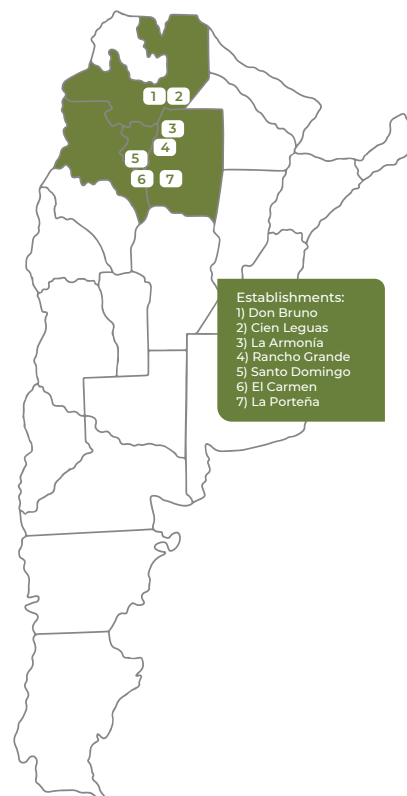


Livestock Farming Expansion

With the acquisition of two new establishments, Don Bruno and Cien Leguas, in the locality of Tolloche, in Salta, Argentina, we have expanded Grupo Lucci's livestock farming.



At Engordar, we develop the activities of breeding, pastoral rearing and fattening in feedlots, complementing production with Brangus and Bradford herds for the development of breeders for own use in different fields. These new recently acquired establishments join Rancho Grande, La Armonía, La Porteña, El Carmen and Santo Domingo establishments, located in the provinces of Santiago del Estero, Catamarca and Tucumán. In this way, we managed to extend to the northern area of Northwestern Argentina, expanding livestock production area.



- Establishments:
- 1) Don Bruno
 - 2) Cien Leguas
 - 3) La Armonía
 - 4) Rancho Grande
 - 5) Santo Domingo
 - 6) El Carmen
 - 7) La Porteña

“Don Bruno, with 7,400 hectares, and Cien Leguas, with 9,900 hectares, increase their work area by 53%, consolidating 49,000 hectares of livestock production,” explains engineer **Daniel Navarro**, Livestock Farming Manager.

One of the competitive advantages of these establishments is their environmental condition regarding humidity, temperature and optimal precipitations for the ultimate expression of gaton panic and graman rhodes tropical pastures, which is necessary for a good pastoral system and a key factor in the meat production chain.

New Fields, New Challenges

The work team is currently learning about the fields and how to manage them by determining the state of the pastures and measuring the drinking water sources and divisions. They are also carrying out a general cleaning to assess the productive resource and initial infrastructure and adapt them to our company’s production standards.



“We are carrying out a sustained growth work plan in order to reach maximum production in three years”, says **Daniel Navarro**.

Goals of the New Fields:

0,6 LU/ha*
in the breeding activity

1 LU/ha*
in the rearing activity

Among the current challenges, we are performing the analysis of these fields through the use of satellite images and accurate land surveying, which enable us to visualize the initial state of the fields and plan changes and improvements to the production design.

It is worth mentioning that the increase in the number of hectares also generated the need to incorporate new members to our work team: an engineer in charge of the sector, field supervisors, clerks, station workers and tractor drivers to meet operational and technical needs.

***LU/ha: livestock unit per hectare**

“We prepared 6 houses for the personnel and installed Internet antennas, which allow for WiFi communication among the different stations and establishments. These systems have energy autonomy since they have solar panels”, explains engineer **Daniel Navarro**.

Future Projection

The work we are carrying out now is essential for the future of these fields in order to reach the maximum production potential in terms of the number of head of cattle in the medium term.

This growth enables us to expand livestock farming in the northern area, always thinking in the province of Salta.

“The team is excited about the potential of these establishments that we incorporated into Engordar's integrated production system”, states **Daniel Navarro**.



Our Meat

The Quality that Makes Us Stand Out



We are part of the meat production value chain.

