INDUSTRY OVERVIEW
2Q21

Barretos, August 04, 2021 – Minerva Foods is the South American leader in beef exports and 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

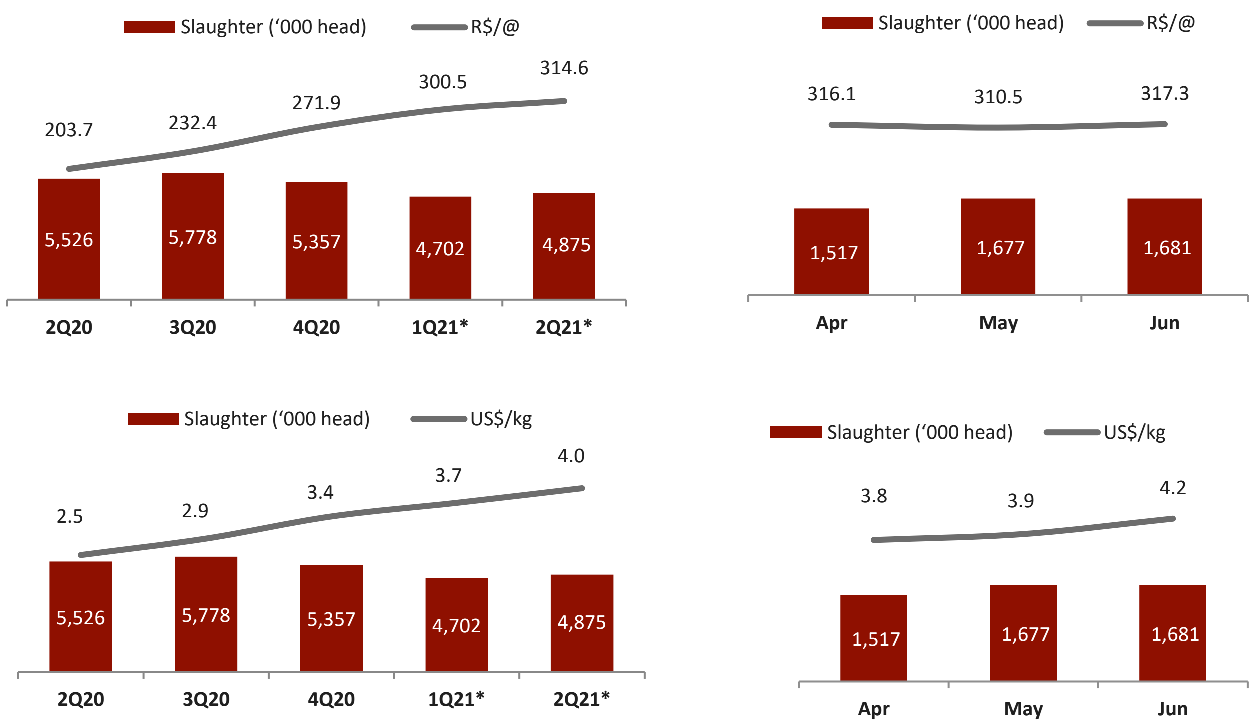
Brazil

Cattle Supply

In the second quarter of 2021, approximately 4.9 million head of cattle were slaughtered in Brazil, a decrease of 11.8% compared to the same quarter in 2020 and 3.7% higher than in 1Q21.

The arroba price (indicator: finished cattle Esalq/BM&F – state of São Paulo) averaged R$314.6 in 2Q21, due to the low availability of animals ready for slaughter and seasonality for the first six months of the year. Cattle prices in dollars reached US$4.0/kg in the quarter.

