

INDUSTRY OVERVIEW

1Q20

Barretos, April 23, 2020 – 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. Currently, the Company has a daily slaughtering capacity of 25,480 head of cattle and a daily beef deboning capacity equivalent to 27,100 head of cattle. Present in Brazil, Paraguay, Argentina, Uruguay and Colombia, Minerva operates 24 slaughter and deboning plants and 3 processing plants.

HIGHLIGHTS BY COUNTRY

Brazil

Cattle Supply

Slaughter volume totaled around 5.2 million head of cattle in 1Q20, dropping 11% from 4Q19 and 14% from 1Q19.

Slaughter volume fell because producers retained cattle for longer periods, due to more intense rainfall in the first three months of the year, which increased available pasture.

In this scenario, the *arroba* price (indicator: finished cattle Esalq/BM&F – state of São Paulo) averaged R\$196.8 in 1Q20, an increase of 3% over 4Q19 and 30% over 1Q19. Cattle prices in dollars reached US\$2.9/kg in 1Q20, 6% lower than in 4Q19.

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



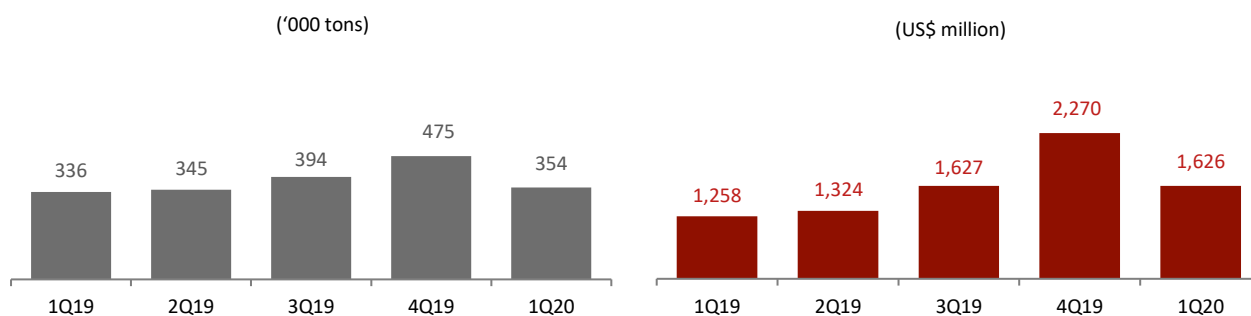
Source: Ministry of Agriculture, Livestock and Supply, CEPEA/ESALQ | 1Q20 Preliminary Slaughter Data

Export Market

Brazilian beef exports totaled 354,000 tons in 1Q20, 5% more than in 1Q19.

Beef export revenue reached US\$1.6 billion in 1Q20, 29% higher than in 1Q19.

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 1Q20, approximately 24% higher than in 1Q19 and 4% lower than in 4Q19. Average beef prices in reais stood at R\$20.4/kg in 1Q20, an increase of 4% over 4Q19 and 45% over 1Q19, also reflecting the depreciation of the real against the U.S. dollar in 1Q20.

Figure 7 – Average Fresh Beef Price

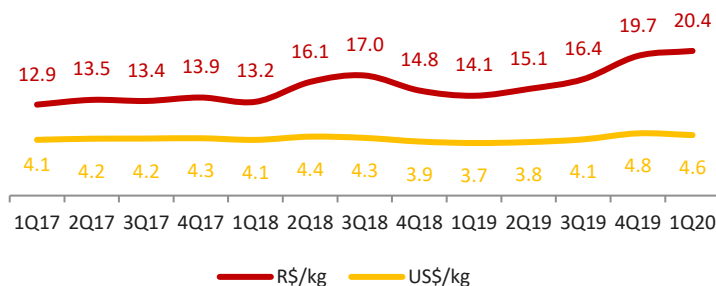
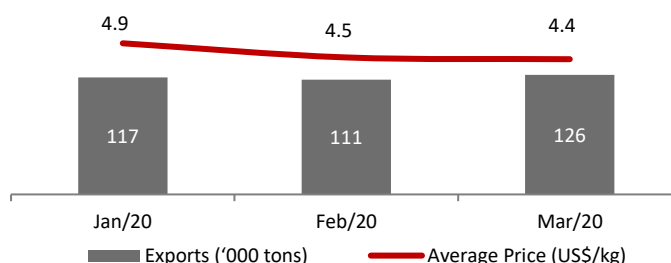


