INDUSTRY OVERVIEW
3Q21

Barretos, October 29, 2021 – 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. The Company currently has a daily slaughtering capacity of 26,180 head of cattle and a daily beef deboning capacity equivalent to 27,800 head of cattle. Present in Brazil, Paraguay, Argentina, Uruguay and Colombia, Minerva operates 25 slaughter and deboning plants and 3 processing plants.

HIGHLIGHTS BY COUNTRY

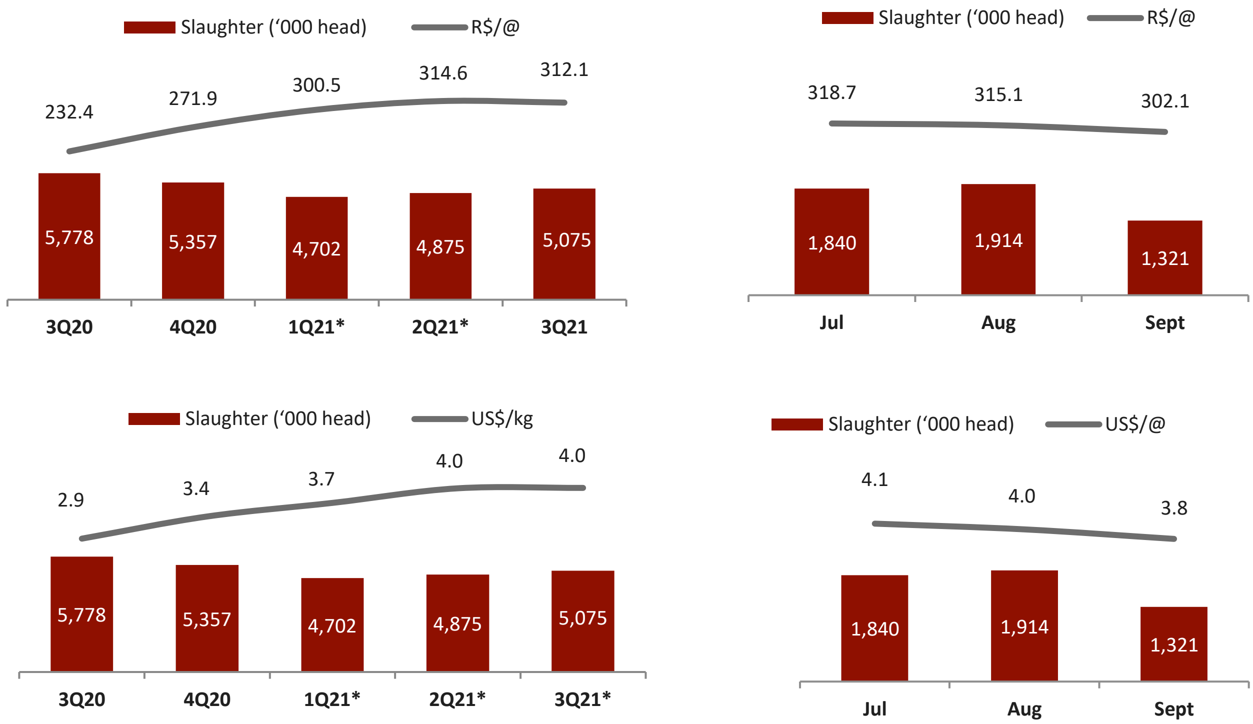
Brazil

Cattle Supply

In the third quarter of 2021, around 5.1 million head of cattle were slaughtered in Brazil, up 4% quarter on quarter.

The *arroba* price (indicator: Finished Cattle Esalq/BM&F - state of São Paulo) averaged R$312.1/@. But at the end of September, it averaged R$302.1/@ – a downward trend as a result of restricted exports to China. Average cattle price in dollars remained stable at US$4.0/kg.