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



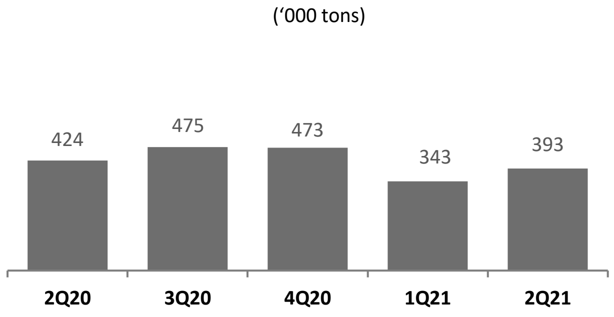
Source: Ministry of Agriculture, Livestock and Supply, CEPEA/ESALQ |

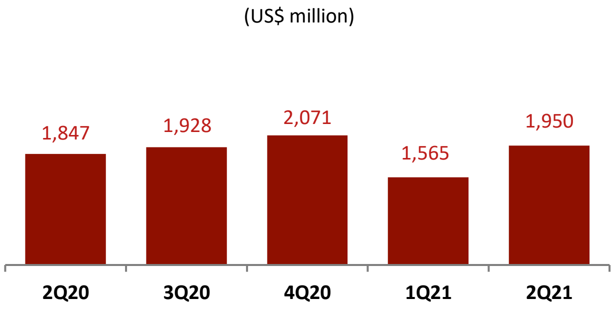
** 1Q21 and 2Q21 projections made by the Company, official data not yet available.*

Export Market

Brazilian beef exports reached 393,000 tons in 2Q21, an increase of 14% over the previous quarter. Export revenue totaled R$1.9 billion in the quarter, 25% higher than in 1Q21 and up by 6% over the same quarter in 2020. Year-to-date export revenue reached US$3.5 billion, practically stable in relation to the same period in 2020.

Figures 5 and 6 – Fresh Beef Exports





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

Average beef prices in dollars reached US$5.0/kg at the end of the second quarter of 2021, increasing by 9% over the previous quarter and 14% higher in the annual comparison. In reais, average beef prices stood at R$26.3/kg in the quarter, 29% higher than in 1Q21 and increasing by 12% over the same period in 2020.

Figure 7 – Average Fresh Beef Price

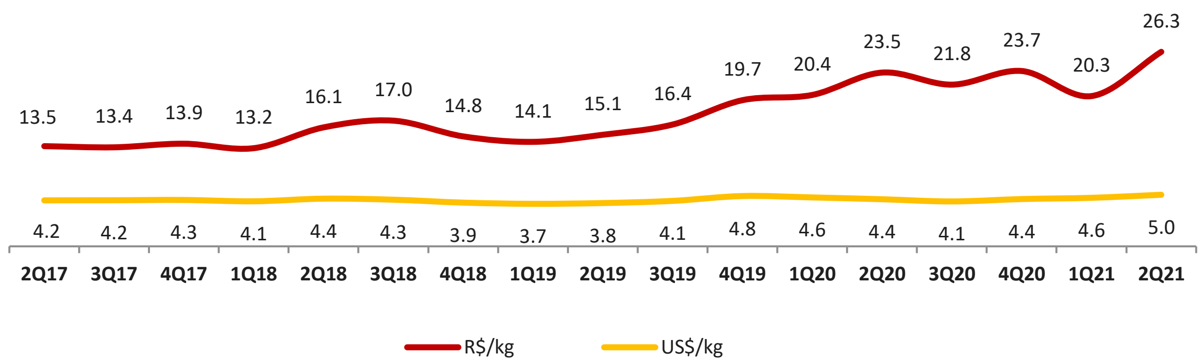
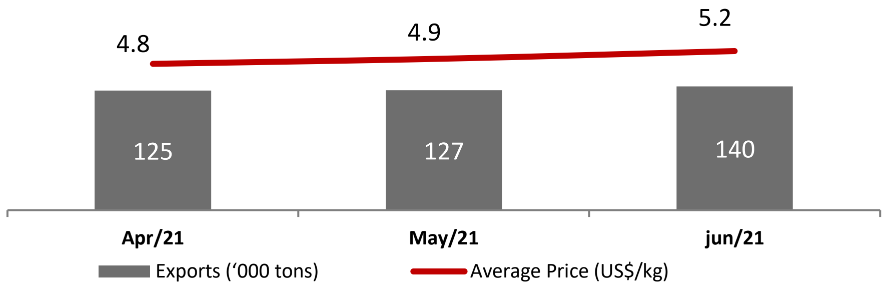