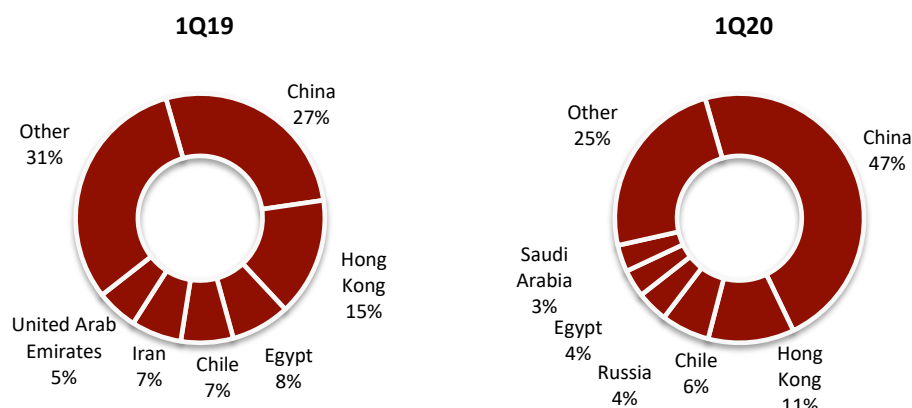
Figure 8 – Brazilian Fresh Beef Exports



Source: Ministry of Development, Industry and Foreign Trade

China and Hong Kong continued to be the main destinations of Brazilian beef exports, accounting for 58% of the total. China was the main highlight (+20 p.p. 1Q20 vs. 1Q19), due to new export authorizations in 2H19. The third main destination of Brazilian exports was Chile, with 6% of total beef exports, followed by Russia, with 4%.

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

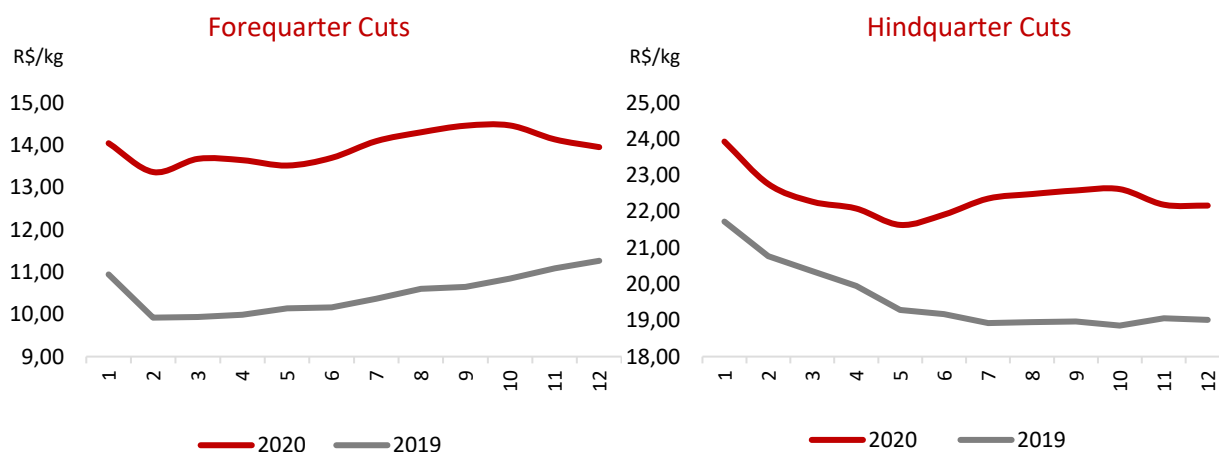


Source: Ministry of Development, Industry and Foreign Trade

Domestic Market

Despite the impact of the seasonal effect in the beginning of the year, prices in 1Q20 increased when compared to 1Q19. The average price of forequarter cuts was R\$13.94 in 1Q20 (+32.6% vs. 1Q19), while the average price of hindquarter cuts reached R\$22.30 (+15% vs. 1Q19), as shown in figures 11 and 12.

