



Seropédica – RJ Plant

# Interim Financial Information

June 30, 2021

(A free translation of the original in Portuguese)



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**PARENT COMPANY FS / STATEMENT OF FINANCIAL POSITION**

<b>Account Code</b>	<b>Account Description</b>	<b>Current Quarter 06.30.21</b>	<b>Previous Year 12.31.20</b>
1	Total Assets	54.565.347	53.358.988
1.01	Current Assets	19.737.957	18.215.168
1.01.01	Cash and Cash Equivalents	2.651.573	3.876.139
1.01.02	Marketable Securities	315.036	312.515
1.01.02.01	Financial Investments Evaluated at Fair Value through Profit and Loss	315.036	312.515
1.01.03	Trade Accounts Receivable	6.470.799	5.254.064
1.01.03.01	Trade Accounts Receivable	6.435.531	5.210.498
1.01.03.02	Other Receivables	35.268	43.566
1.01.04	Inventories	6.316.497	5.161.261
1.01.05	Biological Assets	2.478.574	2.044.288
1.01.06	Recoverable Taxes	814.287	841.226
1.01.06.01	Current Recoverable Taxes	814.287	841.226
1.01.06.01.01	Income and social contribution tax (IR/CS)	39.926	28.888
1.01.06.01.03	Recoverable Income Taxes	783.829	830.075
1.01.06.01.04	Provision for losses	(9.468)	(17.737)
1.01.08	Other Current Assets	691.191	725.675
1.01.08.02	Assets of Discontinued Operations	4.956	15.637
1.01.08.02.01	Assets Held for Sale	4.956	15.637
1.01.08.03	Other	686.235	710.038
1.01.08.03.01	Dividends and Interest on Shareholders' Equity Receivable	10	10
1.01.08.03.02	Derivative Financial Instruments	272.881	361.315
1.01.08.03.06	Restricted Cash	24.245	1
1.01.08.03.10	Other	389.099	348.712
1.02	Non-current Assets	34.827.390	35.143.820
1.02.01	Non-current Assets	9.182.488	8.866.461
1.02.01.01	Financial Instruments Evaluated at Fair Value through Profit and Loss	14.911	15.044
1.02.01.04	Trade Accounts Receivable	42.765	49.569
1.02.01.04.01	Trade Accounts Receivable	6.814	6.731
1.02.01.04.02	Other Receivables	35.951	42.838
1.02.01.06	Biological Assets	1.249.007	1.154.726
1.02.01.07	Deferred Taxes	2.326.180	2.068.769
1.02.01.07.01	Deferred Income Taxes and Social Contribution	2.326.180	2.068.769
1.02.01.10	Other Non-current Assets	5.549.625	5.578.353
1.02.01.10.03	Judicial Deposits	543.839	553.276
1.02.01.10.04	Income and social contribution tax (IR/CS)	63.278	63.108
1.02.01.10.05	Provision for losses from Income and social contribution tax (IR/CS)	(8.985)	(8.985)
1.02.01.10.06	Recoverable Income Taxes	5.028.314	5.023.001
1.02.01.10.07	Provision for losses	(151.092)	(154.782)
1.02.01.10.08	Derivative Financial Instruments	9.894	234
1.02.01.10.09	Restricted Cash	1	24.357
1.02.01.10.10	Other	64.376	78.144
1.02.02	Investments	11.159.568	11.922.325
1.02.02.01	Investments	11.159.568	11.922.325
1.02.02.01.01	Equity in Associates	8.818	8.291
1.02.02.01.02	Interest on Wholly-owned Subsidiaries	11.150.167	11.913.451
1.02.02.01.04	Other	583	583
1.02.03	Property, Plant and Equipment, Net	11.276.956	11.168.558
1.02.03.01	Property, Plant and Equipment in Operation	8.561.664	8.596.006
1.02.03.02	Right of Use in Progress	1.884.653	1.977.199
1.02.03.03	Property, Plant and Equipment in Progress	830.639	595.353
1.02.04	Intangible	3.208.378	3.186.476
1.02.04.01	Intangible	3.208.378	3.186.476
1.02.04.01.02	Software	174.038	158.968
1.02.04.01.03	Trademarks	1.152.885	1.152.885
1.02.04.01.04	Goodwill	1.783.655	1.783.655
1.02.04.01.05	Software Leased	32.535	41.534
1.02.04.01.08	Other	65.265	49.434

The accompanying notes are an integral part of the financial statements.

**PARENT COMPANY FS / STATEMENT OF FINANCIAL POSITION**

<b>Account Code</b>	<b>Account Description</b>	<b>Current Quarter 06.30.21</b>	<b>Previous Year 12.31.20</b>
2	Total Liabilities	54.565.347	53.358.988
2.01	Current Liabilities	25.524.486	22.502.817
2.01.01	Social and Labor Obligations	300.268	260.733
2.01.01.01	Social Obligations	142.857	104.411
2.01.01.02	Labor Obligations	157.411	156.322
2.01.02	Trade Accounts Payable	10.651.832	9.911.814
2.01.02.01	Domestic Suppliers	9.767.500	9.097.794
2.01.02.01.01	Domestic Suppliers	8.073.880	7.507.271
2.01.02.01.02	Supply Chain Finance	1.318.847	1.287.577
2.01.02.01.03	Leasing Liability	374.773	302.946
2.01.02.02	Foreign Suppliers	884.332	814.020
2.01.02.02.01	Foreign Suppliers	752.571	648.960
2.01.02.02.02	Supply Chain Finance	131.761	165.060
2.01.03	Tax Obligations	515.950	268.347
2.01.03.01	Federal Tax Obligations	321.605	62.144
2.01.03.01.01	Income and Social Contribution Payable	256.090	-
2.01.03.01.02	Other Federal	65.515	62.144
2.01.03.02	State Tax Obligations	186.561	202.292
2.01.03.03	Municipal Tax Obligations	7.784	3.911
2.01.04	Short Term Debts	2.182.461	811.919
2.01.04.01	Short Term Debts	2.054.634	759.832
2.01.04.02	Debentures	127.827	52.087
2.01.05	Other Obligations	10.387.616	9.929.227
2.01.05.01	Advances from related parties	9.981.649	8.960.394
2.01.05.01.04	Advances from related parties	9.981.649	8.960.394
2.01.05.02	Other	405.967	968.833
2.01.05.02.04	Derivative Financial Instruments	129.613	378.543
2.01.05.02.05	Management and Employees Profit Sharing	39.308	255.153
2.01.05.02.08	Other Obligations	237.046	335.137
2.01.06	Provisions	1.486.359	1.320.777
2.01.06.01	Tax, Social Security, Labor and Civil Risk Provisions	884.305	860.889
2.01.06.01.01	Tax Risk Provisions	261.999	262.165
2.01.06.01.02	Social Security and Labor Risk Provisions	337.740	345.656
2.01.06.01.04	Civil Risk Provisions	284.566	253.068
2.01.06.02	Other Provisions	602.054	459.888
2.01.06.02.04	Vacations & Christmas Bonuses Provisions	487.116	344.950
2.01.06.02.05	Employee Benefits Provisions	114.938	114.938
2.02	Non-current Liabilities	20.703.827	22.270.387
2.02.01	Long-term Debt	17.253.656	18.498.335
2.02.01.01	Long-term Debt	13.244.397	15.528.417
2.02.01.02	Debentures	4.009.259	2.969.918
2.02.02	Other Obligations	2.274.122	2.413.091
2.02.02.01	Liabilities with Related Parties	43.194	41.892
2.02.02.01.04	Advances from Related Parties and Other Liabilities	43.194	41.892
2.02.02.02	Other	2.230.928	2.371.199
2.02.02.02.06	Suppliers	13.198	13.781
2.02.02.02.07	Leasing Liability	1.822.879	1.965.748
2.02.02.02.08	Other Obligations	387.196	390.943
2.02.02.02.09	Derivative Financial Instruments	7.655	727

## PARENT COMPANY FS / STATEMENT OF FINANCIAL POSITION

<b>Account Code</b>	<b>Account Description</b>	<b>Current Quarter 06.30.21</b>	<b>Previous Year 12.31.20</b>
2.02.04	Provisions	1,176,049	1,358,961
2.02.04.01	Tax, Social Security, Labor and Civil Risk Provisions	634,225	837,106
2.02.04.01.01	Provisions for Tax Contingencies	171,906	165,001
2.02.04.01.02	Social Security and Labor Risk Provisions	273,178	285,369
2.02.04.01.04	Provisions for Civil Contingencies	84,909	89,639
2.02.04.01.05	Contingent Liability	104,232	297,097
2.02.04.02	Other Provisions	541,824	521,855
2.02.04.02.04	Employee Benefits Plans	541,824	521,855
2.03	Shareholders' Equity	8,337,034	8,585,784
2.03.01	Paid-in Capital	12,460,471	12,460,471
2.03.01.01	Paid-in Capital	12,553,418	12,553,418
2.03.01.02	Cost of Shares Issuance	(92,947)	(92,947)
2.03.02	Capital Reserves	(51,390)	18,142
2.03.02.04	Share-based payments	207,110	214,711
2.03.02.05	Treasury Shares	(106,196)	(123,938)
2.03.02.07	Capital Reserves	141,834	141,834
2.03.02.08	Acquisition of Non-Controlling Entities	(293,918)	(214,245)
2.03.02.10	Capital Transactions with Controlling Entities	(220)	(220)
2.03.05	Accumulated Earnings (Losses)	(2,780,682)	(2,594,028)
2.03.08	Other Comprehensive Loss	(1,291,365)	(1,298,801)
2.03.08.01	Gains (Loss) with Cash Flow Hedge	(381,108)	(438,221)
2.03.08.02	Financial Instruments (FVTOCI)	-	7,016
2.03.08.03	Cumulative Translation Adjustments of Foreign Currency	(729,729)	(678,969)
2.03.08.04	Actuarial Gain (Losses)	(180,528)	(188,627)

The accompanying notes are an integral part of the financial statements.

## PARENT COMPANY FS / STATEMENT OF INCOME (LOSS)

Account Code	Account Description	Current Quarter 04.01.21 to 06.30.21	Accumulated Current Year 01.01.21 to 06.30.21	Previous Quarter 04.01.20 to 06.30.20	Accumulated Previous Year 01.01.20 to 06.30.20
3.01	Net Sales	10.231.317	19.522.706	7.063.409	14.512.454
3.02	Cost of Goods Sold	(8.465.859)	(15.670.856)	(6.182.886)	(12.011.795)
3.03	Gross Profit	1.765.458	3.851.850	880.523	2.500.659
3.04	Operating (Expenses) Income	(2.980.525)	(3.174.001)	1.075.115	3.680.086
3.04.01	Selling	(1.244.998)	(2.348.974)	(1.057.781)	(2.090.348)
3.04.02	General and Administrative	(127.173)	(225.853)	(122.609)	(209.890)
3.04.03	Impairment Loss on Trade Receivables	(3.160)	(5.716)	22.024	(9.078)
3.04.04	Other Operating Income	66.379	101.389	147.221	-
3.04.05	Other Operating Expenses	-	-	-	(84.110)
3.04.06	Income from Associates and Joint Ventures	(1.671.573)	(694.847)	2.086.260	6.073.512
3.05	Income Before Financial and Tax Results	(1.215.067)	677.849	1.955.638	6.180.745
3.06	Financial Results	1.023.280	(883.469)	(1.549.538)	(5.871.030)
3.06.01	Financial Income	66.570	175.441	66.332	173.109
3.06.01.01	Financial Income	66.570	175.441	66.332	173.109
3.06.02	Financial Expenses	956.710	(1.058.910)	(1.615.870)	(6.044.139)
3.06.02.01	Financial Expenses	(766.120)	(1.477.049)	(577.883)	(1.192.623)
3.06.02.02	Foreign exchange and monetary variations	1.722.830	418.139	(1.037.987)	(4.851.516)
3.07	Income Before Taxes	(191.787)	(205.620)	406.100	309.715
3.08	Income and Social Contribution	(11.069)	27.206	(102.230)	(51.766)
3.08.01	Current	(256.090)	(256.090)	-	-
3.08.02	Deferred	245.021	283.296	(102.230)	(51.766)
3.09	Income from Continued Operations	(202.856)	(178.414)	303.870	257.949
3.10	Net Loss from Discontinued Operations	(41.286)	(41.286)	-	-
3.11	Income (Loss)	(244.142)	(219.700)	303.870	257.949
3.99	Earnings per Share - (Brazilian Reais/Share)				
3.99.01	Earnings per Share - Basic				
3.99.01.01	ON	(0,30218)	(0,27197)	0,37533	0,31819
3.99.02	Earning per Share - Diluted				
3.99.02.01	ON	(0,30218)	(0,27197)	0,37521	0,31809

The accompanying notes are an integral part of the financial statements.

## PARENT COMPANY FS / STATEMENT OF COMPREHENSIVE INCOME (LOSS)

Account Code	Account Description	Current Quarter 04.01.21 to 06.30.21	Accumulated Current Year 01.01.21 to 06.30.21	Previous Quarter 04.01.20 to 06.30.20	Accumulated Previous Year 01.01.20 to 06.30.20
4.01	Income (Loss)	(244.142)	(219.700)	303.870	257.949
4.02	Other Comprehensive Income	279.095	40.482	165.806	(1.214.248)
4.02.01	Gain (Loss) on Foreign Currency Translation of Foreign Operations	(48.326)	(96.637)	(46.972)	(148.522)
4.02.02	Loss on Net Investment Hedge	170.638	45.877	(69.236)	(342.111)
4.02.03	Gain on Debt Investments Measured at FVTOCI	-	-	2.703	(170)
4.02.04	Gain (Loss) on Equity Investments Measured at FVTOCI	-	26.030	4.636	5.003
4.02.05	Gain (Loss) on Cash Flow Hedge	152.584	57.113	268.028	(741.483)
4.02.07	Actuarial Gains on Pension and Post-employment Plans	4.199	8.099	6.647	13.035
4.03	Comprehensive Income (Loss)	34.953	(179.218)	469.676	(956.299)

FVTOCI: Fair Value Through Other Comprehensive Income.

Items above are stated net of income taxes and the related taxes are disclosed in note 10.

The accompanying notes are an integral part of the financial statements.

**PARENT COMPANY FS / STATEMENT OF CHANGES IN EQUITY**

Account Code	Account Description	Paid-in Capital	Capital Reserves, Granted Options and Treasury Shares	Profit Reserves	Retained Earnings	Other Comprehensive Income	Shareholders' Equity
5.01	Balance at January 1, 2021	12.460.471	18.142	-	(2.594.028)	(1.298.801)	8.585.784
5.03	Opening Balance Adjusted	12.460.471	18.142	-	(2.594.028)	(1.298.801)	8.585.784
5.04	Share-based Payments	-	(69.532)	-	-	-	(69.532)
5.04.03	Options Granted	-	10.141	-	-	-	10.141
5.04.12	Acquisition (Write-off) of Non-Controlling Entities	-	(79.673)	-	-	-	(79.673)
5.05	Total Comprehensive Loss	-	-	-	(186.654)	7.436	(179.218)
5.05.01	Income for the Period	-	-	-	(219.700)	-	(219.700)
5.05.02	Other Comprehensive Loss	-	-	-	33.046	7.436	40.482
5.05.02.01	Financial Instruments Adjustments	-	-	-	-	57.113	57.113
5.05.02.06	Gains on Marketable Securities Measured at FVTOCI	-	-	-	-	26.030	26.030
5.05.02.07	Actuarial Gains on Pension and Post-employment Plans	-	-	-	-	8.099	8.099
5.05.02.08	Realized Gains on Marketable Securities at FVTOCI	-	-	-	33.046	(33.046)	-
5.05.02.09	Loss on Foreign Currency Translation of Foreign Operations	-	-	-	-	(96.637)	(96.637)
5.05.02.10	Losses on Hedge Investments, net	-	-	-	-	45.877	45.877
5.07	Balance at June 30, 2021	12.460.471	(51.390)	-	(2.780.682)	(1.291.365)	8.337.034

Account Code	Account Description	Paid-in Capital	Capital Reserves, Granted Options and Treasury Shares	Profit Reserves	Retained Earnings	Other Comprehensive Income	Shareholders' Equity
5.01	Balance at January 1, 2020	12.460.471	154.606	-	(3.996.985)	(722.469)	7.895.623
5.03	Opening Balance Adjusted	12.460.471	154.606	-	(3.996.985)	(722.469)	7.895.623
5.04	Share-based Payments	-	(145.424)	-	-	-	(145.424)
5.04.03	Options Granted	-	11.591	-	-	-	11.591
5.04.04	Treasury Shares Acquired	-	(106.070)	-	-	-	(106.070)
5.04.12	Acquisition (Write-off) of Non-Controlling Entities	-	(50.945)	-	-	-	(50.945)
5.05	Total Comprehensive Loss	-	-	-	257.949	(1.214.248)	(956.299)
5.05.01	Loss for the Period	-	-	-	257.949	-	257.949
5.05.02	Other Comprehensive Loss	-	-	-	-	(1.214.248)	(1.214.248)
5.05.02.01	Financial Instruments Adjustments	-	-	-	-	(741.483)	(741.483)
5.05.02.06	Gains on Marketable Securities Measured at FVTOCI	-	-	-	-	4.833	4.833
5.05.02.07	Actuarial gains on pension and post-employment plans	-	-	-	-	13.035	13.035
5.05.02.08	Losses on Foreign Currency Translation of Foreign Operations	-	-	-	-	(148.522)	(148.522)
5.05.02.09	Losses on Hedge Investments, net	-	-	-	-	(342.111)	(342.111)
5.07	Balance at June 30, 2020	12.460.471	9.182	-	(3.739.036)	(1.936.717)	6.793.900

All changes in other comprehensive income are presented net of taxes.

FVTOCI: Fair Value Through Other Comprehensive Income.

Acquisition of remaining participation in the subsidiary AFC (note 1.1).

Comparative period was restated as described in note 22.2.

The accompanying notes are an integral part of the financial statements.

**PARENT COMPANY FS / STATEMENT OF CASH FLOWS**

<b>Account Code</b>	<b>Account Description</b>	<b>Accumulated Current Year 01.01.21 to 06.30.21</b>	<b>Accumulated Previous Year 01.01.20 to 06.30.20</b>
6.01	Cash from Operating Activities	339.038	2.646.286
6.01.01	Cash from Operations	2.223.382	1.467.855
6.01.01.01	Net Income (Loss)	(178.414)	257.949
6.01.01.03	Depreciation and Amortization	692.540	610.390
6.01.01.04	Depreciation and Depletion of Biological Assets	441.867	377.490
6.01.01.05	Result on Disposal of Property, Plant and Equipments and Investment	(7.304)	2.380
6.01.01.06	Tax Recoveries and Gains in Tax Lawsuits	(54.392)	(224.820)
6.01.01.08	Deferred Income Tax	(283.296)	51.766
6.01.01.09	Provision for Tax, Civil and Labor Risks	(11.388)	181.851
6.01.01.10	Financial Results, Net	883.469	5.871.030
6.01.01.11	Income from Associates and Joint Ventures	694.847	(6.073.512)
6.01.01.12	Write-down of Inventories to Net Realizable Value	26.920	40.021
6.01.01.14	Employee Profit Sharing	14.526	121.399
6.01.01.17	Other	4.007	251.911
6.01.02	Changes in Operating Assets and Liabilities	(1.884.344)	1.178.431
6.01.02.01	Trade Accounts Receivable	(1.187.604)	(395.989)
6.01.02.02	Inventories	(1.182.156)	(701.669)
6.01.02.03	Trade Accounts Payable	230.502	286.358
6.01.02.05	Supply Chain Finance	(3.074)	140.750
6.01.02.06	Payment of Tax, Civil and Labor Risks Provisions	(198.301)	(129.746)
6.01.02.07	Others Operating Assets and Liabilities	1.374.315	947.290
6.01.02.08	Investment in Securities at FVTPL	(23.894)	2.800
6.01.02.09	Redemption of Securities at FVTPL	28.098	99.264
6.01.02.15	Dividends and Interest on Shareholders' Equity Received	-	196
6.01.02.16	Biological assets - Current	(434.286)	(258.755)
6.01.02.17	Interest received	37.068	50.925
6.01.02.19	Derivative Financial Instruments	(525.012)	1.137.007
6.02	Net Cash provided by (used in) Investing Activities	(1.234.183)	(416.690)
6.02.05	Redemptions of Restricted Cash	400	285.622
6.02.06	Additions to Property, Plant and Equipment	(544.406)	(274.851)
6.02.07	Receivable from Disposal of Property, Plant and Equipments and Investment	8.500	65.717
6.02.08	Capital increase in subsidiaries	(58.998)	(5.000)
6.02.09	Additions to Intangible	(105.909)	(64.428)
6.02.10	Additions to Biological Assets - Non-current	(533.242)	(423.203)
6.02.11	Sale (aquisition) of Participation in Joint Ventures and Subsidiaries	(528)	(547)
6.03	Net Cash Used in Financing Activities	(334.608)	672.210
6.03.01	Proceeds from Debt Issuance	1.011.355	2.855.552
6.03.02	Payment of Debt	(511.602)	(1.381.422)
6.03.03	Payment of Interest	(553.110)	(474.804)
6.03.06	Treasury Shares Acquisition	-	(106.070)
6.03.11	Payment of lease liabilities	(281.251)	(221.046)
6.04	Exchange Rate Variation on Cash and Cash Equivalents	5.187	198.521
6.05	Increase (Decrease) in Cash and Cash Equivalents	(1.224.566)	3.100.327
6.05.01	Balance at the Beginning of the Period	3.876.139	1.368.980
6.05.02	Balance at the End of the Period	2.651.573	4.469.307

FVTPL: Fair Value Through Profit and Loss.

In the Parent company, contemplates mainly the effects of prepayments of exports with subsidiaries in the amount of R\$(738,485) in the six-month period ended on June 30, 2021 (R\$3,767,176 in the same period of the previous year).

FVTOCI: Fair Value Through Other Comprehensive Income.

Restated according to reclassifications described in note 3.

The accompanying notes are an integral part of the financial statements.

**PARENT COMPANY FS / STATEMENT OF VALUE ADDED**

<b>Account Code</b>	<b>Account Description</b>	<b>Accumulated Current Year 01.01.21 to 06.30.21</b>	<b>Accumulated Previous Year 01.01.20 to 06.30.20</b>
7.01	Revenues	22.291.765	16.618.793
7.01.01	Sales of Goods, Products and Services	21.645.303	16.317.046
7.01.02	Other Income	118.276	38.180
7.01.03	Revenue Related to Construction of Own Assets	533.902	272.645
7.01.04	Allowance for Doubtful Accounts	(5.716)	(9.078)
7.02	Supplies Acquired from Third Parties	(14.819.852)	(10.954.133)
7.02.01	Costs of Products and Goods Sold	(12.610.883)	(9.226.376)
7.02.02	Materials, Energy, Third Parties Services and Other	(2.223.811)	(1.737.674)
7.02.03	Reversal (Provision) for Inventories Losses	14.842	9.917
7.03	Gross Added Value	7.471.913	5.664.660
7.04	Retentions	(1.134.407)	(987.880)
7.04.01	Depreciation, Amortization and Exhaustion	(1.134.407)	(987.880)
7.05	Net Added Value	6.337.506	4.676.780
7.06	Received from Third Parties	(521.766)	6.245.730
7.06.01	Income from Associates and Joint Ventures	(694.847)	6.073.512
7.06.02	Financial Income	175.441	173.109
7.06.03	Other	(2.360)	(891)
7.07	Added Value to be Distributed	5.815.740	10.922.510
7.08	Distribution of Added Value	5.815.740	10.922.510
7.08.01	Payroll	2.524.199	2.504.040
7.08.01.01	Salaries	1.799.065	1.829.075
7.08.01.02	Benefits	595.083	544.184
7.08.01.03	Government Severance Indemnity Fund for Employees Guarantee Fund for Length of Service - FGTS	130.051	130.781
7.08.02	Taxes, Fees and Contributions	2.322.184	2.045.361
7.08.02.01	Federal	920.221	850.068
7.08.02.02	State	1.380.576	1.174.975
7.08.02.03	Municipal	21.387	20.318
7.08.03	Capital Remuneration from Third Parties	1.147.771	6.115.160
7.08.03.01	Interests	1.082.252	6.052.527
7.08.03.02	Rents	65.519	62.633
7.08.04	Interest on Own Capital	(178.414)	257.949
7.08.04.03	Income of the Period	(178.414)	257.949

The accompanying notes are an integral part of the financial statement.

**CONSOLIDATED FS / STATEMENT OF FINANCIAL POSITION**

<b>Account Code</b>	<b>Account Description</b>	<b>Current Quarter 06.30.21</b>	<b>Previous Year 12.31.20</b>
1	Total Assets	49.617.892	49.664.906
1.01	Current Assets	22.597.774	22.911.984
1.01.01	Cash and Cash Equivalents	6.941.842	7.576.625
1.01.02	Marketable Securities	316.410	314.158
1.01.02.01	Measured at Fair Value through Profit and Loss	316.410	314.158
1.01.03	Trade Accounts Receivable	2.996.513	4.136.421
1.01.03.01	Trade Accounts Receivable	2.961.245	4.092.855
1.01.03.02	Other Receivables	35.268	43.566
1.01.04	Inventories	7.954.637	6.802.759
1.01.05	Biological Assets	2.559.876	2.129.010
1.01.06	Recoverable Income Taxes	910.022	942.960
1.01.06.01	Current Recoverable Taxes	910.022	942.960
1.01.06.01.01	Income and social contribution tax (IR/CS)	77.240	43.840
1.01.06.01.03	Recoverable Income Taxes	842.250	916.857
1.01.06.01.04	Provision for losses	(9.468)	(17.737)
1.01.08	Other Current Assets	918.474	1.010.051
1.01.08.02	Assets of Discontinued Operations	20.694	186.025
1.01.08.02.01	Assets Held for Sale	20.694	186.025
1.01.08.03	Other	897.780	824.026
1.01.08.03.02	Derivative Financial Instruments	276.137	377.756
1.01.08.03.06	Restricted Cash	24.245	1
1.01.08.03.10	Other	597.398	446.269
1.02	Non-current Assets	27.020.118	26.752.922
1.02.01	Non-current Assets	9.621.763	9.308.366
1.02.01.01	Financial Instruments Evaluated at Fair Value through Profit and Loss	14.911	15.044
1.02.01.02	Financial Instruments Evaluated at Fair Value through Other Comprehensive Income	-	42.029
1.02.01.03	Evaluated at Amortized Cost	318.123	287.504
1.02.01.04	Trade Accounts Receivable	43.069	49.864
1.02.01.04.01	Trade Accounts Receivable	7.118	7.026
1.02.01.04.02	Other Receivables	35.951	42.838
1.02.01.06	Biological Assets	1.314.660	1.221.749
1.02.01.07	Deferred Taxes	2.361.035	2.109.064
1.02.01.07.01	Deferred Income Taxes and Social Contribution	2.361.035	2.109.064
1.02.01.10	Other Non-current Assets	5.569.965	5.583.112
1.02.01.10.03	Judicial Deposits	543.893	553.341
1.02.01.10.04	Income and social contribution tax (IR/CS)	78.193	63.888
1.02.01.10.05	Provision for losses from Income and social contribution tax (IR/CS)	(9.029)	(9.029)
1.02.01.10.06	Recoverable Income Taxes	5.028.800	5.023.459
1.02.01.10.07	Provision for losses	(151.568)	(155.261)
1.02.01.10.08	Derivative Financial Instruments	9.894	234
1.02.01.10.09	Restricted Cash	1	24.357
1.02.01.10.10	Other	69.781	82.123
1.02.02	Investments	9.401	8.874
1.02.02.01	Investments	9.401	8.874
1.02.02.01.01	Equity in Associates	8.818	8.291
1.02.02.01.05	Other	583	583
1.02.03	Property, Plant and Equipment, Net	12.336.681	12.215.580
1.02.03.01	Property, Plant and Equipment in Operation	9.299.019	9.376.390
1.02.03.02	Right of Use in Progress	2.173.390	2.230.935
1.02.03.03	Property, Plant and Equipment in Progress	864.272	608.255
1.02.04	Intangible	5.052.273	5.220.102
1.02.04.01	Intangible	5.052.273	5.220.102
1.02.04.01.02	Software	178.880	166.024
1.02.04.01.03	Trademarks	1.296.535	1.327.738
1.02.04.01.04	Goodwill	2.878.380	2.935.577
1.02.04.01.05	Software Leased	32.536	41.534
1.02.04.01.08	Other	665.942	749.229

The accompanying notes are an integral part of the financial statement.