Figures 1, 2, 3 and 4 – Cattle Slaughter and Average Cattle Price – R$/@ and US$/kg



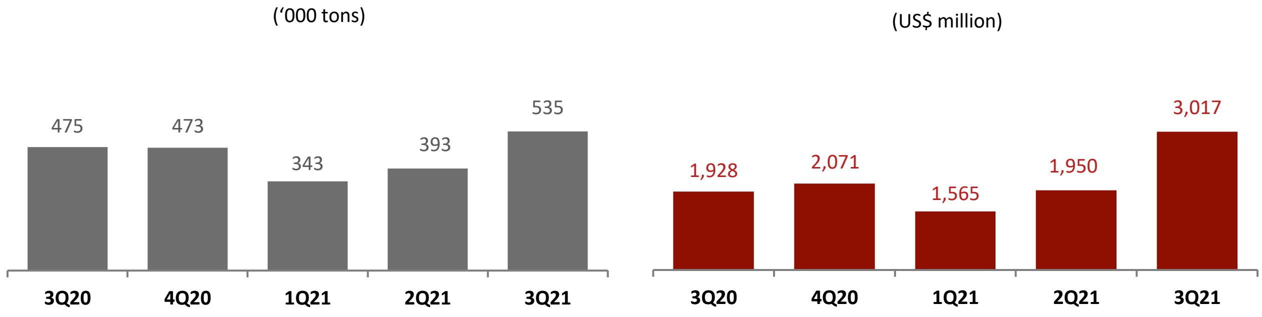
Source: Ministry of Agriculture, Livestock and Supply, CEPEA/ESALQ |

** 1Q21, 2Q21 and 3Q21 projections made by the Company, official data not yet available.*

Export Market

Brazilian beef exports totaled 535,000 tonnes, up by 36% quarter on quarter and by 13% year on year in the third quarter of 2021. Export revenue came to US$3.0 billion in the quarter, a strong growth of 55% quarter on quarter and of 56% year on year. In 9M21, revenue from exports totaled US$6.5 billion.

Figures 5 and 6 – Fresh Beef Exports



Source: Ministry of Development, Industry and Foreign Trade | Preliminary Export Data

In the third quarter of 2021, beef price in dollars averaged US$5.6/kg, up by 14% over 2Q21 and by 39% year on year. In reais, beef price for the quarter averaged R$29.4/kg, up by 12% quarter on quarter and by 35% year on year.

Figure 7 – Average Fresh Beef Price

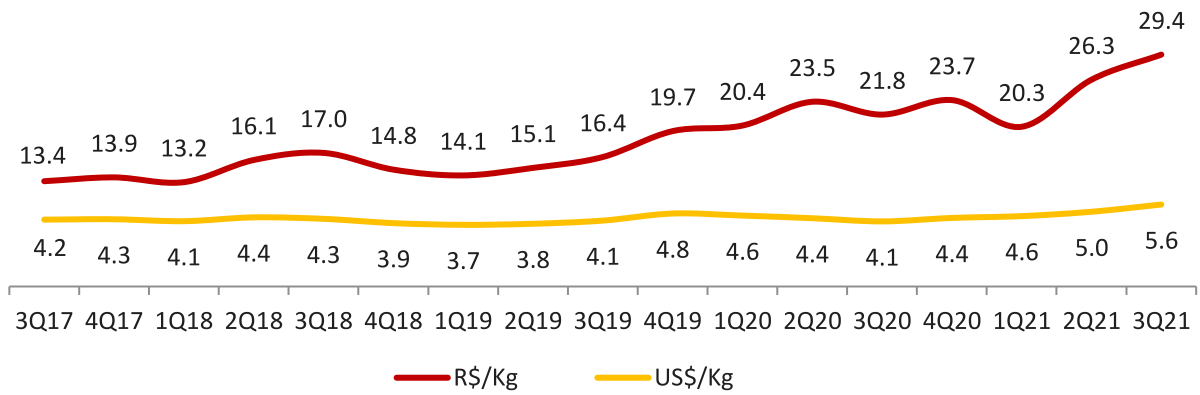
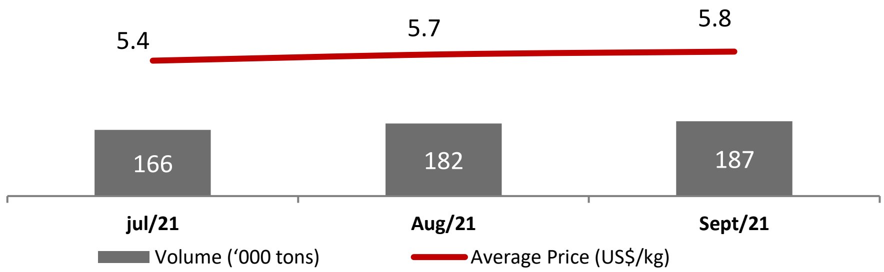


