INDUSTRY OVERVIEW
1Q21

Barretos, May 3, 2021 – Minerva Foods is the South American leader in beef exports and also operates in the processed foods segment, selling its products to over 100 countries. Currently, the Company 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

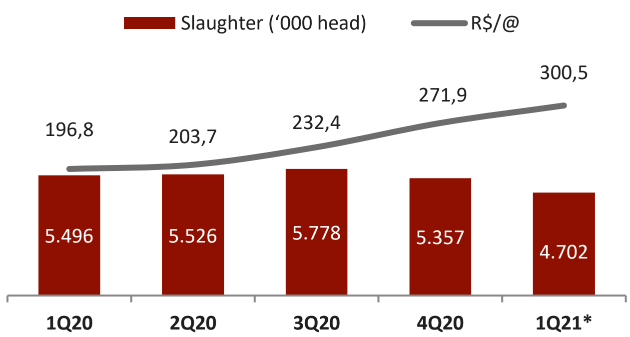
Brazil

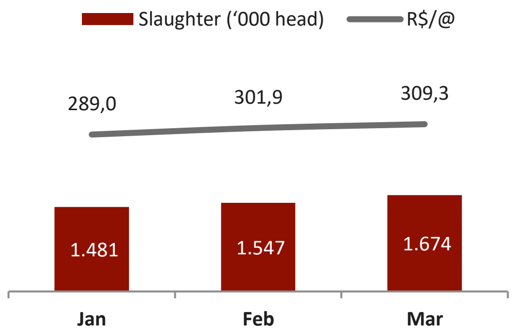
Cattle Supply

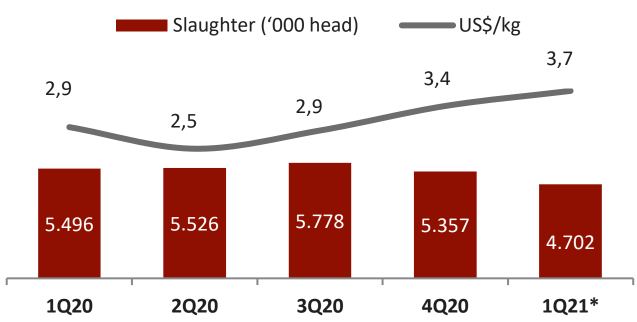
In 1Q21, approximately 4.7 million head of cattle were slaughtered in Brazil, a decrease of 12.2% from 4Q20.

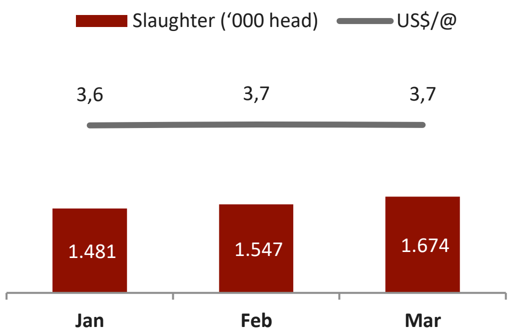
The *arroba* price (indicator: finished cattle Esalq/BM&F – state of São Paulo) averaged R$300.5 in 1Q21, due to the low availability of animals ready for slaughter. Cattle prices in dollars reached US$3.7/kg.

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







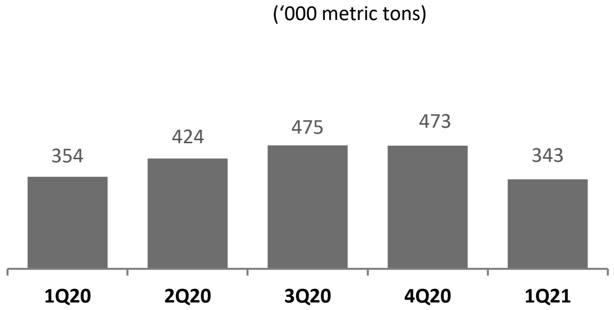


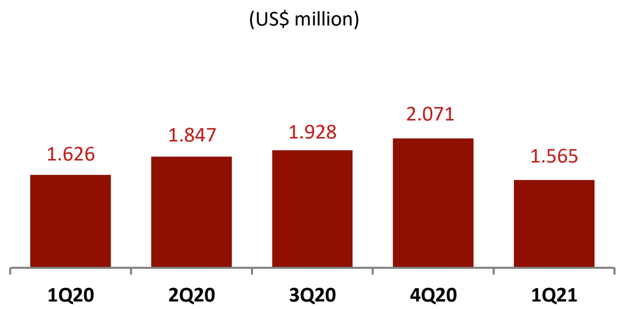
Source: Ministry of Agriculture, Livestock and Supply, CEPEA/ESALQ
**1Q21 Company's projection, official data not available yet*

Export market

Brazilian beef exports reached 343,000 metric tons in 1Q21, flat over 1Q20. Export revenue totaled US$1.6 billion. Exports fell compared to the previous quarter, due to first-quarter seasonality.

