

# INDUSTRY OVERVIEW

## 4Q23 & 2023

**Barretos, March 20, 2024** – 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 30,740 head of cattle through its presence in Brazil, Paraguay, Argentina, Uruguay, and Colombia. Minerva operates 26 cattle slaughter and deboning plants and 3 processing plants, in addition to 4 sheep plants in Australia.

### HIGHLIGHTS BY COUNTRY

#### Brazil

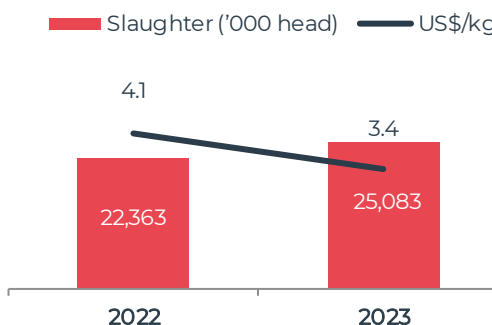
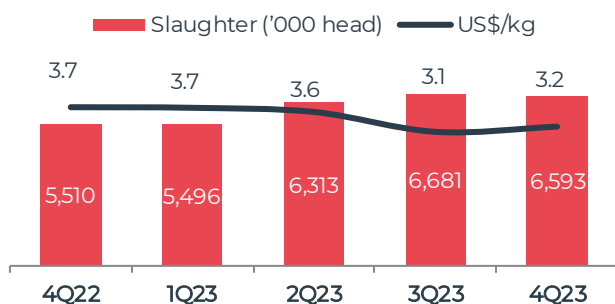
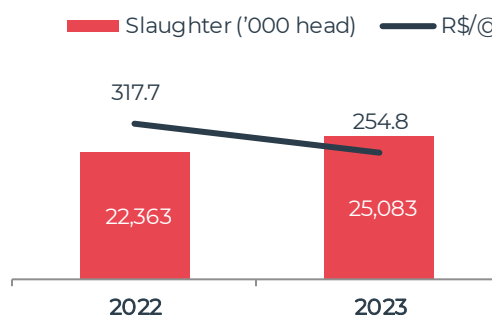
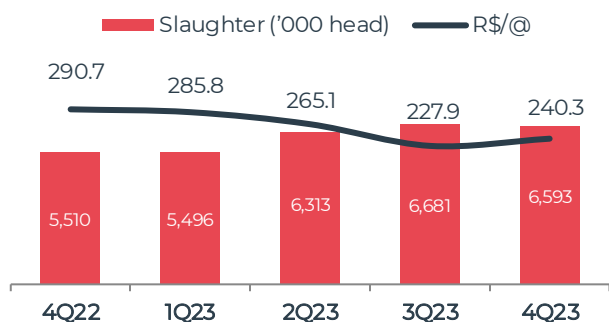
##### Cattle Supply

In 4Q23, approximately 6.6 million head of cattle were slaughtered in Brazil, flat over the previous quarter and up by 20% over 4Q22. In 2023, more than 25 million head of cattle were slaughtered, 12% higher than in 2022.

The arroba price (indicator: Finished Cattle ESALQ/BM&F - state of São Paulo) in 4Q23 averaged R\$240.3/@, down by 17% year on year. Average cattle prices in dollars reached US\$3.2/kg in the quarter, down by 12% over 4Q22.

In 2023, the arroba price averaged R\$254.8/@, down by 20% compared to 2022. Average cattle prices in dollars reached US\$3.4/kg, down by 17% year on year.

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



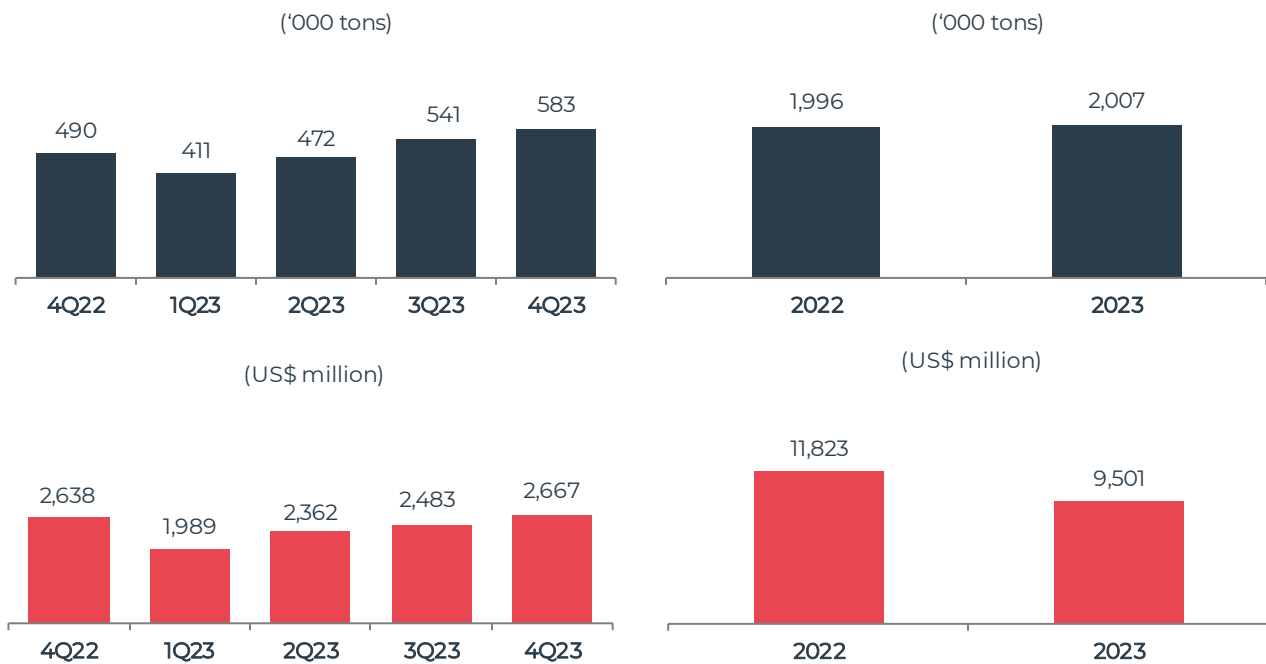
Source: Ministry of Agriculture, Livestock and Supply, CEPEA/ESALQ

**Export Market**

In 4Q23, Brazilian beef exports reached 583 thousand tons, growing by 19% compared to 4Q22, and by 8% over 3Q23. In 2023, exports totaled approximately 2 million tons, flat year on year, confirming the positive scenario for beef demand in the international market.