**CONSOLIDATED FS / STATEMENT OF FINANCIAL POSITION**

<b>Account Code</b>	<b>Account Description</b>	<b>Current Quarter 06.30.21</b>	<b>Previous Year 12.31.20</b>
2	Total Liabilities	49.617.892	49.664.906
2.01	Current Liabilities	17.420.464	15.440.328
2.01.01	Social and Labor Obligations	317.502	272.416
2.01.01.01	Social Obligations	151.517	111.546
2.01.01.02	Labor Obligations	165.985	160.870
2.01.02	Trade Accounts Payable	11.682.525	10.832.005
2.01.02.01	Domestic Suppliers	9.770.074	9.099.523
2.01.02.01.01	Domestic Suppliers	8.076.454	7.509.000
2.01.02.01.02	Supply Chain Finance	1.318.847	1.287.577
2.01.02.01.03	Leasing Liability	374.773	302.946
2.01.02.02	Foreign Suppliers	1.912.451	1.732.482
2.01.02.02.01	Foreign Suppliers	1.674.937	1.487.206
2.01.02.02.02	Supply Chain Finance	131.761	165.060
2.01.02.02.03	Leasing Liability	105.753	80.216
2.01.03	Tax Obligations	638.241	395.630
2.01.03.01	Federal Tax Obligations	406.238	123.950
2.01.03.01.01	Income and Social Contribution Payable	336.352	60.121
2.01.03.01.02	Other Federal	69.886	63.829
2.01.03.02	State Tax Obligations	224.219	267.769
2.01.03.03	Municipal Tax Obligations	7.784	3.911
2.01.04	Short Term Debts	2.530.352	1.059.984
2.01.04.01	Short Term Debts	2.402.525	1.007.897
2.01.04.02	Debentures	127.827	52.087
2.01.05	Other Obligations	732.888	1.505.727
2.01.05.02	Other	732.888	1.505.727
2.01.05.02.01	Dividends and Interest on Shareholders' Equity Payable	-	4.272
2.01.05.02.04	Derivative Financial Instruments	130.197	384.969
2.01.05.02.05	Management and Employees Profit Sharing	39.308	306.120
2.01.05.02.08	Other Obligations	563.383	810.366
2.01.06	Provisions	1.518.956	1.352.848
2.01.06.01	Tax, Social Security, Labor and Civil Risk Provisions	887.520	865.338
2.01.06.01.01	Tax Risk Provisions	261.999	262.165
2.01.06.01.02	Social Security and Labor Risk Provisions	340.720	349.283
2.01.06.01.04	Civil Risk Provisions	284.801	253.890
2.01.06.02	Other Provisions	631.436	487.510
2.01.06.02.04	Vacations & Christmas Bonuses Provisions	506.928	362.280
2.01.06.02.05	Employee Benefits Provisions	124.508	125.230
2.01.07	Liabilities of Discontinued Operations	-	21.718
2.01.07.01	Liabilities of Discontinued Operations	-	21.718
2.01.07.01.01	Liabilities directly associated with assets held for sale	-	21.718
2.02	Non-current Liabilities	23.786.385	25.411.044
2.02.01	Long-term Debt	20.024.831	21.344.442
2.02.01.01	Long-term Debt	16.015.572	18.374.524
2.02.01.02	Debentures	4.009.259	2.969.918
2.02.02	Other Obligations	2.427.229	2.551.368
2.02.02.02	Other	2.427.229	2.551.368
2.02.02.02.06	Suppliers	13.198	13.781
2.02.02.02.07	Leasing Liability	2.028.605	2.153.519
2.02.02.02.08	Other Obligations	377.771	383.341
2.02.02.02.09	Derivative Financial Instruments	7.655	727

**CONSOLIDATED FS / STATEMENT OF FINANCIAL POSITION**

<b>Account Code</b>	<b>Account Description</b>	<b>Current Quarter 06.30.21</b>	<b>Previous Year 12.31.20</b>
2.02.03	Deferred Taxes	30.219	26.527
2.02.03.01	Deferred Income Taxes and Social Contribution	30.219	26.527
2.02.04	Provisions	1.304.106	1.488.707
2.02.04.01	Tax, Social Security, Labor and Civil Risk Provisions	634.449	837.382
2.02.04.01.01	Provisions for Tax Contingencies	172.021	165.137
2.02.04.01.02	Social Security and Labor Risk Provisions	273.215	285.423
2.02.04.01.04	Provisions for Civil Contingencies	84.909	89.640
2.02.04.01.05	Contingent Liabilities	104.304	297.182
2.02.04.02	Other Provisions	669.657	651.325
2.02.04.02.04	Employee Benefits Plans	669.657	651.325
2.03	Shareholders' Equity	8.411.043	8.813.534
2.03.01	Paid-in Capital	12.460.471	12.460.471
2.03.01.01	Paid-in Capital	12.553.418	12.553.418
2.03.01.02	Cost of Shares Issuance	(92.947)	(92.947)
2.03.02	Capital Reserves	(51.390)	18.142
2.03.02.04	Share-based payments	207.110	214.711
2.03.02.05	Treasury Shares	(106.196)	(123.938)
2.03.02.07	Capital Reserves	141.834	141.834
2.03.02.08	Acquisition of Non-Controlling Interests	(293.918)	(214.245)
2.03.02.10	Capital Transactions with Controlling Entities	(220)	(220)
2.03.05	Accumulated Earnings (Losses)	(2.780.682)	(2.594.028)
2.03.08	Other Comprehensive Loss	(1.291.365)	(1.298.801)
2.03.08.01	Gains (Loss) with Cash Flow Hedge	(381.108)	(438.221)
2.03.08.02	Financial Instruments (FVTOCI)	-	7.016
2.03.08.03	Cumulative Translation Adjustments of Foreign Currency	(729.729)	(678.969)
2.03.08.04	Actuarial Gain (Losses)	(180.528)	(188.627)
2.03.09	Non-controlling Interest	74.009	227.750

The accompanying notes are an integral part of the financial statement.

**CONSOLIDATED FS / STATEMENT OF INCOME (LOSS)**

<b>Account Code</b>	<b>Account Description</b>	<b>Current Quarter 04.01.21 to 06.30.21</b>	<b>Accumulated Current Year 01.01.21 to 06.30.21</b>	<b>Previous Quarter 04.01.20 to 06.30.20</b>	<b>Accumulated Previous Year 01.01.20 to 06.30.20</b>
3.01	Net Sales	11.636.901	22.228.878	9.103.926	18.052.991
3.02	Cost of Goods Sold	(9.410.919)	(17.807.936)	(7.125.034)	(13.821.122)
3.03	Gross Profit	2.225.982	4.420.942	1.978.892	4.231.869
3.04	Operating (Expenses) Income	(1.645.660)	(3.212.709)	(1.391.705)	(3.090.003)
3.04.01	Selling	(1.544.112)	(2.977.138)	(1.360.889)	(2.645.223)
3.04.02	General and Administrative	(192.275)	(352.259)	(190.465)	(333.025)
3.04.03	Impairment Loss on Trade Receivables	(5.072)	(8.492)	21.096	(11.755)
3.04.04	Other Operating Income	95.799	125.180	138.553	-
3.04.05	Other Operating Expenses	-	-	-	(100.000)
3.05	Income Before Financial and Tax Results	580.322	1.208.233	587.187	1.141.866
3.06	Financial Results	(759.378)	(1.362.018)	(190.303)	(796.772)
3.06.01	Financial Income	83.824	206.477	81.833	194.711
3.06.01.01	Financial Income	83.824	206.477	81.833	194.711
3.06.02	Financial Expenses	(843.202)	(1.568.495)	(272.136)	(991.483)
3.06.02.01	Financial Expenses	(797.274)	(1.423.689)	(166.563)	(735.913)
3.06.02.02	Foreign exchange and monetary variations	(45.928)	(144.806)	(105.573)	(255.570)
3.07	Income Before Taxes	(179.056)	(153.785)	396.884	345.094
3.08	Income and Social Contribution	(19.503)	(22.313)	(89.755)	(76.197)
3.08.01	Current	(283.749)	(315.641)	(21.983)	(38.332)
3.08.02	Deferred	264.246	293.328	(67.772)	(37.865)
3.09	Income from Continued Operations	(198.559)	(176.098)	307.129	268.897
3.10	Net Loss from Discontinued Operations	(41.286)	(41.286)	-	-
3.11	Income/Loss	(239.845)	(217.384)	307.129	268.897
3.11.01	Attributable to: Controlling Shareholders	(244.142)	(219.700)	303.870	257.949
3.11.02	Attributable to: Non-controlling Interest	4.297	2.316	3.259	10.948
3.99	Earnings per Share - (Brazilian Reais/Share)				
3.99.01	Earnings per Share - Basic				
3.99.01.01	ON	(0,30218)	(0,27197)	0,37533	0,31819
3.99.02	Earning per Share - Diluted				
3.99.02.01	ON	(0,30218)	(0,27197)	0,37521	0,31809

The accompanying notes are an integral part of the financial statement.

**CONSOLIDATED FS / STATEMENT OF COMPREHENSIVE INCOME (LOSS)**

<b>Account Code</b>	<b>Account Description</b>	<b>Current Quarter 04.01.21 to 06.30.21</b>	<b>Accumulated Current Year 01.01.21 to 06.30.21</b>	<b>Previous Quarter 04.01.20 to 06.30.209</b>	<b>Accumulated Previous Year 01.01.20 to 06.30.20</b>
4.01	Income (Loss)	(239.845)	(217.384)	307.129	268.897
4.02	Other Comprehensive Income	268.182	(2.526)	148.760	(1.171.494)
4.02.01	Gain (Loss) on Foreign Currency Translation of Foreign Operations	(59.221)	(139.581)	(63.994)	(105.697)
4.02.02	Loss on Net Investment Hedge	170.638	45.877	(69.236)	(342.111)
4.02.03	Gain on Debt Investments Measured at FVTOCI	-	-	2.703	(170)
4.02.04	Gain (Loss) on Equity Investments Measured at FVTOCI	-	26.030	4.636	5.003
4.02.05	Gain (Loss) on Cash Flow Hedge	152.584	57.113	268.028	(741.483)
4.02.07	Actuarial Gains on Pension and Post-employment Plans	4.181	8.035	6.623	12.964
4.03	Comprehensive Income (Loss)	28.337	(219.910)	455.889	(902.597)
4.03.01	Attributable to: BRF Shareholders	34.953	(179.218)	469.676	(956.299)
4.03.02	Attributable to: Non-controlling Interests	(6.616)	(40.692)	(13.787)	53.702

FVTOCI: Fair Value Through Other Comprehensive Income.

Items above are stated net of income taxes and the related taxes are disclosed in note 10.

The accompanying notes are an integral part of the financial statement.

## CONSOLIDATED FS / STATEMENT OF CHANGES IN EQUITY

Account Code	Account Description	Paid-in Capital	Capital Reserves, Granted Options and Treasury Shares	Profit Reserves	Retained Earnings	Other Comprehensive Income	Shareholders' Equity	Non-Controlling Interests	Total Shareholders' Equity
5.01	Balance at January 1, 2021	12.460.471	18.142	-	(2.594.028)	(1.298.801)	8.585.784	227.750	8.813.534
5.03	Opening Balance Adjusted	12.460.471	18.142	-	(2.594.028)	(1.298.801)	8.585.784	227.750	8.813.534
5.04	Share-based Payments	-	(69.532)	-	-	-	(69.532)	(113.049)	(182.581)
5.04.03	Options Granted	-	10.141	-	-	-	10.141	-	10.141
5.04.13	Acquisition / Sale of Non-Controlling Interests	-	(79.673)	-	-	-	(79.673)	(113.049)	(192.722)
5.05	Total Comprehensive Loss	-	-	-	(186.654)	7.436	(179.218)	(40.692)	(219.910)
5.05.01	Income for the Period	-	-	-	(219.700)	-	(219.700)	2.316	(217.384)
5.05.02	Other Comprehensive Loss	-	-	-	33.046	7.436	40.482	(43.008)	(2.526)
5.05.02.01	Financial Instruments Adjustments	-	-	-	-	57.113	57.113	-	57.113
5.05.02.06	Gains on Marketable Securities Measured at FVTOCI	-	-	-	-	26.030	26.030	-	26.030
5.05.02.07	Actuarial Gains (Losses) on Pension and Post-employment Plans	-	-	-	-	8.099	8.099	(64)	8.035
5.05.02.08	Realized Gains on Marketable Securities at FVTOCI	-	-	-	33.046	(33.046)	-	-	-
5.05.02.09	Loss on Foreign Currency Translation of Foreign Operations	-	-	-	-	(96.637)	(96.637)	(42.944)	(139.581)
5.05.02.10	Losses on Hedge Investments, net	-	-	-	-	45.877	45.877	-	45.877
5.07	Balance at June 30, 2021	12.460.471	(51.390)	-	(2.780.682)	(1.291.365)	8.337.034	74.009	8.411.043

Account Code	Account Description	Paid-in Capital	Capital Reserves, Granted Options and Treasury Shares	Profit Reserves	Retained Earnings	Other Comprehensive Income	Shareholders' Equity	Non-Controlling Interests	Total Shareholders' Equity
5.01	Balance at January 1, 2020	12.460.471	154.606	-	(3.996.985)	(722.469)	7.895.623	252.726	8.148.349
5.03	Opening Balance Adjusted	12.460.471	154.606	-	(3.996.985)	(722.469)	7.895.623	252.726	8.148.349
5.04	Share-based Payments	-	(145.424)	-	-	-	(145.424)	(54.863)	(200.287)
5.04.03	Options Granted	-	11.591	-	-	-	11.591	-	11.591
5.04.04	Treasury Shares Acquired	-	(106.070)	-	-	-	(106.070)	-	(106.070)
5.04.13	Acquisition / Sale of Non-Controlling Interests	-	(50.945)	-	-	-	(50.945)	(54.863)	(105.808)
5.05	Total Comprehensive Loss	-	-	-	257.949	(1.214.248)	(956.299)	53.702	(902.597)
5.05.01	Loss for the Period	-	-	-	257.949	-	257.949	10.948	268.897
5.05.02	Other Comprehensive Loss	-	-	-	-	(1.214.248)	(1.214.248)	42.754	(1.171.494)
5.05.02.01	Financial Instruments Adjustments	-	-	-	-	(741.483)	(741.483)	-	(741.483)
5.05.02.06	Unrealized Losses on Marketable Securities at FVTOCI	-	-	-	-	4.833	4.833	-	4.833
5.05.02.07	Actuarial losses on pension and post-employment plans	-	-	-	-	13.035	13.035	(71)	12.964
5.05.02.08	Cumulative Translation Adjustments of Foreign Currency	-	-	-	-	(148.522)	(148.522)	42.825	(105.697)
5.05.02.09	Losses on Hedge Investments, net	-	-	-	-	(342.111)	(342.111)	-	(342.111)
5.07	Balance at June 30, 2020	12.460.471	9.182	-	(3.739.036)	(1.936.717)	6.793.900	251.565	7.045.465

All changes in other comprehensive income are presented net of taxes.  
FVTOCI: Fair Value Through Other Comprehensive Income.  
Acquisition of remaining participation in the subsidiary AFC (note 1.1).  
Comparative period was restated as described in note 22.2.

The accompanying notes are an integral part of the financial statements.

**CONSOLIDATED FS / STATEMENT OF CASH FLOWS**

<b>Account Code</b>	<b>Account Description</b>	<b>Accumulated Current Year 01.01.21 to 06.30.21</b>	<b>Accumulated Previous Year 01.01.20 to 06.30.20</b>
6.01	Cash from Operating Activities	1.210.861	4.106.513
6.01.01	Cash from Operations	2.234.576	2.670.227
6.01.01.01	Net Income (Loss)	(176.098)	268.897
6.01.01.03	Depreciation and Amortization	889.894	741.053
6.01.01.04	Depreciation and Depletion of Biological Assets	485.564	420.747
6.01.01.05	Result on Disposal of Property, Plant and Equipments and Investment	(36.015)	7.409
6.01.01.06	Tax Recoveries and Gains in Tax Lawsuits	(54.392)	(224.820)
6.01.01.08	Deferred Income Tax	(293.328)	37.865
6.01.01.09	Provision for Tax, Civil and Labor Risks	(11.876)	182.108
6.01.01.10	Financial Results, Net	1.362.018	796.772
6.01.01.12	Write-down of Inventories to Net Realizable Value	32.974	63.180
6.01.01.14	Employee Profit Sharing	29.055	117.992
6.01.01.17	Other	6.780	259.024
6.01.02	Changes in Operating Assets and Liabilities	(1.023.715)	1.436.286
6.01.02.01	Trade Accounts Receivable	1.068.291	643.436
6.01.02.02	Inventories	(1.301.476)	(1.223.384)
6.01.02.03	Trade Accounts Payable	300.223	522.587
6.01.02.05	Supply Chain Finance	(3.074)	140.750
6.01.02.06	Payment of Tax, Civil and Labor Risks Provisions	(198.301)	(129.748)
6.01.02.07	Others Operating Assets and Liabilities	27.958	450.922
6.01.02.08	Investment in Securities at FVTPL	(23.894)	-
6.01.02.09	Redemption of Securities at FVTPL	28.339	102.172
6.01.02.14	Payment of Income Taxes	-	(146)
6.01.02.16	Biological assets - Current	(448.702)	(268.631)
6.01.02.17	Interest received	38.254	57.176
6.01.02.19	Derivative Financial Instruments	(511.333)	1.141.152
6.02	Net Cash Provided by (used in) Investing Activities	(1.047.340)	(425.352)
6.02.02	Redemptions of Securities at Amortized Cost	166.112	-
6.02.04	Redemptions of Securities at FVTOCI	86.059	-
6.02.05	Redemptions of Restricted Cash	400	285.622
6.02.06	Additions to Property, Plant and Equipment	(602.926)	(285.323)
6.02.07	Receivable from Disposal of Property, Plant and Equipments and Investment	8.500	65.717
6.02.09	Additions to Intangible	(101.106)	(59.067)
6.02.10	Additions to Biological Assets - Non-current	(588.040)	(470.300)
6.02.11	Sale (aquisition) of Participation in Joint Ventures and Subsidiaries	(528)	(547)
6.02.12	Business Combination, net of cash	(131.212)	-
6.02.13	Sale of Participation in Subsidiaries with Loss of Control	132.951	38.546
6.02.16	Net Cash Provided (used in) Investing Activities from Discontinued Operations	(17.550)	-
6.03	Net Cash used in Financing Activities	(533.424)	689.852
6.03.01	Proceeds from Debt Issuance	1.264.223	3.357.785
6.03.02	Payment of Debt	(539.359)	(1.639.768)
6.03.03	Payment of Interest	(646.355)	(553.441)
6.03.06	Treasury Shares Acquisition	-	(106.070)
6.03.09	Acquisition of Non-Controlling Interests	(238.421)	(100.390)
6.03.11	Payment of Lease Liabilities	(373.512)	(268.264)
6.04	Exchange Rate Variation on Cash and Cash Equivalents	(264.880)	1.062.477
6.05	Increase (Decrease) in Cash and Cash Equivalents	(634.783)	5.433.490
6.05.01	Balance at the Beginning of the Period	7.576.625	4.237.785
6.05.02	Balance at the End of the Period	6.941.842	9.671.275

FVTPL: Fair Value Through Profit and Loss.

FVTOCI: Fair Value Through Other Comprehensive Income.

The accompanying notes are an integral part of the financial statements.

**CONSOLIDATED FS / STATEMENT OF VALUE ADDED**

<b>Account Code</b>	<b>Account Description</b>	<b>Accumulated Current Year 01.01.21 to 06.30.21</b>	<b>Accumulated Previous Year 01.01.20 to 06.30.20</b>
7.01	Revenues	25.074.739	20.130.286
7.01.01	Sales of Goods, Products and Services	24.355.190	19.859.521
7.01.02	Other Income	156.595	18.082
7.01.03	Revenue Related to Construction of Own Assets	571.446	264.438
7.01.04	(Provision) Reversal for Doubtful Accounts Reversal	(8.492)	(11.755)
7.02	Supplies Acquired from Third Parties	(17.247.444)	(12.966.408)
7.02.01	Costs of Products and Goods Sold	(14.607.519)	(10.887.673)
7.02.02	Materials, Energy, Third Parties Services and Other	(2.659.600)	(2.077.276)
7.02.03	Recovery (Loss) of Assets Values	19.675	(1.459)
7.03	Gross Added Value	7.827.295	7.163.878
7.04	Retentions	(1.375.458)	(1.161.800)
7.04.01	Depreciation, Amortization and Exhaustion	(1.375.458)	(1.161.800)
7.05	Net Added Value	6.451.837	6.002.078
7.06	Received from Third Parties	204.117	194.653
7.06.02	Financial Income	206.477	194.711
7.06.03	Other	(2.360)	(58)
7.07	Added Value to be Distributed	6.655.954	6.196.731
7.08	Distribution of Added Value	6.655.954	6.196.731
7.08.01	Payroll	2.822.070	2.743.528
7.08.01.01	Salaries	2.032.779	2.021.894
7.08.01.02	Benefits	649.805	582.713
7.08.01.03	Government Severance Indemnity Fund for Employees		
	Guarantee Fund for Length of Service - FGTS	139.486	138.921
7.08.02	Taxes, Fees and Contributions	2.389.656	2.085.446
7.08.02.01	Federal	984.795	886.296
7.08.02.02	State	1.380.472	1.174.972
7.08.02.03	Municipal	24.389	24.178
7.08.03	Capital Remuneration from Third Parties	1.620.326	1.098.860
7.08.03.01	Interests	1.591.837	999.871
7.08.03.02	Rents	28.489	98.989
7.08.04	Interest on Own Capital	(176.098)	268.897
7.08.04.03	Income of the Period	(178.414)	257.949
7.08.04.04	Non-controlling interest	2.316	10.948

The accompanying notes are an integral part of the financial statements.



## MANAGEMENT REPORT

Sadia



Qualy



ساديا  
Sadia



Claycom

Deline

# 2Q21

## QUARTER HIGHLIGHTS



**R\$11,637 million**

Net Revenue +27.8% YoY



**R\$2,226 million**

Gross Profit +12.5% YoY



**19.1%**

Gross Margin -2.6 p.p YoY



**R\$199 million**

Net Income (Loss) R\$ 307 million Net Income in 2Q20



**R\$1,271 million**

Adjusted EBITDA +23.2% YoY



**10.9%**

Adjusted EBITDA Margin -0.4 p.p YoY



**R\$ 667 million**

Operating Cash Flow R\$ 1,418 million in 2Q20



**2.73x**

Net Leverage 2.89x in 2Q20



**9.5 years**

Average Term of Indebtedness +5.3 years YoY



**R\$19.17 billion**

US\$ 3.65 billion

Market Cap



**BRFS3 R\$23.60**

BRFS US\$ 4.49

Stock prices



**812,473,246** common shares

**4,083,804** treasury shares

Base: 06/30/2021

Shares outstanding

### Conference Call

08/13/2021 - Friday  
10h00 BRT | 9h00 US ET

### Webcast:

<https://vcasting.voitel.com.br/?transmissionId=9299>

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São Paulo, August 12, 2021 – BRF S.A. (B3: BRFS3; NYSE: BRF) – referred to as “BRF” or “Company” is today announcing its results for the 2<sup>nd</sup> quarter of 2021. This report includes results recorded in Brazilian Reais, pursuant to Brazilian corporation law and the accounting practices adopted in Brazil. These results comply with the International Financial Reporting Standards (IFRS) and are comparable to the same periods of 2020 and/or previous years, as indicated.

## Disclaimer

The statements included in this report concerning the Company’s prospective business, projections and potential growth are merely forecasts based on management’s expectations regarding to the Company's future. These expectations are highly dependent on market changes and the general economic performance of the country, the industry and international markets, and are therefore subject to change.

## MESSAGE FROM MANAGEMENT

To our shareholders,

BRF continues to move forward consistently, as a value-added food company with strong and renowned household brands, despite the struggling economy and the increasingly challenging business environment. We are reporting Net Revenue growth of 27.8% compared with 2Q20 and an EBITDA of R\$ 1.27 billion, 23.2% more than in 2Q20. The net leverage closed the quarter at a disciplined 2.73x, within our prudential limits.

We expanded our business generation capacity – given the growth in our net revenue - launching 37 new products, sustaining our leadership position, as well as advancing in market share<sup>1</sup>. We also expanded our operations in the pet food segment and invested in emerging businesses, such as *Aleph Farms*. We ramped up our brand investments and, as a result, the consumer engagement keeps increasing. We launched new SKUs, thereby cementing our intellectual leadership in our market segments. Our multichannel initiatives are expanding, with *Mercato em Casa* enjoying record sales and *Store in Store* presence reaching 389 stores. Our new *Seropédica-Rio de Janeiro* plant has begun dispatching its first product batches, on a commission basis for the time being. This created direct jobs and diversified our industrial facilities in Brazil.

As part of our 2030 Vision, we became of the key players in Brazil’s pet-food segment. In June we acquired the Hercosul Group and were authorized by the Administrative Council for Economic Defense (CADE) to acquire Mogiana Alimentos, companies primarily engaged in the special premium, super premium and super premium natural segments. This also expanded BRF’s presence in specialized channels and granted a top-quality team. We are one of the main players in the domestic pet food segment, enjoying a market share estimated at around 10% according to data provided by ABINPET (Brazilian Association of the Pet Product Industry). We announced our first investment in meat substitutes in the form of a USD 2.5 million venture capital investment in Aleph Farms, an Israeli start-up that creates protein by cultivating animal cells. This marked our participation in this sustainable and pioneer initiative in the global food chain.

As part of our ESG agenda, we announced our target to become Net Zero by 2040 in order to eliminate greenhouse gas emissions in our chain. We also joined the Brazilian Business Council for Sustainable Development (CEBDS), thereby reinforcing our commitments to good environmental, social and governance practices. We are proud to be one of the founding partners of MOVER, the Movement for Racial Equity, one of the broadest such initiatives in Brazil. The survey Business Monitor of Corporate Reputation for ESG Responsibility, conducted by consultancy firm Merco Consultoria, recognized us as being the second best-rated company in the food sector. And we will keep delivering more and more.

We are moved before the worsening of the Covid-19 pandemic in the regions where we operate. Thus, once again, we become reference in corporate social responsibility, announcing additional donations of R\$ 50 million, and reinforcing preventive and protective measures for our workforce.

On my behalf and of our Executive Committee, I would like to thank the Board of Directors and our shareholders for their support, in addition to our employees, integrated farmers, suppliers, partners, customers, communities

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<sup>1</sup> See the topic "Brands and Innovation" in this Report.

and consumers to support our progress in this journey to make BRF a global food company, with increasingly practical and tastier high value-added products, all underpinned by quality, safety and integrity.