Figures 5 and 6 – Fresh Beef Exports





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

Beef prices in dollars averaged US$4.6/kg in 1Q21, in line with 1Q20. Average beef prices in reais stood at R$20.3/kg in 1Q21, in line with 1Q20.

Figure 7 – Average Fresh Beef Price

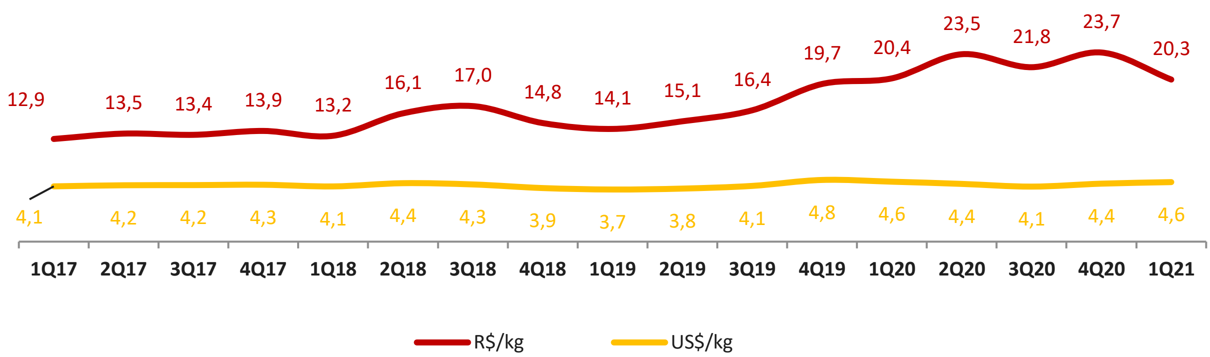
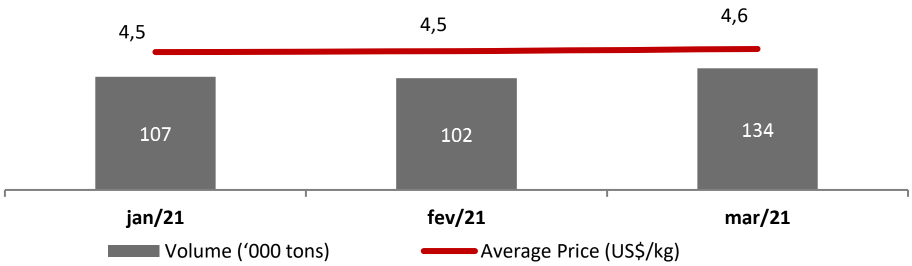


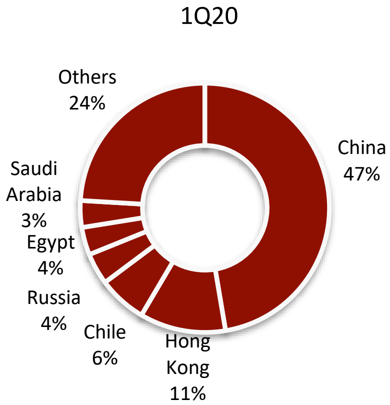
Figure 8 – Brazilian Fresh Beef Exports

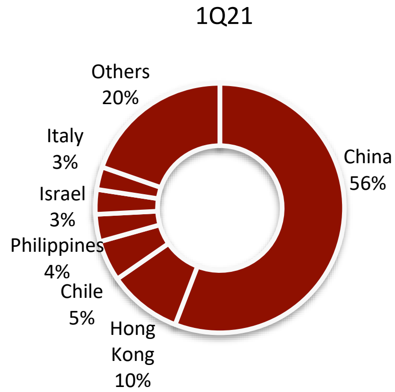


Source: Ministry of Development, Industry and Foreign Trade

In 1Q21, China and Hong Kong continued to be the main destinations of Brazilian beef exports, jointly accounting for 66% of the total, followed by the third main destination, Chile, with 5%, the Philippines and Israel. China continued to increase its Brazilian beef import volume, leading to a 14% upturn in revenue compared to the same period last year.