Figures 11 and 12 – Beef Prices (Forequarter and Hindquarter Cuts) *



Source: Scot Consultoria | *Prices measured weekly

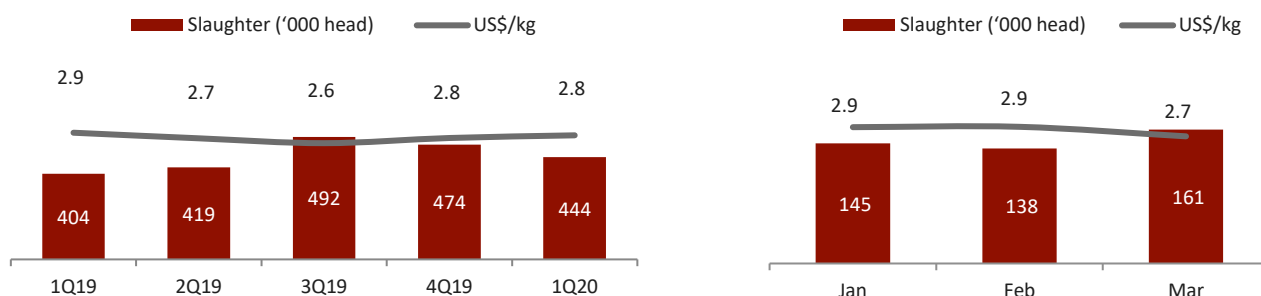
Paraguay

Cattle Supply

In 1Q20, 444,000 head of cattle were slaughtered in Paraguay, down around 6% from 4Q19 and up 10% over 1Q19, driven by higher exports in the period.

Cattle prices averaged US\$2.8/kg in 1Q20, 3% lower than in 1Q19 and stable compared with 4Q19.

Figures 13 and 14 – Cattle Slaughter and Average Cattle Price



Source: OCIT – Oficina Consultiva y de Investigación Técnica | 1Q20 Preliminary Data

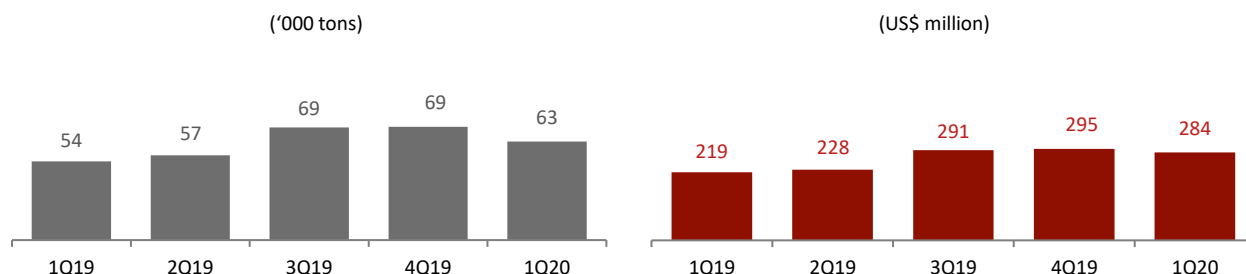
Export Market

Paraguayan beef exports totaled 63,000 tons in 1Q20, 16% more than in 1Q19.

Beef export revenue reached US\$284 million in 1Q20, 30% higher than in 1Q19. The increase in revenue was due to a beef price increase of approximately 10%, to US\$4.5/kg.