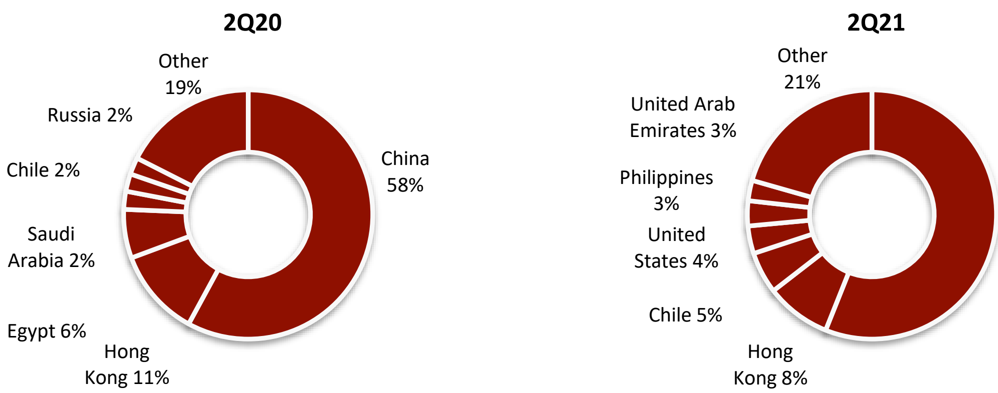
Figure 8 – Brazilian Fresh Beef Exports



Source: Ministry of Development, Industry and Foreign Trade

In 2Q21, China and Hong Kong continued to be the two main destinations of Brazilian beef exports, accounting for 56% and 8%, respectively. Following, as the third main destination, Chile corresponded for 5% of the total amount, and the USA accounted for a 4% share of the Brazilian beef exports. It is worth highlighting that the United States reopened its import market to Brazilian beef recently and continues to increase its volume demand.

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

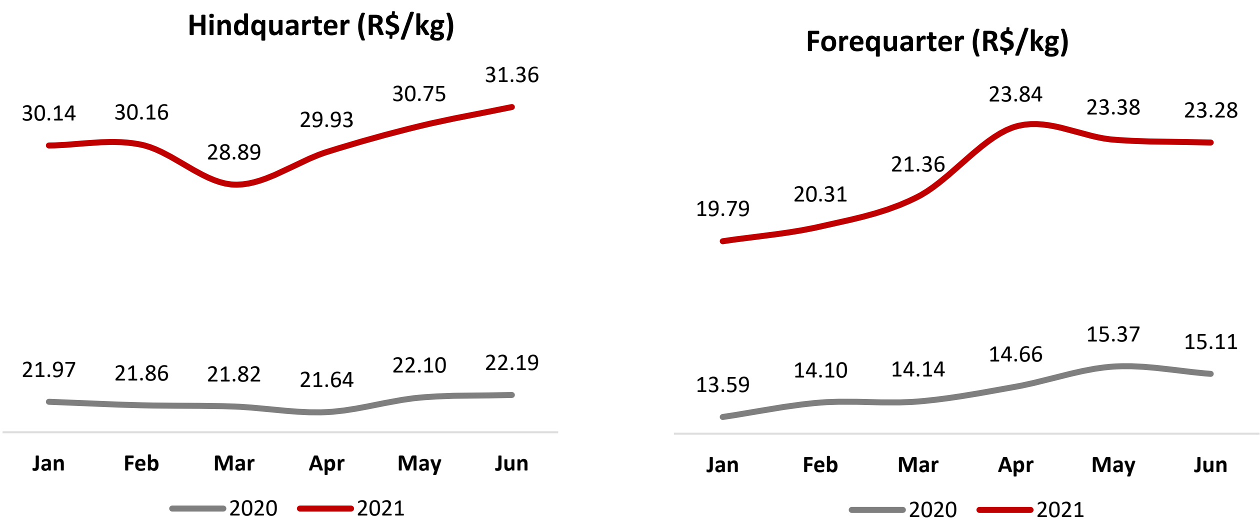


Source: Ministry of Development, Industry and Foreign Trade

Domestic Market

In 2Q21, the Brazilian domestic market continued to perform with increasing prices, as shown in Figures 11 and 12, which is explained mainly by the reduction in the supply of animals ready for slaughter, therefore impacting the availability of beef in the domestic market.