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



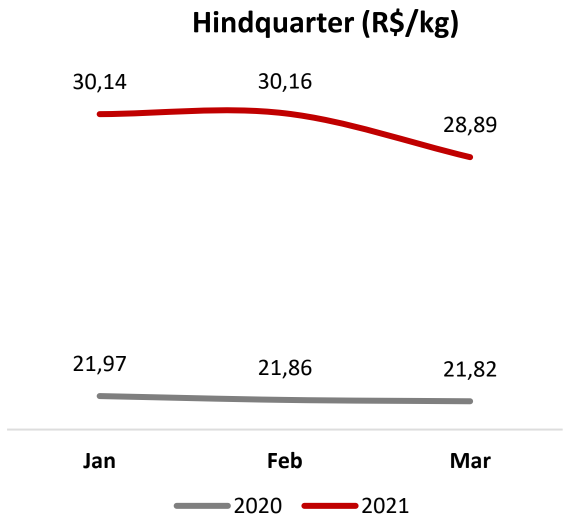


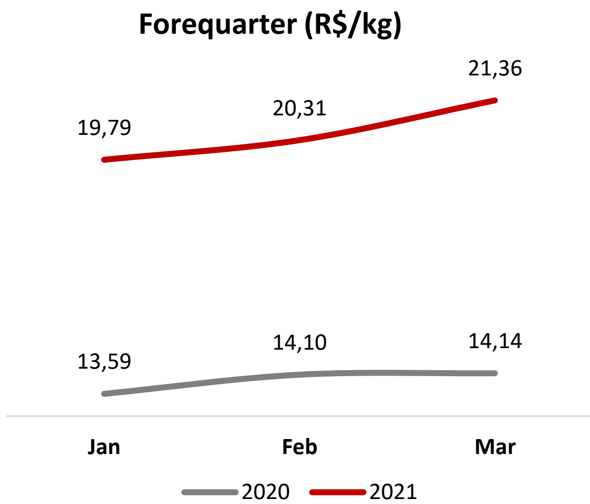
Source: Ministry of Development, Industry and Foreign Trade

Domestic market

Prices in the Brazilian domestic market continued to rise year on year in 1Q21, as shown in the charts below. This movement reflects lower availability of cattle for slaughter and, consequently, a decline in beef supply in the domestic market.

Figures 11 and 12 – Forequarter and Hindquarter Cut Prices





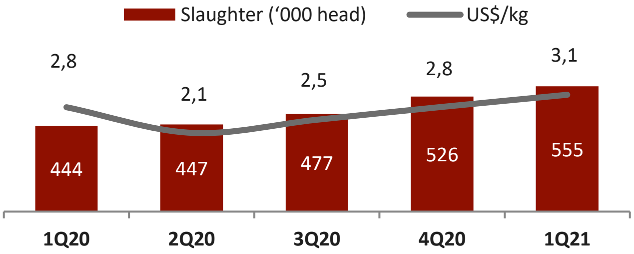
Source: Scot Consultoria

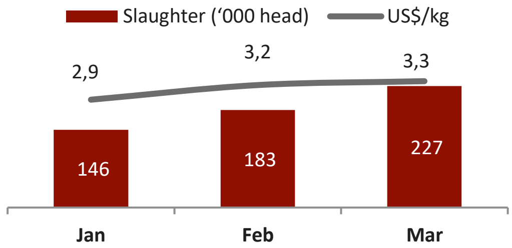
Paraguay

Cattle Supply

In 1Q21, 555,000 head of cattle were slaughtered in Paraguay, increasing 6% over 4Q20 and 25% over 1Q20. Cattle prices in dollars averaged US$3.1/kg.

