, up 7% over 2Q18. We closed 2Q19 with a capacity utilization rate of 76.7%, 4.7 p.p. higher than in 2Q18. The year-on-year increase was due to the impact of the truck drivers' strike in May 2018, when slaughter was suspended. The quarter-on-quarter reduction was due to a longer rainy season in 2019, which led to increased cattle retention, consequently reducing the number of animals available for slaughter.

Figure 1 - Installed Capacity Utilization



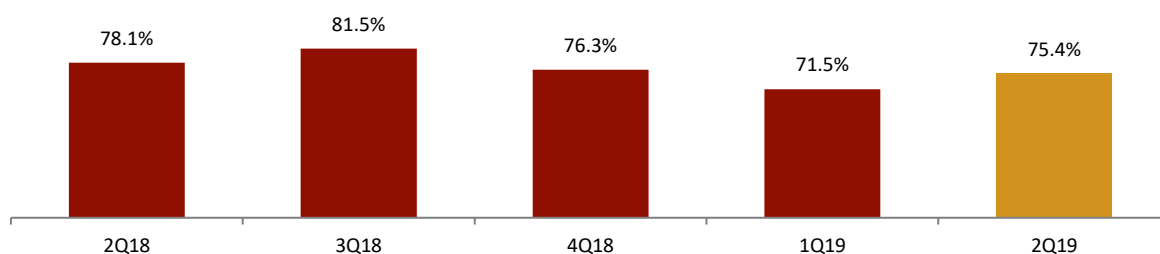
Source: Minerva

#### ATHENA FOODS

Slaughter volume at the units that make up Athena Foods totaled 446,200 head of cattle in 2Q19, 5% higher than in 1Q19 and up 6% over 2Q18, especially due to an increase in Argentinean slaughter volume, driven by higher demand from China.

At Athena Foods, the capacity utilization rate stood at 75.4% in 2Q19, 3.9 p.p. higher than in 1Q19.

Figure 2 - Installed Capacity Utilization

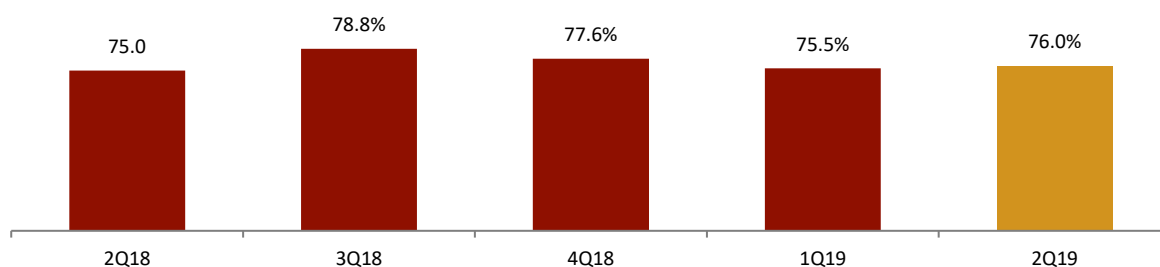


Source: Minerva

### CONSOLIDATED MINERVA

Based on the information described above, the Company's consolidated slaughter volume totaled 856,900 head of cattle in 2Q19, an increase of 7% over 2Q18 and 1% over 1Q19. The consolidated capacity utilization rate increased to 76.0% in 2Q19.

Figure 3 - Installed Capacity Utilization - Consolidated



Source: Minerva

### Gross Revenue by Division

#### BRAZILIAN INDUSTRY DIVISION

Gross revenue from the Brazilian Industry Division totaled R\$1.8 billion in 2Q19, up 4.4% over 2Q18. In the last 12 months ended June 2019, revenue from the Brazilian Industry Division amounted to R\$7,592.1 million, up 4.1% over LTM2Q18.

#### Export Market – 66.9% of Gross Revenue from the Brazilian Industry Division in 2Q19

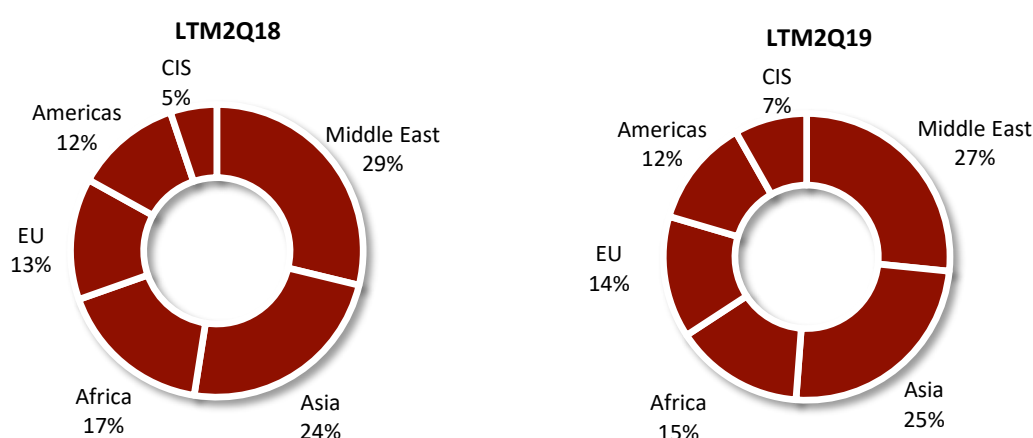
Exports from the Brazilian Industry Division generated revenue of R\$1,196.8 million in 2Q19, 4.6% more than in 2Q18 and up 4.5% over 1Q19. In LTM2Q19, export revenue totaled R\$4,974.0 million, 5.1% more than in LTM2Q18.

In the last 12 months ended June, the main export destinations of the Brazilian Industry Division were Asia (especially China) and the Middle East, which together accounted for more than half of this Division's export revenue (52%).

We present below the Brazilian Industry Division’s exports by region between LTM2Q18 and LTM2Q19:

- » **Africa:** Africa accounted for 15% of this division’s exports in LTM2Q19, down 2 p.p. from LTM2Q18.
- » **Americas:** The Americas’ share of this division’s exports stood at 12% in LTM2Q19, in line with the same period a year ago.
- » **Asia:** Asia accounted for 25% of this division’s exports in LTM2Q19, up 1 p.p. year on year.
- » **CIS (Commonwealth of Independent States):** The Commonwealth of Independent States, represented mainly by Russia, accounted for 7% of this division’s exports in LTM2Q19, 2 p.p. more than in LTM2Q18, driven by the resumption of exports to Russia in October 2018.
- » **Europe:** The region was the destination of 14% of this division’s exports in the last 12 months ended June 2019, down 1 p.p. year on year.
- » **Middle East:** The Middle East accounted for 27% of export revenue in LTM2Q19 and was the main destination of the Brazilian Industry Division, despite the 2 p.p. year-on-year reduction.