Export revenue reached US\$2.7 billion in 4Q23, flat year on year, and increased by 7% from 3Q23. In 2023, export revenue was approximately US\$9.5 billion, reflecting the lower price levels in the market.

**Figures 5, 6, 7 and 8 – Fresh Beef Exports**



Source: Ministry of Development, Industry, and Foreign Trade

In 4Q23, the average beef price in dollars reached US\$4.6/kg, flat over 3Q23. In reais, beef price averaged R\$22.8/kg in the quarter, also solid quarter on quarter.

**Figure 9 – Average Fresh Beef Price**

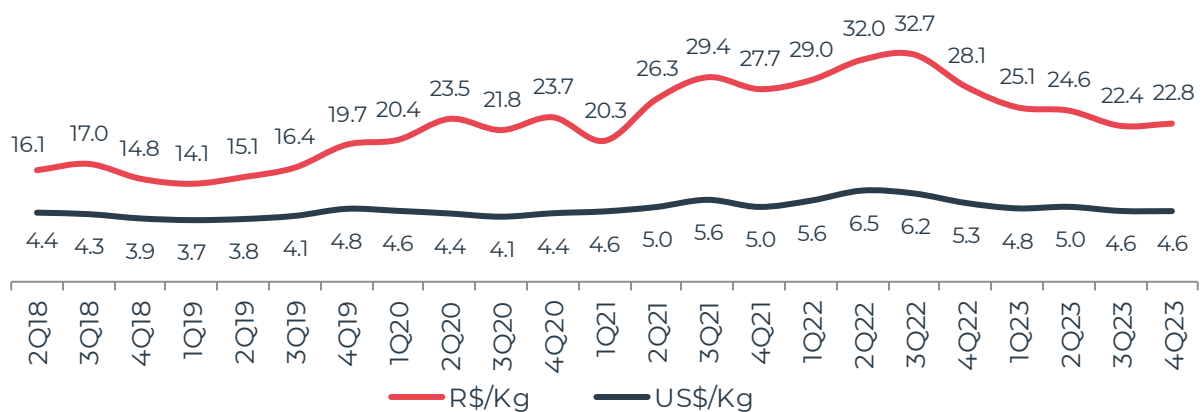
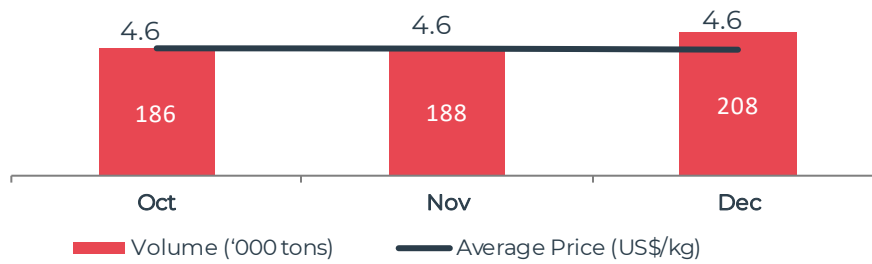


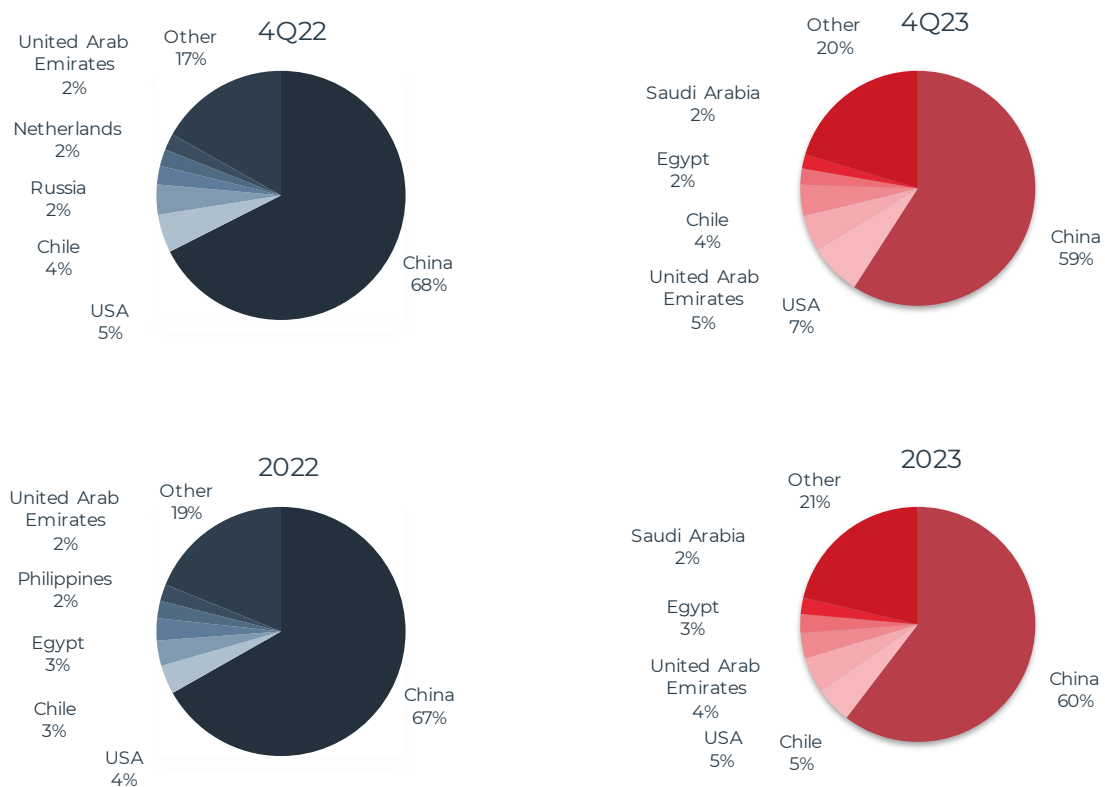
Figure 10 – Brazilian Fresh Beef Exports



Source: Ministry of Development, Industry, and Foreign Trade

China remained as the main export destination for Brazilian beef, with a 59% market share in the quarter and 60% of total exports in the year. Chile was the second main export destination for Brazilian beef in 2023, with 5% of total exports, followed by the United States with 5%. In 4Q23, the United States was the second main export destination, with 7% of total exports, followed by the United Arab Emirates with 5%.