At Engordar, we ensure traceability of each animal, from its birth to the end of its productive life, in order to meet our customers' maximum standards (slaughterhouse workers, regional and national meat processing plants and consignees). Through them, our production turns into meat for domestic consumption and exports.



Thanks to genetics and Brangus and Braford herds that adapt to our environment, we reached an efficient productivity per hectare, since these breeds have a good performance in the pastoral system and in feedlots. Combining both production systems, we managed to consolidate in the animal good volumes of muscle mass and optimal finishing, obtaining good marbling, a distinguishing characteristic of our meat.

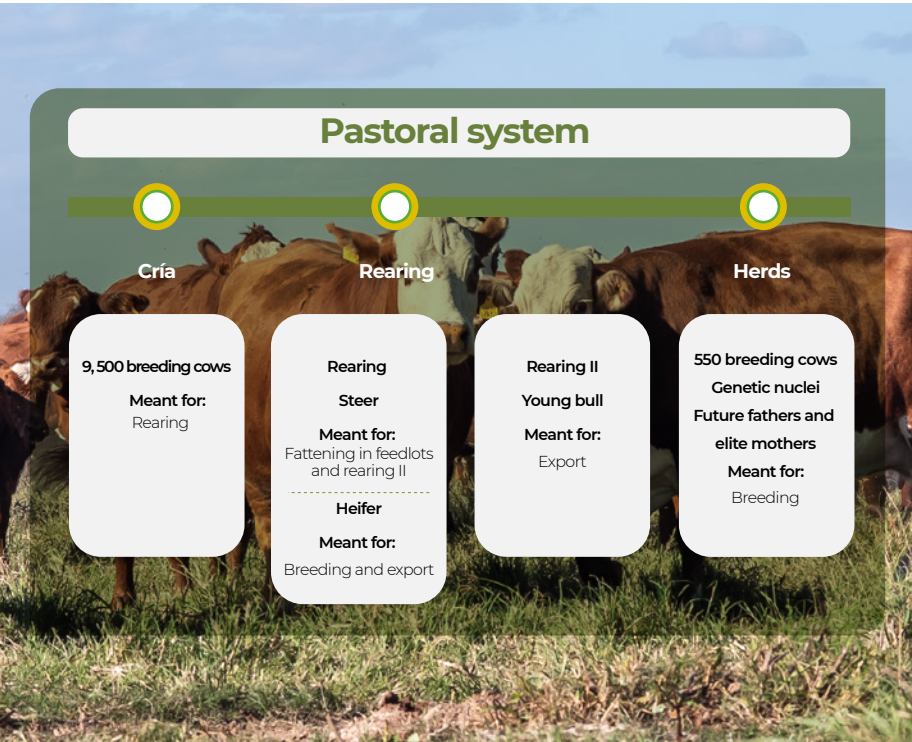
The work of our teams, comprised by professionals trained in genetics, feeding, health and welfare, guarantees the best animal expression in each production stage.

In 2022, we fitted two feedlots out for selling herds to export meat processing plants under the category UE NO HILTON (no EU HILTON Quota). This allows for a new trade channel. It was something achieved by all the members at Engordar, since personnel from the field, administrative and commercial sectors, together with other collaborators in the operations with the Argentine Service for Agri-food Safety and Quality (SENASA) participated.

This challenge accomplished joins the one accomplished before in two establishments which already have the UE HILTON (EU HILTON Quota) standard.

Market Chain

Our activity begins at the breeding corrals, where Brangus and Braford calves and their combinations are born and live until weaning. Then, they move to the rearing process where calves become steers and heifers. In the case of male calves, pastoral rearing increases their weight until they reach 350 kg so that they can enter the fattening in feedlots process, which results in an animal weighing 420 kg for domestic consumption.



There is also the possibility of keeping the steer weighing 350 kg in pastoral rearing in order to produce a young bull weighing 500 kg meant for export.



From this rearing, we separate female calves that are genetically superior regarding their composition and that they can become future mothers. If they don't meet these conditions, they continue the rearing process and are sold as heifers weighing 320/380 kg.