Figures 11 and 12 – Forequarter and Hindquarter Cut Prices



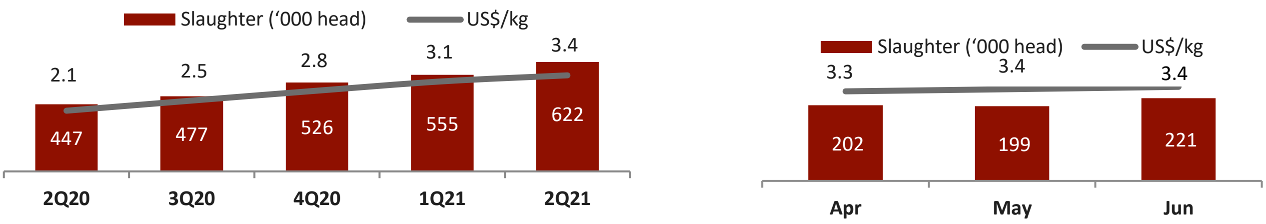
Source: Scot Consultoria

Paraguay

Cattle Supply

In 2Q21, 622,000 head of cattle were slaughtered in Paraguay, increasing 12% over the previous quarter and 39% higher than in 2Q20. Cattle prices in dollars averaged US$3.4/kg in 2Q21.

Figures 13 and 14 – Cattle Slaughter and Average Cattle Price



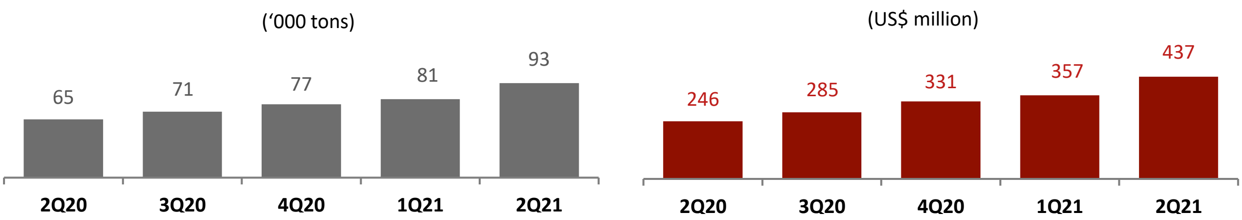
Source: OCIT – Oficina Consultiva y de Investigación Técnica | 1Q21 Preliminary Data

Export Market

In 2Q21, Paraguayan beef exports totaled 93,000 tons, increasing by 43% over the same quarter in 2020 and 15% higher than in 1Q21. Export revenue totaled US$437 million in the second quarter, strongly increasing by 77% in the annual comparison and by 22% over the previous quarter, reflecting the strong international demand and the positive momentum for Paraguayan beef exports. Year-to-date export revenue reached US$794.0 million, increasing by 50% over 1H20.