Figures 11, 12, 13 and 14 – Export Destinations (% of Revenue)



Source: Ministry of Development, Industry, and Foreign Trade

## Domestic Market

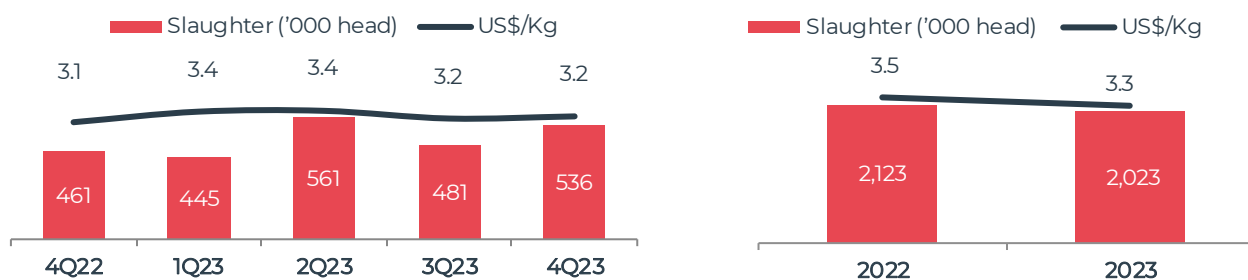
The seasonality of the domestic market in the fourth quarter was marked by an increase in volume consumed. The large availability of animals ready for slaughter, due to the positive cattle cycle, contributes to stability in beef prices, which ultimately encouraged a higher level of beef consumption in the internal market.

## Paraguay

### Cattle Supply

In Paraguay, a total of 536 thousand head of cattle were slaughtered in 4Q23, up by 11% and 16% compared to 3Q23 and 4Q22, respectively. In 2023, slaughter reached 2 million heads, flat year on year. It is worth remembering that in the third quarter, Paraguay suffered from climate problems that significantly dropped the level of slaughter in the period. In 4Q23, average cattle prices were US\$3.2/kg, flat in relation to the previous quarter. The average cattle price in 2023 was US\$3.3/kg, down by 6% compared to 2022.

**Figures 15 and 16 – Cattle Slaughter and Average Cattle Price**



Source: OCIT – Oficina Consultiva y de Investigación Técnica

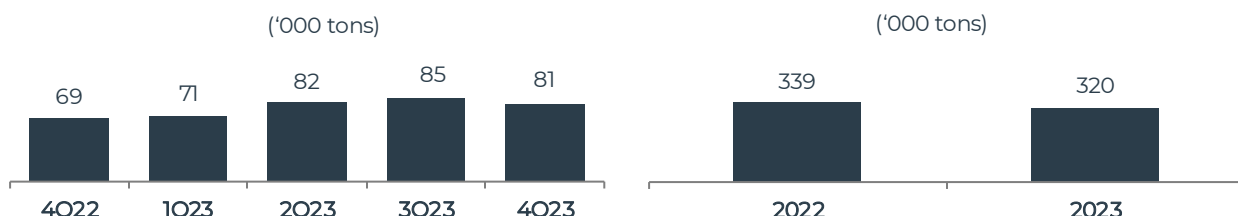
### Export Market

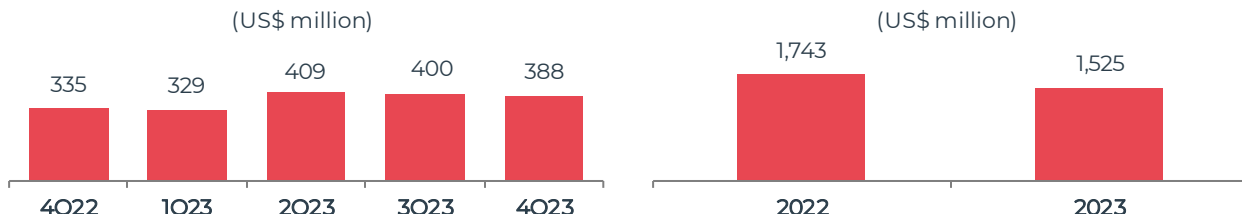
Paraguayan beef exports totaled 81 thousand tons in 4Q23 and 320 thousand tons in 2023, with the country's export revenue reaching US\$388 million in the quarter and US\$1.5 billion in the year, up by 16% in the annual comparison.

Chile was the main destination for Paraguayan beef exports in the quarter and in the year, accounting for 48% and 44% of total exports, respectively. Taiwan was the second main export destination for Paraguayan beef in 2023, with 13%, followed by Brazil with a share of 11%. In 4Q23, the second main export destination was Brazil, with 11%, followed by Hong Kong with 9%.

At the end of 2023, through the *Servicio Nacional de Calidad y Salud Animal*, Paraguay announced the approval of the sanitary protocol for opening the U.S. market to the export of Paraguayan beef. With approximately 340 million inhabitants, the United States is a significant consumer market for premium beef. In 2022, the country imported over 1.5 million tons of beef, making it the world's second-largest beef importer.

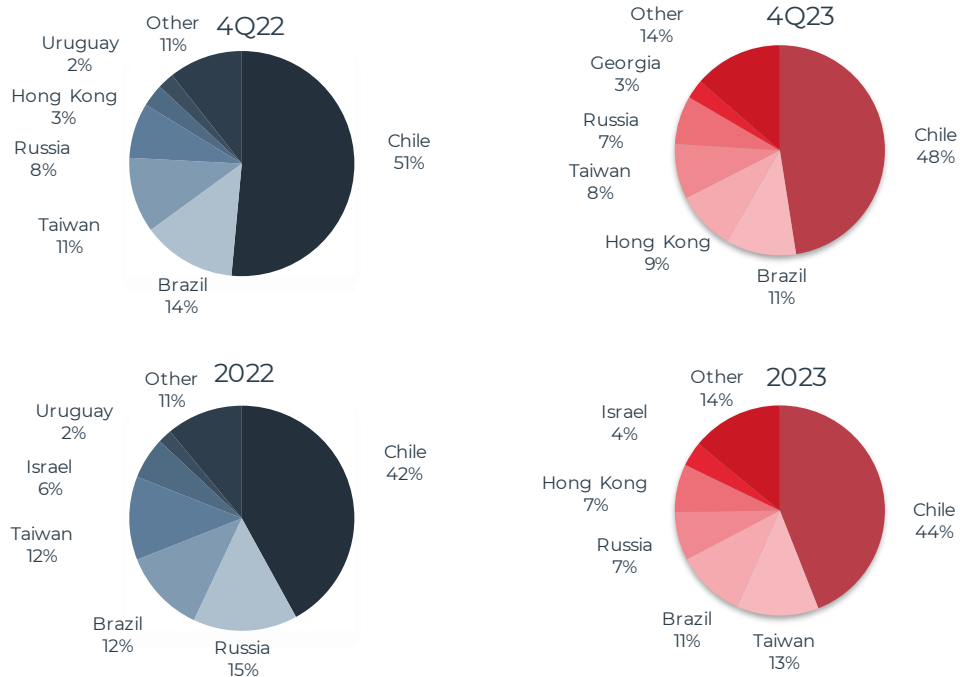
**Figures 17, 18, 19 and 20 – Fresh Beef Exports**