Figures 13 and 14 – Cattle Slaughter and Average Cattle Price





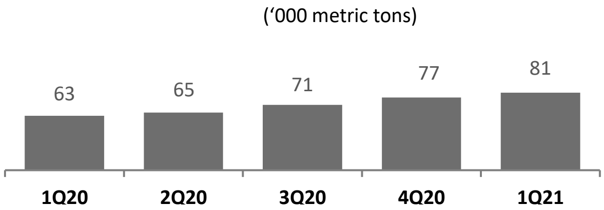
Source: OCIT – Oficina Consultiva y de Investigación Técnica | 1Q21 Preliminary Data

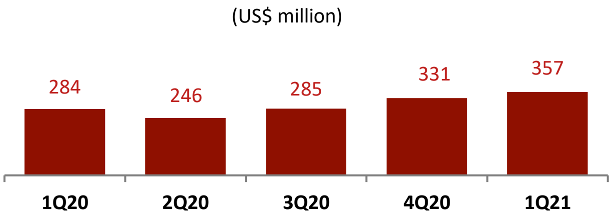
Export market

Paraguayan beef exports reached 81,000 metric tons in 1Q21, an increase of 29% over 1Q20 and 5% higher than in 4Q20. Export revenue totaled US$357 million in the period, up 26% over 1Q20 and 8% higher than in 4Q20.

In 1Q21, Chile was the main destination of Paraguayan beef exports, accounting for 43% of total exports, followed by Russia, with 20%, and Israel, which became the third largest destination of Paraguayan exports, with 10%.

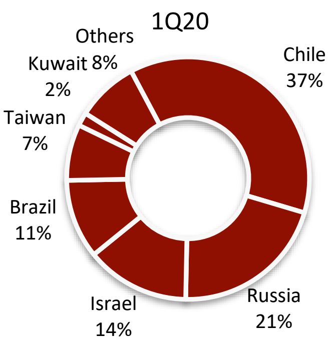
Figures 15 and 16 – Fresh Beef Exports

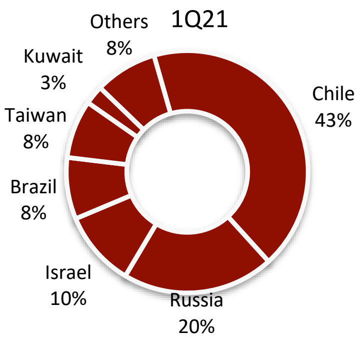




Source: OCIT – Oficina Consultiva y de Investigación Técnica

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





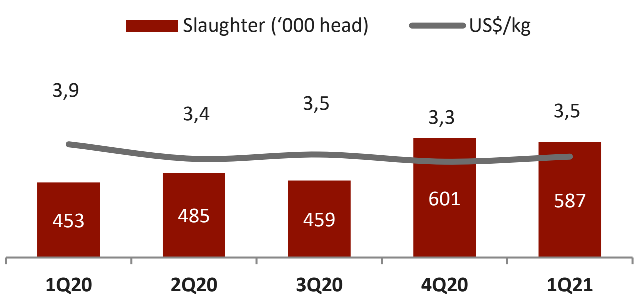
Source: OCIT – Oficina Consultiva y de Investigación Técnica

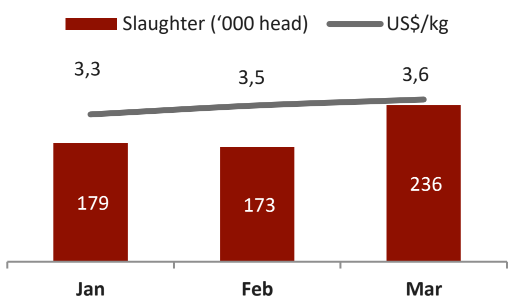
Uruguay

Cattle Supply

In 1Q21, 587,000 head of cattle were slaughtered in Uruguay, in line with 4Q20 and 30% higher than in 1Q20. Cattle prices averaged US$3.5/kg in 1Q21, down 11% from 1Q20.