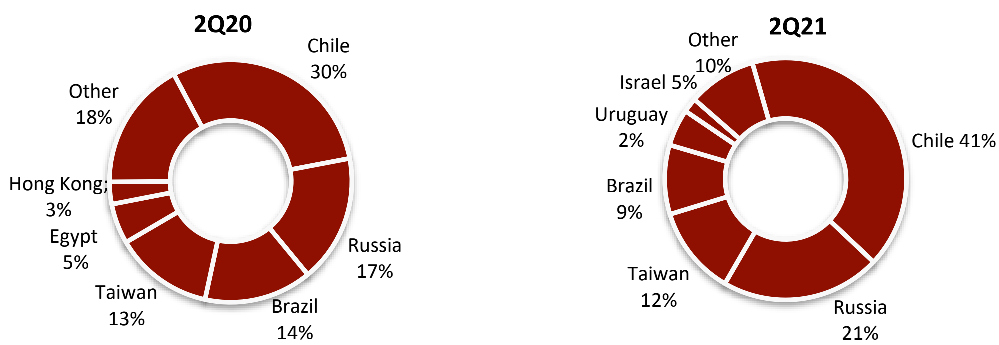
In 2Q21, Chile remained as the main destination of Paraguayan beef exports, accounting for 41% of total exports. Russia, representing 21% of exports, is the second largest destination and Taiwan is the third main export destination, with a 12% share of Paraguay's exports.

Figures 15 and 16 – Fresh Beef Exports



Source: OCIT – Oficina Consultiva y de Investigación Técnica

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



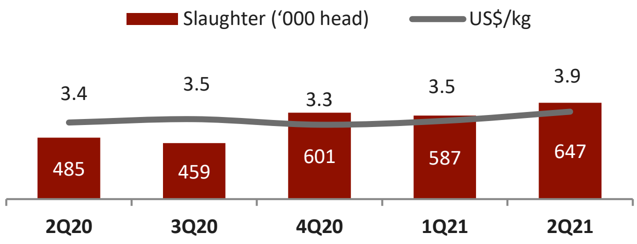
Source: OCIT – Oficina Consultiva y de Investigación Técnica

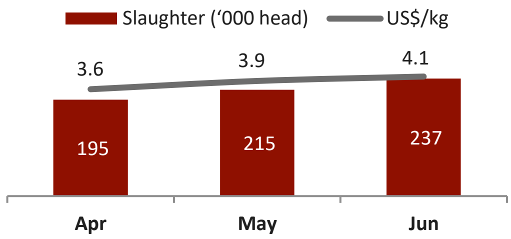
Uruguay

Cattle Supply

In 2Q21, 647,000 head of cattle were slaughtered in Uruguay, 10% higher than in 1Q21 and a strong 33% increase over the same quarter in 2020. Cattle prices averaged at US$3.9/kg in 2Q21.

Figures 19 and 20 – Cattle Slaughter and Average Cattle Price





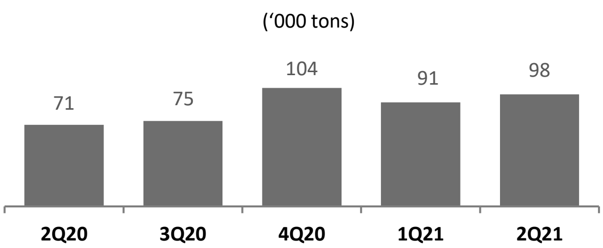
Source: INAC

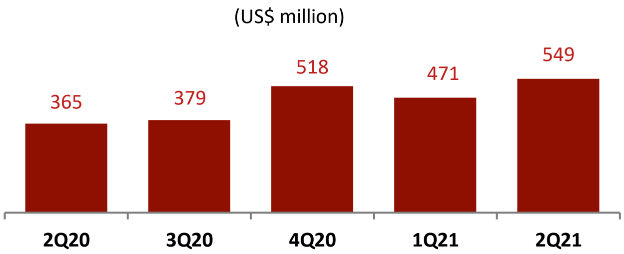
Export Market

In the second quarter of 2021, Uruguayan exports reached 98,000 tons, 8% higher than the previous quarter and strongly increasing by 37% over the same quarter in 2020. Export revenue totaled US$549 million in 2Q21, up 16% over the previous quarter and by 50% over 2Q20. Year-to-date export revenue reached US$1.0 billion, increasing by 32% over 1H20.

China was the main destination of Uruguayan exports, accounting for 55%, followed by the USA, with a 14% share of the total export volume, and the Netherlands was the third largest destination, with a market share of 7% of the total amount.