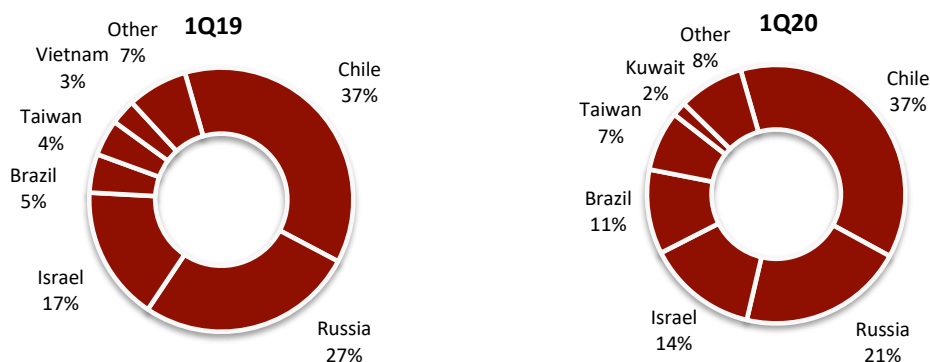
Chile maintained its position as the main destination of Paraguayan exports, with 37% of the total, while Russia was the second main destination, with 21% of the total, and Israel came in third place, with 14%. It is worth noting that Israel and Taiwan (7% share) consume cuts with the highest added value.

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

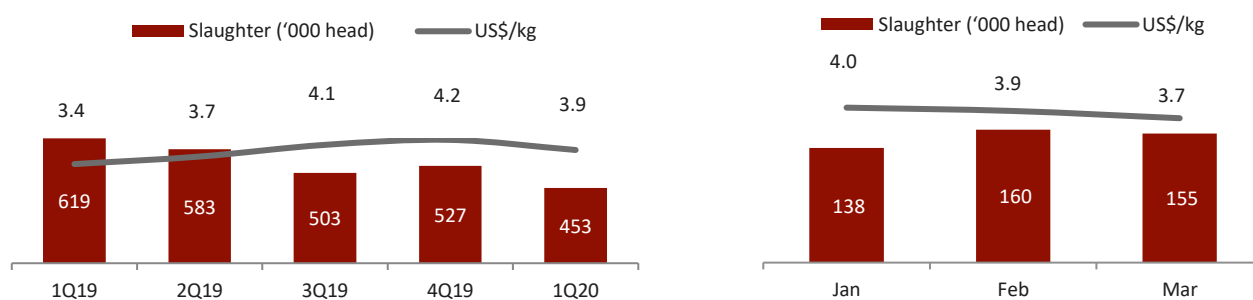
Uruguay

Cattle Supply

Uruguayan slaughter volume totaled 453,000 head of cattle in 1Q20, dropping 14% from 4Q19 and 27% from 1Q19. These declines are a direct reflection of the cattle cycle's moment and of increased live cattle exports in previous periods, which reduced the availability of animals ready for slaughter in the domestic market.

Cattle prices averaged US\$3.9/kg in 1Q20, up 15% over 1Q19 and down 7% from 4Q19.

Figures 19 and 20 – Cattle Slaughter and Average Cattle Price



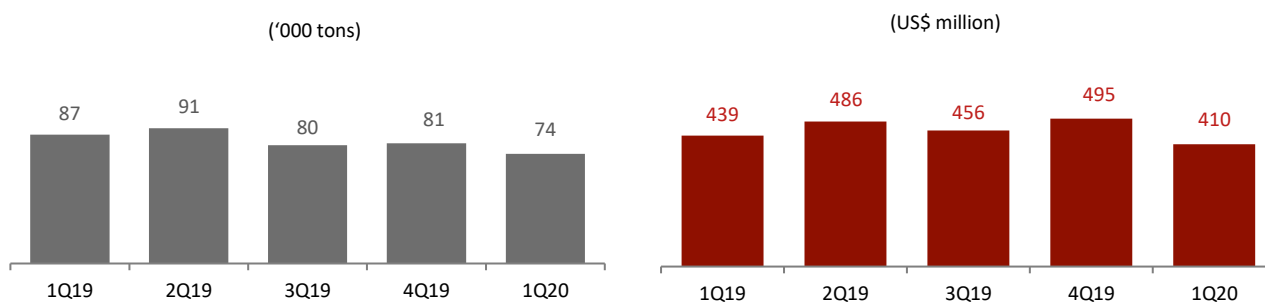
Source: INAC

Export Market

Uruguayan beef export volume totaled 74,000 tons in 1Q20, falling 9% from 4Q19 and 15% from 1Q19. Beef export revenue reached US\$410 million in 1Q20, a decline of 7% from 1Q19 and 17% from 4Q19.