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



Source: Minerva

### Domestic Market – 33.1% of Gross Revenue from the Brazilian Industry Division in 2Q19

Domestic gross revenue from the Brazilian Industry Division reached R\$591.7 million in 2Q19, 4.1% higher than in 2Q18. In the last 12 months ended June, revenue came to R\$2.6 billion, up 2.2% year on year.

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

Gross Revenue (R\$ Million)	2Q19	2Q18	% Chg	1Q19	% Chg	LTM2Q19	LTM2Q18	% Chg
Fresh beef – EM	1,050.6	1,015.4	3.5%	1,000.4	5.0%	4,405.1	4,149.5	6.2%
Byproducts – EM	124.4	127.8	-2.7%	126.3	-1.5%	496.6	548.8	-9.5%
Processed foods – EM	21.9	1.4	1468.2%	18.7	16.7%	72.3	33.0	119.1%
<b>Subtotal – EM</b>	<b>1,196.8</b>	<b>1,144.6</b>	<b>4.6%</b>	<b>1,145.4</b>	<b>4.5%</b>	<b>4,974.0</b>	<b>4,731.3</b>	<b>5.1%</b>
Fresh beef – DM	427.5	411.1	4.0%	454.4	-5.9%	1,939.5	1,921.7	0.9%
Byproducts – DM	108.1	104.8	3.2%	103.3	4.7%	460.5	420.9	9.4%
Processed foods – DM	56.0	52.7	6.4%	65.3	-14.2%	218.2	220.1	-0.9%
<b>Subtotal – DM</b>	<b>591.7</b>	<b>568.6</b>	<b>4.1%</b>	<b>623.0</b>	<b>-5.0%</b>	<b>2,618.1</b>	<b>2,562.7</b>	<b>2.2%</b>
<b>Total</b>	<b>1,788.5</b>	<b>1,713.2</b>	<b>4.4%</b>	<b>1,768.4</b>	<b>1.1%</b>	<b>7,592.1</b>	<b>7,294.1</b>	<b>4.1%</b>

Volume ('000 tons)	2Q19	2Q18	% Chg	1Q19	% Chg	LTM2Q19	LTM2Q18	% Chg
Fresh beef – EM	61.5	56.8	8.3%	63.1	-2.4%	256.2	253.8	0.9%
Byproducts – EM	21.5	22.3	-3.4%	28.0	-23.1%	94.3	96.8	-2.6%
Processed foods – EM	1.0	0.1	1878.6%	0.8	28.0%	2.86	2.0	44.1%
<b>Subtotal – EM</b>	<b>84.1</b>	<b>79.2</b>	<b>6.2%</b>	<b>91.8</b>	<b>-8.4%</b>	<b>353.3</b>	<b>352.6</b>	<b>0.2%</b>
Fresh beef – DM	27.4	29.3	-6.6%	31.2	-12.3%	134.5	141.2	-4.7%
Byproducts – DM	19.5	21.1	-7.6%	20.1	-3.0%	82.2	81.3	1.1%
Processed foods – DM	2.5	3.3	-23.3%	5.2	-51.0%	14.0	13.6	3.1%
<b>Subtotal – DM</b>	<b>49.4</b>	<b>53.7</b>	<b>-8.0%</b>	<b>56.5</b>	<b>-12.5%</b>	<b>230.7</b>	<b>236.0</b>	<b>-2.3%</b>
<b>Total</b>	<b>133.5</b>	<b>132.9</b>	<b>0.5%</b>	<b>148.3</b>	<b>-10.0%</b>	<b>584.0</b>	<b>588.6</b>	<b>-0.8%</b>

Average Price – EM (US\$/kg)	2Q19	2Q18	% Chg	1Q19	% Chg	LTM2Q19	LTM2Q18	% Chg
Fresh beef – EM	4.4	5.0	-12.2%	4.2	3.5%	4.5	4.9	-9.7%
Byproducts – EM	1.5	1.6	-7.4%	1.2	23.1%	1.4	1.7	-20.3%
Processed foods – EM	5.5	7.5	-27.1%	6.2	-12.3%	6.6	5.0	30.5%
<b>Total</b>	<b>3.6</b>	<b>4.0</b>	<b>-9.5%</b>	<b>3.3</b>	<b>9.8%</b>	<b>3.6</b>	<b>4.0</b>	<b>-9.9%</b>
Average dollar (Source: BACEN)	3.92	3.60	8.8%	3.77	3.9%	3.86	3.32	16.5%

Average Price – EM (R\$/Kg)	2Q19	2Q18	% Chg	1Q19	% Chg	LTM2Q19	LTM2Q18	% Chg
Fresh beef – EM	17.1	17.9	-4.5%	15.9	7.6%	17.2	16.3	5.2%
Byproducts – EM	5.8	5.7	0.7%	4.5	28.0%	5.3	5.7	-7.1%
Processed foods – EM	21.5	27.1	-20.7%	23.6	-8.8%	25.3	16.7	52.1%
<b>Total</b>	<b>14.2</b>	<b>14.5</b>	<b>-1.6%</b>	<b>12.5</b>	<b>14.1%</b>	<b>14.1</b>	<b>13.4</b>	<b>4.9%</b>

Average Price – DM (R\$/Kg)	2Q19	2Q18	% Chg	1Q19	% Chg	LTM2Q19	LTM2Q18	% Chg
Fresh beef – DM	15.6	14.0	11.3%	14.6	7.2%	14.4	13.6	5.9%
Byproducts – DM	5.5	5.0	11.7%	5.1	8.0%	5.6	5.2	8.2%
Processed foods – DM	22.0	15.8	38.7%	12.5	75.2%	15.6	16.2	-3.8%
<b>Total</b>	<b>12.0</b>	<b>10.6</b>	<b>13.1%</b>	<b>11.0</b>	<b>8.6%</b>	<b>11.3</b>	<b>10.9</b>	<b>4.5%</b>

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\$1.9 billion in 2Q19, 17.1% more than in 2Q18. In LTM2Q19, gross revenue totaled R\$7.2 billion, up 27.7% year on year.