**Lorival Nogueira Luz Jr.**

Global CEO

## OPERATING AND FINANCIAL PERFORMANCE

Highlights ( Million R\$)	2Q21	2Q20	Chg. % y/y	1Q21	Chg. % q/q
Volume (Thousand Tons)	1,148	1,083	6.0%	1,070	7.3%
<b>Net Revenues</b>	<b>11,637</b>	<b>9,104</b>	<b>27.8%</b>	<b>10,592</b>	<b>9.9%</b>
<i>Average Price (R\$/kg)</i>	<i>10.14</i>	<i>8.41</i>	<i>20.6%</i>	<i>9.90</i>	<i>2.4%</i>
COGS	(9,411)	(7,125)	32.1%	(8,397)	12.1%
<i>COGS/Kg</i>	<i>(8.20)</i>	<i>(6.58)</i>	<i>24.6%</i>	<i>(7.85)</i>	<i>4.5%</i>
<b>Gross Profit</b>	<b>2,226</b>	<b>1,979</b>	<b>12.5%</b>	<b>2,195</b>	<b>1.4%</b>
<i>Gross Margin</i>	<i>19.1%</i>	<i>21.7%</i>	<i>(2.6) p.p.</i>	<i>20.7%</i>	<i>(1.6) p.p.</i>
<b>Net (Loss) Income Continued Operations</b>	<b>(199)</b>	<b>307</b>	<b>n.m.</b>	<b>22</b>	<b>(984.0%)</b>
<i>Net Margin - Continued Op. (%)</i>	<i>(1.7%)</i>	<i>3.4%</i>	<i>(5.1) p.p.</i>	<i>0.2%</i>	<i>(1.9) p.p.</i>
<b>Net (Loss) Income Total Consolidated</b>	<b>(240)</b>	<b>307</b>	<b>n.m.</b>	<b>22</b>	<b>(1167.8%)</b>
<i>Net Margin - Total Consolidated (%)</i>	<i>(2.1%)</i>	<i>3.4%</i>	<i>(5.4) p.p.</i>	<i>0.2%</i>	<i>(2.3) p.p.</i>
<b>Adjusted EBITDA</b>	<b>1,271</b>	<b>1,031</b>	<b>23.2%</b>	<b>1,234</b>	<b>3.0%</b>
<i>EBITDA Adjusted Margin (%)</i>	<i>10.9%</i>	<i>11.3%</i>	<i>(0.4) p.p.</i>	<i>11.6%</i>	<i>(0.7) p.p.</i>
Tributary Impacts ( ICMS and Staple Food Basket)	-	-	n.m.	38	(100.0%)
<b>EBITDA Adjusted Ex-Tributary Effects*</b>	<b>1,271</b>	<b>1,031</b>	<b>23.2%</b>	<b>1,196</b>	<b>6.3%</b>
<i>EBITDA Adjusted Margin Ex-Tributary Effects* (%)</i>	<i>10.9%</i>	<i>11.3%</i>	<i>(0.4) p.p.</i>	<i>11.3%</i>	<i>(0.4) p.p.</i>
<b>Cash Generation (Consumption)</b>	<b>(2,168)</b>	<b>807</b>	<b>n.m.</b>	<b>707</b>	<b>n.m.</b>
Net Debt	14,791	15,311	(3.4%)	15,318	(3.4%)
<b>Leverage (Net Debt/Adj.EBITDA LTM)</b>	<b>2.73x</b>	<b>2.89x</b>	<b>(5.2%)</b>	<b>2.96x</b>	<b>(7.7%)</b>

\* Excluding tax assets relating to the exclusion of ICMS from the PIS/Cofins calculation base and ICMS liabilities on Staple Food Baskets

See below our results by segment and related quarterly comparisons.

### BRAZILIAN SEGMENT

Brazil Segment	2Q21	2Q20	Chg. % y/y	1Q21	Chg. % q/q
Volume (Thousand Tons)	570	555	2.7%	535	6.5%
<i>Poultry (In Natura)</i>	<i>111</i>	<i>105</i>	<i>5.2%</i>	<i>121</i>	<i>(8.7%)</i>
<i>Pork and Others (In Natura)</i>	<i>31</i>	<i>32</i>	<i>(2.5%)</i>	<i>26</i>	<i>16.5%</i>
<i>Processed foods</i>	<i>428</i>	<i>418</i>	<i>2.5%</i>	<i>387</i>	<i>10.5%</i>
<b>Net Operating Revenues (R\$, Million)</b>	<b>5,817</b>	<b>4,663</b>	<b>24.8%</b>	<b>5,393</b>	<b>7.9%</b>
<i>Average price (R\$/Kg)</i>	<i>10.21</i>	<i>8.41</i>	<i>21.5%</i>	<i>10.08</i>	<i>1.3%</i>
COGS	(4,761)	(3,645)	30.6%	(4,227)	12.6%
<i>COGS/Kg</i>	<i>(8.36)</i>	<i>(6.57)</i>	<i>27.2%</i>	<i>(7.90)</i>	<i>5.8%</i>
<b>Gross Profit (R\$, Million)</b>	<b>1,056</b>	<b>1,017</b>	<b>3.8%</b>	<b>1,166</b>	<b>(9.4%)</b>
<i>Gross Margin (%)</i>	<i>18.2%</i>	<i>21.8%</i>	<i>(3.6) p.p.</i>	<i>21.6%</i>	<i>(3.4) p.p.</i>
<b>EBITDA Adjusted</b>	<b>492</b>	<b>540</b>	<b>(8.8%)</b>	<b>693</b>	<b>(29.0%)</b>
<i>EBITDA Adjusted Margin (%)</i>	<i>8.5%</i>	<i>11.6%</i>	<i>(3.1) p.p.</i>	<i>12.9%</i>	<i>(4.4) p.p.</i>
<b>EBITDA Adjusted Ex-Tributary Effects*</b>	<b>492</b>	<b>540</b>	<b>(8.8%)</b>	<b>655</b>	<b>(24.9%)</b>

\* Excluding tax assets relating to the exclusion of ICMS from the PIS/Cofins calculation base and ICMS liabilities on Staple Food Baskets

As seen in 1Q21, we had an extremely challenging scenario, marked by the impacts of the pandemic that delayed the recovery of the employed population rate and, as consequence, undermined consumer's income and confidence index. However, before a solid demand for food, we focused on top-notch commercial execution through: (i) brand investments, (ii) innovation and new products launches and (iii) improving point-of-sale performance.

This quarter, we kept the accelerated pace of innovations, reaching 7.2% of revenue compared with 6.7% for 1Q21. Our participation in the value-added mix achieved its best result, 84.2% of the sales volume, and we improved our delivery service level with accumulated growth of 5.9% y/y in the OTIF indicator (on time in full).

Our growth strategy, combined with our experience and operational excellence, place us in a privileged position for the rebound of the Brazilian economy. We already observe the recovery of the food service and traditional channel, with more than 290 thousand clients served, increasing our coverage and strengthening our presence in the small retail and the Omnichannel. As a result of all these pillars, the consumer preference index of our brands has grown consistently, consolidating our leadership position.

Thus, the Brazilian segment presented higher net revenues from more volumes and higher prices due to pass-through strategies - combined to an enhanced mix of products and channels - that partially offset the higher costs and compressed margins, given the new historic levels of grain prices, inflation of raw materials (especially packaging and freights) and additional costs to prevent and face the Covid-19 pandemic.

## INTERNATIONAL SEGMENT

International Segment	2Q21	2Q20	Chg. % y/y	1Q21	Chg. % q/q
<b>Volume (Thousand Tons)</b>	<b>499</b>	<b>463</b>	<b>7.7%</b>	<b>466</b>	<b>7.1%</b>
<i>Poultry (In Natura)</i>	380	354	7.4%	358	6.3%
<i>Pork and Others (In Natura)</i>	52	48	9.3%	45	16.5%
<i>Processed foods</i>	66	61	8.5%	63	5.4%
<b>Net Operating Revenues (R\$, Million)</b>	<b>5,428</b>	<b>4,207</b>	<b>29.0%</b>	<b>4,821</b>	<b>12.6%</b>
<i>Average price (R\$/Kg)</i>	10.88	9.09	19.7%	10.35	5.1%
COGS	(4,365)	(3,288)	32.8%	(3,904)	11.8%
<i>COGS/Kg</i>	(8.75)	(7.10)	23.2%	(8.38)	4.4%
<b>Gross Profit (R\$, Million)</b>	<b>1,063</b>	<b>920</b>	<b>15.6%</b>	<b>917</b>	<b>15.9%</b>
<i>Gross Margin (%)</i>	19.6%	21.9%	(2.3) p.p.	19.0%	0.6 p.p.
<b>Adjusted EBITDA (R\$, Million)</b>	<b>619</b>	<b>468</b>	<b>32.2%</b>	<b>452</b>	<b>36.9%</b>
<i>Adjusted EBITDA Margin (%)</i>	11.4%	11.1%	0.3 p.p.	9.4%	2.0 p.p.

### 1. Asia

Asia	2Q21	2Q20	Chg. % y/y	1Q21	Chg. % q/q
<b>Volume (Thousand Tons)</b>	<b>151</b>	<b>144</b>	<b>4.5%</b>	<b>130</b>	<b>15.7%</b>
<i>Poultry (In Natura)</i>	103	100	3.1%	90	15.0%
<i>Pork and Others (In Natura)</i>	43	39	11.0%	37	16.9%
<i>Processed foods</i>	4	5	(17.7%)	4	20.0%
<b>Net Operating Revenues (R\$, Million)</b>	<b>1,777</b>	<b>1,424</b>	<b>24.8%</b>	<b>1,453</b>	<b>22.3%</b>
<i>Average price (R\$/Kg)</i>	11.78	9.86	19.4%	11.14	5.7%
COGS	(1,431)	(1,043)	37.2%	(1,149)	24.5%
<i>COGS/Kg</i>	(9.48)	(7.22)	31.4%	(8.81)	7.7%
<b>Gross Profit (R\$, Million)</b>	<b>346</b>	<b>381</b>	<b>(9.2%)</b>	<b>304</b>	<b>13.8%</b>
<i>Gross Margin (%)</i>	19.5%	26.8%	(7.3) p.p.	20.9%	(1.4) p.p.
<b>Adjusted EBITDA (R\$, Million)</b>	<b>268</b>	<b>334</b>	<b>(19.6%)</b>	<b>248</b>	<b>8.4%</b>
<i>Adjusted EBITDA Margin (%)</i>	15.1%	23.4%	(8.3) p.p.	17.0%	(1.9) p.p.

In the 2Q21, the higher net revenues were driven by greater volumes and better average prices in Reais. In China, the demand for protein remains strong, perceived in more volumes of both pork (+11.9%) and chicken meat (+9.5%) compared with 2Q20. Pork export prices to China are still riding high amid signs of a recovery of the domestic demand, with dollar pork prices rising +3.7% over 1Q21. Other Asian markets are showing signs of a recovery, including Japan and South Korea, indicating a drop in local inventory and consequent volume growth of +15.2% y/y and dollar prices returning to pre-pandemic levels. We also highlight the positive effect of R\$ 337 million from foreign exchange hedges, in comparison with 2Q20. The efficient allocation of production to more profitable markets contributed to partially mitigate cost and freight pressures on the result. The lower margin was due to higher production and freight costs, with additional Covid-19-related expenses.

## 2. Halal Distribution – Halal DDP

Halal DDP	2Q21	2Q20	Chg. % y/y	1Q21	Chg. % q/q
<b>Volume (Thousand Tons)</b>	<b>172</b>	<b>176</b>	<b>(2.1%)</b>	<b>179</b>	<b>(3.7%)</b>
<i>Poultry (In Natura)</i>	<i>140</i>	<i>147</i>	<i>(5.1%)</i>	<i>147</i>	<i>(4.5%)</i>
<i>Others (In Natura)</i>	<i>0</i>	<i>0</i>	<i>119.1%</i>	<i>1</i>	<i>(66.8%)</i>
<i>Processed foods</i>	<i>32</i>	<i>28</i>	<i>13.1%</i>	<i>31</i>	<i>1.2%</i>
<b>Net Operating Revenues (R\$, Million)</b>	<b>2,101</b>	<b>1,821</b>	<b>15.4%</b>	<b>2,092</b>	<b>0.4%</b>
<i>Average price (R\$/Kg)</i>	<i>12.21</i>	<i>10.36</i>	<i>17.8%</i>	<i>11.70</i>	<i>4.3%</i>
COGS	(1,568)	(1,419)	10.5%	(1,604)	(2.3%)
<i>COGS/Kg</i>	<i>(9.11)</i>	<i>(8.07)</i>	<i>12.9%</i>	<i>(8.98)</i>	<i>1.5%</i>
<b>Gross Profit (R\$, Million)</b>	<b>533</b>	<b>402</b>	<b>32.5%</b>	<b>487</b>	<b>9.4%</b>
<i>Gross Margin (%)</i>	<i>25.4%</i>	<i>22.1%</i>	<i>3.3 p.p.</i>	<i>23.3%</i>	<i>2.1 p.p.</i>
<b>Adjusted EBITDA (R\$, Million)</b>	<b>278</b>	<b>101</b>	<b>174.6%</b>	<b>195</b>	<b>42.4%</b>
<i>Adjusted EBITDA Margin (%)</i>	<i>13.2%</i>	<i>5.6%</i>	<i>7.6 p.p.</i>	<i>9.3%</i>	<i>3.9 p.p.</i>

The revenues of the Halal Distribution segment show signs of recovery of the prices in US currency (+6.3% q/q) in the GCC countries and a higher volumes of processed food, consequence of the Company's focus on prioritizing a higher value-added mix, with a strong agenda of product innovations, including the lines *Easy&Juicy* and *Broasted Chicken*. The region was also positively impacted by the foreign currency hedge in R\$ 285 million when compared to the 2Q20.

Government restrictions to control the spread of COVID-19 in the region negatively impacted volumes. However, the progress of vaccination and the reopening of the economies are already indicated the recovery of the consumer's confidence.

Banvit's operating income improved due to higher price to offset inflationary pressure on costs and devaluation of the Turkish Lira by 22% in the quarter y-o-y, in addition to a better balance in channel dynamics. Domestic prices are trending upwards, given higher demand as the vaccine roll-out progresses and diminished domestic supply with the increase of exports.

## 3. Direct Exports

Direct Exports	2Q21	2Q20	Chg. % y/y	1Q21	Chg. % q/q
<b>Volume (Thousand Tons)</b>	<b>176</b>	<b>143</b>	<b>23.1%</b>	<b>156</b>	<b>12.5%</b>
<i>Poultry (In Natura)</i>	<i>137</i>	<i>107</i>	<i>28.6%</i>	<i>122</i>	<i>12.9%</i>
<i>Pork and Others (In Natura)</i>	<i>9</i>	<i>9</i>	<i>0.4%</i>	<i>7</i>	<i>21.4%</i>
<i>Processed foods</i>	<i>30</i>	<i>27</i>	<i>8.9%</i>	<i>28</i>	<i>8.3%</i>
<b>Net Operating Revenues (R\$, Million)</b>	<b>1,550</b>	<b>962</b>	<b>61.1%</b>	<b>1,276</b>	<b>21.5%</b>
<i>Average price (R\$/Kg)</i>	<i>8.81</i>	<i>6.73</i>	<i>30.8%</i>	<i>8.16</i>	<i>8.0%</i>
COGS	(1,367)	(826)	65.4%	(1,150)	18.8%
<i>COGS/Kg</i>	<i>(7.77)</i>	<i>(5.78)</i>	<i>34.3%</i>	<i>(7.35)</i>	<i>5.6%</i>
<b>Gross Profit (R\$, Million)</b>	<b>183</b>	<b>136</b>	<b>35.0%</b>	<b>125</b>	<b>46.1%</b>
<i>Gross Margin (%)</i>	<i>11.8%</i>	<i>14.1%</i>	<i>(2.3) p.p.</i>	<i>9.8%</i>	<i>2.0 p.p.</i>
<b>Adjusted EBITDA (R\$, Million)</b>	<b>73</b>	<b>33</b>	<b>119.1%</b>	<b>10</b>	<b>662.9%</b>
<i>Adjusted EBITDA Margin (%)</i>	<i>4.7%</i>	<i>3.5%</i>	<i>1.2 p.p.</i>	<i>0.7%</i>	<i>4.1 p.p.</i>

In 2Q21 we attained the highest level of volumes in the Direct Exports since 2Q19, driven by the recovery of the international demand. The higher poultry volumes were driven by GCC countries, especially in Saudi Arabia in comparison to the previous year, a period which was hit the hardest by the first wave of the pandemic. The Company is today the largest exporter of chicken meat to Saudi Arabia. This country still presents a significant deficit between consumption and local production. Other regions such as North Africa, Americas, and Europe also show greater volumes and price rises, which confirms the economic recovery in these countries as the vaccination roll-out progresses. According to the UNWTO (World Tourism Organization), countries with the highest vaccination rates per capita and high human development indexes are easing circulation restrictions to reboot the tourism sector, which will also reanimate the food service channel. We also draw your attention to the 42.7% annual growth of the Turkey exports.

In 2Q21 direct exports were also positively impacted by the foreign currency hedge of R\$ 185 million y/y. Despite the compression of the gross margin, we observe an improvement in operating expenses as a percentage of net revenue of 5.4 p.p.

## OTHER SEGMENTS

Other Segments + Ingredients	2Q21	2Q20	Chg. % y/y	1Q21	Chg. % q/q
<b>Volume (Thousand Tons)</b>	<b>79</b>	<b>65</b>	<b>22.5%</b>	<b>69</b>	<b>14.5%</b>
<i>Ingredients</i>	55	43	28.7%	46	20.0%
<i>Pet</i>	1	1	85.5%	1	n.m.
<i>Others Sales</i>	23	21	9.0%	22	3.5%
<b>Net Operating Revenues (R\$, Million)</b>	<b>392</b>	<b>234</b>	<b>67.3%</b>	<b>378</b>	<b>3.6%</b>
COGS	(284)	(192)	47.6%	(268)	5.9%
<i>COGS/Kg</i>	(3.58)	(2.97)	20.6%	(3.87)	(7.5%)
<b>Gross Profit (R\$, Million)</b>	<b>108</b>	<b>42</b>	<b>157.7%</b>	<b>110</b>	<b>(2.0%)</b>
<i>Gross Margin (%)</i>	27.5%	17.9%	9.6 p.p.	29.1%	(1.6) p.p.
<b>Adjusted EBITDA (R\$, Million)</b>	<b>93</b>	<b>31</b>	<b>202.1%</b>	<b>96</b>	<b>(3.4%)</b>
<i>Adjusted EBITDA Margin (%)</i>	23.6%	13.1%	10.5 p.p.	25.3%	(1.7) p.p.

The result of Other Segments<sup>2</sup> reflected the positive performance of the Ingredients business, due to the upward trend of prices and volumes, especially in the animal nutrition segment, seizing the historical peak of raw materials prices in the agricultural chain, such as oil, grains and biodiesel. The Pet Food segment, which does not yet consider the latest acquisitions made, also performed better volumes +85.5% y/y and net revenue +167.6% y/y, driven by the strategy to speed up production to meet the demand from major retail chains.

## CORPORATE

Corporate - R\$ Million	2Q21	2Q20	Chg. % y/y	1Q21	Chg. % q/q
Gross Profit	(1)	0	n.m.	2	n.m.
Adjusted EBITDA	67	(7)	n.m.	(7)	n.m.

Primarily impacted by: (i) +R\$ 79.2 million resulting from the net result of reversal of provisions for civil and tax contingencies (as per note 25 of the Interim Financial Statements); (ii) +R\$ 6.4 million related to disposal and write-off of PP&E; and (iii) -R\$ 17.1 million from actions to prevent and fight Covid-19 pandemic.

## BRANDS AND INNOVATION

### Brazil:

The BRF brands stood up in the *Brand Footprint Brasil 2021* ranking, a survey conducted by Kantar, on processed food categories only, i.e., In Natura products are not included. Perdigão rose six positions versus last year and becomes the leader of the food sector. Sadia also rose six positions, to ninth overall. And lastly Qualy, which rose one place in the ranking to thirteenth overall. This is significant evidence of the strength of BRF brands among Brazilian households. Meanwhile, Sadia touched hearts with Mother's Day campaigns and scored points amongst young consumers through NBA sponsorship, Perdigão debuted its new campaign for the "My Menu" line with the brand's ambassador, Brazilian celebrity, Ivete Sangalo.

In 2Q21 we carried out massive campaigns for Qualy with special guest such as Lázaro Ramos and Taís Araújo and for Deline with the singer Joelma, bolstering our regionalization strategy. Our margarine Sofiteli leads the food service channel, according to the latest Nielsen survey and our BIO Sadia chicken line was ranked first for

<sup>2</sup> The result of "Other Segments" is composed of the results in the following units: (i) Ingredients (solutions in natural and innovative ingredients for health and nutrition industries); (ii) Global Desk (area in charge of settling certain in natura products and negotiating energy agreements, among others); and (iii) Pet Food (animal food)

the first time, according to Kantar. We maintained leadership across all categories, achieving a 57.9% market share in Margarine, 47.3% in Cold Cuts and 44.3% in Frozen products, according to Nielsen<sup>3</sup>.

As consequence of investing in our brands and our successful campaigns, preference rates for our flagship brands in Brazil rose, with the best results in the last six quarters and increases of +1.0 p.p. for Perdigão and +1.1 p.p. for Sadia y/y, respectively. This quarter we also observed the consistent results for our digital investments in our brands, we highlight the positive performance of NPS (Net Promoter Score) of the brand Qualy, +1.0 p.p., compared with 2Q20, rising from 7.6 to 8.6.

We kept an accelerated pace for innovations, reaching 7.2% of revenue in 2Q21 vs. 6.7% from the previous quarter (growth of 56.5% y/y). We highlight the investments to: (i) grow the Sadia Veg&Tal family, (ii) launch Sadia's new delicious cooked and spicy wing drumsticks; (iii) expand our portfolio of Perdigão ready meals; and (iv) announce our practical and versatile "Livre&Lev" Sadia line, launching wraps in multiple flavors and the new portioned dishes line, which are meals preserved by freezing only, part of a menu consisting of proteins, vegetables and carbohydrates.

### **International:**

We keep our focus on value added categories, with a robust agenda of innovation concentrated on processed food. We made important investments in point of sale activations, with exclusive freezers, more shelf space, decorated supermarket aisles, campaign launches and other initiatives during Ramadan.

BRF continues to enjoy the leadership position in GCC countries in its main categories, reporting the largest market share for the last four quarters. We point out the ongoing growth of market share in the Middle East, +0.4 p.p. q/q, reaching 36.9% in 2Q21.

In this quarter we expanded our portfolio by launching 33 SKUs in our international markets, as part of our strategy to create a high value-added portfolio, which now accounts for 13% of revenue in the region. In Halal DDP distribution, the Sadia brand launched new products in the lines *Easy&Juicy* and *Broasted Chicken*, while the brand Banvit expanded its breaded product portfolio with the line *Crispy Chicken*.

Our growing market share in Turkey cements our leadership position in both processed foods and chicken cuts. According to the latest Nielsen data, ready meals increased by 2.2 p.p. and chicken cuts by 1.2 p.p., improving our leadership position in Turkey.

In Asia we ran a brand campaign in Singapore to disclose our new Sadia Cooked Chicken portfolio, showcasing its flavor and practicality, which generated a significant impact of +17% people who would consider buying the brand and +11% in people intending to buy the brand. Meanwhile, we continued supporting an ever-present communication strategy in digital and social media to engage and connect with consumers. In China, in accordance with our strategy to build brand recognition, Sadia had a stand at SIAL China 2021, the flagship event for the sector in Asia.

2Q21 also saw brand growth in key countries of Direct Exports. We advanced in our launching agenda of processed products with breaded chicken cuts, margarine and frozen vegetables with various presentations for retail and food service, through the Sadia, Perdigão, Qualy and Hilal brands for regions such as South America, Africa and Halal markets. In South Africa our breaded products graced the displays of the leading retailers in the country, while in Chile we modernized the brand and launched the campaign "*Bienvenidos a la oSadia*", resulting in sales growth of 18.5% (2Q21x2Q20 - *InStoreView*). Qualy returned to Uruguayan shelves and in Chile it was the only margarine brand that expanded its customer base, being consumed in more than 180 thousand households (according to Kantar) and securing a +3.7 point increase in value share (20.6 x 16.9 YTD June 21x20 - according to Nielsen).

**Other Segments:** In the pet food segment we launched our Balance dog treats, with beef and chicken taste for adults and milk for puppies.

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<sup>3</sup> Nielsen Bi-monthly Retail Index – Margarine and Frozen Products (data for April/May); Cold Cuts (data for May/June).

## 2030 VISION

This quarter was marked by important progress towards our 2030 Vision, namely:

**Pet Food:** we completed the acquisition of Hercosul Group and approval of Mogiana Alimentos by the Administrative Council for Economic Defense (CADE – antitrust authority). This move expanded our portfolio of food product for cats and dogs for both the domestic and international markets. With (i) combined net revenue of the last twelve months from both operations exceeding R\$ 750 million, (ii) a high value-added portfolio in the premium, super premium and super premium natural segments and (iii) synergies in grains and by-products, both raw materials for pet food, we envisage business growth which will help to further stabilize the Company's margins. We accordingly established our presence in the specialized channel, and inherited a team with proven expertise and experience, in addition to increasing product penetration and capacity levels.

**Alternative Proteins:** we unveiled our first investment in *Aleph Farms*, Israeli start-up focused on cultivated meat, in the form of venture capital of USD 2.5 million. This move reasserts our commitment to produce quality food products via a sustainable production chain. We will continue expanding our Veg&Tal Sadia portfolio by launching Kibbeh and Ground Beef.

**Omnichannel:** We are getting closer and closer to our consumers. *Mercato em Casa*, an online shopping platform for BRF products, reported its best results this quarter, with growth of 144% on 1Q21.

**Ready Meals:** We remain growth focused this quarter, investing to expand our Mac&Cheese, Pizzas and Ready Meals production lines. There was more innovation through the launch of the new Sadia line "Livre&Lev", offering a variety of frozen food options ready for daily consumption at home.

## ESG Highlights

As one of the largest food companies in the world, we have reinforced our commitment to the ESG Agenda, ensuring that our actions are carried out in a responsible and innovative way that impacts positively the environment, the production chain, and the communities where we operate.

- Announcement of our commitment to be Net Zero in greenhouse gas (GHG) emissions by 2040 at our 2<sup>nd</sup> ESG Forum. BRF is recognized with the Gold Seal by the Brazilian GHG Protocol program.
- BRF is the founding partner of MOVER, Movement for Racial, founded to effectively combat racism through initiatives that ameliorate racial inequality in Brazil. You can find out more about their manifest and commitments at: <https://somosmover.org/>.
- BRF was the 2<sup>nd</sup> best rated company in the food sector, according to the *Merco Consultoria* survey on ESG Responsibility.
- We joined the Brazilian Business Council for Sustainable Development (CEBDS), thereby reinforcing our commitments to good environmental, social and governance practices.
- Announcement of the R\$ 70 million investment to build the new Vitória-ES distribution center, our most sustainable facility to be built in compliance with international LEED certification standards.
- Official launch of the Community Kitchens with Gastromotiva in Salvador, expanding the partnership with BRF Institute.
- Disclosure of our 2020 Integrated Report, in line with the guidelines of the Global Reporting Initiative (GRI) and requirements of the International Integrated Reporting Council (IIRC).
- Covid-19 prevention actions totaled R\$ 82 million in 2Q21, distributed as follows:

## 2Q21

R\$ Million	Total	Brazil	Halal DDP	Asia	Direct Exp.	Corporate
Additional personnel expenses	14	8	2	2	2	0
Prevention and control expenses	41	24	6	6	5	0
Donations	17	0	0	0	0	17
Logistics	0	0	0	0	0	0
Others	9	5	2	1	1	0
<b>Total 2Q21</b>	<b>82</b>	<b>37</b>	<b>10</b>	<b>10</b>	<b>8</b>	<b>17</b>
<b>Total 2Q20</b>	<b>218</b>	<b>117</b>	<b>43</b>	<b>31</b>	<b>24</b>	<b>2</b>

## CONSOLIDATED PERFORMANCE

### Net Operating Revenue (NOR)

Volumes - Thousand Tons	2Q21	2Q20	Chg. % y/y	1Q21	Chg. % q/q
<i>Poultry (In Natura)</i>	491	460	6.9%	479	2.5%
<i>Pork and Others (In Natura)</i>	83	80	4.5%	71	16.8%
<i>Processados/Elaborados</i>	493	478	3.1%	450	9.8%
<i>Others Sales</i>	80	65	23.4%	70	14.8%
<b>Total</b>	<b>1,148</b>	<b>1,083</b>	<b>6.0%</b>	<b>1,070</b>	<b>7.3%</b>
<b>NOR (R\$ Million)</b>	<b>11,637</b>	<b>9,104</b>	<b>27.8%</b>	<b>10,592</b>	<b>9.9%</b>
<i>Average Price (NOR)</i>	<i>10.14</i>	<i>8.41</i>	<i>20.6%</i>	<i>9.90</i>	<i>2.4%</i>

The net revenue growth in the quarter is due to: (i) better commercial performance in the Brazil Segment, derived from the strategy to raise prices, and higher volumes, highlight for processed products; (ii) higher net revenue from the International Segment, due to the higher volumes, efficient allocation of production to more profitable markets, higher prices on exports and a positive hedge effect of R\$ 808 million in the annual comparison; (iii) higher volumes and prices in the Ingredients segment.