Source: DNA – Direccion Nacional de Aduanas

**Figures 21, 22, 23 and 24 – Export Destinations (% of Revenue)**



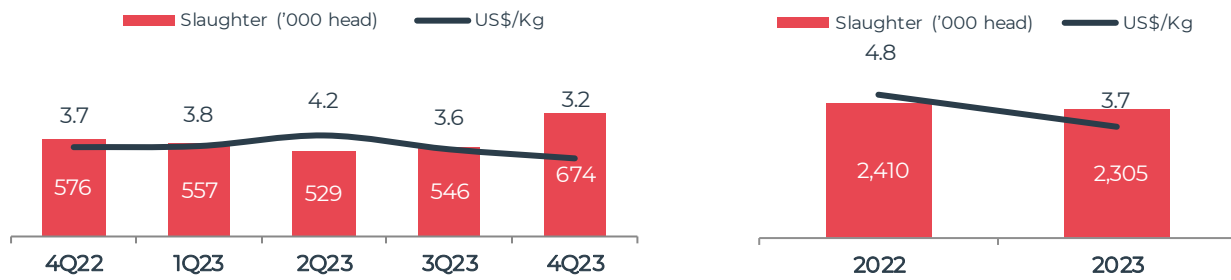
Source: DNA - Direccion Nacional de Aduanas

## Uruguay

### Cattle Supply

In 4Q23, a total of 674 thousand head of cattle were slaughtered in Uruguay, a significant 24% increase from the previous quarter and up by 17% year on year. In 2023, a total of 2.3 million head of cattle were slaughtered in the country. In 4Q23, the average price of cattle was US\$3.2/kg, down by 10% from 3Q23 and by approximately 13% in the annual comparison. In 2023, the average price of cattle for the year was US\$3.7/kg, a significant 22% drop over 2022. This reduction reflects the positive outlook for the cattle cycle in the region over the coming quarters.

Figures 25 and 26 – Cattle Slaughter and Average Cattle Price



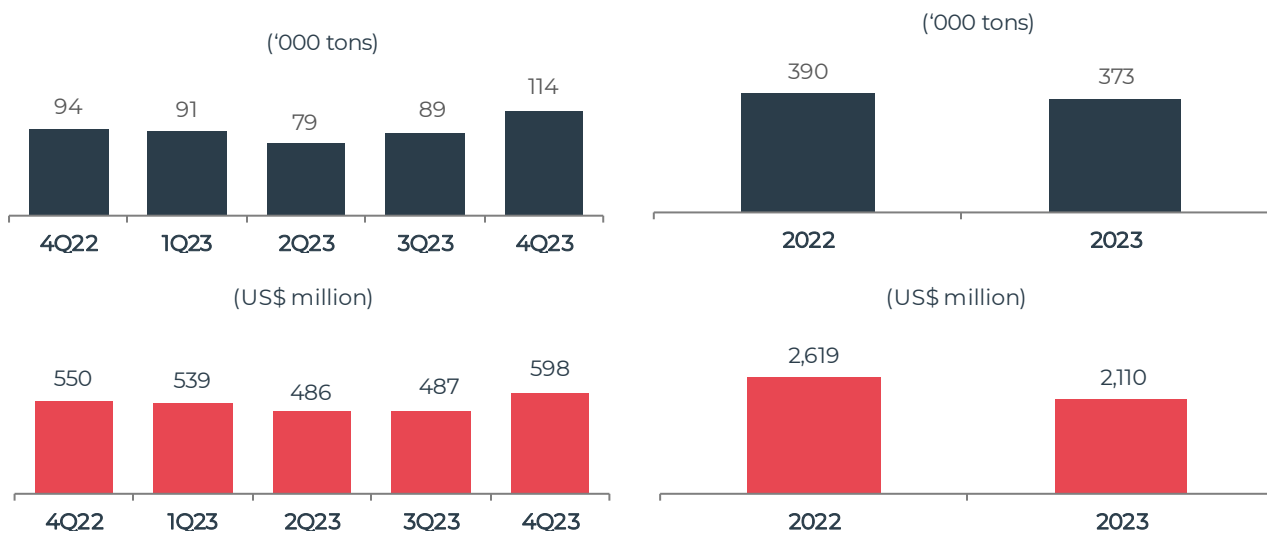
Source: INAC

### Export Market

Uruguayan beef exports totaled 114 thousand tons in the fourth quarter of 2023, a strong 28% increase from the previous quarter, and up by 20% over 4Q22. The export revenue was US\$598 million in the quarter, a considerable 23% growth quarter on quarter and up by 9% year on year. Export revenue totaled US\$2.1 billion in the year.