**Export Market – 76.8% of Gross Revenue from Athena Foods in 2Q19**

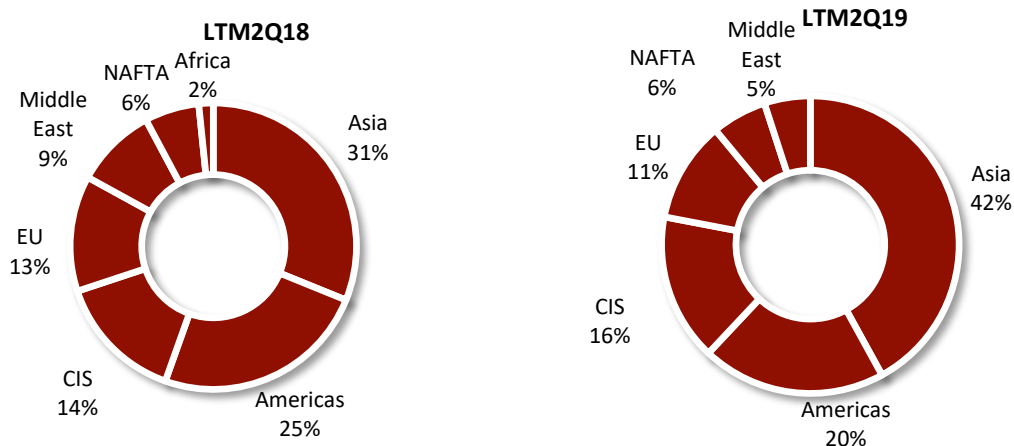
Gross export revenue totaled R\$1,412.5 million in 2Q19, 21.8% more than in 2Q18. In the last 12 months ended June 2019, export revenue from Athena Foods totaled R\$5.3 billion, up 36.5% over LTM2Q18.

In the last 12 months ended June 2019, Athena Foods’ exports were positively impacted by the performance of important markets, such as China, Russia, Europe and the United States.

We present below Athena Foods’ export revenue by region between LTM2Q18 and LTM2Q19:

- » **Americas:** The Americas accounted for 20% of Athena Foods’ exports in LTM2Q19, down 5 p.p. year on year, as Chilean demand is now being served by Brazil.
- » **Asia:** In LTM2Q19, Asia’s share of Athena Foods’ exports increased 11 p.p. year on year, accounting for 42% of the total. China has been increasingly standing out in the region. Athena Foods has been serving China through its units in Argentina and Uruguay.
- » **CIS (Commonwealth of Independent States):** The Commonwealth of Independent States, represented mainly by Russia, accounted for 16% of Athena Foods’ exports in LTM2Q19, 2 p.p. more than in LTM2Q18.
- » **Europe:** Europe was the destination of 11% of Athena Foods’ exports in LTM2Q19, 2 p.p. less than in LTM2Q18.
- » **NAFTA:** NAFTA accounted for 6% of Athena Foods’ exports in LTM2Q19, in line with LTM2Q18.
- » **Middle East:** The Middle East accounted for 5% of Athena Foods’ exports in LTM2Q19, around 4 p.p. less than in LTM2Q18.

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



Source: Minerva

## Domestic Market – 23.2% of Gross Revenue from Athena Foods in 2Q19

Athena Foods closed 2Q19 with gross revenue of R\$438.3 million in the domestic market, 4% more than in 2Q18. In LTM2Q19, domestic revenue totaled R\$1.9 billion, up 8% year on year.

We present below a complete breakdown of Athena Foods:

Gross Revenue (R\$ Million)	2Q19	2Q18	% Chg	1Q19	% Chg	LTM2Q19	LTM2Q18	% Chg
Fresh beef – EM	1,266.7	1,025.9	23.5%	983.6	28.8%	4,753.5	3,444.1	38.0%
Byproducts – EM	144.0	132.8	8.4%	113.1	27.3%	559.7	449.9	24.4%
Processed foods – EM	1.7	1.0	69.2%	2.3	-24.9%	5.6	2.5	123.3%
<b>Subtotal – EM</b>	<b>1,412.5</b>	<b>1,159.7</b>	<b>21.8%</b>	<b>1,098.9</b>	<b>28.5%</b>	<b>5,318.9</b>	<b>3,896.6</b>	<b>36.5%</b>
Fresh beef – DM	272.7	237.4	14.9%	259.1	5.2%	1,144.1	1,033.6	10.7%
Byproducts – DM	46.8	49.3	-5.1%	41.6	12.7%	173.1	209.7	-17.4%
Processed foods – DM	118.8	134.4	-11.6%	131.4	-9.6%	582.3	513.4	13.4%
<b>Subtotal – DM</b>	<b>438.3</b>	<b>421.1</b>	<b>4.1%</b>	<b>432.2</b>	<b>1.4%</b>	<b>1,899.5</b>	<b>1,756.7</b>	<b>8.1%</b>
<b>Total</b>	<b>1,850.7</b>	<b>1,580.8</b>	<b>17.1%</b>	<b>1,531.1</b>	<b>20.9%</b>	<b>7,218.4</b>	<b>5,653.3</b>	<b>27.7%</b>

Volume ('000 tons)	2Q19	2Q18	% Chg	1Q19	% Chg	LTM2Q19	LTM2Q18	% Chg
Fresh beef – EM	90.6	61.4	47.7%	64.5	40.4%	295.7	224.3	31.8%
Byproducts – EM	28.4	11.9	139.4%	20.3	40.2%	83.1	45.5	82.7%
Processed foods – EM	0.1	0.1	111.2%	0.2	-40.0%	0.5	0.2	130.7%
<b>Subtotal – EM</b>	<b>119.2</b>	<b>73.3</b>	<b>62.6%</b>	<b>85.0</b>	<b>40.1%</b>	<b>379.3</b>	<b>270.1</b>	<b>40.5%</b>
Fresh beef – DM	19.0	17.6	8.2%	19.0	0.0%	79.8	83.2	-4.1%
Byproducts – DM	20.6	12.6	63.0%	29.6	-30.4%	83.2	49.7	67.4%
Processed foods – DM	9.4	11.0	-14.6%	11.1	-15.8%	43.9	42.7	2.7%
<b>Subtotal – DM</b>	<b>49.0</b>	<b>41.2</b>	<b>18.9%</b>	<b>59.7</b>	<b>-18.0%</b>	<b>206.8</b>	<b>175.6</b>	<b>17.8%</b>
<b>Total</b>	<b>168.1</b>	<b>114.5</b>	<b>46.9%</b>	<b>144.8</b>	<b>16.2%</b>	<b>586.2</b>	<b>445.6</b>	<b>31.5%</b>

Average Price – EM (US\$/kg)	2Q19	2Q18	% Chg	1Q19	% Chg	LTM2Q19	LTM2Q18	% Chg
Fresh beef – EM	3.6	4.6	-23.1%	4.0	-11.8%	4.2	4.6	-10.1%
Byproducts – EM	1.3	3.1	-58.4%	1.5	-12.7%	1.7	3.0	-41.5%
Processed foods – EM	3.1	4.2	-26.3%	2.6	20.5%	2.8	3.3	-16.9%
<b>Total</b>	<b>3.0</b>	<b>4.4</b>	<b>-31.1%</b>	<b>3.4</b>	<b>-11.8%</b>	<b>3.6</b>	<b>4.4</b>	<b>-16.6%</b>
Average dollar (Source: BACEN)	3.92	3.60	8.8%	3.77	3.9%	3.86	3.32	16.5%