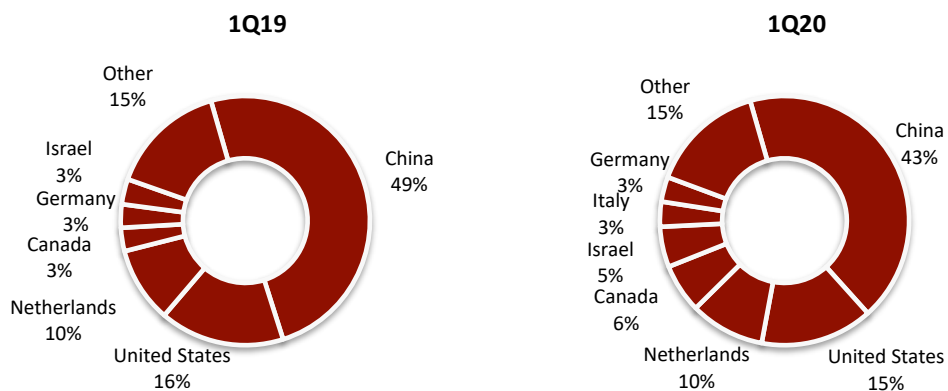
China continued to be the main destination of Uruguayan exports in 1Q20, with 43% of the total, while the United States and the Netherlands were the second and third main destinations of Uruguayan exports, with 15% and 10% of the total, respectively.

Figures 21 and 22 – Fresh Beef Exports



Source: Penta-transaction

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



Source: Penta-transaction

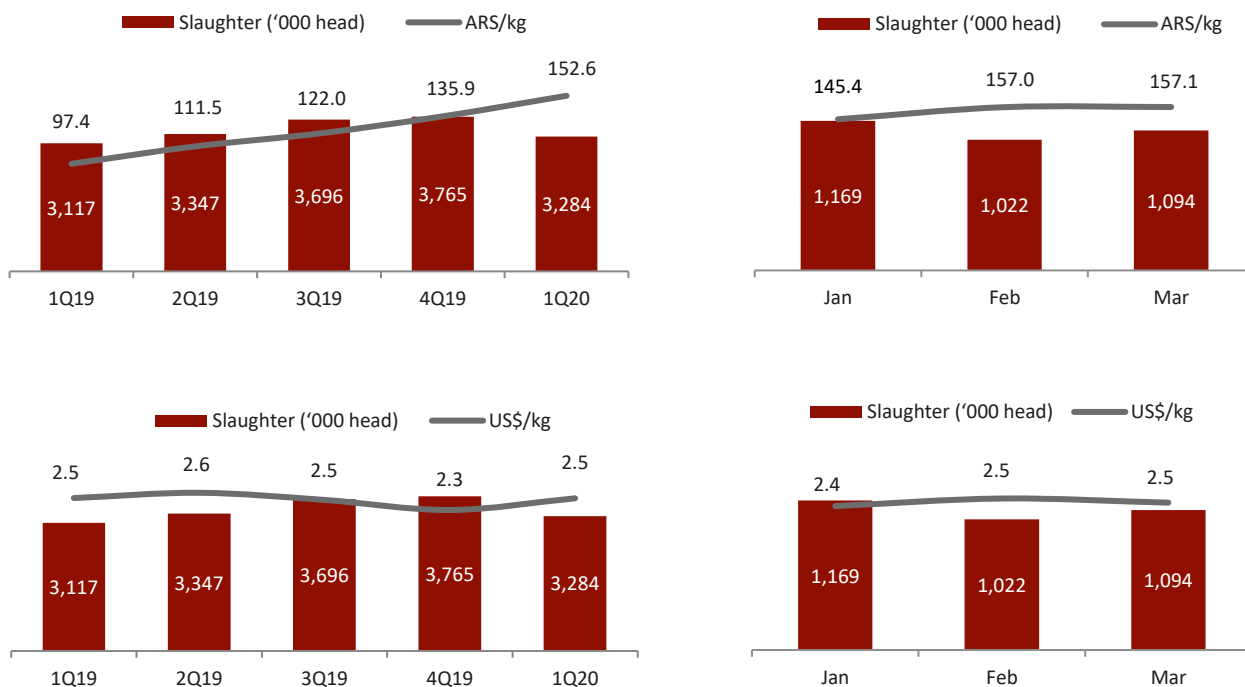
Argentina

Cattle Supply

Argentina slaughtered 3.3 million head of cattle in 1Q20, up 5% over 1Q19 and down 13% from 4Q19.