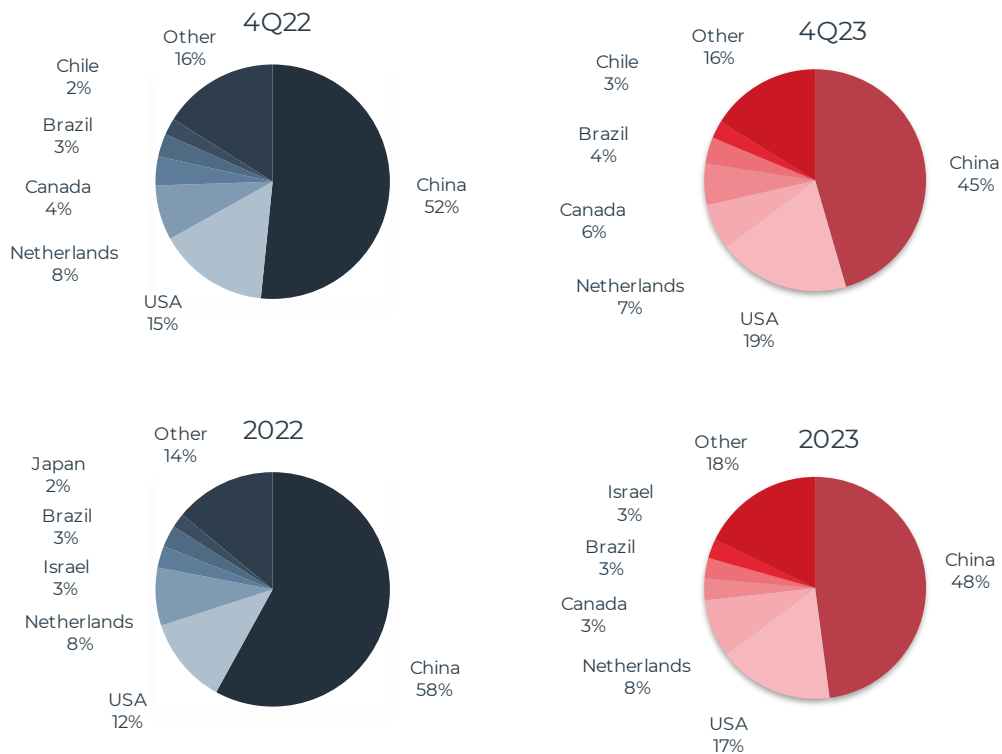
China remained the main export destination for Uruguayan beef, with 45% of exports in the quarter and 48% of total exports in the year. The United States was the second export market in 2023, accounting for 19% in the quarter and 17% in the year. The Netherlands was the third export market, with a share of 7% in the quarter and 8% in the year.

Figures 27, 28, 29 and 30 – Fresh Beef Exports



Source: Penta-transaction

Figures 31, 32, 33 and 34 – Export Destinations (% of Revenue)



Source: Penta-transaction

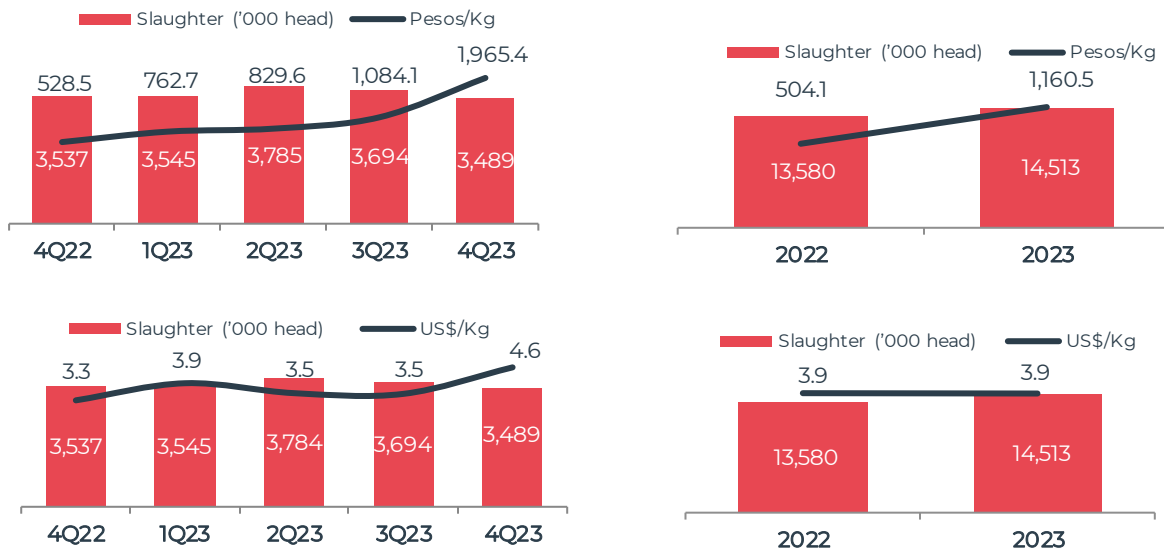
## Argentina

### Cattle Supply

In 4Q23, cattle slaughter in Argentina totaled 3.5 million heads. The average price of cattle in the period reached ARS\$1,965.4/kg. In the year, slaughter reached 14.5 million head of cattle, up by 7% over 2022, while the average price totaled ARS\$1,160.5/kg. It is worth remembering that the country has suffered with a hyperinflationary economy and currency devaluation.

Average cattle prices in dollars reached US\$3.9/kg in 2023, flat over the previous year. In 4Q23, the average price in dollars was US\$4.6/kg.

**Figures 35, 36, 37, and 38 – Cattle Slaughter and Average Cattle Price – ARS\$/kg and US\$/kg**

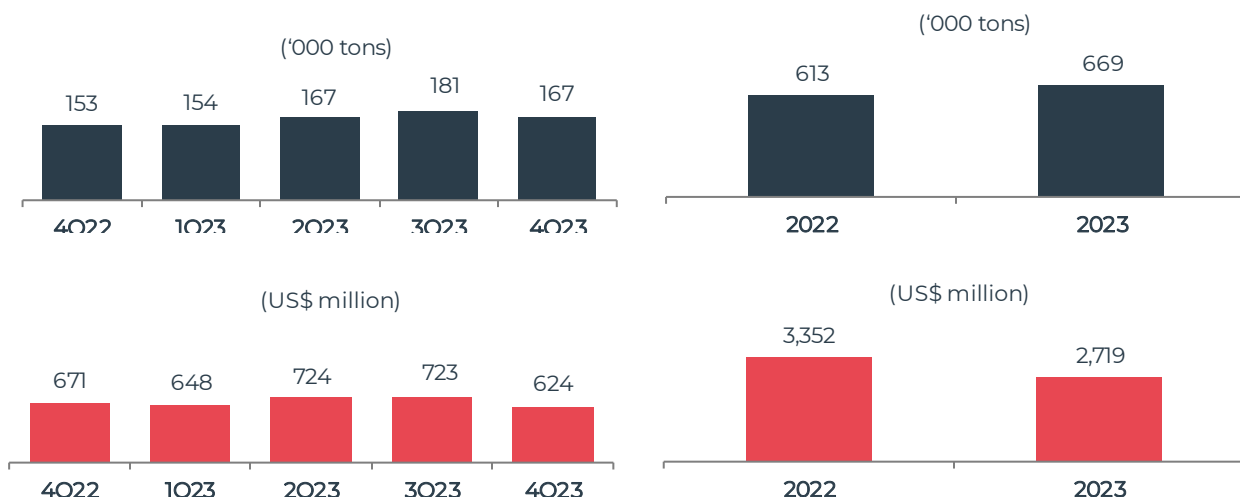


Source: ABC-consorcio

## Export Market

In the fourth quarter of 2023, Argentine exports reached 167 thousand tons, up by 10% over the same quarter in 2022. In the year, a total of 669 thousand tons of beef was exported, 9% higher than in 2022. The country's export revenue reached US\$624 million in 4Q23, surpassing US\$2.7 billion in the year.