Average Price – EM (R\$/Kg)	2Q19	2Q18	% Chg	1Q19	% Chg	LTM2Q19	LTM2Q18	% Chg
Fresh beef – EM	14.0	16.7	-16.4%	15.2	-8.3%	16.1	15.4	4.7%
Byproducts – EM	5.1	11.2	-54.7%	5.6	-9.2%	6.7	9.9	-31.9%
Processed foods – EM	12.1	15.1	-19.9%	9.7	25.2%	10.7	11.1	-3.2%
<b>Total</b>	<b>11.9</b>	<b>15.8</b>	<b>-25.1%</b>	<b>12.9</b>	<b>-8.3%</b>	<b>14.0</b>	<b>14.4</b>	<b>-2.8%</b>

Average Price – DM (R\$/Kg)	2Q19	2Q18	% Chg	1Q19	% Chg	LTM2Q19	LTM2Q18	% Chg
Fresh beef – DM	14.3	13.5	6.2%	13.6	5.2%	14.3	12.4	15.4%
Byproducts – DM	2.3	3.9	-41.7%	1.4	61.9%	2.1	4.2	-50.7%
Processed foods – DM	12.7	12.2	3.5%	11.8	7.3%	13.3	12.0	10.5%
<b>Total</b>	<b>8.9</b>	<b>10.2</b>	<b>-12.5%</b>	<b>7.2</b>	<b>23.7%</b>	<b>9.2</b>	<b>10.0</b>	<b>-8.2%</b>

EM - Export Market, DM – Domestic Market



**TRADING DIVISION**

Gross revenue from the Trading Division, which consists of the result of the live cattle, protein trading, energy trading and resale of third-party products segments, amounted to R\$629.6 million in 2Q19. In LTM2Q19, gross revenue from the Trading Division reached R\$2,953.2 million, 10.6% more than in LTM2Q18.

**Export Market – 41.8% of Gross Revenue from the Trading Division in 2Q19**

In 2Q19, gross export revenue from the Trading Division totaled R\$272.0 million, up 25.4% over 2Q18.

**Domestic Market – 58.2% of Gross Revenue from the Trading Division in 2Q19**

The Trading Division's domestic sales reached R\$357.6 million in 2Q19.

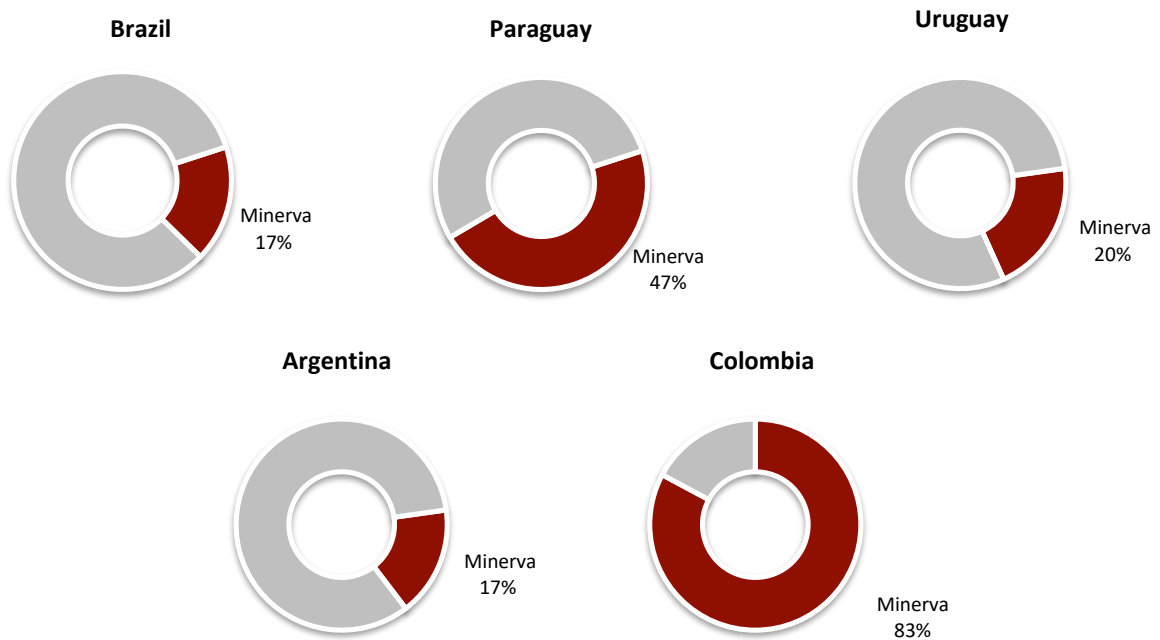
Gross Revenue (R\$ Million)	2Q19	2Q18	% Chg	1Q19	% Chg	LTM2Q19	LTM2Q18	% Chg
<b>Trading gross revenue</b>	<b>629.6</b>	<b>659.5</b>	<b>-4.5%</b>	<b>675.8</b>	<b>-6.8%</b>	<b>2,953.2</b>	<b>2,669.6</b>	<b>10.6%</b>
Export market	272.0	216.9	25.4%	167.9	62.0%	809.7	769.9	5.2%
Domestic market	357.6	442.7	-19.2%	508.0	-29.6%	2,143.5	1,899.7	12.8%

## Consolidated Results Analysis

### Exports - Market Share by Country

In 2Q19, Minerva remained one of the leading exporters in the countries where it operates. Minerva accounted for 17% of beef exports in Brazil, 47% in Paraguay (being the leading beef exporter in the country), 20% in Uruguay, 17% in Argentina and 83% in Colombia (consolidating our leadership position in the country).

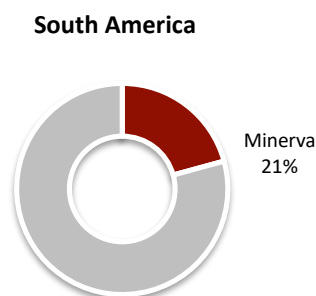
Figure 8 – 2Q19 Market Share (% of Revenue)



Sources: Minerva, Secex, Penta-transaction, OCIT, IPCVA and Legiscomex

Minerva accounted for 21% of South American beef exports in 2Q19, maintaining its leadership in beef exports in the continent.