The average price of cattle in Argentina reached ARS152.6/kg in 1Q20, an increase of 57% over 1Q19 and 12% over 4Q19, due to the strong impact of inflation in the country, which reached 48.4% in the end of 2019, according to data from Argentinian Central Bank. The dollar price of cattle remained stable compared with the same period last year, averaging US\$2.5/kg in 1Q20.

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



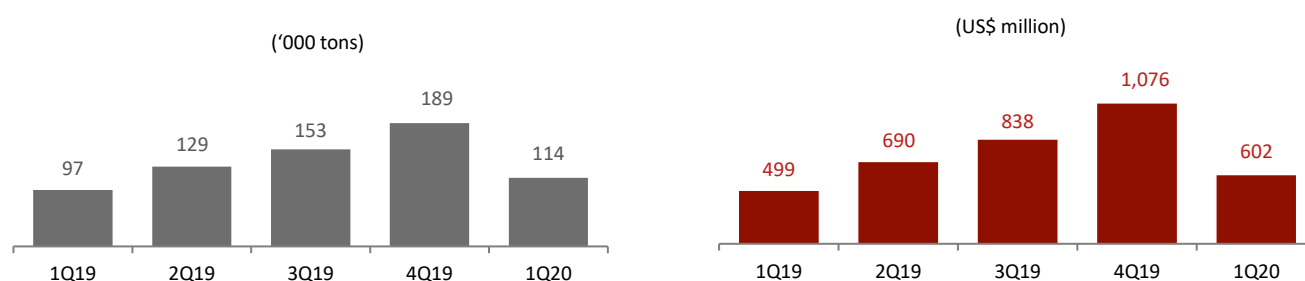
Source: ABC Consortium | 1Q20 Preliminary Data

Export Market

Argentina exported 114,000 tons of beef in 1Q20, up 17% over 1Q19.

Export revenue totaled US\$602 million in 1Q20, up 21% over 1Q19.

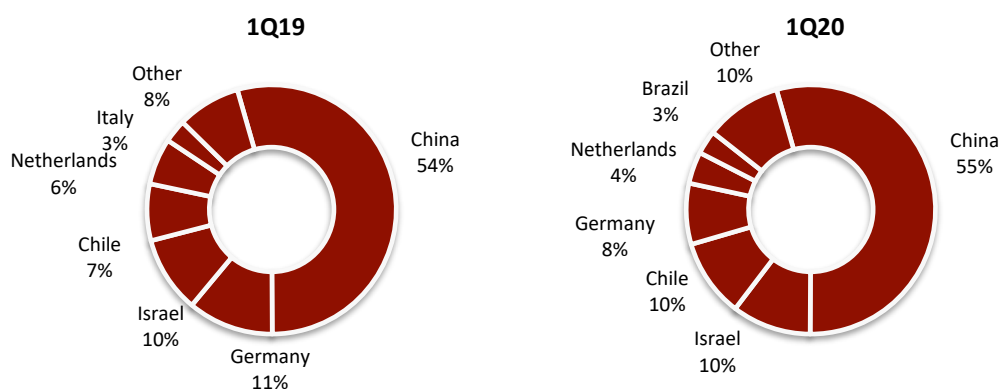
Figures 29 and 30 – Fresh Beef Exports



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

China continued to be the main destination of Argentinean beef exports, with 55% of the total, followed by Israel and Chile, which each accounted for 10% of Argentinean exports.

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



Source: INDEC - Instituto Nacional de Estadística y Censos | 1Q20 Preliminary Data

Domestic Market

In 1Q20, the domestic beef market in Argentina continued to be affected by the economic crisis the country is facing, with an impact on the purchasing power of the local population.

The high inflation in Argentina largely reduces local purchasing power, causing the population to reduce consumption of fresh beef cuts and increase consumption of processed foods, such as pâtés, sausages and breaded products.