### Hedge accounting strategy

The effects of financial instruments for foreign exchange hedging of earnings totaled +R\$ 113.4 million in the quarter, as per note 24.5 to the Interim Financial Statements, and result from positions settled in the quarter, which had been acquired in the 12 months preceding their settlement.

Build-up of Derivatives Instruments Settled in 2Q21	2Q20	3Q20	4Q20	1Q21	2Q21
Cummulative Notional Exposure (US\$ Millions)	65	45	70	365	471
Average Strike Price (BRL/USD)	5.61	5.63	5.47	5.56	5.55

Similarly, as per Note 24.4.2.ii to the Interim Financial Statements, the position falling due is as follows.

Derivatives Instruments by Expiry Date - US\$ Thousand	3Q21	4Q21	1Q22
Notional to be settled in each period	276	44	15
Strike Price (BRL/USD)	5.41	5.58	5.92

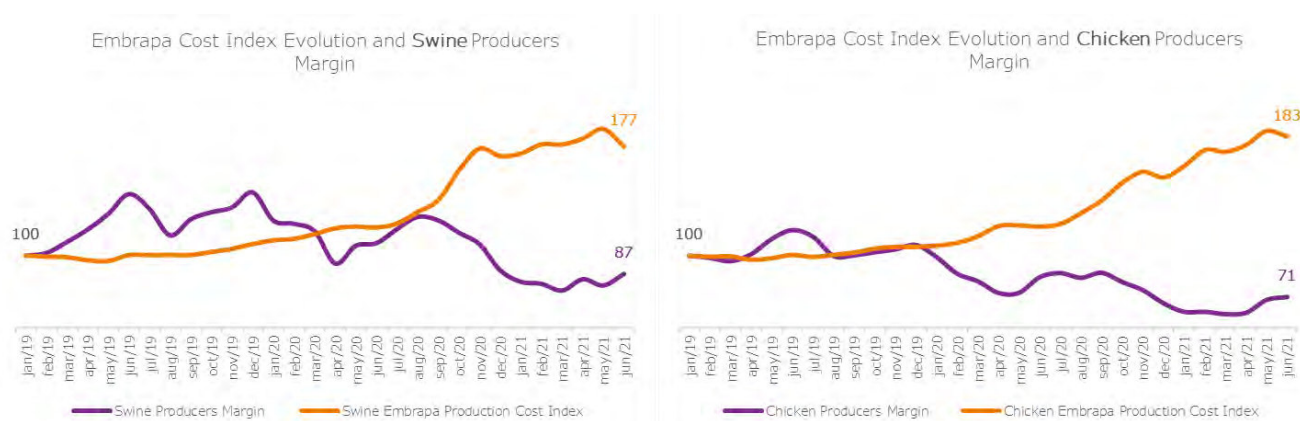
The Company can make additional contracts for cash flow hedge, as provided in the Company's Financial Risk Management Policy, always backed by future export revenues, to the extent its probability increases and assuming a time frame of up to 12 months. For the purposes of cash flow hedge, we point out that its objective is to hedge its operational result and reduce volatility, not allowing, under any circumstance, the contracting of derivative financial instruments for speculation purposes.

### Cost of Goods Sold (COGS)

COGS - R\$ Million	2Q21	2Q20	Chg. % y/y	1Q21	Chg. % q/q
<b>Cost of Goods Sold</b>	<b>(9,411)</b>	<b>(7,125)</b>	<b>32.1%</b>	<b>(8,397)</b>	<b>12.1%</b>
<i>R\$/Kg</i>	<i>8.20</i>	<i>6.58</i>	<i>24.6%</i>	<i>7.85</i>	<i>4.5%</i>

In comparison with 2Q20, we have: (i) higher volumes; (ii) higher grain prices; (iii) inflationary effects on prices of raw materials; and (iv) R\$ 57 million related to fighting and preventing Covid-19 pandemic.

Conditions were adverse for the food production sector due to the behavior of raw materials, namely: (i) grain prices at historic peaks, including a y/y increase over 100% for corn and oil, and approximately 60% for soybeans; (ii) unprecedented inflation on raw materials prices, such as plastic and cardboard packaging; (iii) higher diesel prices and (iv) higher labor costs, due to collective agreements. Our analysis of the Embrapa Production Cost Index (PCI) found a rising trend in the theoretical chicken and pork production costs, which rose 51.2% and 52.5%<sup>4</sup> y/y in 2Q21, respectively. We also perceived the deterioration of chicken and pork producer profitability by -24% and -28% y/y respectively, the worst such margins for chicken since 2014 and pork since 2018. The graph below presents the performance of PCI-Embrapa and the producer's margin index, which were diametrically opposed, clearly demonstrating the pressure of cost increases over the industry margins.



In this context, BRF's cost rose 24.6% y/y thanks to: (i) sales mix with higher added value; (ii) the efficiency of our grain management strategy; (iii) supply efficiency; (iv) operational excellence; and (v) applied technology that guarantees below-market, lower cost volatility, guaranteeing supplies for our operations by expanding storage capacity, enhancing feed production levels and potentiating consumption of alternative raw materials.

### Gross Profit

Gross Profit - R\$ Million	2Q21	2Q20	Chg. % y/y	1Q21	Chg. % q/q
<b>Gross Profit</b>	<b>2,226</b>	<b>1,979</b>	<b>12.5%</b>	<b>2,195</b>	<b>1.4%</b>
<i>Gross Margin (%)</i>	<i>19.1%</i>	<i>21.7%</i>	<i>(2.6) p.p.</i>	<i>20.7%</i>	<i>(1.6) p.p.</i>

Gross margin was 19.1% (-2.6 p.p. y/y) in 2Q21, pressured by higher costs in the period, as described above, but which were partially offset by the Company's swiftness in adjusting product prices thanks to the strength of its brands, higher export prices, better commercial execution and an enhanced mix of products, channels and markets.

<sup>4</sup> Variance in the Embrapa average production cost index (PCI Chicken and PCI Pork) between 2Q19 and 2Q21 publicly available on the website [www.embrapa.br](http://www.embrapa.br)

## Operating Expenses

Operating Expenses - R\$ Million	2Q21	2Q20	Chg. % y/y	1Q21	Chg. % q/q
<b>Selling Expenses</b>	<b>(1,549)</b>	<b>(1,340)</b>	<b>15.6%</b>	<b>(1,436)</b>	<b>7.8%</b>
<i>% of the NOR</i>	<i>(13.3%)</i>	<i>(14.7%)</i>	<i>1.4 p.p.</i>	<i>(13.6%)</i>	<i>0.3 p.p.</i>
<b>General and Administrative Expenses</b>	<b>(192)</b>	<b>(190)</b>	<b>1.0%</b>	<b>(160)</b>	<b>20.2%</b>
<i>% of the NOR</i>	<i>(1.7%)</i>	<i>(2.1%)</i>	<i>0.4 p.p.</i>	<i>(1.5%)</i>	<i>(0.2) p.p.</i>
<b>Operating Expenses</b>	<b>(1,741)</b>	<b>(1,530)</b>	<b>13.8%</b>	<b>(1,596)</b>	<b>9.1%</b>
<i>% of the NOR</i>	<i>(15.0%)</i>	<i>(16.8%)</i>	<i>1.8 p.p.</i>	<i>(15.1%)</i>	<i>0.1 p.p.</i>

Operating expenses as a percentage of net revenue improved by 1.8 p.p., thanks to tight controls on expenses through our Expense Management Matrix, operational excellence programs and specifications and process re-engineering. The nominal increase is result of expenses related to prevent and fight Covid-19 pandemic in our operations in the amount of R\$ 25 million; higher shipping costs, due to higher exports, and higher commercial investments in the domestic market.

## Other Operating Income

Other Operating Results - R\$ Million	2Q21	2Q20	Chg. % y/y	1Q21	Chg. % q/q
<b>Other Operating Results</b>	<b>96</b>	<b>139</b>	<b>(30.9%)</b>	<b>29</b>	<b>226.1%</b>
<i>% of the NOR</i>	<i>0.8%</i>	<i>1.5%</i>	<i>(0.7) p.p.</i>	<i>0.3%</i>	<i>0.5 p.p.</i>

In 2Q21, we recorded a net positive result of R\$ 96 million under "Other Operating Income", which mainly includes: (i) positive net result on reversing tax and civil contingencies amounting to R\$ 79 million; (ii) proceeds from disposing of the interest in Romania of R\$ 24 million; and (iii) employee and management profit shares and other benefits in the amount of -R\$ 15 million; For more details on this item, see Note 27 to the Interim Financial Statements.

## Net Financial Income (Loss)

Financial Results - R\$ Million	2Q21	2Q20	Chg. % y/y	1Q21	Chg. % q/q
<b>Financial Income</b>	<b>84</b>	<b>82</b>	<b>2.4%</b>	<b>123</b>	<b>(31.7%)</b>
Interest on cash and cash equivalents	31	21	44.8%	26	18.4%
Income with marketable securities	12	29	(59.1%)	6	88.2%
Interest on recoverable taxes	34	24	45.2%	78	(55.6%)
Interest on other assets	7	8	(16.8%)	13	(48.1%)
<b>Financial Expenses</b>	<b>(797)</b>	<b>(167)</b>	<b>378.7%</b>	<b>(626)</b>	<b>27.3%</b>
Interests on loan and borrowings	(431)	(317)	35.8%	(425)	1.3%
Interest with related parties	(148)	(87)	70.7%	(113)	30.7%
Written option - Business combination (Banvit)	(28)	338	n.m	102	n.m
Adjustment to present value	(143)	(91)	57.6%	(143)	(0.5%)
Other	(48)	(10)	377.4%	(47)	1.8%
<b>Monetary, exchange and derivative results, net</b>	<b>(46)</b>	<b>(106)</b>	<b>(56.5%)</b>	<b>(99)</b>	<b>(53.6%)</b>
Exchange rate variation on monetary assets and liabilities	859	(335)	n.m	(592)	n.m
Derivative results	(905)	229	n.m	494	n.m
<b>Net Financial Results</b>	<b>(759)</b>	<b>(190)</b>	<b>299.0%</b>	<b>(603)</b>	<b>26.0%</b>

The main components of net finance income (loss) were grouped into the following categories:

**Financial revenue:** amounted to R\$ 84 million in 2Q21, in line with 2Q20, given the lower liquidity position in the quarter and consequent lower return on cash, cash equivalents and securities, offset by the monetary restatement of recoverable taxes.

**Financial costs:** amounted to -R\$ 797 million in 2Q21 vs. -R\$ 167 million in 2Q20, as a result of the following changes:

(i) **Interest on loans and borrowings:** this variance primarily derives from: (i) higher interest expenses of R\$ 114 million, mainly due to the increase in the IPCA-indexed debt coupled with the increase of the year-to-date accumulated index (4.61% in 2Q21 vs. 0.99% in 2Q20), which was, however, mitigated by the exchange rate appreciation in the period (average exchange rate of R\$ 5.29/USD in 2Q21 vs R\$ 5.39/USD in 2Q20) and; (ii) the

cost of the early amortization of foreign-currency debt ("tender offer") of -R\$ 20 million, recognized in its entirety in 2Q21.

(ii) **Interest on contingencies, leases and actuarial liabilities:** mainly deriving from: (i) higher spending on contingent tax and civil liabilities of R\$ 51 million; and (ii) higher lease interest expenses of R\$ 10 million.

(ii) **Adjustment to present value (APV):** reflects the higher balance of payables in the quarter over quarter comparison. The APV denotes the net financial income (cost) linked to receivable and payable accounts. This amount is offset in gross profit.

(iv) **Written Option - Business combination (Banvit):** the fair value of the sale option related to the business combination (Banvit "put option") oscillates as Banvit's results vary. This option is valid until 4Q21 and further details can be seen in Note 24.8.1 to the Interim Financial Statements.

(v) **Monetary and exchange variance, monetary liabilities and derivatives results:** The Company has assets and liabilities denominated in foreign currency, a part of which is designated as hedge accounting. For the part not designated as such, the Company procures derivative financial instruments to hedge net foreign exchange exposure with an impact on financial income (loss) (see note 24.4.2). In 2Q21, exchange variance on assets and liabilities amounted to R\$ 859 million, due to the 12.2% of the Brazilian Real in the period (exchange rate of R\$ 5.00/USD in Jun/21 vs. R\$ 5.70/USD in Mar/21) and were neutralized with derivative instruments, whose settlement in the quarter generated a loss of R\$ 905 million, leading to a combined net effect of -R\$ 46 million. In 2Q20, with 5.3% depreciation of the Brazilian Real (exchange rate of R\$ 5.48/USD in Jun/20 vs. R\$ 5.20/USD in Mar/20), the exchange variance on foreign-currency assets and liabilities amounted to R\$ 229 million and the derivatives result was -R\$ 335 million, with a net combined effect of -R\$ 106 million.

### Net Income (Loss)

Net Income / (Loss) - R\$ Million	2Q21	2Q20	Chg. % y/y	1Q21	Chg. % q/q
<b>Consolidated Net / (Loss) Income</b>	<b>(199)</b>	<b>307</b>	<b>n.m.</b>	<b>22</b>	<b>n.m.</b>
<i>Net Margin (%)</i>	<i>(1.7%)</i>	<i>3.4%</i>	<i>(5.1) p.p.</i>	<i>0.2%</i>	<i>(1.9) p.p.</i>
<b>Consolidated Net / (Loss) Income - Total Consolidated</b>	<b>(240)</b>	<b>307</b>	<b>n.m.</b>	<b>22</b>	<b>n.m.</b>

The Company reported a net corporate loss of R\$ 240 million in 2Q21, despite operating income remaining stable on 2Q20. This change is explained by higher finance costs, as described above, with the impacts: (i) restatement of the fair value of the Banvit put option relating to the business combination (-R\$ 28 million in 2Q21 vs. +R\$ 338 million in 2Q20); and (ii) interest on the debt, contingencies, leases and actuarial liabilities with a negative variance of R\$ 175 million vs. 2Q20.

### Adjusted EBITDA

EBITDA - R\$ Million	2Q21	2Q20	Chg. % y/y	1Q21	Chg. % q/q
<b>Consolidated Net (Loss)</b>	<b>(199)</b>	<b>307</b>	<b>n.m.</b>	<b>22</b>	<b>n.m.</b>
Income Tax and Social Contribution	20	90	(78.3%)	3	594.1%
Net Financial	759	190	299.0%	603	26.0%
Depreciation and Amortization	714	590	21.0%	661	8.0%
<b>EBITDA</b>	<b>1,294</b>	<b>1,177</b>	<b>10.0%</b>	<b>1,289</b>	<b>0.4%</b>
<i>EBITDA Margin (%)</i>	<i>11.1%</i>	<i>12.9%</i>	<i>(1.8) p.p.</i>	<i>12.2%</i>	<i>(1.1) p.p.</i>
Impacts of Carne Fraca/Trapaça operations	3	11	(73.0%)	5	(44.5%)
Tax recoveries	1	(153)	n.m.	(63)	n.m.
Others*	(28)	(3)	746.4%	2	n.m.
<b>Adjusted EBITDA</b>	<b>1,271</b>	<b>1,031</b>	<b>23.2%</b>	<b>1,234</b>	<b>3.0%</b>
<i>Adjusted EBITDA Margin (%)</i>	<i>10.9%</i>	<i>11.3%</i>	<i>(0.4) p.p.</i>	<i>11.6%</i>	<i>(0.7) p.p.</i>
ICMS PIS/COFINS Impact	0	0	n.m.	38	n.m.
<b>EBITDA Adjusted Ex-Tributary Effects**</b>	<b>1,271</b>	<b>1,031</b>	<b>23.2%</b>	<b>1,196</b>	<b>6.3%</b>
<i>EBITDA Adjusted Margin Ex-Tributary Effects** (%)</i>	<i>10.9%</i>	<i>11.3%</i>	<i>(0.4) p.p.</i>	<i>11.3%</i>	<i>(0.4) p.p.</i>

\*Other denotes adjustments to proceeds from the disposal of operations and noncontrolling interests

\*\*Tax assets relating to the exclusion of ICMS from the PIS/Cofins calculation base and ICMS on Staple Food Baskets

Despite the extremely adverse and challenging situation in 2Q21, due to the pandemic and inflation, the Company's Adjusted EBITDA Ex-tax effects totaled R\$ 1,271 million, reflecting both the consistency of the results and the focus to accomplish our vision, with the eyes on the long-term.

## CAPITAL STRUCTURE

Million BRL	2Q21	2Q20	LTM
<b>EBITDA</b>	<b>1,294</b>	<b>1,177</b>	<b>5,521</b>
<b>Working Capital</b>	<b>-155</b>	<b>64</b>	<b>-762</b>
Δ Accounts Receivable	-181	235	-302
Δ Inventories	-27	-510	-3,516
Δ Suppliers	53	339	3,057
<b>Taxes and Others</b>	<b>-472</b>	<b>177</b>	<b>-498</b>
<b>Cash Flow from Operating Activities</b>	<b>667</b>	<b>1,418</b>	<b>4,261</b>
CAPEX with IFRS16	-929	-582	-3,044
<b>Cash Flow from Operations with Capex</b>	<b>-262</b>	<b>836</b>	<b>1,217</b>
M&A and Sale of Assets	47	-6	-168
<b>Cash Flow from Investments</b>	<b>-882</b>	<b>-588</b>	<b>-3,212</b>
Financials, derivatives and Net Interest	-1,568	-352	-2,690
FX Variation on Cash	-385	329	-335
<b>Cash Flow from Financing Activities</b>	<b>-1,952</b>	<b>-23</b>	<b>-3,025</b>
<b>Free Cash Flow</b>	<b>-2,168</b>	<b>807</b>	<b>-1,976</b>
New Debt Amortizations	672	1,009	-820
Shares Buyback	0	-106	0
<b>Cash Variations</b>	<b>-1,495</b>	<b>1,709</b>	<b>-2,796</b>

\* The managerial cash flow above does not follow the same classification as the cash flow statement, notably in relation to: (i) derivative instruments to hedge the balance sheet exchange exposure that are reclassified from operating flow to cash flow; and (ii) the amortization and funding of loans and financing that are classified as financial flow in the accounting pieces, but considered outside the free cash generation in the managerial flow, making up the total cash variation.

### Free Cash Flow

Free cash flow amounted to -R\$ 2,168 million in 2Q21, R\$ 2,974 million less than 2Q20. The highest variance was due to the Financial Cash flow, which in 2Q21 totaled cash consumption of R\$ 1,952 million, R\$ 1,929 million more than in 2Q20; the Operating Cash Flow, which generated cash of R\$ 667 million in 2Q21, R\$ 751 million less than in 2Q20; and the Investments Cash Flow, which in 2Q21 totaled cash consumption of R\$ 882 million, R\$ 294 million more than in the same quarter last year. See below details of the variances:

### Operating Cash Flow and Financial Cycle

Operating cash flow amounted to R\$ 667 million in 2Q21, generating R\$ 751 million less cash than in 2Q20. Despite the R\$ 117 million higher EBITDA and lower financial cash cycle compared with the same period last year, the higher cost on grains, inventory of finished goods and higher sales volume increased the working capital allocation in this quarter by R\$ 218 million. Other working capital variations in 2Q21 are primarily explained by the following factors: (i) restatement of the provision for ICMS (state VAT) on CPRB (social security contribution estimated over gross revenues), generating an impact of -R\$ 97 million; and (ii) the effect of exchange variance on other assets and liabilities of -R\$ 398 million<sup>5</sup>. The Company emphasizes that it offset federal and state taxes of R\$ 186 million in 2Q21.

The Company's financial cycle closed 2Q21 at 16.3 days, a decrease of 1.1 days on the same period last year. The variance presented is essentially explained by: (i) higher inventory of finished goods; (ii) offset by higher balance payable of commodities; and (iii) the improved sales receipt cycle.

<sup>5</sup> Effect of exchange variance from converting working capital items denominated in foreign currency, charged to financial income (loss) and equity.

Compared with the previous quarter, the cycle decreased by 2.9 days, due to: (i) higher revenue in the period; (ii) increase in the balance payable to overseas suppliers; and (iii) lower inventory volume.

### Investments Cash Flow

The investments cash flow amounted to R\$ 882 million in 2Q21 vs. R\$ 588 million in the same period the previous year. The difference is explained by: (i) accelerating a series of investments in expanding and modernizing production plants, operational and energy efficiency projects and advances in Industry 4.0 programs, and higher spending on support, biological assets and leases, as shown in the table below; (ii) the materialization in 2Q21 of the sale of the animal feed plant in Romania for +R\$ 136 million; and (iii) the advance related to the acquisition of Hercosul of -R\$ 90 million, as per Note 1.2.

CAPEX - R\$ Million	2Q21	2Q20	Chg. % y/y	1Q21	Chg. % q/q
Growth	155	86	80.1%	109	42.2%
Efficiency	33	14	140.0%	25	32.0%
Support	184	102	79.7%	127	44.9%
Biological Assets	299	236	26.6%	283	5.5%
Commercial Lease and Others	258	144	79.5%	193	33.8%
<b>Total</b>	<b>929</b>	<b>582</b>	<b>59.6%</b>	<b>737</b>	<b>26.0%</b>

The main projects in 2Q21 include:

- **Growth:**
  - (i) Projects to meet domestic demand for processed food, including investments in the new sausage and frank plant in *Seropédica-Rio de Janeiro*, expanding the capacity of the breaded products line in *Toledo-Paraná*, and the ready meals line in *Tatuí-São Paulo*;
  - (ii) Higher production of *in natura* products to meet domestic and overseas demand, including the investment in adaptations to the *Mineiros-Goiás*, *Nova Mutum-Mato Grosso* and *Jatá-Goiás* plants;
- **Efficiency:**
  - (i) Projects to increase Operational Efficiency (e.g. higher yield in the production process), in order to dilute fixed costs and reduce expenses;
  - (ii) Energy Efficiency Projects for the production plants;
  - (iii) Projects in connection with the Industry 4.0 Program in chicken processing facilities;
- **Support/IT:**
  - (i) Projects to replace manufacturing assets;
  - (ii) Improved working conditions for employees in production processes;
  - (iii) Projects to optimize and control commercial and supply chain processes;
  - (iv) Information technology projects aiming to comply with compliance, corporate governance and human resource policy requisites;
  - (v) Renewing licenses necessary to maintain the Company's activities related to Information Technology;
- **Support/Quality:**
  - (i) Projects enhancing the quality and control processes in cold storage facilities, factories and breeding plants.

### Financial Cash Flow

The financial cash flow amounted to cash consumption of R\$ 1,952 million in 2Q21, R\$ 1,929 million more than in the same period the previous year, primarily due to: (i) settlement of derivatives hedging the Company's statement of financial position of -R\$ 1,332 million; (ii) exchange-rate appreciation in 2Q21, positively impacting strong-currency cash reserves in the period by -R\$ 385 million, triggering variance of -R\$ 713 million vs 2T20 (exchange rate of R\$ 5.00/USD in Jun./21 vs. R\$ 5.70/USD in Mar./21 and R\$ 5.48/USD in Jun./20 vs. R\$ 5.20/USD in Mar./20); and (iii) payment of interest in the period of R\$ 190 million, R\$ 178 million less than in 2Q20, explained by a less concentrated payment schedule.

## Debt

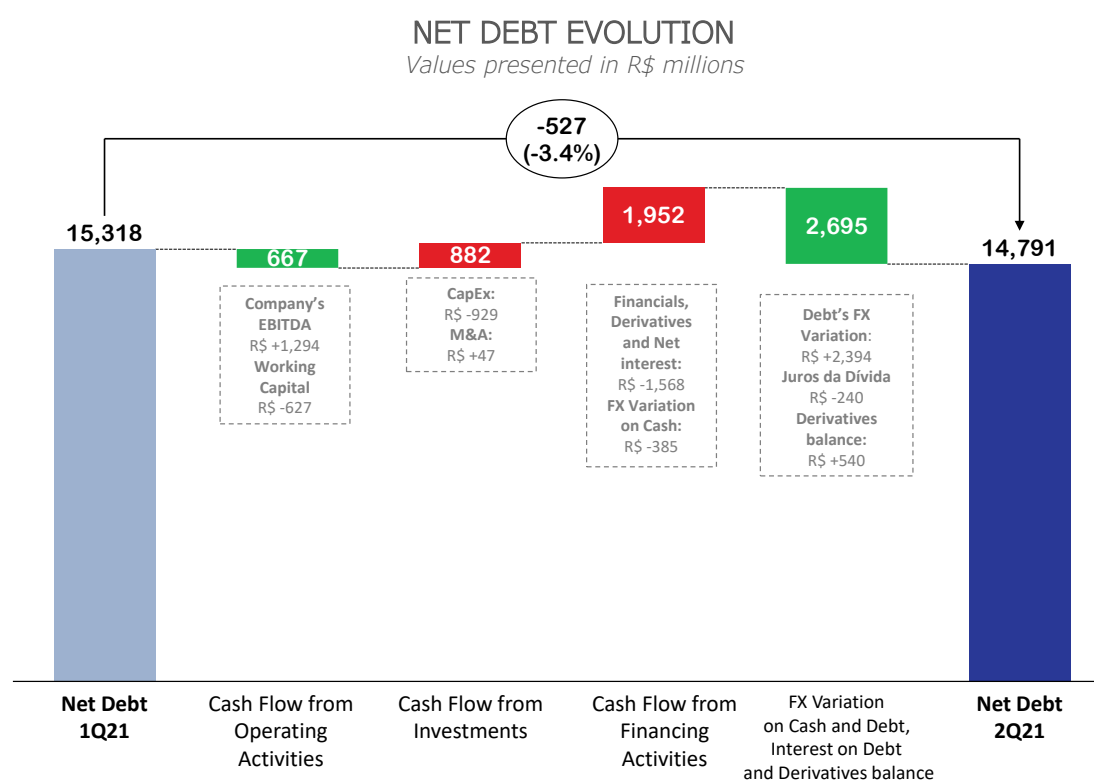
R\$ Million Debt	In 06.30.2021			In 12.31.2020	
	Current	Non-current	Total	Total	Δ %
Local Currency	(557)	(7,186)	(7,743)	(6,665)	16.2%
Foreign Currency	(2,104)	(12,846)	(14,950)	(16,125)	-7.3%
<b>Gross Debt</b>	<b>(2,661)</b>	<b>(20,032)</b>	<b>(22,693)</b>	<b>(22,790)</b>	<b>-0.4%</b>
<b>Cash Investments*</b>					
Local Currency	2,883	15	2,898	4,461	-35.0%
Foreign Currency	4,676	328	5,004	4,177	19.8%
Total Cash Investments	7,559	343	7,902	8,638	-8.5%
<b>Net Debt</b>	<b>4,898</b>	<b>(19,690)</b>	<b>(14,791)</b>	<b>(14,152)</b>	<b>4.5%</b>

\* Cash considered is comprised of: Cash and Cash Equivalents, Short-term Investments, Restricted Cash and Derivative Financial Assets

Total gross indebtedness came to R\$ 22,693 million, including the item current and non-current Derivative Financial Instruments Liabilities, totaling R\$ 138 million, as per Note 24.5 to the Interim Financial Information (ITR). The Company's adjusted gross leveraged completed the quarter at 4.20x vs. 4.90x in the same period of the previous year. Funding in the quarter totaled R\$ 1,121 million and settlements totaled R\$ 449 million. The average debt tenor was extended to 9.5 years in 2Q21, an increase of 5.3 years in comparison with 2Q20.

In line with our strategy of lengthening our local-currency debt profile, diversifying sources of financing and optimizing the term/cost ratio of debt instruments, we completed the following operations in the quarter: (i) issuance of R\$ 1.0 billion in Agribusiness Receivables Certificates (CRA) indexed to debentures, and (ii) Tender offer of Senior Unsecured Notes maturing in 2030 in an amount equal to R\$ 297 million (USD 59 million).