Figures 19 and 20 – Cattle Slaughter and Average Cattle Price





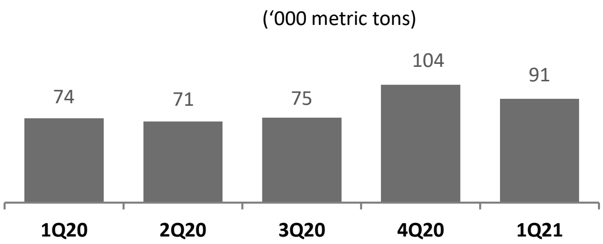
Source: INAC

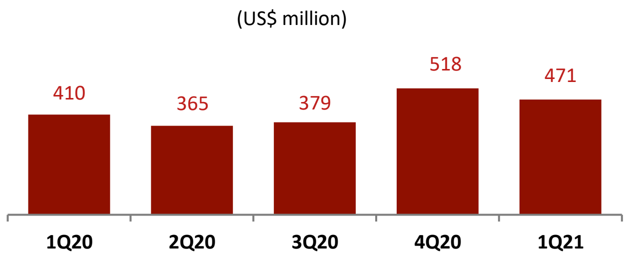
Export market

In the first quarter of 2021, Uruguayan exports reached 91,000 metric tons, 23% more than in the same period last year. In 1Q21, export revenue totaled US$471 million, up 15% year on year.

China remained the main destination of Uruguayan exports, accounting for 54% of the total. The United States was the second main destination of Uruguayan beef exports, with 12% of the total, followed by the Netherlands and Israel.