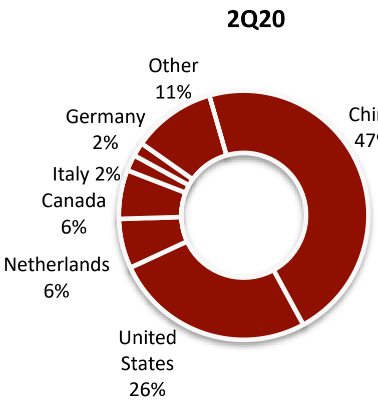
Figures 21 and 22 – Fresh Beef Exports

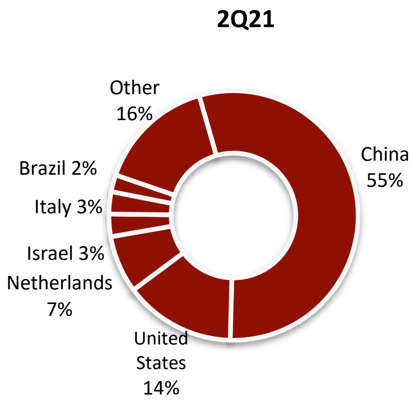




Source: Penta-transaction

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





Source: Penta-transaction

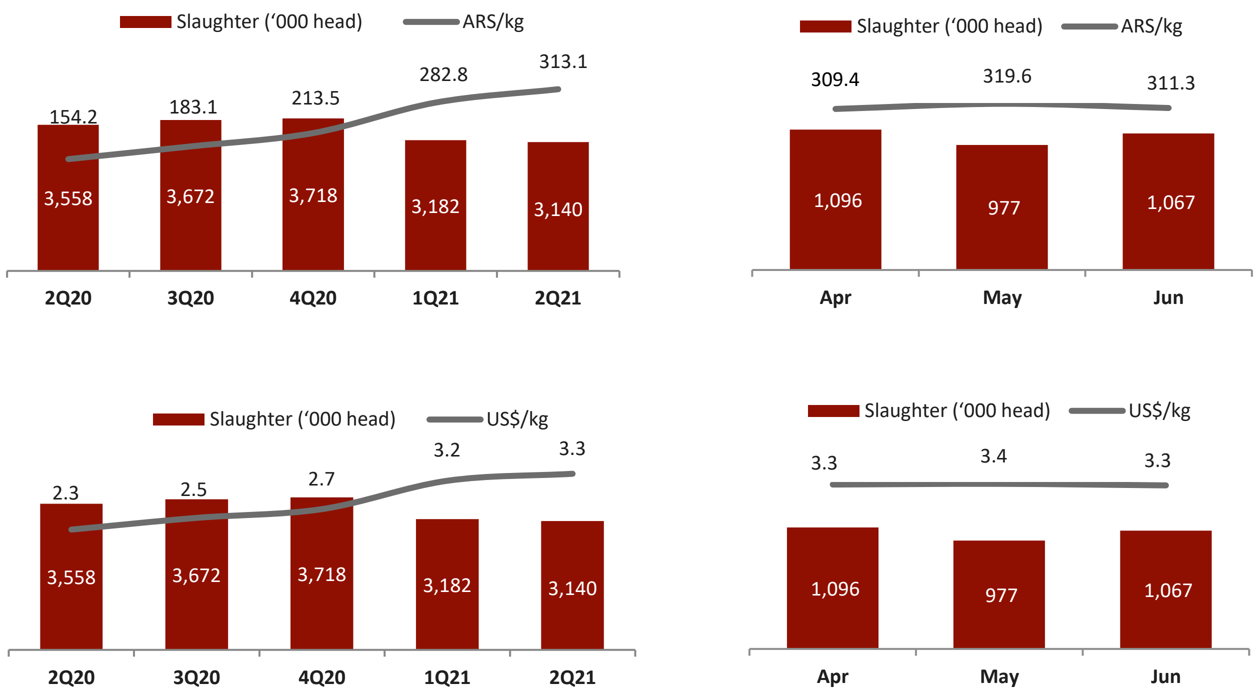
Argentina

Cattle Supply

In the second quarter of 2021, Argentina slaughtered a total of 3.1 million head of cattle, stable compared to the previous quarter and 12% lower than in 2Q20, impacted by restrictions on beef exports at the end of the quarter.