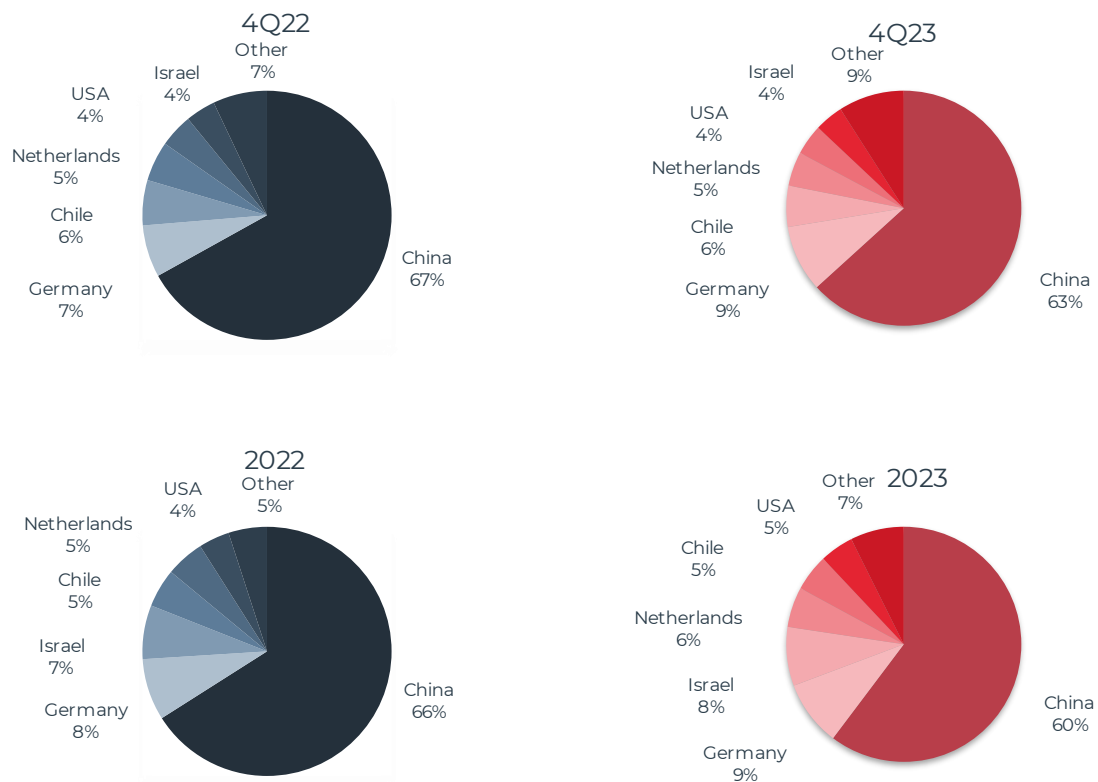
**Figures 39, 40, 41 and 42 – Fresh Beef Exports**



Source: INDEC | 3Q23 Preliminary Data

China represented 63% of Argentina's total exports in 4Q23, remaining the country's main beef export destination, followed by Germany and Chile, with a share of 9% and 6%, respectively. In 2023, China maintained its position as the main export destination, with 60%, followed by Germany with 9%, and Israel with 8% of the share.

Figures 43, 44, 45 and 46 – Export Destinations (% of Revenue)



Source: INDEC - Instituto Nacional de Estadística y Censos | 4Q23 Preliminary Data

### Domestic Market

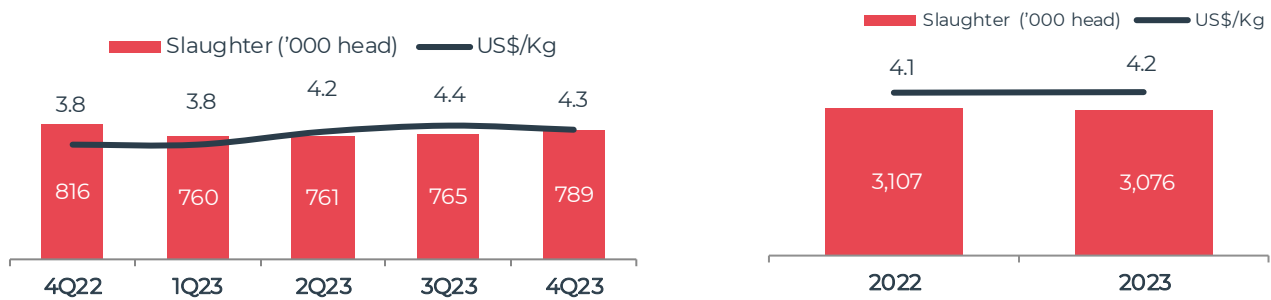
The domestic market in Argentina continues to be impacted by the country's economic crisis, putting pressure on the local population's purchasing power and, consequently, lowering fresh beef consumption in the internal market.

## Colombia

### Cattle Supply

In 4Q23, a total of 789 thousand head of cattle were slaughtered in Colombia, 3% higher than in 3Q23, reaching 3.1 million head in the year. Average cattle prices totaled US\$4.3/kg in 4Q23, reducing by 3% from the previous quarter. Average cattle prices in 2023 was US\$4.2/kg, practically flat compared to the previous year.