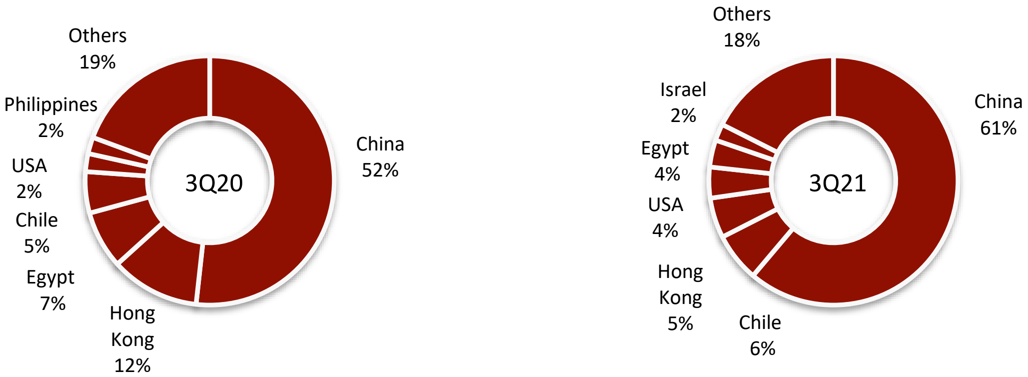
Figure 8 – Brazilian Fresh Beef Exports



Source: Ministry of Development, Industry and Foreign Trade

In 3Q21, China continued to be the main destination of Brazilian beef exports, accounting for a 61% share, despite the restrictions imposed in September. Chile was the second main destination, accounting for a 6% share of exports. Hong Kong was the third main destination, with a 5% share of the total exports, followed by the United States with a 4% share of the Brazilian beef exports.

Figures 9 and 10 – Export Destinations (% of Revenue)