Figure 9 – 2Q19 Market Share (% of Revenue)



Sources: Minerva, Secex, Penta-transaction, OCIT, IPCVA 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 totaled R\$4,268.8 million in 2Q19, 8.0% more than in the same period last year. In LTM2Q19, gross revenue amounted to R\$17,763.7 million, around 14% higher year on year, reaching an all-time high.

R\$ Million	2Q19	2Q18	% Chg	1Q19	% Chg	LTM2Q19	LTM2Q18	% Chg
<b>Gross revenue</b>	<b>4,268.8</b>	<b>3,953.6</b>	<b>8.0%</b>	<b>3,975.3</b>	<b>7.4%</b>	<b>17,763.7</b>	<b>15,617.1</b>	<b>13.7%</b>
Brazilian Industry Division	1,788.5	1,713.2	4.4%	1,768.4	1.1%	7,592.1	7,294.1	4.1%
Athena Foods	1,850.7	1,580.8	17.1%	1,531.1	20.9%	7,218.4	5,653.3	27.7%
Trading Division	629.6	659.5	-4.5%	675.8	-6.8%	2,953.2	2,669.6	10.6%

## Net Revenue

Second-quarter net revenue came to R\$4,024.4 million, up 7.7% over 2Q18. In the last 12 months ended June 2019, consolidated net revenue came to R\$16.7 billion, up 14% over LTM2Q18.

R\$ Million	2Q19	2Q18	% Chg	1Q19	% Chg	LTM2Q19	LTM2Q18	% Chg
Gross revenue	4,268.8	3,953.6	8.0%	3,975.3	7.4%	17,763.7	15,617.1	13.7%
Deductions and discounts	-244.4	-217.9	12.2%	-247.7	-1.3%	-1,063.9	-967.5	10.0%
<b>Net revenue<sup>(1)</sup></b>	<b>4,024.4</b>	<b>3,735.7</b>	<b>7.7%</b>	<b>3,727.6</b>	<b>8.0%</b>	<b>16,699.8</b>	<b>14,649.7</b>	<b>14.0%</b>
% Gross revenue	94.3%	94.5%	-0.2 p.p.	93.8%	0.5 p.p.	94.0%	93.8%	0.2 p.p.

(1) LTM2Q18 excludes proforma net revenue figures from the Mercosur assets acquired on August 1, 2017.

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

COGS represented 81.9% of net revenue in 2Q19, or a gross margin of around 18% in 2Q19, 40 bps higher than in 1Q19.

R\$ Million	2Q19	2Q18	% Chg	1Q19	% Chg	LTM2Q19	LTM2Q18	% Chg
Net revenue	4,024.4	3,735.7	7.7%	3,727.6	8.0%	16,699.8	14,649.7	14.0%
<b>COGS</b>	<b>-3,296.0</b>	<b>-3,059.8</b>	<b>7.7%</b>	<b>-3,067.0</b>	<b>7.5%</b>	<b>-13,717.6</b>	<b>-12,073.1</b>	<b>13.6%</b>
% Net revenue	81.9%	81.9%	0.0 p.p.	82.3%	-0.4 p.p.	82.1%	82.4%	-0.3 p.p.
Gross profit	728.4	676.0	7.8%	660.6	10.3%	2,982.2	2,576.5	15.7%
<b>Gross margin</b>	<b>18.1%</b>	<b>18.1%</b>	<b>0.0 p.p.</b>	<b>17.7%</b>	<b>0.4 p.p.</b>	<b>17.9%</b>	<b>17.6%</b>	<b>0.3 p.p.</b>

## Selling, General and Administrative Expenses

Selling expenses represented 7.1% of net revenue in 2Q19, in line with the previous quarter and the same quarter last year, despite higher sales volume in 2Q19. General and administrative expenses represented 3.5% of net revenue in 2Q19, down 60 bps from 2Q18 and 80 bps lower than in 1Q19.

R\$ Million	2Q19	2Q18	% Chg	1Q19	% Chg	LTM2Q19	LTM2Q18	% Chg
<b>Selling expenses</b>	<b>-283.9</b>	<b>-259.7</b>	<b>9.3%</b>	<b>-257.5</b>	<b>10.2%</b>	<b>-1,071.5</b>	<b>-949.4</b>	<b>12.9%</b>
% Net revenue	7.1%	7.0%	0.1 p.p.	6.9%	0.1 p.p.	6.4%	6.5%	-0.1 p.p.
<b>G&amp;A expenses</b>	<b>-141.1</b>	<b>-152.1</b>	<b>-7.2%</b>	<b>-161.0</b>	<b>-12.3%</b>	<b>-626.9</b>	<b>-583.5</b>	<b>7.4%</b>
% Net revenue	3.5%	4.1%	-0.6 p.p.	4.3%	-0.8 p.p.	3.8%	4.0%	-0.2 p.p.

## EBITDA

EBITDA totaled R\$363.9 million in 2Q19, increasing 10.7% over 1Q19 and 3.0% over 2Q18. The EBITDA margin stood at 9.0% in 2Q19, 20 bps more than in 1Q19. In the last 12 months ended June 2019, adjusted EBITDA reached R\$1,604.8 million, 18.0% higher than in LTM2Q18, with an adjusted EBITDA margin of 9.6%, 50 bps higher than in the same period a year ago.

R\$ Million	2Q19	2Q18	% Chg	1Q19	% Chg	LTM2Q19	LTM2Q18	% Chg
Net income (loss)	-113.3	-926.0	-87.8%	-31.4	254.5%	-368.8	-1,268.2	-70.9%
(+/-) Deferred income and social contribution taxes	7.2	-554.9	n.a.	2.0	n.a.	28.9	-505.0	n.a.
(+/-) Financial result	414.7	1,164.8	-64.4%	262.5	34.8%	1,659.8	2,237.1	-25.8%
(+/-) Asset impairment	0.0	0.0	n.a.	0.0	n.a.	18.8	0.0	n.a.
(+/-) Depreciation and amortization	55.3	55.5	-0.4%	76.2	11.3%	246.5	198.9	23.9%
(+/-) Proforma EBITDA from Mercosur assets	0.0	0.0	n.a.	0.0	n.a.	0.0	46.3	-n.a.
(+/-) Adjustments to other expenses	0.0	613.9	-100.0%	19.5	-100.0%	19.5	650.8	-97.0%
<b>Adjusted EBITDA</b>	<b>363.9</b>	<b>353.4</b>	<b>3.0%</b>	<b>328.8</b>	<b>10.7%</b>	<b>1,604.8</b>	<b>1,359.9</b>	<b>18.0%</b>
<b>Adjusted EBITDA margin</b>	<b>9.0%</b>	<b>9.5%</b>	<b>-0.4 p.p.</b>	<b>8.8%</b>	<b>0.2 p.p.</b>	<b>9.6%</b>	<b>9.1%</b>	<b>0.5 p.p.</b>

## Financial Result

The financial result was a loss of R\$414.7 million in 2Q19, The FX variation contributed a positive R\$17.8 million to the result in the period. The "Other Revenue/Expenses" line was a negative R\$167.0 million in the quarter, mainly due to the (i) the payment of R\$43.0 million related to the *Consent Solicitation* (Notes 2026 and 2028), signed in April, in order to streamline Athena Foods' guarantee structure, recorded under "Fees, Commissions and Other Financial Expenses"; and (ii) R\$65.0 million hedge of the Company's balance sheet.