Quality Genetics, Breeds that Produce Beef

One of our characteristics is the intensive monitoring that we perform in each animal. We maintain a high genetic standard with planned crossbreeding processes based on ideal meat characteristics. In this way, we ensure livestock uniformity, reaching an optimal meat yield.

Through a process of genetic improvement that we have been carrying out for decades, we keep streamlining our livestock to get better products in the market.

“The search for excellence in the meat of our animals is only possible thanks to team work, from genetic crossbreeding, selection and logistics to commercial contact”, explains **Daniel Navarro.**



What Is the Hilton Quota?

It is a tariff quota for high-quality beef export that the European Union allocates to different countries. Currently, Argentina has a quota of 29,500 tons per year, and they can only come from establishments registered with the registration office certified by the European Union.

It requires that animals are exclusively fattened with pastures from their weaning. Engordar has 2 establishments with EU HILTON Quota.

At Engordar, we are committed to streamlining our production, maintaining quality, in order to position ourselves and be competitive in the most demanding markets in the world.

Clear Results

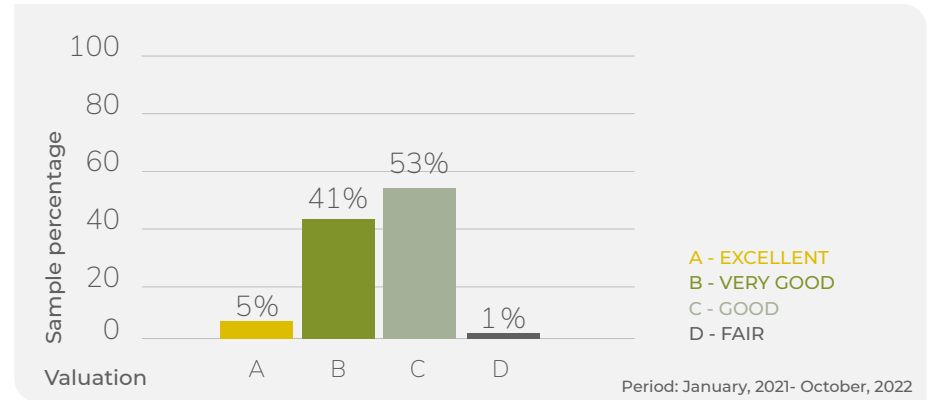
Through the sales channel to big meat processing plants, at Engordar, we have been performing a quality follow-up of the herds we produce since 2021, by gathering the information received from slaughtering reports.

The following assessment was carried out in accordance with Argentine regulations on herd classification and assessment (Resolution No. 32/2018) by licensed categorizers, who classify and assess meat after slaughtering.

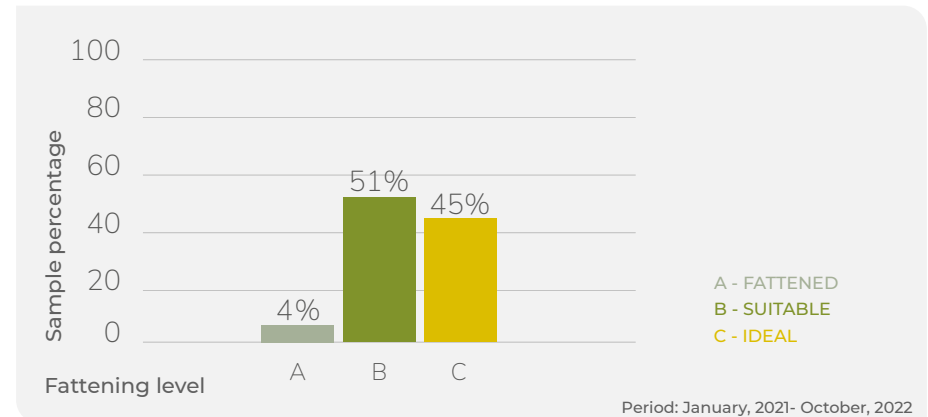
99% of our samples have been assessed with excellent, very good and good, highlighting that the fattening level is suitable in a 51% and ideal in a 45%.

Assessment of Our Meat

Valuation level



Fattening level



Daniel Navarro
Livestock Farming Manager

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