The net debt amounted to R\$ 14,791 million in 2Q21, a decrease of R\$ 527 million on 1Q21, while the Company's net leverage measured as net indebtedness/Adjusted EBITDA for the last twelve months, reached 2.73x in 2Q21, vs. 2.96x in 1Q21.



Lastly, during the quarter, the risk rating agency Moody's reaffirmed the Company's global scale rating at Ba2, changing the outlook from stable to positive. In accordance with this report, this movement clearly signals a possible upgrade in the Company's ratings in the next 12 months.

The Company reiterates that it does not have financial leverage covenants and reaffirms its continuity on the disciplined capital structure, liquidity and leverage management.

## RELATIONS WITH INDEPENDENT AUDITORS

Pursuant to CVM Directive No. 381, dated January 14, 2003, the Company reports that its policy for engaging services not related to the independent audit is based on principles that protect auditor independence.

Pursuant to CVM Directive 381/03, in the six-month period ended June 30, 2021, KPMG Auditores Independentes was not engaged in providing services unrelated to our independent audit.

Pursuant to CVM Directive 480/09, Company Management states that at a meeting held on 08/12/2021 it discussed, reviewed, and agreed with the information included in the independent auditors' review report on the Interim Financial Information for the second quarter of 2021.

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Financial Statement - R\$ Million	2Q21	2Q20	Chg. % y/y	1Q21	Chg. % q/q
<b>Net Operating Revenues</b>	<b>11,637</b>	<b>9,104</b>	<b>27.8%</b>	<b>10,592</b>	<b>9.9%</b>
Cost of Sales	(9,411)	(7,125)	32.1%	(8,397)	12.1%
% of the NOR	(80.9%)	(78.3%)	(2.6) p.p.	(79.3%)	(1.6) p.p.
<b>Gross Profit</b>	<b>2,226</b>	<b>1,979</b>	<b>12.5%</b>	<b>2,195</b>	<b>1.4%</b>
% of the NOR	19.1%	21.7%	(2.6) p.p.	20.7%	(1.6) p.p.
<b>Operating Expenses</b>	<b>(1,741)</b>	<b>(1,530)</b>	<b>13.8%</b>	<b>(1,596)</b>	<b>9.1%</b>
% of the NOR	(15.0%)	(16.8%)	1.8 p.p.	(15.1%)	0.1 p.p.
<b>Selling Expenses</b>	<b>(1,549)</b>	<b>(1,340)</b>	<b>15.6%</b>	<b>(1,436)</b>	<b>7.8%</b>
% of the NOR	(13.3%)	(14.7%)	1.4 p.p.	(13.6%)	0.3 p.p.
Fixed	(931)	(794)	17.2%	(876)	6.2%
Variable	(619)	(546)	13.3%	(561)	10.4%
<b>General and Administrative Expenses</b>	<b>(192)</b>	<b>(190)</b>	<b>1.0%</b>	<b>(160)</b>	<b>20.2%</b>
% of the NOR	(1.7%)	(2.1%)	0.4 p.p.	(1.5%)	(0.2) p.p.
Honorary of our Administrators	(14)	(17)	(21.8%)	(11)	20.7%
% of the NOR	(0.1%)	(0.2%)	0.1 p.p.	(0.1%)	(0.0) p.p.
General and Administrative	(179)	(173)	3.2%	(149)	20.1%
% of the NOR	(1.5%)	(1.9%)	0.4 p.p.	(1.4%)	(0.1) p.p.
<b>Operating Income</b>	<b>485</b>	<b>449</b>	<b>8.0%</b>	<b>599</b>	<b>(19.0%)</b>
% of the NOR	4.2%	4.9%	(0.7) p.p.	5.7%	(1.5) p.p.
<b>Other Operating Results</b>	<b>96</b>	<b>139</b>	<b>(30.9%)</b>	<b>29</b>	<b>n.m.</b>
<b>EBIT</b>	<b>580</b>	<b>587</b>	<b>(1.2%)</b>	<b>628</b>	<b>(7.6%)</b>
% of the NOR	5.0%	6.4%	(1.4) p.p.	5.9%	(0.9) p.p.
<b>Net Financial Income</b>	<b>(759)</b>	<b>(190)</b>	<b>299.0%</b>	<b>(603)</b>	<b>26.0%</b>
<b>Income before Taxes</b>	<b>(179)</b>	<b>397</b>	<b>n.m.</b>	<b>25</b>	<b>n.m.</b>
% of the NOR	(1.5%)	4.4%	(5.9) p.p.	0.2%	(1.7) p.p.
Income Tax and Social Contribution	(20)	(90)	(78.3%)	(3)	594.1%
% of Income before Taxes	10.9%	(22.6%)	33.5 p.p.	(11.1%)	22.0 p.p.
<b>Consolidated Net Income (Loss)</b>	<b>(199)</b>	<b>307</b>	<b>n.m.</b>	<b>22</b>	<b>n.m.</b>
% of the NOR	(1.7%)	3.4%	(5.1) p.p.	0.2%	(1.9) p.p.
<b>Consolidated Net Income (Loss) - Total Consolidated</b>	<b>(240)</b>	<b>307</b>	<b>n.m.</b>	<b>22</b>	<b>n.m.</b>
% of the NOR	(2.1%)	3.4%	(5.5) p.p.	0.2%	(2.3) p.p.
<b>EBITDA</b>	<b>1,294</b>	<b>1,177</b>	<b>10.0%</b>	<b>1,289</b>	<b>0.4%</b>
% of the NOR	11.1%	12.9%	(1.8) p.p.	12.2%	(1.1) p.p.
<b>Adjusted EBITDA</b>	<b>1,271</b>	<b>1,031</b>	<b>23.2%</b>	<b>1,234</b>	<b>3.0%</b>
% of the NOR	10.9%	11.3%	(0.4) p.p.	11.6%	(0.7) p.p.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Balance Sheet - R\$ Million	06.30.21	03.31.21
<b>Assets</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	6,942	8,667
Financial Investments	316	314
Accounts Receivable	2,997	2,981
Recoverable Taxes	910	948
Inventories	7,955	8,239
Biological Assets	2,560	2,301
Other Financial Assets	276	167
Other Receivables	366	238
Anticipated expenses	231	266
Restricted Cash	24	0
Current Assets held to sale	21	201
<b>Total Current Assets</b>	<b>22,598</b>	<b>24,322</b>
<b>Non-Current Assets</b>		
Long-term assets	9,622	9,417
Cash Investments	333	223
Accounts and other Receivable	43	46
Judicial Deposits	544	556
Biological Assets	1,315	1,273
Recoverable Taxes	4,946	5,033
Deferred Taxes	2,361	2,190
Restricted Cash	0	24
Other Receivables	70	70
Other Financial Assets	10	2
Permanent Assets	17,398	17,676
Investments	9	9
Property, Plant and Equipment	12,337	12,329
Intangible	5,052	5,338
<b>Total Non-Current Assets</b>	<b>27,020</b>	<b>27,093</b>
<b>Total Assets</b>	<b>49,618</b>	<b>51,415</b>

Balance Sheet - R\$ Million	06.30.21	03.31.21
<b>Liabilities and Equity</b>		
<b>Current Liabilities</b>		
Loans and Financing	2,530	1,135
Suppliers*	10,232	9,963
Supply Chain Risk	1,451	1,489
Payroll and Mandatory Social Charges	864	721
Taxes Payable	638	443
Other Financial Liabilities	130	671
Provisions	888	791
Employee Pension Plan	125	126
Other Liabilities	563	749
<b>Total Current Liabilities</b>	<b>17,420</b>	<b>16,088</b>
<b>Non-Current Liabilities</b>		
Loans and Financing	20,025	22,902
Suppliers*	2,042	2,124
Taxes and Social Charges Payable	135	138
Provision for Tax, Civil and Labor Contingencies	634	803
Deferred Taxes	30	39
Employee Pension Plan	670	675
Other Liabilities	250	265
<b>Total Non-Current Liabilities</b>	<b>23,786</b>	<b>26,946</b>
<b>Total Liabilities</b>	<b>41,207</b>	<b>43,035</b>
<b>Shareholders' Equity</b>		
Capital Stock	12,460	12,460
Capital Reserves and Other reserves	55	70
Other Related Results	(1,291)	(1,570)
Retained Profits	(2,781)	(2,537)
Treasury Shares	(106)	(124)
Non-Controlling Shareholders	74	81
<b>Total Shareholders' Equity</b>	<b>8,411</b>	<b>8,380</b>
<b>Total Liabilities and Shareholders</b>	<b>49,618</b>	<b>51,415</b>

\* This includes R\$ 481 million of a current leasing liability and R\$ 2,029 million of non-current, according to the Interim Financial Information (ITR).

## 1. COMPANY'S OPERATIONS

BRF S.A. ("BRF") and its subsidiaries (collectively the "Company") is a publicly traded company, listed on the segment Novo Mercado of Brasil, Bolsa, Balcão ("B3"), under the ticker BRFS3, and listed on the New York Stock Exchange ("NYSE"), under the ticker BRFS. The Company's registered office is at Rua Jorge Tzachel, nº 475, Bairro Fazenda, Itajaí - Santa Catarina and the main business office is in the city of São Paulo.

BRF is a Brazilian multinational company, with global presence, which owns a comprehensive portfolio of products, and it is one of the world's largest companies of food products. The Company operates by raising, producing and slaughtering poultry and pork for processing, production and sale of fresh meat, processed products, pasta, margarine and others.

The Company holds as main brands Sadia, Perdigão, Qualy, Chester®, Kidelli, Perdix and Banvit, present mainly in Brazil, Turkey and Middle Eastern countries.

## 1.1. Equity interest

Entity	Main activity	Country (1)	% equity interest	
			06.30.21	12.31.20
BRF GmbH	Holding	Austria	100.00	100.00
BRF Foods LLC	(g) Import, industrialization and commercialization of products	Russia	99.99	99.90
BRF Global Company Nigeria Ltd.	Marketing and logistics services	Nigeria	99.00	99.00
BRF Global Company South Africa Proprietary Ltd.	Administrative, marketing and logistics services	South Africa	100.00	100.00
BRF Global Company Nigeria Ltd.	Marketing and logistics services	Nigeria	1.00	1.00
BRF Global GmbH	Holding and trading	Austria	100.00	100.00
BRF Foods LLC	(h) Import, industrialization and commercialization of products	Russia	0.01	0.10
BRF Japan KK	Marketing and logistics services, import, export, industrialization and commercialization of products	Japan	100.00	100.00
BRF Korea LLC	Marketing and logistics services	Korea	100.00	100.00
BRF Shanghai Management Consulting Co. Ltd.	Provision of consultancy and marketing services	China	100.00	100.00
BRF Shanghai Trading Co. Ltd.	Import, export and commercialization of products	China	100.00	100.00
BRF Singapore Foods PTE Ltd.	Administrative, marketing and logistics services	Singapore	100.00	100.00
Eclipse Holding Cooperatief U.A.	Holding	The Netherlands	99.99	99.99
Buenos Aires Fortune S.A.	Holding	Argentina	4.36	4.36
Eclipse Latam Holdings	Holding	Spain	100.00	100.00
Buenos Aires Fortune S.A.	Holding	Argentina	95.64	95.64
Perdigão Europe Lda.	Import, export of products and administrative services	Portugal	100.00	100.00
Perdigão International Ltd.	(d) Import and export of products	Cayman Island	-	100.00
ProudFood Lda.	Import and commercialization of products	Angola	90.00	90.00
Sadia Chile S.A.	Import, export and commercialization of products	Chile	40.00	40.00
Wellax Food Logistics C.P.A.S.U. Lda.	Import, commercialization of products and administrative services	Portugal	100.00	100.00
BRF Austria GmbH	Holding	Austria	100.00	100.00
One Foods Holdings Ltd.	Holding	UAE	100.00	100.00
Al-Wafi Food Products Factory LLC	Import, export, industrialization and commercialization of products	UAE	49.00	49.00
Badi Ltd.	Holding	UAE	100.00	100.00
Al-Wafi Al-Takamol International for Foods Products	Import and commercialization of products	Saudi Arabia	100.00	100.00
Joody Al Sharqiya Food Production Factory LLC	(b) Import and commercialization of products	Saudi Arabia	100.00	-
BRF Al Yasra Food K.S.C.C. ("BRF AFC")	(c) Import, commercialization and distribution of products	Kuwait	100.00	75.00
BRF Foods GmbH	Industrialization, import and commercialization of products	Austria	100.00	100.00
Al Khan Foodstuff LLC ("AKF")	Import, commercialization and distribution of products	Oman	70.00	70.00
FFQ GmbH	(e) Industrialization, import and commercialization of products	Austria	-	100.00
TBQ Foods GmbH	Holding	Austria	60.00	60.00
Banvit Bandırma Vitaminli	Import, industrialization and commercialization of products	Turkey	91.71	91.71
Banvit Enerji ve Elektrik Üretim Ltd. Sti.	(a) Generation and commercialization of electric energy	Turkey	100.00	100.00
Banvit Foods SRL	(f) Industrialization of grains and animal feed	Romania	-	0.01
Nutrinvestments BV	Holding	The Netherlands	100.00	100.00
Banvit ME FZE	Marketing and logistics services	UAE	100.00	100.00
Banvit Foods SRL	(f) Industrialization of grains and animal feed	Romania	-	99.99
One Foods Malaysia SDN. BHD.	Marketing and logistics services	Malaysia	100.00	100.00
Federal Foods LLC	Import, commercialization and distribution of products	UAE	49.00	49.00
Federal Foods Qatar	Import, commercialization and distribution of products	Qatar	49.00	49.00
BRF Hong Kong LLC	(a) Import, commercialization and distribution of products	Hong Kong	100.00	100.00
Eclipse Holding Cooperatief U.A.	Holding	The Netherlands	0.01	0.01
Establecimiento Levino Zaccardi y Cia. S.A.	(a) Industrialization and commercialization of dairy products	Argentina	99.99	99.99
BRF Energia S.A.	Commercialization of electric energy	Brazil	100.00	100.00
BRF Pet S.A.	Industrialization, commercialization and distribution of feed and nutrients for animals	Brazil	100.00	100.00
PP-BIO Administração de bem próprio S.A.	(i) Management of assets	Brazil	33.33	33.33
PR-SAD Administração de bem próprio S.A.	Management of assets	Brazil	33.33	33.33
ProudFood Lda.	Import and commercialization of products	Angola	10.00	10.00
PSA Laboratório Veterinário Ltda.	Veterinary activities	Brazil	99.99	99.99
Sino dos Alpes Alimentos Ltda.	(a) Industrialization and commercialization of products	Brazil	99.99	99.99
Sadia Alimentos S.A.	Holding	Argentina	43.10	43.10
Sadia Chile S.A.	Import, export and commercialization of products	Chile	60.00	60.00
Sadia International Ltd.	(a) Import and commercialization of products	Cayman Island	100.00	100.00
Sadia Uruguay S.A.	Import and commercialization of products	Uruguay	100.00	100.00
Sadia Alimentos S.A.	Holding	Argentina	56.90	56.90
Vip S.A. Empreendimentos e Participações Imobiliárias	Commercialization of owned real state	Brazil	100.00	100.00
Establecimiento Levino Zaccardi y Cia. S.A.	(a) Industrialization and commercialization of dairy products	Argentina	0.01	0.01
PSA Laboratório Veterinário Ltda.	Veterinary activities	Brazil	0.01	0.01
Sino dos Alpes Alimentos Ltda.	(a) Industrialization and commercialization of products	Brazil	0.01	0.01

(1) UAE - United Arab Emirates.

(a) Dormant subsidiaries. The Company is evaluating the liquidation of these subsidiaries.

(b) On January 18, 2021, 100% of the capital stock of Joody Al Sharqiya Food Production Factory LLC was acquired (note 1.2).

(c) On March 9, 2021, the minority stake on BRF AFC was acquired, as described below.

(d) On March 24, 2021, the subsidiary Perdigão International Ltd. was dissolved.

(e) On March 30, 2021, the subsidiary FFQ GMBH was dissolved.

(f) On May 4, 2021 the sale of shares held in Banvit Foods SRL was concluded, as described below.

(g) On May 31, 2021, BRF GMBH became owner of 99.99% of BRF Food LLC.

(h) On May 31, 2021, BRF Global GMBH became owner of 0.01% of BRF Food LLC.

(i) On July 30, 2021, BRF S.A. sold all the shares held in PP-BIO Administração de bem próprio S.A.

On March 9, 2021 the Company, through its wholly-owned subsidiary One Foods Holdings Ltd. ("One Foods") acquired from Al Yasra Food Company W.L.L the minority stake of 25% of BRF Al Yasra Food K.S.C.C. ("BRF AFC"), entity located in Kuwait, responsible for the distribution of BRF products in the country. The transaction was concluded for the amount equivalent to R\$238,421 (USD40,828) and from this date, BRF AFC became a wholly-owned subsidiary of One Foods. The amount paid is presented in the financing activities on the statement of cash flows and the difference between the amount paid and the book value of the participation acquired was recorded in Equity as Other Reserves, in the amount of R\$79,673.

On May 4, 2021, Nutrinvestment BV and Banvit Bandirma Vitaminli, indirectly controlled subsidiaries of the Company, concluded the sale to Aaylex System Group S.A. of 100% of the shares held in Banvit Foods SRL, engaged in the activities of manufacture of animal feed and egg hatchery in Romania. The sale amount, received on that date, was equivalent to R\$132,425 (EUR 20,300). In June, the parties established a price adjustment due to net debt and working capital, in the amount equivalent to R\$13,059 (EUR2,157). In the six-month period ended on June 30, 2021, the Company recognized a gain with the sale of R\$23,590, mainly due to the write-off of the currency translation adjustment and to the price adjustment, recorded under Other Operating Income.

Except for the associates PP-BIO and PR-SAD in which the Company records the investments by the equity method, all other entities shown in the table above were consolidated.

## 1.2. Business combinations

On January 18, 2021, through its wholly-owned subsidiary Badi Limited ("Badi"), the Company concluded the acquisition of 100% of the capital stock of Joody Al Sharqiya Food Production Factory ("Joody Al"), a food processing company in Saudi Arabia. The initial transaction amount was equivalent to R\$41,620 (SAR29,793) paid in cash, and from this date, Joody Al has become a wholly-owned subsidiary of Badi. The consideration paid may be adjusted according to certain conditions established in the purchase agreement.

The goodwill of R\$12,376 arising from the business combination consists mainly of the synergies expected with the combination of the operations of BRF and Joody Al, strengthening the Company's presence in the Saudi Arabian market. The goodwill has been allocated to the International segment.

The fair value of the acquired assets and assumed liabilities in the business combination is presented below:

	Fair value on the acquisition date
<b>Assets</b>	
Cash and cash equivalents	408
Inventories	832
Advances	232
Property, plant and equipment, net	30,128
	<b>31,600</b>
<b>Liabilities</b>	
Trade accounts payable	1,420
Taxes payable	550
Employee benefits	286
Other current liabilities	100
	<b>2,356</b>
<b>Net assets acquired</b>	<b>29,244</b>
<b>Fair value of consideration paid</b>	<b>41,620</b>
<b>Goodwill</b>	<b>12,376</b>

On June 18, 2021, through its wholly-owned subsidiary BRF Pet S.A., the Company executed a sale and purchase agreement for the acquisition of 100% of the capital stock of the companies that compose the Hercosul Group and paid an advance in the amount of R\$90,000, which will be part of the consideration paid. On August 2, 2021, the transaction was concluded.

On June 25, 2021, also through its wholly-owned subsidiary BRF Pet S.A., the Company executed a sale and purchase agreement for the acquisition of 100% of the capital stock of Mogiana Alimentos S.A. The transaction is subject to the satisfaction of conditions precedent.

The price to be paid for these acquisitions is of R\$1,350,000 and is still subject to adjustments usual to transactions of this nature.

The acquisitions above will be reflected in the financial statements in the period when the transactions are concluded, according to applicable accounting requirements.

### 1.3. Discontinued Operations

During the second quarter of 2021, the Company completed the price adjustment process related to sale of Campo Austral S.A. and determined a preliminary price adjustment related to the sale of Avex S.A., which is subject to modifications until the final agreement is signed between the parties.

The referred price adjustment totaled R\$49,358 (R\$41,286 net of taxes) and are presented in Net Loss of Discontinued Operations, consistently with the practice adopted in the sale of the operations in 2019.

### 1.4. Investigations involving BRF

#### 1.4.1. *Carne Fraca* and *Trapaça* operations

The Company has been subject to two investigations conducted by Brazilian governmental entities, denominated "*Carne Fraca Operation*" in 2017 and "*Trapaça Operation*" in 2018, as detailed in the financial statements for the year ended on December 31, 2020 (note 1.2). The Company's Audit and Integrity Committee conducted independent investigations, along with the Independent Investigation Committee, composed of external members and with external legal advisors in Brazil and abroad with respect to the allegations involving BRF employees and former employees.

The main impacts observed as result of the referred investigations were recorded in Other Operating Expenses in the amount of R\$8,142 for the six-month period ended on June 30, 2021 (R\$24,072 in the same period of the previous year) and for three-month period ended on June 30, 2021 R\$2,905 (R\$11,771 in the same period of the previous year) mostly related to expenditures with lawyers, legal advisors and consultants.

In addition to the impacts already recorded, there are uncertainties about the outcome of these investigations which may result in penalties, fines and normative sanctions, right restrictions and other forms of liabilities, for which the Company is not able to make a reliable estimate of the potential losses. The outcomes may result in payments of substantial amounts, which may cause a material adverse effect on the Company's financial position, results and cash flows in the future.

Regarding the investigations conducted by regulators offices and governmental entities in the United States of America about these operations, on February 25, 2021, the Division of Enforcement of the U.S. Securities and Exchange Commission ("SEC") issued a letter to the Company stating that it has concluded its investigation and, based on information to date, does not intend to recommend an enforcement action by the SEC against the Company. On May 5, 2021, the U.S. Department of Justice ("DOJ") issued a letter stating that it has closed its investigation against BRF, based on information to date. No sanctions or penalties were imposed against the Company.

#### 1.4.2. Governance enhancement

The Company has been taking actions to strengthen the compliance with its policies, procedures and internal controls.

The Company believes that its efforts strengthens and consolidates its governance to ensure the highest levels of safety standards, integrity and quality.

Among the actions implemented, are: (i) strengthening in the risk management, specially compliance, (ii) continuous improvement of the Compliance, Internal Audit and Internal Controls departments, (iii) review and issuance of new policies and procedures specifically related to applicable anticorruption laws, (iv) review and enhancement of the procedures for reputational verification of business partners, (v) review and enhancement

of the processes of internal investigation, (vi) expansion of the independent reporting channel, (vii) review of transactional controls, and (viii) review and issuance of new consequence policy for misconduct.

## 1.5. Coronavirus (COVID-19)

On January 31, 2020 the World Health Organization announced that the COVID-19 is a global health emergency and on March 11, 2020 declared it a global pandemic. The outbreak has triggered significant decisions from governments and private sector entities, which in addition to the potential impact, increased the uncertainty level for the economic agents and may cause effects in the amounts recognized in the interim financial information.

BRF continues to operate its industrial complexes, distribution centers, logistics, supply chain and administrative offices, even if temporarily and partially under remote work regime in some of the corporate offices. Therefore, until the date of approval of this interim financial information, there has been no relevant change in its production plan, operation and/or commercialization. Additionally, management has developed and implemented contingency plans to maintain the operations and monitors the effects of the pandemic through a permanent multidisciplinary monitoring committee, formed by executives, specialists in the public health area and consultants.

Due to the pandemic, the Company has incurred in direct expenditures, such as transportation, personnel, prevention, control and donations, which are presented in the statement of income (loss) within the following line items:

	2021		Consolidated 2020	
	Apr - Jun	Jan - Jun	Apr - Jun	Jan - Jun
Cost of sales	(57,431)	(121,656)	(173,674)	(174,288)
Selling expenses	(19,166)	(24,090)	(18,575)	(46,317)
General and administrative expenses	(5,876)	(16,947)	(25,893)	(26,066)
	<b>(82,473)</b>	<b>(162,693)</b>	<b>(218,142)</b>	<b>(246,671)</b>

The management considered in its projections of results and cash flows, to the best of its knowledge, the effects and uncertainties regarding the pandemic. Due to the high volatility and uncertainty around the length and the impact of the pandemic, the Company will continue to monitor the situation and evaluate the impacts on assumptions and estimates used in preparing our financial reporting.

## 1.6. Seasonality

During the months of November and December of each year, the Company is impacted by seasonality in the Brazil operating segment due to Christmas and New Year's Celebrations. The products that are relevant contributors are: turkey, Chester®, ham and pork cuts (hind leg/pork loin).

In the International operating segment, seasonality is due to Ramadan, which is the holy month of the Muslim calendar. The beginning of Ramadan depends on the beginning of the moon cycle and in 2021 occurred between April 13, 2021 and May 12, 2021.

## 2. BASIS OF PREPARATION AND PRESENTATION OF INTERIM FINANCIAL INFORMATION

The parent company's and consolidated interim financial information was prepared in accordance with the CPC 21 (R1) – Interim Financial Statements and the IAS 34 – Interim Financial Reporting issued by the International Accounting Standards Board - IASB as well as with the standards issued by the Brazilian Securities and Exchange Commission. All the relevant information applicable to the interim financial information, and only them, are being evidenced and correspond to those used by administration in its management.

The parent company's and consolidated interim financial information is expressed in thousands of Brazilian Reals ("R\$"), unless otherwise stated. For disclosures of amounts in other currencies, the values were also expressed in thousands, unless otherwise stated.

The preparation of the parent company's and consolidated interim financial information require Management to make judgments, use estimates and adopt assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, as well as the disclosures of contingent liabilities. The uncertainty inherent to these judgments, assumptions and estimates could result in material adjustments to the carrying amount of certain assets and liabilities in future periods.

Any judgments, estimates and assumptions are reviewed at each reporting period.

The parent company's and consolidated interim financial information was prepared based on the recoverable historical cost, except for the following material items recognized in the statements of financial position:

- (i) derivative financial instruments and non-derivative financial instruments measured at fair value;
- (ii) share-based payments and employee benefits measured at fair value;
- (iii) biological assets measured at fair value; and
- (iv) assets held for sale in instances where the fair value is lower than historical cost.

The Company prepared parent company's and consolidated interim financial information under the going concern assumption and disclosed all relevant information in its explanatory notes, in order to clarify and complement the accounting basis adopted.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The interim financial information, in this case quarterly financial information, aim to provide updated information based on the last annual financial statements disclosed. Therefore, the quarterly financial information focus on new activities, events and circumstances and do not repeat the information previously disclosed, except when Management judges that the maintenance of the information is relevant.

The interim financial information was prepared based on the accounting policies and estimates calculation methodologies adopted in the preparation of the annual financial statements for the year ended December 31, 2020 (note 3), except for: (i) the income taxes, which were measured according to CPC 21 / IAS 34 by applying the estimated annual effective tax rate to the pre-tax profit or loss for the interim period; and (ii) reclassification of payment of interest in the statements of cash flows, as described below.

In the six-month period ended on June 30, 2021, the Company changed the classification of payment of interest in the statement of cash flows, reclassifying this item from Operating Activities to Financing Activities. This change was made for better presentation of the Company's cash flows and convergence with the reports used by the administration in its management.

To ensure comparability between the periods presented, the Company performed the following reclassifications for the six-month period ended on June 30, 2020:

	Jan - Jun 2020					
	Parent company			Consolidated		
	Previously presented	Reclassification	Restated	Previously presented	Reclassification	Restated
Net cash provided by operating activities	2,171,482	474,804	2,646,286	3,553,072	553,441	4,106,513
Net cash used in investing activities	(416,690)	-	(416,690)	(425,352)	-	(425,352)
Net cash provided by (used in) financing activities	1,147,014	(474,804)	672,210	1,243,293	(553,441)	689,852
Effect of exchange rate variation on cash and cash equivalents	198,521	-	198,521	1,062,477	-	1,062,477
<b>Net increase in cash and cash equivalents</b>	<b>3,100,327</b>	<b>-</b>	<b>3,100,327</b>	<b>5,433,490</b>	<b>-</b>	<b>5,433,490</b>

There were no changes on such policies and estimates calculation methodologies. As allowed by CPC 21 / IAS 34, Management decided not to disclose again the details of the accounting policies adopted by the Company. Hence, the interim financial information should be read along with the annual financial statements for the year ended on December 31, 2020, in order to allow the users to further understand the Company's financial conditions and liquidity, as well as its capacity to generate profits and cash flows.