Figures 47 and 48 – Cattle Slaughter and Average Cattle Price



Source: DANE – Departamento Administrativo Nacional de Estadísticas e Feira de Medellín | 4Q23 Preliminary Data

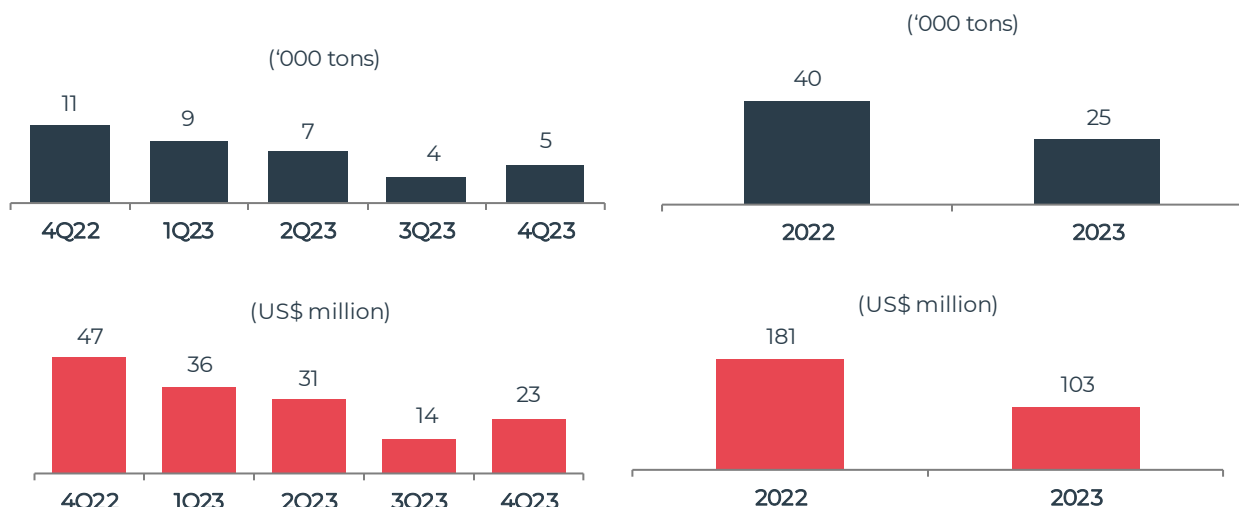
### Export Market

Colombian beef exports totaled approximately 5 thousand tons in 4Q23, with revenue of US\$23 million, increasing by 53% in volume and 62% in revenue compared to the previous quarter. In the year, a total of 25 thousand tons of Colombian beef were exported, with a total revenue of US\$103 million.

Russia remained as the main destination for Colombian beef exports in 4Q23, accounting for 57% of total exports, followed by Chile, with a market share of 30%, and Egypt, with 4% of Colombian beef exports. Russia, Chile, and Egypt were also the top three destinations in 2023, with shares of 44%, 21%, and 9%, respectively.

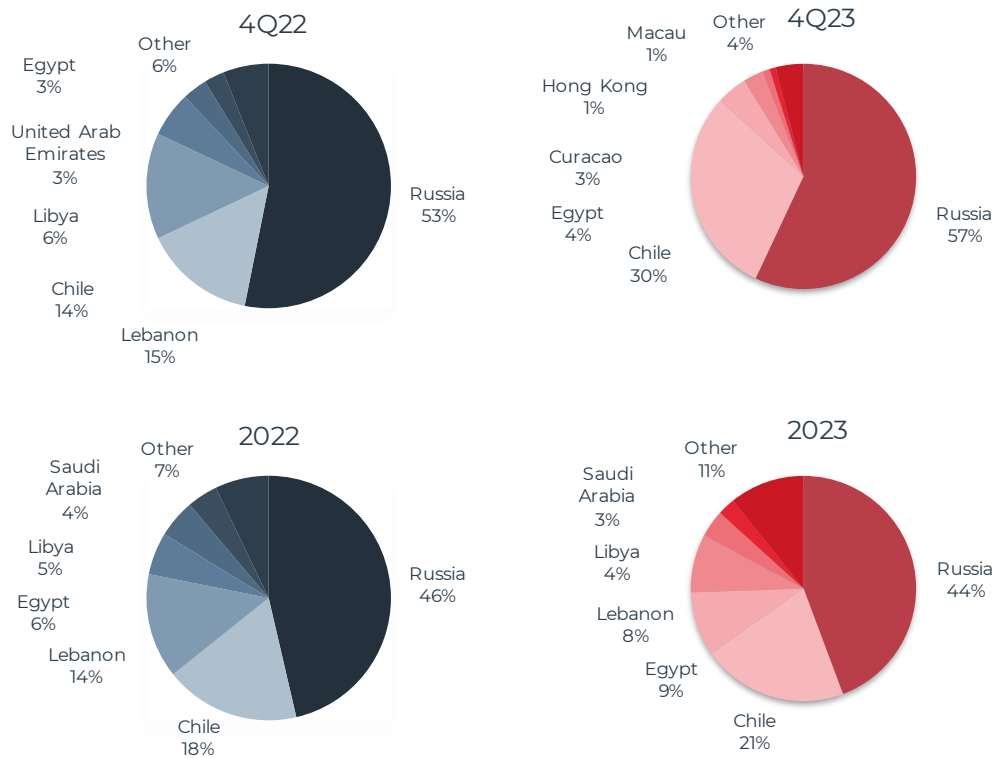
At the end of 2023, the country took an important step with the approval of the sanitary protocol for opening the Chinese market to the export of Colombian beef.

Figures 49, 50, 51 and 52 – Fresh Beef Exports



Source: LEGISCOMEX / 4Q23 Preliminary Data

Figures 53, 54, 55 and 56 – Export Destinations (% of Revenue)



Source: LEGISCOMEX / 4Q23 Preliminary Data

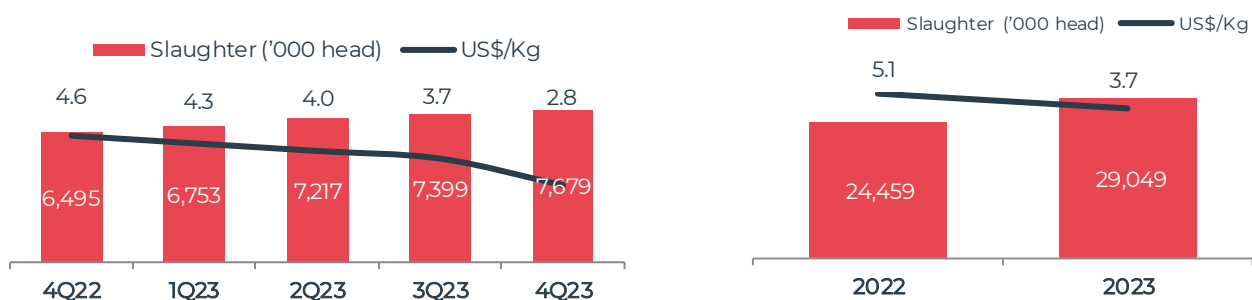
## Australia

### Sheep Supply

In 4Q23, a total of 7.7 million head of sheep were slaughtered in Australia, up by 4% quarter on quarter and by 18% year on year. Average sheep prices were US\$2.8/kg in 4Q23, down by 26% from the previous quarter and by 39% over 4Q22, reflecting the strong availability of sheep ready for slaughter in the region.