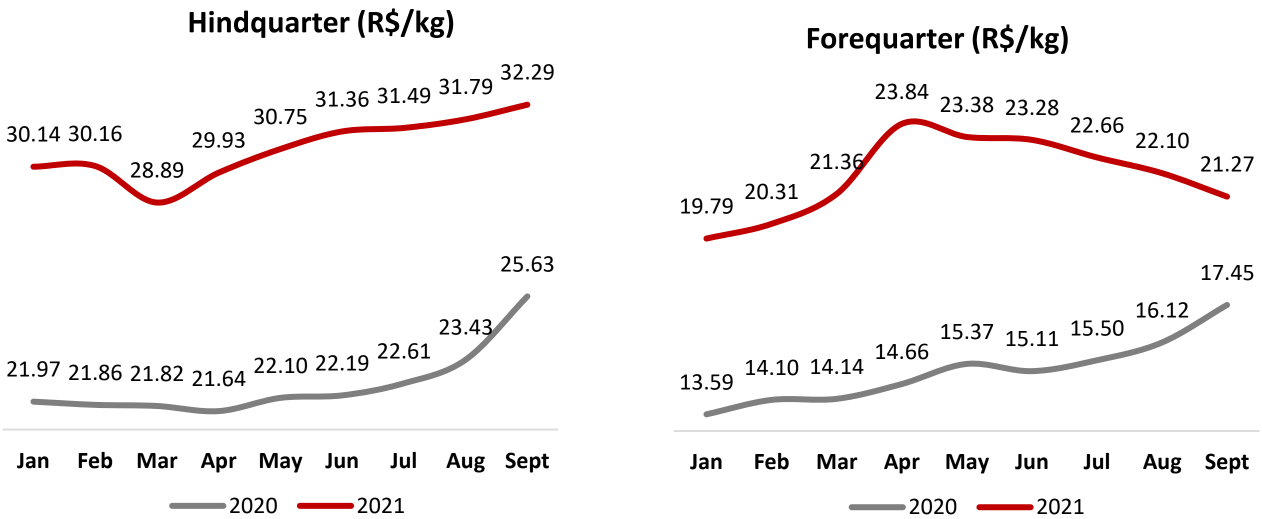


Source: Ministry of Development, Industry and Foreign Trade

Domestic Market

The Brazilian domestic market continued to see a rise in cut prices year on year in 3Q21, as shown in figures 11 and 12, due to the food inflation in the country, which had a direct impact on beef prices.

Figures 11 and 12 – Forequarter and Hindquarter Cut Prices



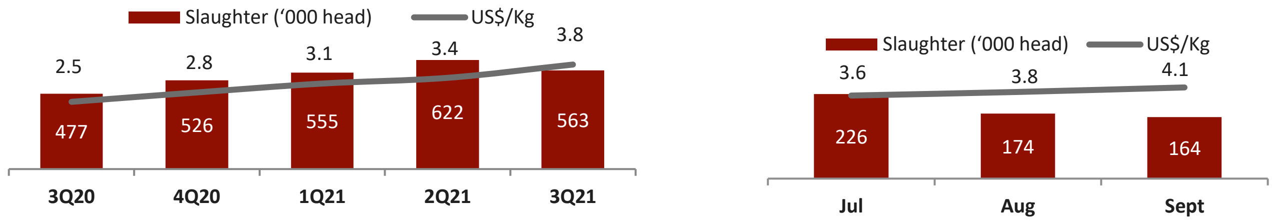
Source: Scot Consultoria

Paraguay

Cattle Supply

In 3Q21, 563,000 head of cattle were slaughtered in Paraguay, down by 10% quarter on quarter, due to the drought season over the past months. In the annual comparison, slaughters in the country showed an increase of 18%. The average price of cattle in 3Q21 was US$ 3.8/kg.

Figures 13 and 14 – Cattle Slaughter and Average Cattle Price



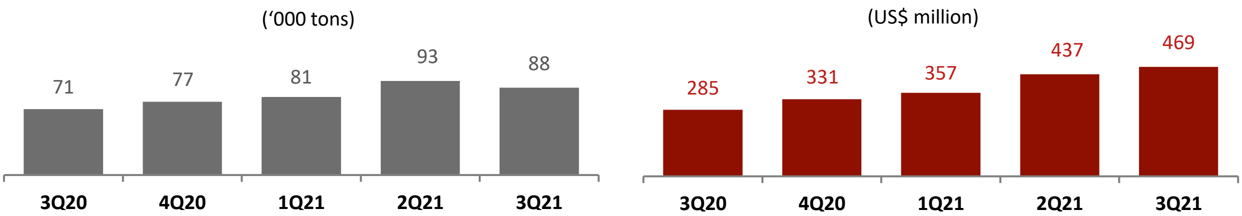
Source: OCIT – Oficina Consultiva y de Investigación Técnica | 3Q21 Preliminary Data

Export Market

Paraguayan beef exports reached 88,000 tonnes, up 23% year on year in the third quarter of 2021. Export revenue totaled US$469 million in the third quarter, up by 64% year on year and by 7% quarter on quarter, due to the strong international demand.