#### 4. CASH AND CASH EQUIVALENTS

	Average rate (1)	Parent company		Consolidated	
		06.30.21	12.31.20	06.30.21	12.31.20
<b>Cash and bank accounts</b>					
U.S. Dollar	-	500	520	1,727,636	1,185,208
Brazilian Reais	-	82,180	111,615	86,105	112,181
Euro	-	2,944	6,144	72,737	54,687
Other currencies	-	110	28	1,129,025	1,086,996
		<b>85,734</b>	<b>118,307</b>	<b>3,015,503</b>	<b>2,439,072</b>
<b>Cash equivalents</b>					
In Brazilian Reais					
Investment funds	0.67%	3,759	4,684	3,759	4,684
Bank deposit certificates	3.95%	2,442,530	3,650,812	2,452,201	3,662,448
		<b>2,446,289</b>	<b>3,655,496</b>	<b>2,455,960</b>	<b>3,667,132</b>
In U.S. Dollar					
Term deposit	-	-	-	-	198,878
Overnight	0.13%	119,550	102,336	1,420,426	1,220,232
Other currencies					
Term deposit	1.00%	-	-	49,953	51,311
		<b>119,550</b>	<b>102,336</b>	<b>1,470,379</b>	<b>1,470,421</b>
		<b>2,651,573</b>	<b>3,876,139</b>	<b>6,941,842</b>	<b>7,576,625</b>

(1) Weighted average annual rate.

## 5. MARKETABLE SECURITIES

	WAM (1)	Currency	Average rate (2)	Parent company		Consolidated	
				06.30.21	12.31.20	06.30.21	12.31.20
<b>Fair value through other comprehensive income</b>							
Stocks	-	HKD	-	-	-	-	42,029
<b>Fair value through profit and loss</b>							
Financial treasury bills	3.29	R\$	1.90%	315,036	312,515	315,036	312,515
Investment funds - FIDC BRF	2.46	R\$	-	14,911	15,044	14,911	15,044
Investment funds	0.50	ARS	-	-	-	1,374	1,643
				<b>329,947</b>	<b>327,559</b>	<b>331,321</b>	<b>329,202</b>
<b>Amortized cost</b>							
Sovereign bonds and others (3)	1.83	AOA	3.82%	-	-	318,123	287,504
				<b>329,947</b>	<b>327,559</b>	<b>649,444</b>	<b>658,735</b>
Current				315,036	312,515	316,410	314,158
Non-current (4)				14,911	15,044	333,034	344,577

(1) Weighted average maturity in years.

(2) Weighted average annual rate.

(3) It's comprised of private securities and sovereign securities of the Angola Government and are presented net of expected credit losses in the amount of R\$14,666 (R\$9,894 on December 31, 2020).

(4) Maturity until December of 2023.

On June 30, 2021, the amount of R\$204,659 (R\$366,671 on December 31, 2020) classified as cash and cash equivalents and marketable securities were pledged as guarantee, with no use restrictions, for USD denominated future contracts traded on B3.

## 6. TRADE ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	Parent company		Consolidated	
	06.30.21	12.31.20	06.30.21	12.31.20
<b>Trade accounts receivable</b>				
Domestic customers	782,439	1,999,807	785,826	2,002,586
Domestic related parties	13,695	6,228	-	-
Foreign customers	480,019	537,584	2,782,923	2,716,551
Foreign related parties	5,714,836	3,239,348	-	-
	<b>6,990,989</b>	<b>5,782,967</b>	<b>3,568,749</b>	<b>4,719,137</b>
( - ) Adjustment to present value	(5,936)	(10,026)	(9,710)	(13,316)
( - ) Expected credit losses	(542,708)	(555,712)	(590,676)	(605,940)
	<b>6,442,345</b>	<b>5,217,229</b>	<b>2,968,363</b>	<b>4,099,881</b>
Current	6,435,531	5,210,498	2,961,245	4,092,855
Non-current	6,814	6,731	7,118	7,026
<b>Other receivables</b>				
Other receivables	88,216	113,949	88,216	113,949
( - ) Adjustment to present value	(602)	(156)	(602)	(156)
( - ) Expected credit losses	(16,395)	(27,389)	(16,395)	(27,389)
	<b>71,219</b>	<b>86,404</b>	<b>71,219</b>	<b>86,404</b>
Current	35,268	43,566	35,268	43,566
Non-current (1)	35,951	42,838	35,951	42,838

(1) Weighted average maturity of 2.07 years.

The Company performs credit assignments with no right of return to the BRF Clients' Credit Rights Investment Fund ("FIDC BRF"), which has the sole purpose to acquire credit rights arising from commercial transactions carried out between the Company and its clients in Brazil. On June 30, 2021, FIDC BRF had an outstanding balance of R\$761,098 (R\$549,083 on December 31, 2020) related to such credit rights, which are no longer recorded in the Company's statement of financial position.

On June 30, 2021, other receivables are mainly represented by receivables from the sale of farms and various properties, with a balance of R\$64,846 (R\$78,258 on December 31, 2020).

The movements of the expected credit losses are presented below:

	Parent company 06.30.21	Consolidated 06.30.21
<b>Beginning balance</b>	(555,712)	(605,940)
(Additions) Reversals	(5,716)	(8,492)
Write-offs	1,765	3,406
Exchange rate variation	16,955	20,350
<b>Ending balance</b>	<b>(542,708)</b>	<b>(590,676)</b>

The aging of trade accounts receivable is as follows:

	Parent company		Consolidated	
	06.30.21	12.31.20	06.30.21	12.31.20
Not overdue	6,433,441	5,206,584	2,774,988	4,010,140
<b>Overdue</b>				
01 to 60 days	12,954	29,631	195,166	104,195
61 to 90 days	1,778	1,357	5,329	6,045
91 to 120 days	1,619	469	1,689	398
121 to 180 days	2,592	458	6,728	7,024
181 to 360 days	3,138	3,448	10,499	15,688
More than 360 days	535,467	541,020	574,350	575,647
( - ) Adjustment to present value	(5,936)	(10,026)	(9,710)	(13,316)
( - ) Expected credit losses	(542,708)	(555,712)	(590,676)	(605,940)
	<b>6,442,345</b>	<b>5,217,229</b>	<b>2,968,363</b>	<b>4,099,881</b>

## 7. INVENTORIES

	Parent company		Consolidated	
	06.30.21	12.31.20	06.30.21	12.31.20
Finished goods	3,254,827	2,162,977	4,707,457	3,610,585
Work in progress	228,392	191,110	229,769	192,335
Raw materials	1,751,812	1,920,891	1,852,725	2,046,681
Packaging materials	142,408	88,359	146,467	92,256
Secondary materials	641,529	522,125	651,111	531,801
Supplies	182,827	173,030	220,008	207,033
Imports in transit	67,951	107,829	67,951	107,829
Other	148,937	75,508	181,342	94,816
(-) Adjustment to present value	(102,186)	(80,568)	(102,193)	(80,577)
	<b>6,316,497</b>	<b>5,161,261</b>	<b>7,954,637</b>	<b>6,802,759</b>

The movements in the write-down of inventories to the net realizable value, for which the additions, reversals and write-offs were recorded against Cost of Sales, are presented in the table below:

	Parent company 06.30.21			
	Realizable value through sale	Impaired inventories	Obsolete inventories	Total
Beginning balance	(23,957)	(23,579)	(7,715)	(55,251)
Additions	(61,538)	(35,136)	(3,142)	(99,816)
Reversals	72,896	-	-	72,896
Write-offs	-	39,137	2,625	41,762
Ending balance	(12,599)	(19,578)	(8,232)	(40,409)

	Consolidated 06.30.21			
	Realizable value through sale	Impaired inventories	Obsolete inventories	Total
Beginning balance	(31,155)	(29,831)	(14,719)	(75,705)
Additions	(74,026)	(42,361)	(4,349)	(120,736)
Reversals	87,762	-	-	87,762
Write-offs	-	47,213	4,235	51,448
Business combination	-	(42)	-	(42)
Exchange rate variation	392	364	487	1,243
Ending balance	(17,027)	(24,657)	(14,346)	(56,030)

## 8. BIOLOGICAL ASSETS

The live animals are represented by poultry and pork and segregated into consumables and animals for production. The rollforward of the biological assets are presented below:

	Current			Non-current				Parent company 06.30.21
	Live animals			Live animals				
	Poultry	Pork	Total	Poultry	Pork	Forests	Total	
<b>Beginning balance</b>	783,706	1,260,582	2,044,288	405,030	425,252	324,444	1,154,726	
Additions/Transfer	6,514,763	4,523,483	11,038,246	42,234	217,798	20,318	280,350	
Changes in fair value (1)	1,197,546	275,166	1,472,712	57,914	(115,640)	-	(57,726)	
Harvest	-	-	-	-	-	(26,569)	(26,569)	
Write-off	-	-	-	-	-	(140)	(140)	
Transfer between current and non-current	42,015	59,619	101,634	(42,015)	(59,619)	-	(101,634)	
Transfer to inventories	(7,603,504)	(4,574,802)	(12,178,306)	-	-	-	-	
<b>Ending balance</b>	<b>934,526</b>	<b>1,544,048</b>	<b>2,478,574</b>	<b>463,163</b>	<b>467,791</b>	<b>318,053</b>	<b>1,249,007</b>	

	Current			Non-current				Consolidated 06.30.21
	Live animals			Live animals				
	Poultry	Pork	Total	Poultry	Pork	Forests	Total	
<b>Beginning balance</b>	868,428	1,260,582	2,129,010	472,053	425,252	324,444	1,221,749	
Additions/Transfer	6,522,342	4,523,483	11,045,825	42,990	217,798	20,318	281,106	
Changes in fair value (1)	1,204,383	275,166	1,479,549	68,259	(115,640)	-	(47,381)	
Harvest	-	-	-	-	-	(26,569)	(26,569)	
Write-off	-	-	-	-	-	(140)	(140)	
Transfer between current and non-current	42,015	59,619	101,634	(42,015)	(59,619)	-	(101,634)	
Transfer to inventories	(7,603,504)	(4,574,802)	(12,178,306)	-	-	-	-	
Exchange variation	(17,836)	-	(17,836)	(12,471)	-	-	(12,471)	
<b>Ending balance</b>	<b>1,015,828</b>	<b>1,544,048</b>	<b>2,559,876</b>	<b>528,816</b>	<b>467,791</b>	<b>318,053</b>	<b>1,314,660</b>	

(1) The change in the fair value of biological assets includes depreciation of breeders and depletion of forests in the amount of R\$441,867 in the parent company and R\$485,564 in the consolidated.

The estimated balances and quantities of live animals are set forth below:

	06.30.21		Parent company 12.31.20	
	Quantity (thousand of heads)	Book value	Quantity (thousand of heads)	Book value
<b>Consumable biological assets</b>				
Immature poultry	173,065	934,526	178,143	783,706
Immature pork	4,216	1,544,048	4,204	1,260,582
<b>Total current</b>	<b>177,281</b>	<b>2,478,574</b>	<b>182,347</b>	<b>2,044,288</b>
<b>Production biological assets</b>				
Immature poultry	5,845	167,452	6,243	152,632
Mature poultry	10,624	295,711	10,207	252,398
Immature pork	199	100,935	203	93,466
Mature pork	453	366,856	457	331,786
<b>Total non-current</b>	<b>17,121</b>	<b>930,954</b>	<b>17,110</b>	<b>830,282</b>
	<b>194,402</b>	<b>3,409,528</b>	<b>199,457</b>	<b>2,874,570</b>

	06.30.21		Consolidated 12.31.20	
	Quantity (thousand of heads)	Book value	Quantity (thousand of heads)	Book value
<b>Consumable biological assets</b>				
Immature poultry	192,597	1,015,828	199,877	868,428
Immature pork	4,216	1,544,048	4,204	1,260,582
<b>Total current</b>	<b>196,813</b>	<b>2,559,876</b>	<b>204,081</b>	<b>2,129,010</b>
<b>Production biological assets</b>				
Immature poultry	6,669	195,009	7,320	188,967
Mature poultry	12,061	333,807	11,395	283,086
Immature pork	199	100,935	203	93,466
Mature pork	453	366,856	457	331,786
<b>Total non-current</b>	<b>19,382</b>	<b>996,607</b>	<b>19,375</b>	<b>897,305</b>
	<b>216,195</b>	<b>3,556,483</b>	<b>223,456</b>	<b>3,026,315</b>

The Company has forests pledged as collateral for financing and tax/civil contingencies on June 30, 2021 in the amount of R\$74,845 in the parent company and in the consolidated (R\$68,381 in the parent company and in the consolidated at December 31, 2020).

## 9. RECOVERABLE TAXES

The rollforward of recoverable taxes are set forth below:

	Note	12.31.20	Additions	Compensations / Reversals	Transfers (1)	Interest	Parent company 06.30.21
<b>ICMS and VAT</b>	<b>9.1</b>						
Recoverable ICMS and VAT		1,483,612	212,292	(36,667)	(89,314)	120	1,570,043
(-) Impairment		(154,721)	(16,397)	14,225	14,116	-	(142,777)
<b>PIS and COFINS</b>	<b>9.2</b>						
Recoverable PIS and COFINS		3,167,001	263,179	(433,178)	-	16,129	3,013,131
(-) Impairment		(14,228)	-	-	-	-	(14,228)
<b>IPI</b>	<b>9.3</b>						
Recoverable IPI		808,524	2,978	(460)	-	48,624	859,666
(-) Impairment		(1,984)	-	-	-	-	(1,984)
<b>INSS</b>							
Recoverable INSS		341,824	5,869	(56,356)	-	1,921	293,258
(-) Impairment		(102)	-	-	-	-	(102)
<b>Other taxes</b>							
Other recoverable taxes		52,115	23,930	-	-	-	76,045
(-) Impairment		(1,484)	-	15	-	-	(1,469)
		<b>5,680,557</b>	<b>491,851</b>	<b>(512,421)</b>	<b>(75,198)</b>	<b>66,794</b>	<b>5,651,583</b>
Current		812,338					774,361
Non-current		4,868,219					4,877,222
	Note	12.31.20	Additions	Compensations / Reversals	Transfers (1)	Restatement	06.30.21
<b>Income taxes</b>	<b>9.4</b>						
Recoverable income taxes		91,996	11,128	(8)	-	88	103,204
(-) Impairment		(8,985)	-	-	-	-	(8,985)
		<b>83,011</b>	<b>11,128</b>	<b>(8)</b>	<b>-</b>	<b>88</b>	<b>94,219</b>
Current		28,888					39,926
Non-current		54,123					54,293

(1) The transfers occur from Recoverable Taxes to Other Current Assets and Other Non-Current Assets when sales of credits are made to third parties.

	Note	12.31.20	Additions	Compensations / Reversals	Transfers (1)	Interest	Exchange variation	Consolidated 06.30.21
<b>ICMS and VAT</b>	<b>9.1</b>							
Recoverable ICMS and VAT		1,568,975	246,914	(94,724)	(89,314)	120	(5,049)	1,626,922
(-) Impairment		(154,721)	(16,397)	14,225	14,116	-	1	(142,776)
<b>PIS and COFINS</b>	<b>9.2</b>							
Recoverable PIS and COFINS		3,168,099	263,439	(433,235)	-	16,128	1	3,014,432
(-) Impairment		(14,228)	-	-	-	-	-	(14,228)
<b>IPI</b>	<b>9.3</b>							
Recoverable IPI		808,528	2,978	(460)	-	48,623	-	859,669
(-) Impairment		(1,984)	-	-	-	-	-	(1,984)
<b>INSS</b>								
Recoverable INSS		341,825	5,869	(56,356)	-	1,920	-	293,258
(-) Impairment		(102)	-	-	-	-	-	(102)
<b>Other taxes</b>								
Other recoverable taxes		52,889	23,930	(1)	-	-	(49)	76,769
(-) Impairment		(1,963)	-	15	-	-	2	(1,946)
		<b>5,767,318</b>	<b>526,733</b>	<b>(570,536)</b>	<b>(75,198)</b>	<b>66,791</b>	<b>(5,094)</b>	<b>5,710,014</b>
Current		899,120						832,782
Non-current		4,868,198						4,877,232
	Note	12.31.20	Additions	Compensations / Reversals	Transfers (1)	Restatement	Exchange variation	06.30.21
<b>Income taxes</b>	<b>9.4</b>							
Recoverable income taxes		107,728	56,726	(5,439)	-	86	(3,668)	155,433
(-) Impairment		(9,029)	-	-	-	-	-	(9,029)
		<b>98,699</b>	<b>56,726</b>	<b>(5,439)</b>	<b>-</b>	<b>86</b>	<b>(3,668)</b>	<b>146,404</b>
Current		43,840						77,240
Non-current		54,859						69,164

(1) The transfers occur from Recoverable Taxes to Other Current Assets and Other Non-Current Assets when sales of credits are made to third parties.

## 9.1. PIS and COFINS –Social Integration Plan and Contribution for Social Security Financing

On December 7, 2020 the Company received an unappealable judicial decision to a process filled by Batávia S.A. (subsidiary incorporated by BRF S.A.) granting the Company the right to exclude ICMS from the PIS and COFINS calculation basis. Throughout the first semester of 2021, the Company, supported by its consultants, obtained the fiscal files for the period and reconciled them with the accessory obligations, measuring the credits reliably through the ICMS presented in the invoices. Thus, the amount of R\$75,043 was recognized under Recoverable PIS and COFINS, being R\$29,887 of principal recorded in Other Operating Income and R\$45,156 of interests recorded in Financial Income.

As of June 30, 2021, the updated balance of the processes related to the exclusion of the ICMS from the PIS and COFINS calculation basis recognized by the Company is R\$2,717,801 (R\$2,818,391 as of December 31, 2020). The amount of R\$191,761 related do these credits was offset against other federal taxes in the six-month period ended on June 30, 2021 (null in the same period of the previous year).

In the study prepared by the Management, its realization is estimated through offsetting with federal taxes or through reimbursement of the amounts as expected below:

	PIS and COFINS
<b>Current</b>	<b>524,823</b>
<b>Non-current</b>	<b>2,192,978</b>
July to december 2022	328,000
2023	537,000
2024	672,000
2025	655,978
	<b>2,717,801</b>

## 9.2. IPI - Industrialized Product Tax

The Company recognized relevant tax assets as result of gains from lawsuits related to IPI, specially “*crédito prêmio*”. The balance referring to these assets in the parent company and consolidated on June 30, 2021 is R\$909,443 (R\$860,820 on December 31, 2020), of which R\$853,624 (R\$805,001 on December 31, 2020) is recorded as Recoverable Taxes and the remainder, referring to cases in which the government will reimburse in cash, is recorded as Other Current Assets, in the amount of R\$43,428 (R\$40,370 on December 31, 2020) and as Other Non-Current Assets, in the amount of R\$12,391 (R\$15,449 on December 31, 2020).

In the study prepared by the Management, its realization is estimated through the refund of the amounts as expected below:

	IPI
<b>Current</b>	<b>43,428</b>
<b>Non-current</b>	<b>866,015</b>
July to december 2022	12,391
2025	626,659
2026	226,965
	<b>909,443</b>

## 9.3. Realization of Brazilian federal tax credits

The Company used PIS, COFINS, IPI, IRPJ, CSLL, INSS and other tax credits to offset federal taxes payable such as INSS and withholding Income Tax in the amount of R\$490,002 in the six-month period ended June 30, 2021 (R\$411,683 in the parent company and consolidated in the same period of the previous year), preserving its liquidity and optimizing its capital structure.

## 10. DEFERRED INCOME TAXES

### 10.1. Composition

	Parent company		Consolidated	
	06.30.21	12.31.20	06.30.21	12.31.20
<b>Assets</b>				
Tax losses carryforward	2,052,840	2,052,843	2,070,138	2,060,846
Negative calculation basis (social contribution)	769,405	769,402	772,951	772,283
<b>Temporary differences - Assets</b>				
Provisions for tax, civil and labor risks	463,517	458,019	463,517	458,019
Suspended collection taxes	1,881	1,871	1,881	1,871
Expected credit losses	169,078	194,969	169,090	194,977
Impairment on tax credits	62,353	67,900	62,353	67,900
Provision for other obligations	99,519	115,959	100,364	115,959
Employees' profit sharing	13,365	86,752	13,365	86,752
Write-down to net realizable value of inventories	13,819	19,184	14,117	19,189
Employees' benefits plan	223,299	216,510	237,987	216,510
Lease basis difference	104,766	86,308	104,766	86,308
Adjustment to estimated annual effective tax rate - CPC 21	518,647	-	518,647	-
Other temporary differences	12,209	10,632	9,449	40,028
	<b>4,504,698</b>	<b>4,080,349</b>	<b>4,538,625</b>	<b>4,120,642</b>
<b>Temporary differences - Liabilities</b>				
Difference on tax x accounting basis for goodwill amortization	(321,298)	(320,729)	(321,298)	(320,729)
Difference on tax x accounting basis for depreciation (useful life)	(871,650)	(851,436)	(868,245)	(851,436)
Business combination (1)	(855,821)	(740,385)	(874,963)	(761,429)
Unrealized gains on derivatives, net	(58,246)	(42,493)	(58,246)	(42,493)
Unrealized fair value gains, net	(50,477)	(39,269)	(49,560)	(39,269)
Other temporary differences	(21,026)	(17,268)	(35,497)	(22,749)
	<b>(2,178,518)</b>	<b>(2,011,580)</b>	<b>(2,207,809)</b>	<b>(2,038,105)</b>
<b>Total deferred taxes</b>	<b>2,326,180</b>	<b>2,068,769</b>	<b>2,330,816</b>	<b>2,082,537</b>
<b>Total Assets</b>	<b>2,326,180</b>	<b>2,068,769</b>	<b>2,361,035</b>	<b>2,109,064</b>
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>(30,219)</b>	<b>(26,527)</b>
	<b>2,326,180</b>	<b>2,068,769</b>	<b>2,330,816</b>	<b>2,082,537</b>

- (1) The deferred tax asset on the Sadia business combination was recorded on the amortization difference between the accounting and tax goodwill calculated as of the purchase price allocation date. The deferred tax liability on the Sadia business combination is substantially represented by the allocation of goodwill to property, plant and equipment, brands and contingent liabilities.

The roll-forward of deferred income taxes, net, is set forth below:

	Parent company	Consolidated
	06.30.21	06.30.21
<b>Beginning balance</b>	<b>2,068,769</b>	<b>2,082,537</b>
Deferred taxes on profit recognized in income	291,368	293,328
Deferred income taxes recognized in other comprehensive income	(33,957)	(33,957)
Other (1)	-	(11,092)
<b>Ending balance</b>	<b>2,326,180</b>	<b>2,330,816</b>

- (1) Mainly related to the foreign exchange variation effect on the balances in foreign companies.

## 10.2. Estimated period of realization

Deferred tax assets arising from temporary differences will be realized as the differences are settled or realized. The period of settlement or realization of such differences is subject to externalities and is linked to several factors that are not under the control of Management.

In estimating the realization of deferred tax credits on tax losses carryforward, Management considers its budget and strategic plans, which were approved by the Board of Directors, adjusted based on the estimates of the main tax additions and exclusions. The recoverability study is reviewed by the Fiscal Council and approved by the Board of Directors. Based on this estimate, Management believes that it is probable that these deferred tax credits will be realized, as shown below:

	Parent company	Consolidated
2021	111,727	119,175
2022	140,612	140,612
2023	230,254	231,408
2024	288,074	291,677
2025	329,733	335,681
2026 to 2028	1,035,323	1,035,323
2029 onwards	686,522	689,213
	<b>2,822,245</b>	<b>2,843,089</b>

The Company has tax losses carryforward in Brazil, which at current tax rates represent R\$4,978,269 on June 30, 2021 (R\$4,589,674 on December 31, 2020). Within this amount, R\$2,822,245 on June 30, 2021 and on December 31, 2020 are recognized as an asset, according to the recoverability expectation above. The deferred tax credits on tax losses and negative social contribution basis related to the parent company and its subsidiaries domiciled in Brazil do not expire and the use to offset income taxes payable is limited to 30% of future taxable income.

## 10.3. Effective income tax rate reconciliation

	Parent company				Consolidated			
	2021		2020		2021		2020	
	Apr - Jun	Jan - Jun	Apr - Jun	Jan - Jun	Apr - Jun	Jan - Jun	Apr - Jun	Jan - Jun
Income (loss) before taxes - continued operations	(191,787)	(205,620)	406,100	309,715	(179,056)	(153,785)	396,884	345,094
Nominal tax rate	34%	34%	34%	34%	34%	34%	34%	34%
<b>Expense at nominal rate</b>	<b>65,208</b>	<b>69,911</b>	<b>(138,074)</b>	<b>(105,303)</b>	<b>60,879</b>	<b>52,287</b>	<b>(134,941)</b>	<b>(117,332)</b>
Adjustments to income taxes								
Income from associates and joint ventures	(568,335)	(236,248)	709,328	2,064,994	-	-	-	-
Difference of tax rates on results of foreign subsidiaries	-	-	-	-	(41,663)	22,093	435,282	998,676
Difference of functional currency of foreign subsidiaries	-	-	-	-	(530,777)	(290,234)	283,238	1,053,917
Deferred tax assets not recognized (1)	111,727	(372,022)	(958,804)	(2,291,220)	111,727	(372,022)	(958,804)	(2,291,220)
Share-based payment	(5,660)	(11,287)	(4,028)	(4,812)	(5,660)	(11,287)	(4,028)	(4,812)
Penalties	(1,010)	(3,322)	(2,117)	(6,181)	(1,010)	(3,322)	(2,117)	(6,181)
Investment grant	10,815	34,160	8,980	19,514	10,815	34,160	8,980	19,514
Adjustment to estimated annual effective tax rate - CPC 21 / IAS 34	374,222	518,647	279,691	275,051	374,222	518,647	279,691	275,051
Other permanent differences	1,964	27,367	2,794	(3,809)	1,964	27,365	2,944	(3,810)
	<b>(11,069)</b>	<b>27,206</b>	<b>(102,230)</b>	<b>(51,766)</b>	<b>(19,503)</b>	<b>(22,313)</b>	<b>(89,755)</b>	<b>(76,197)</b>
<b>Effective rate</b>	<b>-5.8%</b>	<b>13.2%</b>	<b>25.2%</b>	<b>16.7%</b>	<b>-10.9%</b>	<b>-14.5%</b>	<b>22.6%</b>	<b>22.1%</b>
Current tax	(256,090)	(256,090)	-	-	(283,749)	(315,641)	(21,983)	(38,332)
Deferred tax	245,021	283,296	(102,230)	(51,766)	264,246	293,328	(67,772)	(37,865)

(1) Amount related to the non-recognition of deferred tax on tax losses carryforward in the amount of R\$1,094,182 in the parent company and in the consolidated, due to limited capacity of realization (note 10.2).

The Company's management determined that the total profits recorded by the holdings of its wholly-owned subsidiaries abroad will not be redistributed. Such funds will be used for investments in the wholly-owned subsidiaries.

Income tax returns in Brazil are subject to review by the tax authorities for a period of five years from the date of their delivery. The Company may be subject to additional collection of taxes, fines and interest as a result of

these reviews. The results obtained by subsidiaries abroad are subject to taxation in accordance with the tax laws of each country.