In the year, slaughter totaled 29 million head of sheep, increasing by 19% over 2022. Average sheep prices reached US\$3.7/kg, down by 27%.

Figures 57 and 58 – Sheep Slaughter and Average Price

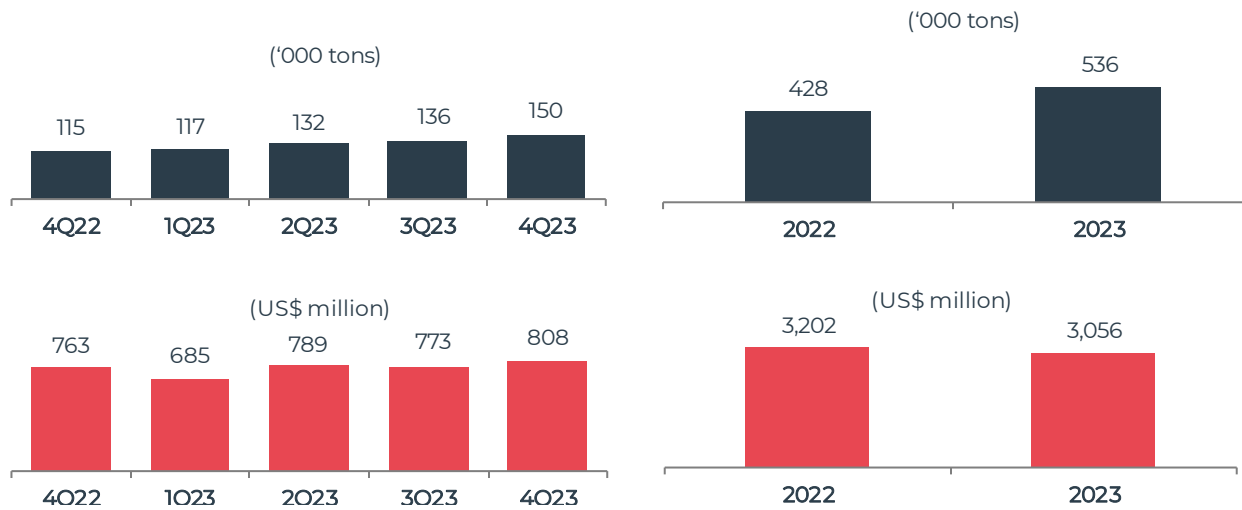


Source: MLA – Meat & Livestock Australia| 4Q23 Preliminary Data

**Export Market**

Australian sheep meat exports reached 150 thousand tons in the fourth quarter of 2023, up by 10% quarter on quarter and by 31% year on year. Export revenue totaled US\$808 million, also increasing quarter on quarter and year on year, by 4% and 6%, respectively. At the end of 2023, Australia reached 536 thousand tons in sheep meat exports, up by 25% from 2022.

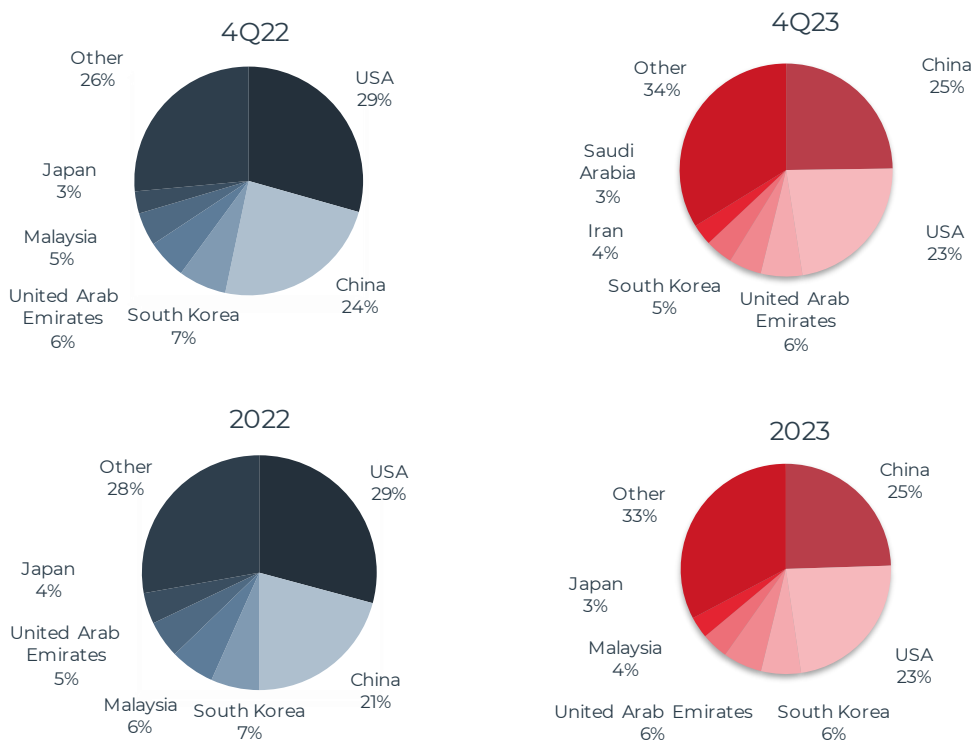
**Figures 59, 60, 61 and 62 – Fresh Beef Exports**



Source: TDM – Trade Data Monitor and DAFF – Department of Agriculture, Fisheries and Forestry | 4Q23 Preliminary Data

China accounted for 25% of Australian exports in 4Q23, surpassing the United States, which had a share of 23%. The United Arab Emirates was the third main export destination, with a share of 6% in the quarter. In 2023, China and the United States also represented 25% and 23% of the country's exports, respectively, followed by South Korea, with 6% in the period.

**Figures 63, 64, 65 and 66 – Export Destinations (% of Revenue)**



Source: TDM – Trade Data Monitor | 4Q23 Preliminary Data