R\$ Million	2Q19	2Q18	% Chg	1Q19	% Chg	LTM2Q19	LTM2Q18	% Chg
Financial expenses	-241.0	-261.4	-7.8%	-215.7	11.7%	-985.3	-999.3	-1.4%
Financial income	17.8	17.8	-0.2%	17.8	-0.2%	87.5	71.7	22.1%
Monetary correction	-42.4	0.0	n.a.	20.5	n.a.	-46.6	0.0	n.a.
FX variation	17.8	-957.4	n.a.	-45.3	n.a.	-255.0	-1,204.3	-78.8%
Other expenses (*)	-167.0	36.3	n.a.	-39.8	319.5%	-460.5	-105.2	337.7%
<b>Financial result</b>	<b>-414.7</b>	<b>-1,164.7</b>	<b>-64.4%</b>	<b>-262.4</b>	<b>58.0%</b>	<b>-1,659.8</b>	<b>-2,237.1</b>	<b>-25.8%</b>
Average dollar (R\$/US\$)	3.92	3.60	8.8%	3.77	3.9%	3.86	3.32	16.5%
Closing dollar (R\$/US\$)	3.83	3.86	-0.6%	3.90	-1.7%	3.83	3.86	-0.6%

(*) Other Expenses (R\$ Million)	2Q19	2Q18	% Chg	1Q19	% Chg	LTM2Q19	LTM2Q18	% Chg
FX hedge	-65.0	95.2	n.a.	-9.2	606.5%	-56.2	82.6	n.a.
Commodities hedge	-9.0	-15.4	-41.6%	0.9	n.a.	-58.8	-34.2	71.9%
Fees, commissions and other financial expenses	-93.0	-43.5	113.8%	-31.5	195.2%	-345.5	-153.5	125.1%
<b>Total</b>	<b>-167.0</b>	<b>36.3</b>	<b>n.a.</b>	<b>-39.8</b>	<b>319.6%</b>	<b>-460.5</b>	<b>-105.1</b>	<b>338.2%</b>

## Net Result

The Company recorded a net loss after income and social contribution taxes of R\$113.3 million in 2Q19. Excluding the non-cash effects of the financial result, Minerva recorded adjusted net income before income and social contribution taxes of R\$26.5 million in 2Q19.

R\$ Million	2Q19	2Q18	% Chg	1Q19	% Chg	LTM2Q19	LTM2Q18	% Chg
Net income (loss) before income and social contribution taxes	-106.1	-1,480.9	-92.8%	-29.4	260.6%	-339.9	-1,773.2	-80.8%
Income and social contribution taxes	-7.2	554.9	-101.3%	-2.0	264.2%	-28.9	505.0	-105.7%
<b>Net result</b>	<b>-113.3</b>	<b>-926.0</b>	<b>-87.8%</b>	<b>-31.4</b>	<b>260.8%</b>	<b>-368.8</b>	<b>-1,268.2</b>	<b>-70.9%</b>
<b>% Net margin</b>	<b>-2.8%</b>	<b>-24.8%</b>	<b>22.0 p.p.</b>	<b>-0.8%</b>	<b>-2.0 p.p.</b>	<b>-2.2%</b>	<b>-8.7%</b>	<b>6.4 p.p.</b>

R\$ Million	2Q19
Net income (loss)	-106.1
Monetary correction	42.4
FX variation	-17.8
FX hedge	65.0
Payment of Consent Solicitation	43.0
<b>Adjusted income (loss) before income and social contribution taxes</b>	<b>26.5</b>

## Cash Flow

### Operating Cash Flow

In the second quarter of 2019, operating cash flow was a positive R\$322.4 million. The variation in working capital requirements was positive by R\$99.3 million in the quarter, supported by (i) the “Suppliers” line, which generated R\$49.6 million in cash, due to the acquisition of raw materials with a longer payment term in the quarter; and (ii) the effect of “Advances from Clients” under “Other Payables”, which had a positive variation of R\$148.3 million compared to 1Q19. This line reflects the Company’s credit policy of requiring advances based on the client’s risk assessment. On the other hand, the “Receivables” line was a negative R\$96.3 million.

R\$ Million	2Q19	2Q18	1Q19	LTM2Q19
Net result	-113.3	-926.0	-31.4	-368.8
(+) Net result adjustments	336.4	649.6	282.4	1,480.8
(+) Variation in working capital requirements <sup>(1)</sup>	99.3	672.1	-11.7	196.3
<b>Operating cash flow</b>	<b>322.4</b>	<b>395.8</b>	<b>239.3</b>	<b>1,308.3</b>

(1) Excluding the “Deferred Taxes” line totaling R\$470.3 million in 2Q18.

R\$ Million	2Q19	1Q19	Change
Advances from clients	1,126.4	978.1	148.3
Other	50.0	64.9	-15.9
<b>Other payables</b>	<b>1,176.4</b>	<b>1,044.0</b>	<b>132.4</b>

## Free Cash Flow

Free cash flow after Capex, interest payments and working capital was positive by R\$99.8 million in 2Q19. The cash financial result, i.e. excluding FX variation and the result of FX hedge, totaled a negative R\$295.0 million in the quarter. The variation in working capital requirements was positive by R\$99.3 million. In the last 12 months ended June 30, free cash flow was positive by R\$579.4 million.

Adjusted for non-recurring expenses, recurring cash flow came to R\$142.8 million in the quarter and R\$641.9 million in the last 12 months.