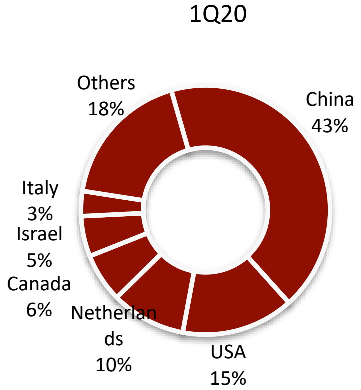
Figures 21 and 22 – Fresh Beef Exports

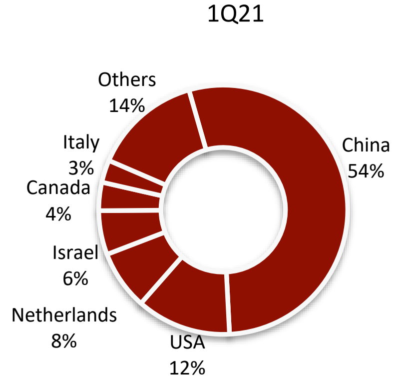




Source: Penta-transaction

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





Source: Penta-transaction

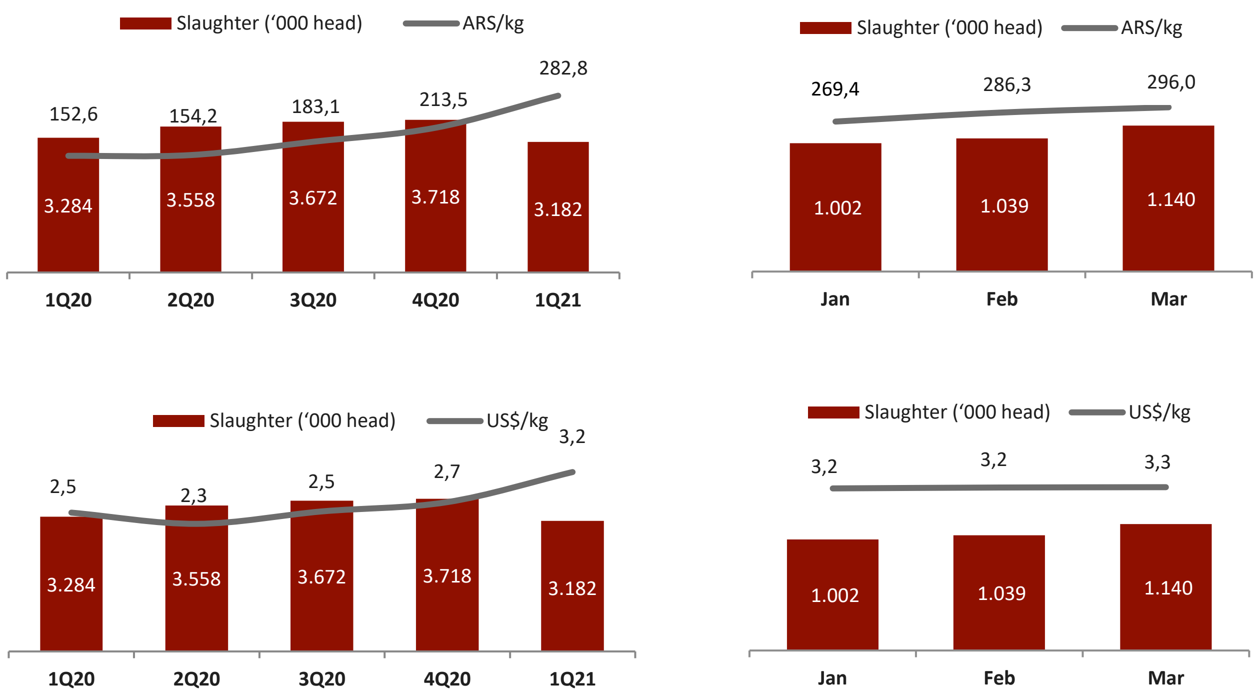
Argentina

Cattle Supply

Argentina slaughtered 3.2 million head of cattle in 1Q21, in line with 1Q20.

In 1Q21, the average price of cattle in Argentina reached ARS282.8/kg, up 32% over 4Q20 and 85% higher than in 1Q20. It is worth noting that the significant increase in prices in Argentine pesos reflected the impact of high inflation in the country. Cattle prices in dollars averaged US$3.2/kg.

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

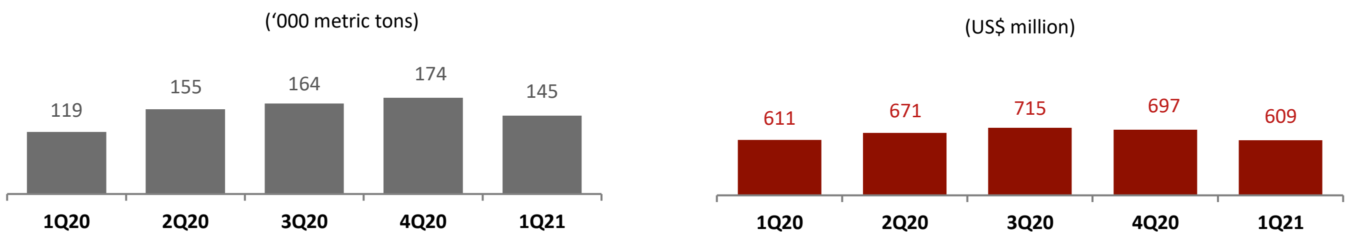


Source: ABC Consortium | 1Q21 Preliminary Data

Export market

Argentina exported 145,000 metric tons of beef in 1Q21, 22% more than in 1Q20. Export revenue totaled US$609 million in 1Q21, in line with 1Q20.

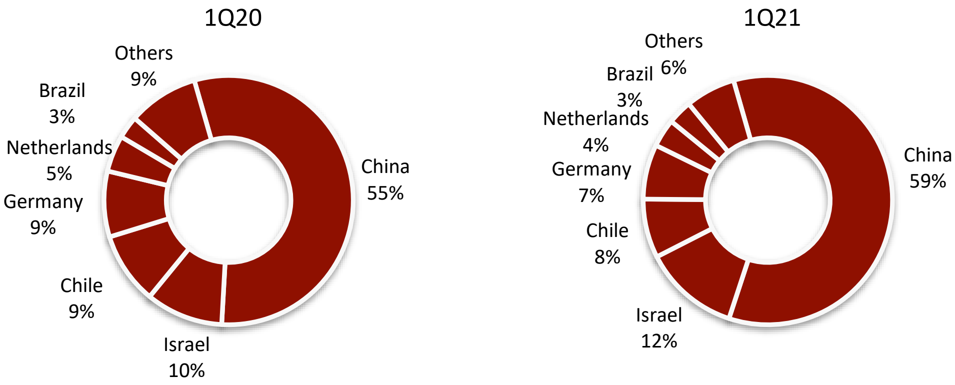
Figures 29 and 30 – Fresh Beef Exports



Source: IPCVA – Instituto de Promoción de La Carne Vacuna Argentina | 1Q20 Preliminary Data

In the first quarter of 2021, the main destination of Argentine beef exports was China, which accounted for 59% of the total, followed by Israel, with 12%, Chile, Germany and the Netherlands.

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



Source: *INDEC - Instituto Nacional de Estadística y Censos | 1Q21 Preliminary Data*

Domestic market

In 1Q21, the Argentine domestic market continues to face an economic crisis, in addition to the consequences of the pandemic. Therefore, lower cost products, such as pâtés and sausages, continued to be the main highlight in animal protein consumption in Argentina.