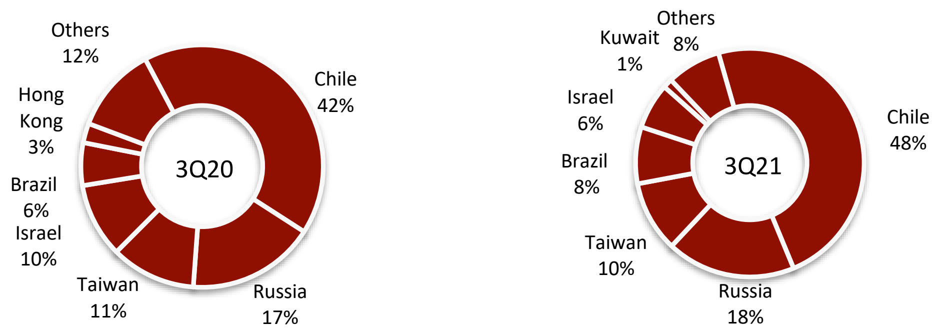
In 3Q21, Chile remained as the main destination of Paraguayan beef exports, accounting for a 48% share of total. Russia came in second, accounting for 18% of total exports, and Taiwan was the third main destination of said exports, accounting for 10% of total.

Figures 15 and 16 – Fresh Beef Exports



Source: OCIT – Oficina Consultiva y de Investigación Técnica

Figures 17 and 18 – Export Destinations (% of Revenue)



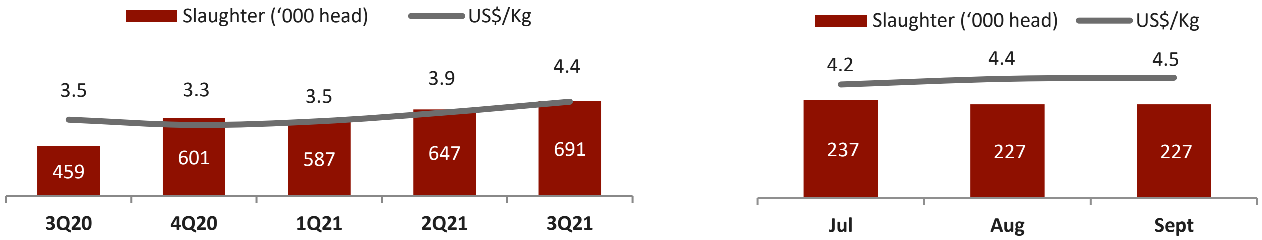
Source: OCIT – Oficina Consultiva y de Investigación Técnica

Uruguay

Cattle Supply

In 3Q21, 691,000 head of cattle were slaughtered in Uruguay, up by 7% quarter on quarter and by strong 50% year on year, reflecting the growing availability of Uruguayan herd. Cattle prices averaged at US$4.4/kg in the third quarter of 2021.

Figures 19 and 20 – Cattle Slaughter and Average Cattle Price



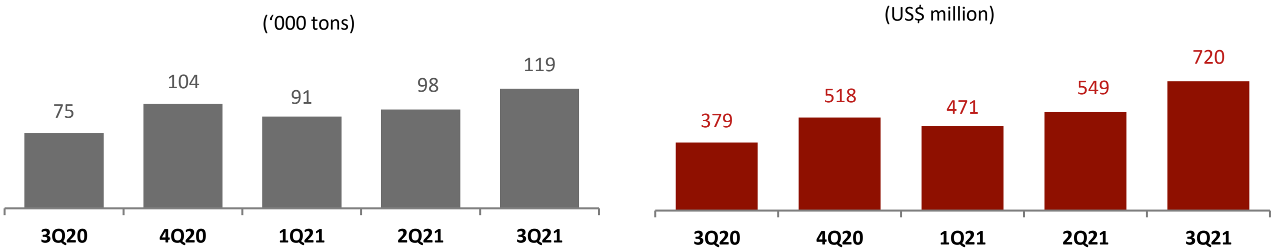
Source: INAC

Export Market

Uruguayan exports totaled 119,000 tonnes in the third quarter of 2021, up by 21% quarter on quarter and by strong 59% year on year. Revenue was US$720 million in 3Q21, an increase of 31% over the previous quarter and of impressive 90% over 3Q20.