The average price of cattle in Argentina reached ARS313.1/kg. The price increase reflects the country's high inflation. Average cattle prices in dollars reached US$3.3/kg.

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

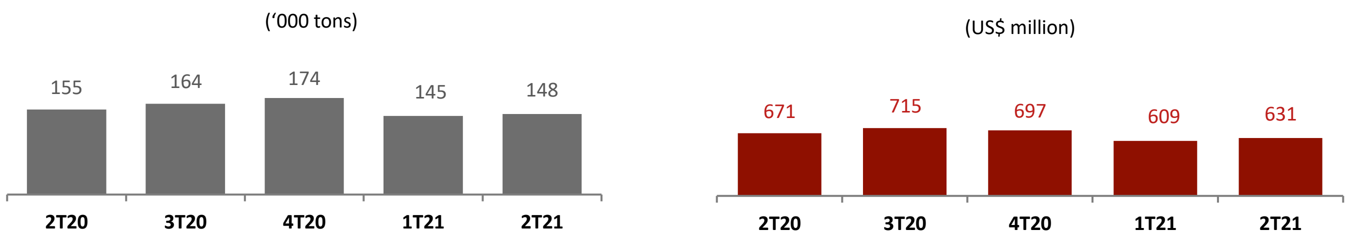


Source: ABC Consortium | 2Q21 Preliminary Data

Export Market

Argentina exported 148,000 tons of beef in 2Q21, practically stable in relation to the previous quarter. Export revenue totaled US$631 million in 2Q21 and US$1.2 billion year-to-date. As highlighted, the restrictions imposed by local authorities at the end of 2Q21 had a negative impact on Argentine beef exports in the period.

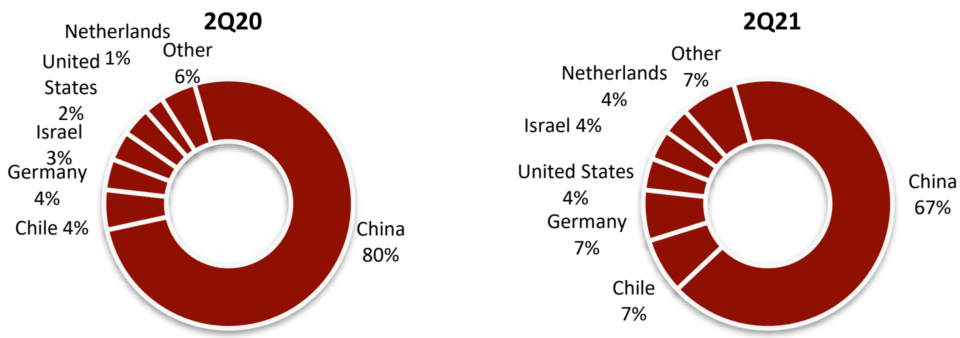
Figures 29 and 30 – Fresh Beef Exports



Source: IPCVA – Instituto de Promoción de La Carne Vacuna Argentina | 2Q20 Preliminary Data

China remained as the main export destination, with 67% of the total amount exported by Argentina in 2Q21. Chile was the second largest market, with an 7% stake of exports, followed by Germany, with a 7%.

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



Source: *INDEC - Instituto Nacional de Estadística y Censos | 2Q21 Preliminary Data*

Domestic Market

The domestic market in Argentina in 2Q21 continued to be characterized by the impacts of the prolonged economic crisis that impacts the country. Because of this crisis, the population's purchasing power has been affected and the consumption of cheaper products, such as pâtés, sausages, hamburgers and breaded products, has increased.