## 11. JUDICIAL DEPOSITS

The rollforward of the judicial deposits is set forth below:

	Parent company 06.30.21			
	Tax	Labor	Civil, commercial and other	Total
<b>Beginning balance</b>	248,990	269,747	34,539	553,276
Additions	4,566	48,422	8,377	61,365
Release in favor of the Company	(1,110)	(24,065)	(204)	(25,379)
Release in favor of the counterparty	(147)	(61,077)	(527)	(61,751)
Interest	1,047	13,702	1,579	16,328
<b>Ending balance</b>	<b>253,346</b>	<b>246,729</b>	<b>43,764</b>	<b>543,839</b>

	Consolidated 06.30.21			
	Tax	Labor	Civil, commercial and other	Total
<b>Beginning balance</b>	248,990	269,812	34,539	553,341
Additions	4,566	48,422	8,377	61,365
Release in favor of the Company	(1,110)	(24,065)	(204)	(25,379)
Release in favor of the counterparty	(147)	(61,077)	(527)	(61,751)
Interest	1,047	13,702	1,579	16,328
Exchange rate variation	-	(11)	-	(11)
<b>Ending balance</b>	<b>253,346</b>	<b>246,783</b>	<b>43,764</b>	<b>543,893</b>

## 12. INVESTMENTS

The rollforward of the direct investments in subsidiaries and affiliates of the parent company is set forth below:

	BRF Energia S.A.	BRF GmbH	Establec. Levino Zaccardi	BRF Pet S.A.	BRF Austria GmbH	PSA Labor. Veter. Ltda	Sadia Alimentos S.A.	Proud Food Lda	Sadia International Ltd.	Sadia Uruguay S.A.	Sadia Chile S.A.	Eclipse Holding Cooperatief	Subsidiaries VIP S.A. Empr. e Particip. Imob	PP-BIO Adm. Bem próprio S.A.	Affiliates PR-SAD Adm. Bem próprio S.A.	Total 06.30.21
<b>a) Participation as of June 30, 2021</b>																
% of participation	100.00%	100.00%	99.99%	100.00%	100.00%	99.99%	43.10%	10.00%	100.00%	100.00%	60.00%	0.01%	100.00%	33.33%	33.33%	
Total quantity of shares and quotas	7,176,530	1	9,918,875	228,389,352	100	5,463,850	594,576,682	150,000	900	2,352,881,073	3,027,987,368	10,000	14,249,459	-	-	
Quantity of shares and quotas held	7,176,530	1	9,918,538	228,389,352	100	5,463,849	256,253,695	15,000	900	2,352,881,073	1,816,792,421	1	14,249,459	-	-	
<b>b) Information as of June 30, 2021</b>																
Share capital	1,311	6,523	1,765	122,664	120	5,564	338,054	3	-	497,012	16,169	334,999	1,311	-	-	
Shareholders' equity	518	10,725,240	(100)	99,419	226,886	5,433	3,921	1,759	-	88,483	(46,535)	166	2,322	-	-	
Income (loss) for the year	-	41,677	(164)	(5,023)	87,458	32	1,934	311	(610)	4,854	(7,393)	(13,763)	15	-	-	
<b>c) Movements of Investments</b>																
<b>Beginning balance (12.31.20)</b>	518	11,455,186	51	14,412	314,811	5,402	1,130	154	29,557	89,924	-	-	2,307	2,591	5,699	<b>11,921,742</b>
<b>Result Movements</b>																
Income (loss)	-	(772,002)	(171)	(4,993)	79,479	32	1,019	31	2,219	4,762	(5,237)	(1)	15	-	-	<b>(694,847)</b>
<b>Capital movements</b>																
Capital increase (reduction)	-	-	-	90,000	-	-	-	-	(31,002)	-	-	-	-	114	414	<b>59,526</b>
Goodwill on acquisition of non-controlling interests	-	-	-	-	(79,673)	-	-	-	-	-	-	-	-	-	-	<b>(79,673)</b>
<b>Other</b>																
Other comprehensive income	-	67,673	21	-	(87,732)	-	(459)	(9)	(774)	(6,203)	2,047	-	-	-	-	<b>(25,436)</b>
Constitution (reversal) of provision for loss	-	-	99	-	-	-	-	-	-	-	3,190	1	-	-	-	<b>3,290</b>
Discontinued operations	-	(25,617)	-	-	-	-	-	-	-	-	-	-	-	-	-	<b>(25,617)</b>
<b>Ending balance (06.30.21)</b>	<b>518</b>	<b>10,725,240</b>	<b>-</b>	<b>99,419</b>	<b>226,885</b>	<b>5,434</b>	<b>1,690</b>	<b>176</b>	<b>-</b>	<b>88,483</b>	<b>-</b>	<b>-</b>	<b>2,322</b>	<b>2,705</b>	<b>6,113</b>	<b>11,158,985</b>

The Company owns other investments in the amount of R\$583 in the parent company and in the consolidated (R\$583 in the parent company and in the consolidated as of December 31, 2020).

On June 30, 2021, these associates, affiliates and joint ventures do not have any restriction to amortize their loans or advances to the Company.

### 13. PROPERTY, PLANT AND EQUIPMENT, NET

The rollforward of property, plant and equipment is set forth below:

	Average rate (1)	12.31.20	Additions	Disposals	Transfers (2)	Parent company 06.30.21
<b>Cost</b>						
Land		560,856	1,760	(1,399)	8,091	569,308
Buildings, facilities and improvements		9,772,665	100,166	(55,290)	259,272	10,076,813
Machinery and equipment		7,864,533	91,022	(141,126)	16,420	7,830,849
Furniture and fixtures		106,031	306	(976)	3,716	109,077
Vehicles		209,770	1,107	(2,603)	546	208,820
Construction in progress		595,353	533,902	-	(298,616)	830,639
Advances to suppliers		923	6,756	-	-	7,679
		<b>19,110,131</b>	<b>735,019</b>	<b>(201,394)</b>	<b>(10,571)</b>	<b>19,633,185</b>
<b>Depreciation</b>						
Land (3)	20.97%	(12,648)	(3,498)	321	-	(15,825)
Buildings, facilities and improvements	9.42%	(3,683,103)	(313,336)	38,384	(630)	(3,958,685)
Machinery and equipment	6.98%	(4,127,347)	(244,999)	136,900	82	(4,235,364)
Furniture and fixtures	6.67%	(54,722)	(2,559)	684	547	(56,050)
Vehicles	27.27%	(63,753)	(28,057)	1,504	1	(90,305)
		<b>(7,941,573)</b>	<b>(592,449)</b>	<b>177,793</b>	<b>-</b>	<b>(8,356,229)</b>
		<b>11,168,558</b>	<b>142,570</b>	<b>(23,601)</b>	<b>(10,571)</b>	<b>11,276,956</b>

(1) Weighted average annual rate.

(2) Refers to the transfer of R\$18,662 for intangible assets and R\$8,091 from assets held for sale.

(3) Land depreciation refers to right-of-use assets. The amount of R\$2,110 of depreciation was recognized in the cost of formation of forests and will be realized in the result according to the depletion (note 18.1).

					Business combination	Transfers	Exchange	Consolidated
	Average rate (1)	12.31.20	Additions	Disposals	(2)	(3)	rate variation	06.30.21
<b>Cost</b>								
Land		608,389	2,978	(2,701)	-	97,150	(11,697)	694,119
Buildings, facilities and improvements		10,444,526	261,740	(62,938)	17,343	170,311	(58,550)	10,772,432
Machinery and equipment		8,395,520	95,076	(151,282)	30,725	32,859	(40,219)	8,362,679
Furniture and fixtures		157,085	510	(1,614)	411	3,899	(6,366)	153,925
Vehicles		346,218	22,240	(23,129)	111	548	(11,307)	334,681
Construction in progress		608,255	571,446	-	-	(315,190)	(239)	864,272
Advances to suppliers		12,748	22,443	-	-	(155)	(3,189)	31,847
		<b>20,572,741</b>	<b>976,433</b>	<b>(241,664)</b>	<b>48,590</b>	<b>(10,578)</b>	<b>(131,567)</b>	<b>21,213,955</b>
<b>Depreciation</b>								
Land (4)	15.34%	(13,800)	(4,634)	1,566	-	(11,335)	(52)	(28,255)
Buildings, facilities and improvements	9.09%	(3,851,225)	(423,091)	45,628	(4,573)	10,705	16,685	(4,205,871)
Machinery and equipment	6.93%	(4,304,007)	(265,902)	140,927	(13,519)	82	18,676	(4,423,743)
Furniture and fixtures	6.66%	(79,924)	(5,738)	1,041	(259)	546	3,363	(80,971)
Vehicles	25.25%	(108,205)	(44,517)	14,516	(111)	1	(118)	(138,434)
		<b>(8,357,161)</b>	<b>(743,882)</b>	<b>203,678</b>	<b>(18,462)</b>	<b>(1)</b>	<b>38,554</b>	<b>(8,877,274)</b>
		<b>12,215,580</b>	<b>232,551</b>	<b>(37,986)</b>	<b>30,128</b>	<b>(10,579)</b>	<b>(93,013)</b>	<b>12,336,681</b>

(1) Weighted average annual rate.

(2) Acquisition of Joody Al Sharqiya Food Production Factory (note 1.2).

(3) Refers to the transfer of R\$18,669 for intangible assets and R\$8,091 from held for sale.

(4) Land depreciation refers to right-of-use assets. The amount of R\$2,110 of depreciation was recognized in the cost of formation of forests and will be realized in the result according to the depletion (note 18.1).

The amount of capitalized borrowing costs during the six-month period ended on June 30, 2021 was of R\$23,342 in the parent company and in the consolidated (R\$8,388 in the parent company and in the consolidated in the same period of the previous year) and during the three-month period ended on June 30, 2021 was of R\$13,159 in the parent company and in the consolidated (R\$4,330 in the parent company and in the consolidated in the same period of the previous year).

The weighted average rate used to determine the amount of borrowing costs subject to capitalization was 6.97% p.a. in the parent company and in the consolidated (6.09% p.a. in the parent company and in the consolidated in the same period of the previous year).

The book value of the property, plant and equipment items that are pledged as collateral for transactions of different natures are set forth below:

	Type of collateral	Parent company and Consolidated	
		06.30.21	12.31.20
Land	Financial/Tax	168,344	223,918
Buildings, facilities and improvements	Financial/Tax	1,224,315	1,491,531
Machinery and equipment	Financial/Labor/Tax/Civil	1,286,756	1,470,295
Furniture and fixtures	Financial/Tax	15,040	15,700
Vehicles	Financial/Tax	335	294
		<b>2,694,790</b>	<b>3,201,738</b>

## 14. INTANGIBLE ASSETS

The intangible assets rollforward is set forth below:

	Average rate (1)	12.31.20	Additions	Disposals	Transfers	Parent company
						06.30.21
<b>Cost</b>						
Goodwill		1,783,655	-	-	-	1,783,655
Trademarks		1,152,885	-	-	-	1,152,885
Non-compete agreement		71,764	378	(3,079)	-	69,063
Outgrowers relationship		5,328	197	-	-	5,525
Patents		6,205	-	(3,720)	-	2,485
Software		613,041	5,214	(1,063)	101,432	718,624
Intangible in progress		45,918	100,120	-	(82,770)	63,268
		<b>3,678,796</b>	<b>105,909</b>	<b>(7,862)</b>	<b>18,662</b>	<b>3,795,505</b>
<b>Amortization</b>						
Non-compete agreement	49.87%	(69,089)	(1,767)	3,079	-	(67,777)
Outgrowers relationship	15.29%	(4,695)	(315)	-	-	(5,010)
Patents	10.00%	(5,997)	(12)	3,720	-	(2,289)
Software	41.60%	(412,539)	(100,107)	595	-	(512,051)
		<b>(492,320)</b>	<b>(102,201)</b>	<b>7,394</b>	<b>-</b>	<b>(587,127)</b>
		<b>3,186,476</b>	<b>3,708</b>	<b>(468)</b>	<b>18,662</b>	<b>3,208,378</b>

(1) Weighted average annual rate.

							Exchange rate variation	Consolidated
	Average rate (1)	12.31.20	Additions	Disposals	Business combination (2)	Transfers		06.30.21
<b>Cost</b>								
Goodwill		2,935,577	-	(6,145)	12,378	-	(63,430)	2,878,380
Trademarks		1,327,738	-	-	-	-	(31,203)	1,296,535
Non-compete agreement		107,162	378	(3,079)	-	-	(1,855)	102,606
Outgrowers relationship		5,328	197	-	-	-	-	5,525
Patents		6,205	-	(3,723)	-	-	3	2,485
Customer relationship		1,067,713	-	-	-	-	(85,797)	981,916
Software		657,255	5,218	(1,063)	-	101,767	(3,456)	759,721
Intangible in progress		46,054	100,526	-	-	(83,098)	(27)	63,455
		<b>6,153,032</b>	<b>106,319</b>	<b>(14,010)</b>	<b>12,378</b>	<b>18,669</b>	<b>(185,765)</b>	<b>6,090,623</b>
<b>Amortization</b>								
Non-compete agreement	15.29%	(97,408)	(5,428)	3,079	-	-	1,791	(97,966)
Outgrowers relationship	15.29%	(4,695)	(315)	-	-	-	-	(5,010)
Patents	10.00%	(5,999)	(12)	3,723	-	-	(1)	(2,289)
Customer relationship	7.39%	(375,131)	(40,321)	-	-	-	30,672	(384,780)
Software	41.21%	(449,697)	(102,046)	594	-	-	2,844	(548,305)
		<b>(932,930)</b>	<b>(148,122)</b>	<b>7,396</b>	<b>-</b>	<b>-</b>	<b>35,306</b>	<b>(1,038,350)</b>
		<b>5,220,102</b>	<b>(41,803)</b>	<b>(6,614)</b>	<b>12,378</b>	<b>18,669</b>	<b>(150,459)</b>	<b>5,052,273</b>

(1) Weighted average annual rate.

(2) Acquisition of Joody Al Sharqiya Food Production Factory (note 1.2)

During the six-month period ended on June 30, 2021, Management did not identify any event that could indicate an impairment of such assets.

## 15. LOANS AND BORROWINGS

			WAMT							Parent company
	Charges (p.a.)	Average rate (1)	(2)	12.31.20	Borrowing	Amortization	Interest paid	Interest accrued	Exchange rate variation	06.30.21
<b>Local currency</b>										
Working capital	Fixed	3.25% (3.25% on 12.31.20)	0.1	368,681	-	(41,474)	(798)	5,483	-	331,892
Certificate of agribusiness receivables (3)	IPCA	13.96% (10.21% on 12.31.20)	2.5	821,093	-	-	95	64,667	-	885,855
Export credit facility (4)	CDI / USD	4.76% (3.69% on 12.31.20)	4.1	2,408,697	-	-	(55,921)	54,521	(72,732)	2,334,565
Debentures	CDI / IPCA	12.69% (8.28% on 12.31.20)	7.4	3,022,005	965,691	-	(79,353)	228,743	-	4,137,086
Fiscal incentives	Fixed	2.40% (2.40% on 12.31.20)	-	44,816	45,664	(37,319)	(398)	406	-	53,169
				6,665,292	1,011,355	(78,793)	(136,375)	353,820	(72,732)	7,742,567
<b>Foreign currency</b>										
Bonds	Fixed / USD / EUR	4.82% (4.91% on 12.31.20)	13.0	12,252,326	-	(297,141)	(410,086)	393,616	(497,106)	11,441,609
Export credit facility	Fixed / LIBOR / USD	3.06% (3.13% on 12.31.20)	1.3	392,636	-	(135,668)	(6,649)	5,552	(3,930)	251,941
				12,644,962	-	(432,809)	(416,735)	399,168	(501,036)	11,693,550
				19,310,254	1,011,355	(511,602)	(553,110)	752,988	(573,768)	19,436,117
Current				811,919						2,182,461
Non-current				18,498,335						17,253,656

(1) Weighted average annual rate.

(2) Weighted average maturity in years.

(3) The Certificates of Agribusiness Receivables ("CRA") issued by the Company are backed by receivables of BRF S.A. from certain subsidiaries abroad.

(4) The Export Credit Facility was issued in Reais simultaneously and in connection with a foreign exchange rate swap, resulting essentially in a net cash flow in U.S. Dollars. As the transactions are inseparable, both are recorded together under Loans and Borrowings by their amortized cost.

The maturity schedule of the loans and borrowings is presented on note 24.3.

										Consolidated
	Charges (p. a.)	Average rate (1)	WAMT (2)	12.31.20	Borrowing	Amortization	Interest paid	Interest accrued	Exchange rate variation	06.30.21
<b>Local currency</b>										
Working capital	Fixed	3.25% (3.25% on 12.31.20)	0.1	368,681	-	(41,474)	(798)	5,483	-	331,892
Certificate of agribusiness receivables (3)	IPCA	13.96% (10.21% on 12.31.20)	2.5	821,093	-	-	95	64,667	-	885,855
Debentures	CDI / IPCA	12.69% (8.28% on 12.31.20)	7.4	3,022,005	965,691	-	(79,353)	228,743	-	4,137,086
Export credit facility (4)	CDI / USD	4.76% (3.69% on 12.31.20)	4.1	2,408,697	-	-	(55,921)	54,521	(72,732)	2,334,565
Fiscal incentives	Fixed	2.40% (2.40% on 12.31.20)	-	44,816	45,664	(37,319)	(398)	406	-	53,169
				<u>6,665,292</u>	<u>1,011,355</u>	<u>(78,793)</u>	<u>(136,375)</u>	<u>353,820</u>	<u>(72,732)</u>	<u>7,742,567</u>
<b>Foreign currency</b>										
Bonds	Fixed / USD / EUR	4.82% (4.81% on 12.31.20)	11.9	14,829,993	-	(297,141)	(471,752)	455,643	(589,024)	13,927,719
Export credit facility	Fixed / LIBOR / USD	3.06% (3.13% on 12.31.20)	1.3	392,636	-	(135,668)	(6,649)	5,552	(3,930)	251,941
Working capital	Fixed / TRY	13.66% (10.98% on 12.31.20)	1.9	516,505	252,868	(27,757)	(31,579)	37,630	(114,711)	632,956
				<u>15,739,134</u>	<u>252,868</u>	<u>(460,566)</u>	<u>(509,980)</u>	<u>498,825</u>	<u>(707,665)</u>	<u>14,812,616</u>
				<u>22,404,426</u>	<u>1,264,223</u>	<u>(539,359)</u>	<u>(646,355)</u>	<u>852,645</u>	<u>(780,397)</u>	<u>22,555,183</u>
Current				1,059,984						2,530,352
Non-current				21,344,442						20,024,831

(1) Weighted average annual rate.

(2) Weighted average maturity in years.

(3) The Certificate of Agribusiness Receivable ("CRA") issued by the Company are backed by receivables of BRF S.A. from certain subsidiaries abroad.

(4) The Export Credit Facility was issued in Reais simultaneously and in connection with a foreign exchange rate swap, resulting essentially in a net cash flow in U.S. Dollars. As the transactions are inseparable, both are recorded together under Loans and Borrowings by their amortized cost.

On June 30, 2021 and on December 31, 2020 the Company did not have any financial covenant clauses related to its loans and borrowings agreements.

The maturity schedule of the loans and borrowings is presented on note 24.3.

## 15.1. Revolving credit facility

With the purpose of maintaining a prudential and sustainable short-term liquidity position, in line with the adoption of measures to extend its average debt maturity and reduce the cost of debt, on December 27, 2019, the Company retained from Banco do Brasil a revolving credit facility up to the limit of R\$1,500,000 for a period of three years. On October 28, 2020 the Company retained an additional revolving credit facility before Banco do Brasil, up to the limit of R\$1,500,000, for the next three years. The referenced credit facilities can be withdrawn totally or partially, at the Company's will, whenever necessary. As of June 30, 2021, the credit facilities were available, but unused.

## 15.2. Issuance of debentures

On June 02, 2021, 1,000,000 (one million) Debentures were subscribed with a notional value of R\$ 1,000.00 (one thousand Brazilian Reais), in a total amount of R\$1,000,000 (one billion Brazilian Reais), in a single serie. The Debentures are simple, not convertible into shares, unsecured and for private placement. The Debentures were privately placed with VERT Companhia Securitizadora, to back its sixtieth issuance of Agribusiness Receivables Certificates which were object of public distribution with restricted placement efforts.

Parent company and Consolidated						
06.30.21						
Operation	Series	Issue date	Maturity	Rate	Notional	Updated Value
Debenture - 3rd Issue	1st Series	06.02.21	05.14.31	IPCA + 4.78% p.a.	1,000,000	980,044

The issuance costs of R\$34,258 are recognized on the statement of income over the term of the debt according to the effective interest rate method.

## 15.3. Senior Notes repurchase offer

During June 2021, the Company made an offer to repurchase its 4.875% Senior Notes due on 2030, in which it repurchased the principal amount equivalent to R\$297,141 (USD59,402). The Company paid the amount of R\$317,532 for the repurchase of these liabilities, amount that includes principal, interest and premium. The Company incurred in financial expenses in the amount of R\$14,114 with the premium paid, R\$2,491 with taxes and R\$3,089 with the write-off of the costs of issuance. The principal outstanding after the repurchase is equivalent to R\$3,454,509 (USD690,598).

## 15.4. Guarantees

	Parent company		Consolidated	
	06.30.21	12.31.20	06.30.21	12.31.20
Total loans and borrowings	19,436,117	19,310,254	22,555,183	22,404,426
Mortgage guarantees	53,169	44,816	53,169	44,816
Related to tax incentives and other	53,169	44,816	53,169	44,816

On June 30, 2021, the amount of bank guarantees contracted by the Company was of R\$604,571 (R\$590,933 as of December 31, 2020) which were offered mainly in litigations involving the Company's use of tax credits. These guarantees have an average cost of 1.96% p.a. (1.95% p.a. as of December 31, 2020).

## 16. TRADE ACCOUNTS PAYABLE

	Parent company		Consolidated	
	06.30.21	12.31.20	06.30.21	12.31.20
<b>Domestic suppliers</b>				
Third parties	8,152,589	7,596,325	8,185,831	7,611,170
Related parties	30,646	13,100	-	-
	<b>8,183,235</b>	<b>7,609,425</b>	<b>8,185,831</b>	<b>7,611,170</b>
<b>Foreign suppliers</b>				
Third parties	752,571	648,960	1,674,937	1,487,206
	<b>752,571</b>	<b>648,960</b>	<b>1,674,937</b>	<b>1,487,206</b>
(-) Adjustment to present value	(96,157)	(88,373)	(96,179)	(88,389)
	<b>8,839,649</b>	<b>8,170,012</b>	<b>9,764,589</b>	<b>9,009,987</b>
Current	8,826,451	8,156,231	9,751,391	8,996,206
Non-current	13,198	13,781	13,198	13,781

Within the trade accounts payable balance as of June 30, 2021, R\$2,997,587 in the parent company and R\$3,141,581 in the consolidated (R\$2,510,757 in the parent company and R\$2,576,071 in the consolidated as of December 31, 2020) correspond to supply chain finance transactions in which there were no changes in the payment terms and prices negotiated with the suppliers.

## 17. SUPPLY CHAIN FINANCE

	Parent company and Consolidated	
	06.30.21	12.31.20
Supply chain finance - Domestic suppliers	1,339,392	1,309,167
Supply chain finance - Foreign suppliers	131,761	165,060
	<b>1,471,153</b>	<b>1,474,227</b>
(-) Adjustment to present value	(20,545)	(21,590)
	<b>1,450,608</b>	<b>1,452,637</b>

The Company has agreements with several financial institutions that allow the suppliers to anticipate their receivables. The suppliers may choose whether to participate and if so, with which institution. The anticipation allows the suppliers to better manage their cash flow needs. This flexibility allows the Company to intensify its commercial relations with the network of suppliers by potentially leveraging benefits such as preference for supply in case of restricted supply, better price conditions and/or more flexible payment terms, among others, without identifiable changes in other commercial conditions. The operations presented in this line item are the ones in which there were changes in the payment terms and prices negotiated with the suppliers.

On June 30, 2021, the discount rates applied to the supply chain finance transactions agreed between our suppliers and the financial institutions in the domestic market were set between 0.41% and 0.70% p.m. (0.38% to 0.47% p.m. on December 31, 2020).

On June 30, 2021, the discount rates applied to the supply chain finance transactions agreed between our suppliers and the financial institutions in the external market were set between 0.18% and 0.39% p.m. (0.18% to 0.40% p.m. on December 31, 2020).

## 18. LEASES

The Company is lessee in several lease agreements for forest lands, offices, distribution centers, outgrowers, vehicles, among others. Some contracts have a renewal option for an additional period at the end of the agreement, established by contractual amendments. Automatic renewals or renewals for undetermined periods are not allowed.

The contract clauses mentioned, with respect to renewal, readjustment and purchase option, are contracted according to market practices. In addition, there are no clauses of contingent payments or restrictions on dividends distribution, payments of interest on shareholders' equity or obtaining debt.

## 18.1. Right-of-use assets

The right-of-use assets as set forth below are part of the balances of property, plant and equipment and intangible assets (notes 13 and 14).

	Average rate (1)	12.31.20	Additions	Disposals	Parent company 06.30.21
<b>Cost</b>					
Land		45,592	1,609	(975)	46,226
Buildings		2,642,544	100,087	(41,943)	2,700,688
Machinery and equipment		112,195	87,812	(98,516)	101,491
Vehicles		201,924	1,107	(1,786)	201,245
Software		74,582	5,214	(64)	79,732
		<b>3,076,837</b>	<b>195,829</b>	<b>(143,284)</b>	<b>3,129,382</b>
<b>Depreciation</b>					
Land	15.28%	(12,376)	(3,459)	320	(15,515)
Buildings	27.37%	(848,016)	(209,267)	31,089	(1,026,194)
Machinery and equipment	68.76%	(107,089)	(30,023)	98,327	(38,785)
Vehicles	27.76%	(57,575)	(27,816)	888	(84,503)
Software	42.19%	(33,048)	(14,213)	64	(47,197)
		<b>(1,058,104)</b>	<b>(284,778)</b>	<b>130,688</b>	<b>(1,212,194)</b>
		<b>2,018,733</b>	<b>(88,949)</b>	<b>(12,596)</b>	<b>1,917,188</b>

(1) Weighted average annual rate.

	Average rate (1)	12.31.20	Additions	Disposals	Transfers	Exchange rate variation	Consolidated 06.30.21
<b>Cost</b>							
Land		48,661	1,941	(1,521)	89,060	(4,244)	133,897
Buildings		2,861,916	261,391	(48,528)	(89,060)	(18,935)	2,966,784
Machinery and equipment		112,593	87,812	(98,623)	-	318	102,100
Vehicles		344,918	22,217	(23,086)	-	(7,272)	336,777
Software		74,582	5,214	(64)	-	-	79,732
		<b>3,442,670</b>	<b>378,575</b>	<b>(171,822)</b>	<b>-</b>	<b>(30,133)</b>	<b>3,619,290</b>
<b>Depreciation</b>							
Land	8.74%	(13,526)	(4,596)	827	(11,335)	687	(27,943)
Buildings	25.53%	(914,816)	(310,071)	37,498	11,335	9,142	(1,166,912)
Machinery and equipment	68.45%	(107,316)	(30,120)	98,398	-	(246)	(39,284)
Vehicles	25.52%	(101,495)	(44,212)	11,790	-	1,888	(132,029)
Software	42.22%	(33,048)	(14,212)	64	-	-	(47,196)
		<b>(1,170,201)</b>	<b>(403,211)</b>	<b>148,577</b>	<b>-</b>	<b>11,471</b>	<b>(1,413,364)</b>
		<b>2,272,469</b>	<b>(24,636)</b>	<b>(23,245)</b>	<b>-</b>	<b>(18,662)</b>	<b>2,205,926</b>

(1) Weighted average annual rate.

## 18.2. Lease liabilities

	WAM (1)	12.31.20	Additions	Payments	Interest paid	Interest accrued	Disposals	Parent company 06.30.21
Land	6.8	35,934	1,609	(2,299)	(2,170)	2,170	(673)	34,571
Buildings	6.8	2,033,405	100,087	(209,052)	(41,480)	74,461	(16,930)	1,940,491
Machinery and equipment	1.5	3,591	87,812	(28,573)	(1,725)	1,725	-	62,830
Vehicles	2.3	152,554	1,107	(26,909)	(6,028)	6,028	(998)	125,754
Software	1.5	43,210	5,214	(14,418)	(1,389)	1,389	-	34,006
		<b>2,268,694</b>	<b>195,829</b>	<b>(281,251)</b>	<b>(52,792)</b>	<b>85,773</b>	<b>(18,601)</b>	<b>2,197,652</b>
Current		302,946						374,773
Non-current		1,965,748						1,822,879

(1) Weighted average maturity in years.