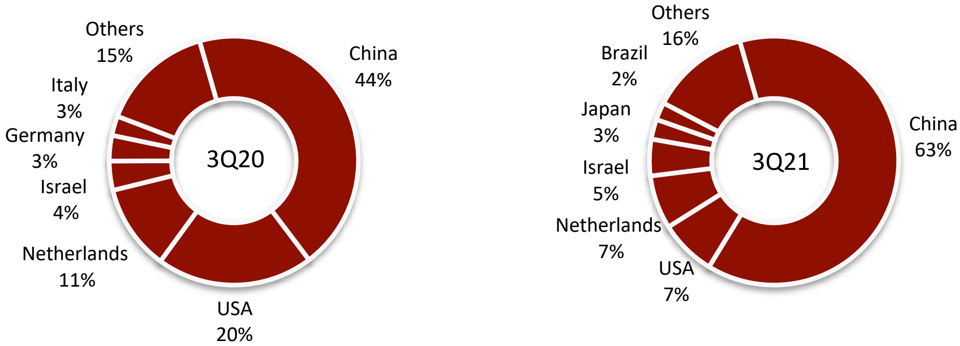
China was the main destination of Uruguayan exports, accounting for a 63% share, benefited by the Chinese restrictions on Brazilian beef, followed by the USA and the Netherlands that accounted for a 7% share. The fourth main destination of said exports was Israel, with a 5% share of the total.

Figures 21 and 22 – Fresh Beef Exports



Source: Penta-transaction

Figures 23 and 24 – Export Destinations (% of Revenue)



Source: Penta-transaction

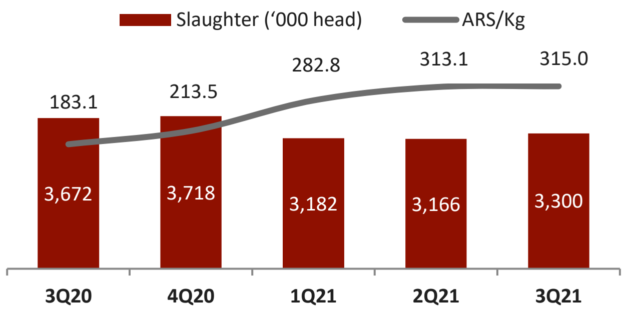
Argentina

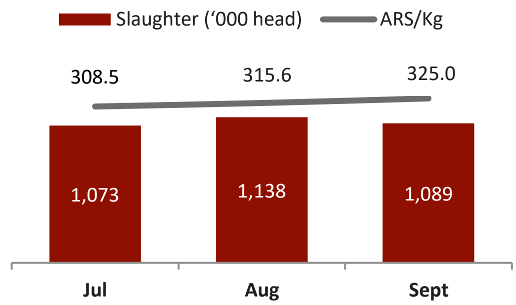
Cattle Supply

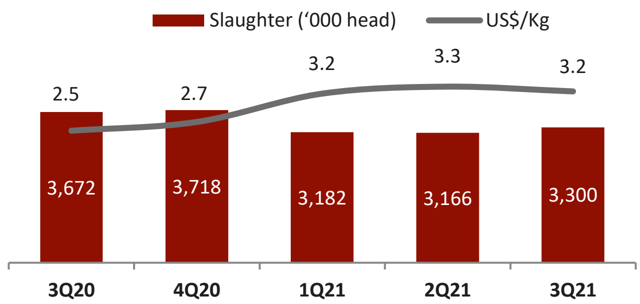
In 3Q21, 3.3 million head of cattle were slaughtered in Argentina, a slight increase of 4% over the previous quarter and a decrease of 10% over 3Q20.