R\$ Million	2Q19	1Q19	4Q18	3Q18	LTM2Q19
EBITDA	363.9	309.3	462.8	449.2	1,585.3
Capex	-68.5	-27.8	-43.3	-46.1	-185.7
Financial result (cash concept) (1)	-295.0	-246.9	-298.6	-176.0	-1,016.5
Variation in working capital requirements	99.3	-11.7	242.3	-133.7	196.3
<b>Free cash flow to equity</b>	<b>99.8</b>	<b>22.9</b>	<b>363.3</b>	<b>93.5</b>	<b>579.4</b>
Non-recurring items	43.0	19.5	0.0	0.0	62.5
<b>Recurring free cash flow to equity</b>	<b>142.8</b>	<b>42.4</b>	<b>363.3</b>	<b>93.5</b>	<b>641.9</b>

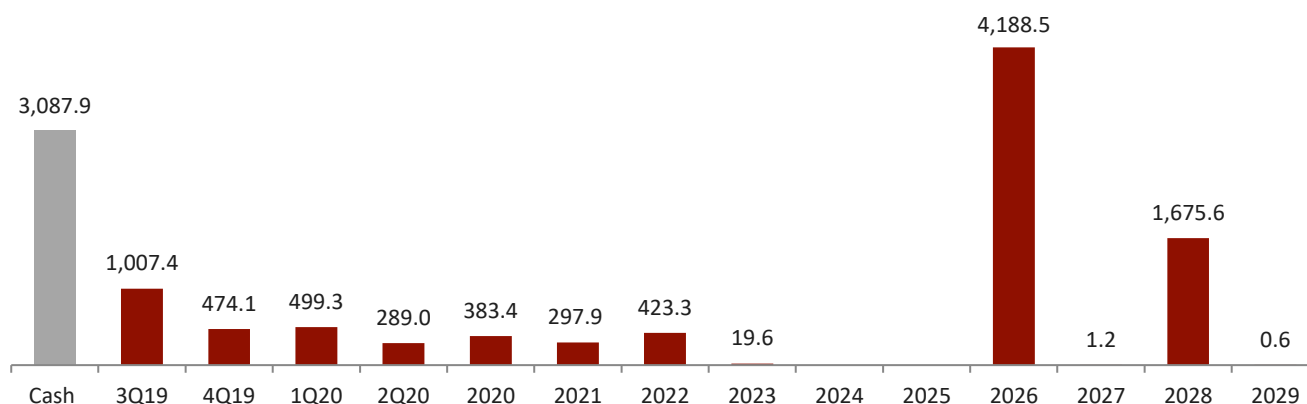
(1) Excluding the cash result from FX hedge.

## Capital Structure

At the end of June 2019, Minerva had cash and cash equivalents of R\$3.1 billion, which is sufficient to amortize its debt through 2026. Approximately 75% of total debt was exposed to the exchange rate variation at the end of June 2019. Leverage measured by the net debt/LTM EBITDA ratio was 3.8x on June 30, 2019, in line with the figure recorded at the end of the previous quarter. The debt duration stood at around five years. In April 2019, the Company completed the repurchase of the remaining perpetual bonds totaling US\$72.0 million (including accrued interest).

At the end of May, the Company announced the conclusion of its 6<sup>th</sup> issue, in local currency, of simple debentures totaling R\$400.0 million, due in 2022, at the CDI +1.80%. The purpose of this issue was to lengthen the debt profile and improve the Company's capital structure.

Figure 10 – Debt Amortization Schedule on 6/30/2019.  
(R\$ million)



R\$ Million	2Q19	2Q18	% Chg	1Q19	% Chg
Short-term debt	2,269.8	2,721.3	-16.6%	2,882.6	-21.3%
% Short-term debt	24.5%	24.6%	-0.1 p.p.	28.8%	-4.3 p.p.
Local currency	758.4	957.3	-20.8%	783.3	-3.2%
Foreign currency	1,511.4	1,764.0	-14.3%	2,099.3	-28.0%
Long-term debt	6,990.2	8,346.3	-16.2%	7,126.8	-1.9%
% Long-term debt	75.5%	75.4%	0.1 p.p.	71.2%	4.3 p.p.
Local currency	857.6	865.6	-0.9%	560.5	53.0%
Foreign currency	6,132.5	7,480.7	-18.0%	6,566.4	-6.6%
Total debt	9,260.0	11,067.6	-16.3%	10,009.4	-7.5%
Local currency	1,616.1	1,822.9	-11.3%	1,343.8	20.3%
Foreign currency	7,643.9	9,244.6	-17.3%	8,665.7	-11.8%
(Cash and cash equivalents)	-3,087.9	-4,199.0	-26.5%	-3,863.0	-20.1%
Net debt <sup>(1)</sup>	6,165.0	6,861.5	-10.2%	6,137.5	0.4%
Net debt/adjusted LTM EBITDA (x)	3.8	5.0	-1.2	3.8	0.0

(1) Net debt includes FIDC subordinated shares totaling R\$7.1 million in 2Q19, R\$8.9 million in 1Q19 and R\$7.1 million in 2Q18.

## Investments

Investments in fixed assets totaled R\$68.5 million in 2Q19, of which R\$40.5 million went to operational maintenance and R\$28.0 million to expansion of operations.

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

CAPEX (R\$ Million)	2Q19	1Q19	4Q18	3Q18	LTM2Q19
Maintenance	40.5	15.6	31.5	34.5	122.1
Expansion	28.0	12.2	11.7	11.5	63.4
<b>Total</b>	<b>68.5</b>	<b>27.8</b>	<b>43.2</b>	<b>46.0</b>	<b>185.5</b>

## Subsequent Events

### Capital Increase as a Result of the Exercise of Subscription Warrants

The table below shows the latest change in the Company's capital stock as a result of the exercise of subscription warrants.

	6/12/2019	7/25/2019
<b>Capital Stock</b>	R\$115,431,589.17	R\$115,433,592.21
<b>Issued Shares</b>	376,729,949	376,730,261
<b>Outstanding Warrants</b>	150,225,926	150,225,594



## **About Minerva S.A.**

Minerva Foods is the South American leader in beef exports, and it also operates in the processing segment, selling its products to over 100 countries. Currently, the Company has a daily slaughtering capacity of 26,380 head of cattle and daily beef deboning capacity equivalent to 27,966 head of cattle. Present in Brazil, Paraguay, Argentina, Uruguay and Colombia, Minerva operates 25 slaughter and deboning plants and 3 processing plants. In the 12 months ended June 30, 2019, the Company recorded gross sales revenue of R\$17.8 billion, 14% 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 2017, 2018 and in the first six months of 2019.

### *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, 2019 and the opinions expressed in the independent auditors' review report, hereby authorizing their disclosure.