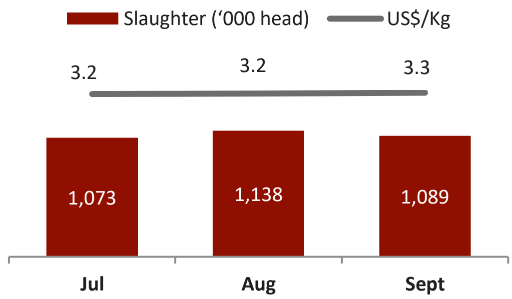
The average price of cattle in Argentina reached ARS$315.0/kg. Cattle prices in dollars remained stable at US$3.2/kg.

Figures 25, 26, 27 and 28 – Cattle Slaughter and Average Cattle Price – ARS/kg and US$/kg







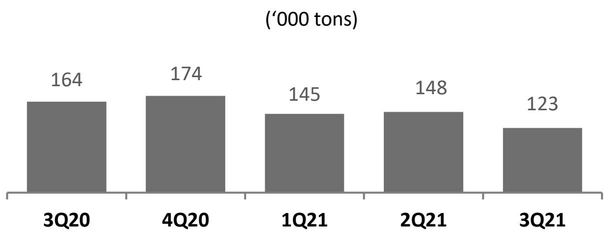


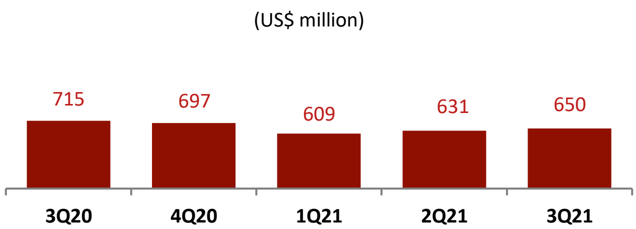
Source: ABC Consortium | 3Q21 Preliminary Data

Export Market

Argentine exports totaled 123,000 tonnes in the third quarter. Export revenue reached US$650 million in 3Q21, up 3% quarter on quarter.

Figures 29 and 30 – Fresh Beef Exports

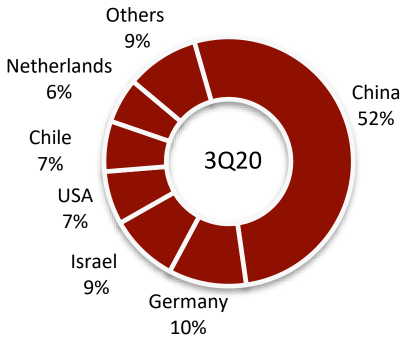


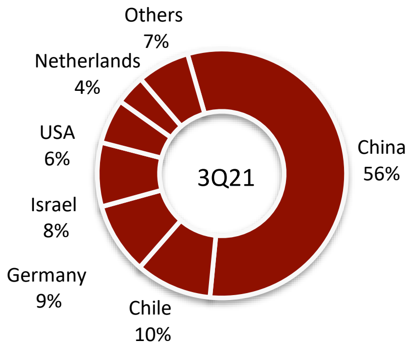


Source: IPCVA – Instituto de Promoción de La Carne Vacuna Argentina | 3Q21 Preliminary Data

As the main destination of Argentine beef exports, China accounted for a 56% share of total in 3Q21, also impacted by restrictions imposed on Brazil. Chile, in turn, reached 10% of exports, being the second largest destination, followed by Germany with 9%, Israel with 8% and the United States with 6% share.

Figures 31 and 32 – Export Destinations (% of Revenue)





Source: *INDEC - Instituto Nacional de Estadística y Censos | 3Q21 Preliminary Data*

Domestic Market

In the quarter, the Argentine domestic market remained affected by the economic recession the country slipped into a few years ago. As a result, Argentine purchasing power ends up under pressure, encouraging a shift to lower-valued added products, such as breaded products, sausages and hamburgers.