**APPENDIX 1 – STATEMENT OF OPERATIONS (CONSOLIDATED)**

(R\$ thousand)	2Q19	2Q18	1Q19
Revenue from domestic sales	1,387,572	1,432,406	1,563,067
Revenue from exports	2,881,221	2,521,205	2,412,213
<b>Gross sales revenue</b>	<b>4,268,793</b>	<b>3,953,611</b>	<b>3,975,280</b>
Revenue deductions – taxes and other	-244,424	-217,869	-247,667
<b>Net operating revenue</b>	<b>4,024,369</b>	<b>3,735,742</b>	<b>3,727,613</b>
Cost of goods sold	-3,295,994	-3,059,785	-3,067,004
<b>Gross profit</b>	<b>728,375</b>	<b>675,957</b>	<b>660,609</b>
Selling expenses	-283,930	-259,733	-257,547
General and administrative expenses	-141,127	-152,114	-160,962
Other operating revenues (expenses)	5,295	-580,212	-9,047
<b>Result before financial expenses</b>	<b>308,613</b>	<b>-316,102</b>	<b>233,053</b>
Financial expenses	-240,987	-261,404	-215,675
Financial income	17,791	17,834	17,832
Monetary correction	-42,357	0	20,485
FX variation	17,759	-957,441	-45,261
Other expenses	-166,952	36,229	-39,866
<b>Financial result</b>	<b>-414,746</b>	<b>-1,164,782</b>	<b>-262,485</b>
<b>Result before taxes</b>	<b>-106,133</b>	<b>-1,480,884</b>	<b>-29,432</b>
Income and social contribution taxes - current	-12,261	-1,796	-17,679
Income and social contribution taxes - deferred	5,072	556,705	15,705
<b>Result before non-controlling interest</b>	<b>-113,322</b>	<b>-925,975</b>	<b>-31,406</b>
Controlling shareholders	-113,322	-925,975	-31,406
<b>Net income (loss)</b>	<b>-113,322</b>	<b>-925,975</b>	<b>-31,406</b>

**APPENDIX 2 - BALANCE SHEET (CONSOLIDATED)**

(R\$ thousand)	2Q19	4Q18
<b>ASSETS</b>		
Cash and cash equivalents	3,087,912	4,396,985
Accounts receivable from clients	1,571,369	1,783,355
Inventories	761,066	692,459
Biological assets	185,130	156,698
Taxes recoverable	718,372	858,843
Other receivables	360,714	253,995
<b>Total current assets</b>	<b>6,684,563</b>	<b>8,142,335</b>
Taxes recoverable	179,390	183,428
Deferred tax assets	209,171	181,333
Other receivables	11,553	11,971
Judicial deposits	27,591	23,998
Fixed assets	3,710,617	3,580,563
Intangible assets	689,065	700,793
<b>Total non-current assets</b>	<b>4,827,387</b>	<b>4,682,086</b>
<b>Total assets</b>	<b>11,511,950</b>	<b>12,824,421</b>
<b>LIABILITIES</b>		
Loans and financing	2,269,772	3,644,273
Commercial leasing	6,746	0
Suppliers	835,275	872,508
Labor and tax liabilities	279,688	234,634
Other payables	1,175,242	1,237,204
<b>Total current liabilities</b>	<b>4,566,723</b>	<b>5,988,619</b>
Loans and financing	6,990,181	6,823,301
Commercial leasing	52,168	0
Labor and tax liabilities	68,360	72,750
Provision for contingencies	38,787	42,774
Accounts payable	1,165	732
Deferred tax liabilities	184,888	197,359
<b>Total non-current liabilities</b>	<b>7,335,549</b>	<b>7,136,916</b>
<b>Shareholders' equity</b>		
Capital stock	109,533	1,109,259
Capital reserves	120,182	120,182
Revaluation reserves	51,388	52,162
Accumulated profit (loss)	-541,869	-1,397,915
Treasury shares	-36,846	-36,846
Equity valuation adjustments	-92,710	-147,956
<b>Total shareholders' equity attributed to controlling shareholders</b>	<b>-390,322</b>	<b>-301,114</b>
<b>Total shareholders' equity</b>	<b>-390,322</b>	<b>-301,114</b>
<b>Total liabilities and shareholders' equity</b>	<b>11,511,950</b>	<b>12,824,421</b>

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

(R\$ thousand)	2Q19	2Q18	1Q19
<b>Cash flow from operating activities</b>			
Net income (loss)	-113,322	-925,975	-31,406
<b>Reconciliation of net income to net cash provided by operating activities:</b>			
Depreciation and amortization	55,301	55,521	76,241
Estimated loss on doubtful accounts	1,201	1,864	0
Proceeds from the sale of fixed assets	282	1,393	837
Fair value of biological assets	13,520	-11,894	-10,909
Realization of deferred taxes – temporary differences	-5,072	-556,705	-15,705
Financial charges	240,987	242,326	215,675
FX variation – not realized	-11,781	962,299	40,345
Monetary correction	42,357	0	-20,485
Provision for contingencies	-426	-45,171	-3,561
Accounts receivable from clients and other receivables	-96,395	11,766	200,879
Inventories	-12,910	67,606	-55,697
Biological assets	-8,419	-21,944	-22,624
Taxes recoverable	13,949	34,895	130,560
Deferred taxes	0	470,344	0
Judicial deposits	-434	224	-3,159
Suppliers	49,578	74,432	-86,811
Labor and tax liabilities	18,008	34,624	22,656
Other payables	135,966	154	-197,495
<b>Cash flow from operating activities</b>	<b>322,390</b>	<b>395,759</b>	<b>239,341</b>
<b>Cash flow from investing activities</b>			
Acquisition of intangible assets	11,413	-3,950	-2,668
Acquisition of fixed assets	-105,505	-46,876	-25,181
<b>Cash flow from investing activities</b>	<b>-94,092</b>	<b>-50,826</b>	<b>-27,849</b>
<b>Cash flow from financing activities</b>			
Loans and financing raised	413,201	1,058,461	139,634
Loans and financing settled	-1,332,332	-937,195	-893,786
Commercial leasing	-7,536	0	-1,671
Capital payment in cash	209	0	65
<b>Cash flow from financing activities</b>	<b>-926,458</b>	<b>121,266</b>	<b>-755,758</b>
FX variation on cash and cash equivalents	-76,946	-144,550	10,299
<b>Net increase/decrease in cash and cash equivalents</b>	<b>-775,106</b>	<b>321,649</b>	<b>-533,967</b>
Cash and cash equivalents			
Beginning of period	3,863,018	3,877,315	4,396,985
End of period	3,087,912	4,198,964	3,863,018
<b>Net increase/decrease in cash and cash equivalents</b>	<b>-775,106</b>	<b>321,649</b>	<b>-533,967</b>

**APPENDIX 4 – EXCHANGE RATE**

	2Q19	2Q18	1Q19
(USD- Closing)			
<b>Brazil (BRL/USD)</b>	3.93	3.88	3.92
<b>Paraguay (PYG/USD)</b>	6,361.00	5,693.20	6,187.00
<b>Uruguay (UYU/USD)</b>	34.99	31.49	33.47
<b>Argentina (ARS/USD)</b>	45.07	28.94	43.39
<b>Colombia (COP/USD)</b>	3,293.00	2,932.13	3,188.38