	WAM (1)	12.31.20	Additions	Payments	Interest paid	Interest accrued	Disposals	Transfers	Exchange rate variation	Consolidated 06.30.21
Land	4.6	37,868	1,941	(2,717)	(3,329)	3,329	(713)	82,851	(81)	119,149
Buildings	1.9	2,195,407	261,391	(284,766)	(60,545)	93,527	(16,995)	(82,851)	(28,023)	2,077,145
Machinery and equipment	0.9	3,773	87,812	(28,676)	(1,733)	1,733	(34)	-	87	62,962
Vehicles	1.8	256,423	22,217	(42,935)	(9,434)	9,434	(1,492)	-	(18,344)	215,869
Software	1.5	43,210	5,214	(14,418)	(1,389)	1,389	-	-	-	34,006
		<b>2,536,681</b>	<b>378,575</b>	<b>(373,512)</b>	<b>(76,430)</b>	<b>109,412</b>	<b>(19,234)</b>	<b>-</b>	<b>(46,361)</b>	<b>2,509,131</b>
Current		383,162								480,526
Non-current		2,153,519								2,028,605

(1) Weighted average maturity in years.

## 18.3. Lease liabilities maturity schedule

The maturity schedule of the minimum required future payments are presented below:

	Parent company 06.30.21	Consolidated 06.30.21
<b>Current</b>	<b>374,773</b>	<b>480,526</b>
<b>Non-current</b>	<b>1,822,879</b>	<b>2,028,605</b>
July to december 2022	217,096	254,436
2023	355,781	414,242
2024	284,725	304,001
2025	207,704	220,223
2026 onwards	757,573	835,703
	<b>2,197,652</b>	<b>2,509,131</b>

## 18.4. Incremental borrowing rate

The Company uses nominal incremental borrowing rates to measure its lease liabilities. The nominal and real interest rates are presented below:

Contract Terms	06.30.21		12.31.20	
	Nominal rate % p.a.	Real rate % p.a.	Nominal rate % p.a.	Real rate % p.a.
1 year	4.92%	0.43%	5.69%	1.05%
2 years	4.74%	0.42%	5.96%	2.61%
3 years	6.31%	2.14%	6.80%	2.53%
4 years	7.15%	2.90%	8.50%	4.56%
5 years	9.68%	4.84%	8.98%	4.40%
6 years	10.61%	5.15%	-	-
8 years	-	-	10.47%	5.71%
9 years	-	-	10.75%	5.97%
10 years	-	-	11.39%	6.64%
12 years	9.85%	5.55%	-	-
13 years	-	-	11.68%	7.38%
14 years	-	-	11.84%	7.13%
20 years	-	-	13.26%	9.00%

The nominal rates presented above as of June 30, 2021 refer to the incremental borrowing rates used in contracts recognized in the first half of 2021 and the rates as of December 31, 2020 refer to the rates used in contracts recognized during the year ended on December 31, 2020.

## 18.5. Amounts recognized in the statement of income

The amounts directly recognized in the statement of income presented below relate to items exempt of recognition: low-value assets, short-term leases and leases with variable payments.

	Parent Company 2021		Consolidated 2021	
	Apr - Jun	Jan - Jun	Apr - Jun	Jan - Jun
Variable payments not included in the lease liabilities	16,397	30,850	67,783	152,410
Expenses related to short-term leases	13,646	27,322	39,579	92,095
Expenses related to low-value assets	796	1,381	796	1,455
	<u>30,839</u>	<u>59,553</u>	<u>108,158</u>	<u>245,960</u>

## 19. SHARE-BASED PAYMENT

The rules of stock options and restricted shares plans granted to executives were disclosed in the financial statements for the year ended December 31, 2020 (note 19).

The breakdown of the outstanding granted restricted shares is set forth as follows:

Date		Quantity		Grant (1)
Grant	Vesting date	Shares granted	Outstanding shares	Fair value of the shares
10.01.18	10.01.21	2,311,394	867,956	21.44
07.01.19	07.01.22	1,815,649	615,195	30.61
09.16.19	10.01.22	68,605	45,736	30.61
06.01.20	06.01.23	3,571,736	2,172,341	21.28
		<b>7,767,384</b>	<b>3,701,228</b>	

(1) Amounts expressed in Brazilian Reais.

The rollforward of the granted options and shares for the six-month period ended on June 30, 2021, is presented as follows:

	Consolidated
<b>Outstanding options/stocks as of December 31, 2020 (1)</b>	<b>7,873,348</b>
<b>Exercised / Delivered:</b>	
Restricted stocks - grant of June, 2020	(457,939)
Restricted stocks - grant of June, 2019	(114,271)
Restricted stocks - grant of July, 2019	(110,070)
<b>Forfeiture (2) :</b>	
Restricted stocks - grant of June, 2020	(829,367)
Restricted stocks - grant of June, 2019	(113,582)
Restricted stocks - grant of July, 2019	(118,397)
Restricted stocks - grant of October, 2018	(8,164)
<b>Expired:</b>	
Stock options - grant of April, 2016	(1,275,000)
Stock options - grant of May, 2016	(1,145,330)
<b>Outstanding options/stocks as of June 30, 2021</b>	<b>3,701,228</b>

(1) Includes stock options outstanding on December 31, 2020, as presented in the financial statements for the year of 2020.

(2) The forfeitures are related to the resignation of eligible executive before the end of the vesting period.

The Company has registered under shareholders' equity, the fair value of share-based compensation plans in the amount of R\$207,110 (R\$223,191 as of December 31, 2020) and in the amount of R\$16,066 under non-current liabilities (R\$21,521 as of December 31, 2020). In the statement of income for the six-month ended June 30, 2021 the amount recognized as expense was R\$19,378 in the parent company and R\$27,325 in the consolidated (R\$14,308 in the same period of the previous year in the parent company and in the consolidated), and during the three-month period ended on June 30, 2021 the amount recognized as expense reversals was R\$931 in the parent company and expense of R\$7,016 in the consolidated (expense of R\$11,626 in the parent company and in the consolidated in the same period of the previous year).

## 20. EMPLOYEES BENEFITS PLANS

The Company offers pension and other post-employment plans to the employees. The characteristics of such benefits were disclosed in the annual financial statements for the year ended on December 31, 2020 (note 20) and have not been changed during the following periods. The actuarial liabilities are presented below:

	Parent company		Consolidated	
	Liabilities		Liabilities	
	06.30.21	12.31.20	06.30.21	12.31.20
Medical assistance	192,790	185,802	192,790	185,802
F.G.T.S. Penalty (1)	290,085	282,229	290,085	282,229
Award for length of service	112,236	108,908	112,236	108,908
Other	61,651	59,854	199,054	199,616
	<b>656,762</b>	<b>636,793</b>	<b>794,165</b>	<b>776,555</b>
Current	114,938	114,938	124,508	125,230
Non-current	541,824	521,855	669,657	651,325

(1) FGTS - Government Severance Indemnity Fund for Employees

The Company estimated costs for pension and post-employment plans for the year of 2021, according to an appraisal report prepared in 2020 by an actuarial expert and recorded in the statement of income for six-month ended June 30, 2021 against other comprehensive income a gain of R\$8,099 in the parent company and R\$8,035 in consolidated, net of taxes (R\$13,035 in the parent company and R\$12,964 in consolidated in the same period of the previous year) and for the three-month period ended on June 30, 2021 a gain of R\$4,199 in the parent company and R\$4,181 in consolidated, net of taxes (R\$6,647 in the parent company and R\$6,623 in consolidated in the same period of the previous year).

## 21. PROVISION FOR TAX, CIVIL AND LABOR RISKS

The Company and its subsidiaries are involved in certain legal matters arising in the normal course of business, which include civil, tax, social security, labor, commercial and other processes.

Company's Management believes that, based on the elements existing at the base date of this interim financial information, the provision for tax, civil, labor, commercial and other risks, is sufficient to cover eventual losses with administrative and legal proceedings, as set forth below.

### 21.1. Contingencies with probable losses

The rollforward of the provisions for tax, labor, civil, commercial and other risks classified as with probable loss, and contingent liabilities is presented below:

	Parent company				
	06.30.21				
	Tax	Labor	Civil, commercial and other	Contingent liabilities (1)	Total
Beginning balance	427,166	631,025	342,707	297,097	1,697,995
Additions	123,623	128,643	18,916	-	271,182
Reversals	(24,449)	(75,121)	(34,053)	(192,865)	(326,488)
Payments	(116,443)	(132,023)	(11,586)	-	(260,052)
Interest	24,008	58,394	53,491	-	135,893
Ending balance	433,905	610,918	369,475	104,232	1,518,530
Current					884,305
Non-current					634,225

(1) Contingent liabilities recognized at fair value as of the acquisition date, arising from the business combination with Sadia. The reversals in the period refer mainly to the closing of the processes related to ICMS credits in the context of the "Guerra Fiscal" (note 21.2.1 of the 2020 financial statements).

	Tax	Labor	Civil, commercial and other	Contingent liabilities (1)	Total
Beginning balance	427,302	634,706	343,530	297,182	1,702,720
Additions	123,623	129,230	18,988	-	271,841
Reversals	(24,449)	(75,708)	(34,621)	(192,865)	(327,643)
Payments	(116,443)	(132,023)	(11,586)	-	(260,052)
Interest	24,008	58,394	53,491	-	135,893
Exchange rate variation	(21)	(664)	(92)	(13)	(790)
<b>Ending balance</b>	<b>434,020</b>	<b>613,935</b>	<b>369,710</b>	<b>104,304</b>	<b>1,521,969</b>
Current					887,520
Non-current					634,449

(1) Contingent liabilities recognized at fair value as of the acquisition date, arising from the business combination with Sadia. The reversals in the period refer mainly to the closing of the processes related to ICMS credits in the context of the "Guerra Fiscal" (note 21.2.1 of the 2020 financial statements).

## 21.2. Contingencies with possible losses

The Company is involved in contingencies for which losses are possible, in accordance with the assessment prepared by Management with support from legal advisors. Such contingencies have the same characteristics of those disclosed in the 2020 financial statements and on June 30, 2021 had balances of, R\$1,590,207 (R\$1,523,987 on December 31, 2020) for civil risks, R\$251,314 (R\$197,097 on December 31, 2020) for labor risks and R\$12,877,629 (R\$12,536,528 on December 31, 2020) for tax risks, for which only those resulting from the business combination with Sadia have a provision, recorded at the fair value estimated on the date of the business combination, in the amount of R\$104,304 (R\$297,182 as of December 31, 2020).

## 22. EQUITY

### 22.1. Capital stock

On June 30, 2021, the subscribed and paid capital of the Company was R\$12,553,418, which is composed of 812,473,246 common book-entry shares with no par value. The value of the capital stock is net of the public offering expenses of R\$92,947, made on July 22, 2009.

The Company is authorized to increase the capital stock, irrespective of amendment to the bylaws, up to the limit of 1,000,000,000 (one billion) common book-entry shares with no par value.

#### 22.1.1. Breakdown of capital stock by nature

	Parent company	
	06.30.21	12.31.20
Common shares	812,473,246	812,473,246
Treasury shares	(4,083,804)	(4,766,084)
<b>Outstanding shares</b>	<b>808,389,442</b>	<b>807,707,162</b>

#### 22.1.2. Rollforward of outstanding shares

On June 30, 2021, the quantity of outstanding of shares was 808,389,442, on these quarter were delivered of 682.280 shares, in accordance with Restricted Share plan of Company.

	Parent company Quantity of outstanding of shares 06.30.21
Shares at the beginning of the period	807,707,162
Delivery of restricted shares	682,280
Shares at the end of the period	808,389,442

## 22.2. Capital reserves and Other equity transactions

The balances of Capital reserves and Other equity transactions were restated for better presentation of the transactions within each line item. In the current presentation, Capital reserves contemplate only the balances related with results on the sale and exchange of stocks, in compatibility with the Law 6.404/1976 (*"Lei das S.A."*).

	Parent company and Consolidated	
	06.30.21	12.31.20
Capital reserves	141,834	141,834
Other equity transactions	(87,028)	246
Share-based payments	207,110	214,711
Acquisition of non-controlling entities	(293,918)	(214,245)
Capital transactions with controlling entities	(220)	(220)
	54,806	142,080

## 22.3. Treasury shares

The Company has 4,083,804 shares held in treasury, with an average cost of R\$26.00 (twenty-six Brazilian Reais) per share, and corresponding market value of R\$111,610, on these quarter were delivered of 682.280 shares, in accordance with Restricted Share plan of Company.

	Parent company Quantity of outstanding of shares 06.30.21
Shares at the beggining of the period	4,766,084
Delivery of restricted shares	(682,280)
Shares at the end of the period	4,083,804

## 23. EARNINGS (LOSS) PER SHARE

	Continued operations			
	2021		2020	
	Apr - Jun	Jan - Jun	Apr - Jun	Jan - Jun
<b>Basic numerator</b>				
Net earnings (loss) for the period attributable to controlling shareholders	(202,856)	(178,414)	303,870	257,949
<b>Basic denominator</b>				
Common shares	812,473,246	812,473,246	812,473,246	812,473,246
Weighted average number of outstanding shares - basic (except treasury shares)	807,934,252	807,820,708	809,612,517	810,672,698
<b>Net earnings (loss) per share basic - R\$</b>	<b>(0.25)</b>	<b>(0.22)</b>	0.38	0.32
<b>Diluted numerator</b>				
Net earnings (loss) for the period attributable to controlling shareholders	(202,856)	(178,414)	303,870	257,949
<b>Diluted denominator</b>				
Weighted average number of outstanding shares - basic (except treasury shares)	807,934,252	807,820,708	809,612,517	810,672,698
Number of potential shares	-	-	262,692	262,692
Weighted average number of outstanding shares - diluted	807,934,252	807,820,708	809,875,209	810,935,390
<b>Net earnings (loss) per share diluted - R\$</b>	<b>(0.25)</b>	<b>(0.22)</b>	0.38	0.32

	Discontinued operations		Continued and discontinued operations	
	2021		2021	
	Apr - Jun	Jan - Jun	Apr - Jun	Jan - Jun
<b>Basic numerator</b>				
Net earnings (loss) for the exercise attributable to controlling shareholders	(41,286)	(41,286)	(244,142)	(219,700)
<b>Basic denominator</b>				
Common shares	812,473,246	812,473,246	812,473,246	812,473,246
Weighted average number of outstanding shares - basic (except treasury shares)	807,934,252	807,820,708	807,934,252	807,820,708
<b>Net earnings (loss) per share basic - R\$</b>	<b>(0.05)</b>	<b>(0.05)</b>	(0.30)	(0.27)
<b>Diluted numerator</b>				
Net earnings (loss) for the exercise attributable to controlling shareholders	(41,286)	(41,286)	(244,142)	(219,700)
<b>Diluted denominator</b>				
Weighted average number of outstanding shares - basic (except treasury shares)	807,934,252	807,820,708	807,934,252	807,820,708
Number of potential shares	-	-	-	-
Weighted average number of outstanding shares - diluted	807,934,252	807,820,708	807,934,252	807,820,708
<b>Net earnings (loss) per share diluted - R\$</b>	<b>(0.05)</b>	<b>(0.05)</b>	(0.30)	(0.27)

## 24. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

### 24.1. Overview

In the ordinary course of business, the Company is exposed to credit, liquidity and market risks, which are actively managed in compliance with the Financial Risk Management Policy ("Risk Policy") and internal guidelines and strategic documents subject to such policy, executing the formal designation of its hedge accounting relations, as disclosed in the financial statements for the year ended on December 31, 2020.

### 24.2. Credit risk management

The Company is exposed to the credit risk related to the financial assets held: trade and non-trade accounts receivable, marketable securities, derivative instruments and cash and equivalents. The Company's credit risk exposure can be assessed in notes 4, 5, 6 and 24.

On June 30, 2021, the Company held financial investments over R\$100,000 at the following financial institutions: ABN AMRO, Banco Bradesco, Banco BNP Paribas, Banco do Brasil, Banco BTG Pactual, Banco Itaú, Banco Safra,

Banco Santander, Citibank, HSBC, J.P. Morgan Chase Bank, T.Garanti Bankasi A.Ş. and Vakiflar Bankasi.

The Company also held derivative contracts with the following financial institutions: Banco Bradesco, Banco Itaú, Banco Santander, Banco Votorantim, Bank of America Merrill Lynch, Banco BNP Paribas, Citibank, Deutsche Bank, J.P. Morgan Chase Bank, Morgan Stanley, Goldman Sachs, Rabobank and XP.

### 24.3. Capital management and liquidity risk

As a guideline, the gross debt must be concentrated at long-term. On June 30, 2021, the long-term consolidated gross debt represented 88.28% (93.66% as of December 31, 2020) of the total gross indebtedness, which has an average term higher than nine years.

The Company monitors the gross debt and net debt as set forth below:

	06.30.21			Consolidated 12.31.20
	Current	Non-current	Total	Total
Foreign currency loans and borrowings	(1,973,829)	(12,838,787)	(14,812,616)	(15,739,134)
Local currency loans and borrowings	(556,523)	(7,186,044)	(7,742,567)	(6,665,292)
Derivative financial liabilities	(130,197)	(7,655)	(137,852)	(385,696)
<b>Gross debt</b>	<b>(2,660,549)</b>	<b>(20,032,486)</b>	<b>(22,693,035)</b>	<b>(22,790,122)</b>
Marketable securities and cash and cash equivalents	7,258,252	333,034	7,591,286	8,235,360
Derivative financial assets	276,137	9,894	286,031	377,990
Restricted cash	24,245	1	24,246	24,358
<b>Net debt</b>			<b>(14,791,472)</b>	<b>(14,152,414)</b>

The table below summarizes the significant commitments and contractual obligations that may impact the Company's liquidity:

	Book value	Contractual cash flow	Up to 12 months	Jul - Dec 2022	2023	2024	2025	Parent company 06.30.21
								2026 onwards
<b>Non derivative financial liabilities</b>								
Loans and borrowings	19,436,117	31,118,415	3,272,087	943,017	3,482,346	2,553,169	1,373,685	19,494,111
Principal		19,289,010	2,170,557	498,100	2,389,003	1,768,134	630,669	11,832,547
Interest		11,829,405	1,101,530	444,917	1,093,343	785,035	743,016	7,661,564
Trade accounts payable	8,839,649	8,935,806	8,922,609	4,766	5,689	2,742	-	-
Supply chain finance	1,450,608	1,471,153	1,471,153	-	-	-	-	-
Lease liabilities	2,197,652	2,789,634	400,445	239,780	419,874	359,035	279,853	1,090,647
<b>Derivative financial liabilities</b>								
<b>Financial instruments designated as cash flow hedge</b>								
Interest rate derivatives	2,619	2,619	-	-	-	-	-	2,619
Currency derivatives	3,276	3,276	3,276	-	-	-	-	-
Commodities derivatives	131,373	131,373	126,336	5,037	-	-	-	-

								Consolidated 06.30.21
	Book value	Contractual cash flow	Up to 12 months	Jul - Dec 2022	2023	2024	2025	2026 onwards
<b>Non derivative financial liabilities</b>								
Loans and borrowings	22,555,183	34,213,452	3,380,728	997,338	3,590,987	2,661,811	1,482,326	22,100,262
Principal		21,786,518	2,170,557	498,100	2,389,003	1,768,134	630,669	14,330,055
Interest		12,426,934	1,210,171	499,238	1,201,984	893,677	851,657	7,770,207
Trade accounts payable	9,764,589	9,860,768	9,847,571	4,766	5,689	2,742	-	-
Supply chain finance	1,450,608	1,471,153	1,471,153	-	-	-	-	-
Lease liabilities	2,509,131	3,166,522	513,442	281,022	488,867	383,342	296,721	1,203,128
<b>Derivative financial liabilities</b>								
<b>Financial instruments designated as cash flow hedge</b>								
Interest rate derivatives	2,619	2,619	-	-	-	-	-	2,619
Currency derivatives	3,276	3,276	3,276	-	-	-	-	-
Commodities derivatives	131,373	131,373	126,336	5,037	-	-	-	-
<b>Financial instruments not designated as cash flow hedge</b>								
Currency derivatives	584	584	584	-	-	-	-	-

The Company does not expect that the cash outflows to fulfill the obligations shown above will be significantly influenced by factors unrelated to its best interests, or substantially modified outside the normal course of business.

## 24.4. Market risk management

### 24.4.1. Interest rate risk

The indebtedness is essentially linked to the fixed coupon (R\$, USD, EUR e TRY), Interbank Deposit Certificate ("CDI"), Broad Consumer Price Index ("IPCA") and London Interbank Offered Rate ("LIBOR"). In situations of adverse market changes that result in an increase in these rates, the cost of floating-rate debt rises and on the other hand, the cost of fixed-rate debt decreases in relative terms.

Regarding the marketable securities, the Company holds, mainly, instruments indexed by the CDI for investments in Brazil and fixed coupon in USD for investments in the foreign market.

The Company's exposure to interest rates can be assessed in notes 5 and 15.

The derivative financial instruments used to hedge the exposure to interest rates as of June 30, 2021 are shown in the table below:

							06.30.21	
							Fair value (R\$)	
Fair value hedge - Derivative Instruments	Hedged Object	Maturity	Asset	Liability	Notional		Instrument	Object (1)
<b>Parent company and Consolidated</b>								
Interest rate swap	Debenture - 2nd Issue - 1st series - IPCA + 5.30% p.a	3rd Qtr. 2027	IPCA + 5.30% p.a	CDI + 2.16% p.a.	705,000	BRL	5,890	(925)
Interest rate swap	Debenture - 2nd Issue - 2nd series - IPCA + 5.60% p.a	3rd Qtr. 2030	IPCA + 5.60% p.a	CDI + 2.32% p.a.	950,000	BRL	(850)	(1,677)
							<b>5,040</b>	<b>(2,602)</b>

(1) Corresponds to the accumulated amount of fair value hedge adjustments on the hedged items, included in the carrying amount of the debentures.

### 24.4.2. Foreign exchange risk

This risk is the one that may cause unexpected losses to the Company resulting from volatility of the FX rates, reducing its assets and revenues, or increasing its liabilities and costs. The Company's exposure is managed in three dimensions: statement of financial position exposure, operating income exposure and investments exposure.

#### i. Statement of financial position exposure

Assets and liabilities denominated in foreign currency for which the exchange variations are recognized in the Financial Results are as follows, summarized in Brazilian Reais:

	06.30.21	Consolidated 12.31.20
Cash and cash equivalents	3,465,646	2,855,979
Trade accounts receivable	5,615,160	5,765,753
Trade accounts payable	(964,912)	(859,790)
Loans and borrowings	(13,912,681)	(14,947,793)
Other assets and liabilities, net	95,917	225,694
<b>Exposure of assets and liabilities in foreign currencies</b>	<b>(5,700,870)</b>	<b>(6,960,157)</b>
Derivative financial instruments (hedge)	5,832,688	6,849,947
<b>Exposure in result, net</b>	<b>131,818</b>	<b>(110,210)</b>

The net P&L exposure is mainly composed of the following currencies:

Net P&L Exposure	06.30.21	12.31.20
Argentinian Peso (ARS)	(4,957)	(5,310)
Angolan kwanza (AOA)	199,015	-
Euros (EUR)	(116,545)	104,539
Pound Sterling (GBP)	9,027	9,394
Yen (JPY)	45,585	29,976
Rubles (RUB)	928	(1,261)
Turkish Liras (TRY)	(8,550)	178,906
U.S. Dollars (USD)	7,315	(426,454)
<b>Total</b>	<b>131,818</b>	<b>(110,210)</b>

The Company has exposure to other different currencies, although they have been grouped in the currencies above due to its high correlation or for not being individually significant.

The derivative financial instruments hired to hedge the foreign currency statement of financial position exposure on June 30, 2021 are not designated as hedge accounting and are set forth below:

Derivative instruments not designated	Asset	Liability	Maturity	Notional	Exercise rate	06.30.21 Fair value (R\$)
<b>Parent company</b>						
Non-deliverable forward	EUR	BRL	3rd Qtr. 2021	EUR	265,000	5.9741 709
Non-deliverable forward	USD	BRL	3rd Qtr. 2021	USD	545,000	4.9953 21,773
Non-deliverable forward	BRL	USD	3rd Qtr. 2021	USD	(10,000)	5.3459 3,391
Futures - B3	USD	BRL	3rd Qtr. 2021	USD	317,000	4.9996 15,115
						<b>40,988</b>
<b>Subsidiaries</b>						
Non-deliverable forward	EUR	JPY	3rd Qtr. 2021	EUR	18,856	132.5872 (581)
Non-deliverable forward	USD	EUR	3rd Qtr. 2021	EUR	75,226	1.1964 3,253
<b>Total Consolidated</b>						<b>43,660</b>

## ii. Operating income exposure

The derivative and non-derivative financial instruments designated as cash flow hedges for foreign exchange operating income exposure on June 30, 2021 are set forth below:

								06.30.21	
Cash flow hedge - Derivative instruments	Hedged object	Asset	Liability	Maturity	Notional	Designation rate		Fair value	
<b>Parent company and consolidated</b>									
Non-deliverable forward	USD Exports	BRL	USD	3rd Qtr. 2021	USD 220,000	5.3304		71,329	
Collar	USD Exports	BRL	USD	3rd Qtr. 2021	USD 56,000	5.7065		32,077	
Collar	USD Exports	BRL	USD	4th Qtr. 2021	USD 44,000	5.5772		18,538	
Collar	USD Exports	BRL	USD	1st Qtr. 2022	USD 15,000	5.9163		8,325	
								<b>130,269</b>	

								06.30.21	
Cash flow hedge - Non-derivative instruments	Hedged object		Liability	Maturity	Notional	Designation rate		Fair value (1)	
<b>Parent company and consolidated</b>									
Bond BRF SA BRFSBZ 5 7/8 (2)	USD Exports		USD	2nd Qtr. 2022	USD 70,928	2.0213		(395,722)	
Bond BRF SA BRFSBZ 3.95	USD Exports		USD	2nd Qtr. 2023	USD 150,000	2.0387		(444,525)	
								<b>(840,247)</b>	

- (1) Corresponds to the effective portion of the hedge result accumulated in Other Comprehensive Income.
- (2) For this instrument, the initial designation was of USD150,000, however there were repurchases with corresponding revocation of the designation in the amounts of USD31,338 at the rate of 3.2408, USD9,350 at the rate of 4.1827, USD27,190 at the rate of 5.1889 e USD11,194 at the rate of 5.5714. The accumulated exchange rate variation of the revoked portions is fixed and reserved in Other Comprehensive Income until the recognition of the hedge object in the second quarter of 2022.

## iii. Investments exposure

The Company holds investments abroad in functional currencies different than the Brazilian Real, which generate currency exposure that affects directly the Company's Equity, in Other Comprehensive Income.

The non-derivative financial instruments designated as net investment hedge instruments on June 30, 2021 are set forth below:

								06.30.21	
Net investment hedge - Non-derivative instruments	Object (Investment)		Liability	Maturity	Notional	Rate		Fair value (1)	
<b>Parent company and consolidated</b>									
Bond - BRF SA BRFSBZ 4.35	Federal Foods LLC		USD	3rd Qtr. 2026	USD 75,673	3.7649		(94,315)	
Bond - BRF SA BRFSBZ 4.35	BRF Al Yasra Food		USD	3rd Qtr. 2026	USD 108,757	3.7649		(123,833)	
Bond - BRF SA BRFSBZ 4.35	Al Khan Foodstuff LLC		USD	3rd Qtr. 2026	USD 65,570	3.7649		(80,650)	
								<b>(298,798)</b>	

- (1) Corresponds to the effective portion of the hedge result accumulated in Other Comprehensive Income.

### 24.4.3. Commodities price risk

The financial instruments designated as cash flow hedges and fair value hedges for the commodities price exposure on June 30, 2021 are set forth below:

							06.30.21	
Cash flow hedge - Derivative Instruments	Hedged object	Index	Maturity	Quantity	Exercise rate (1)	Fair value		
<b>Parent company and consolidated</b>								
Non-deliverable forward - buy	Soybean meal purchase - floating price	Soybean meal - CBOT	3rd Qtr. 2021	5,998 ton	417.20	484		
Non-deliverable forward - buy	Soybean meal purchase - floating price	Soybean meal - CBOT	4th Qtr. 2021	105,000 ton	382.42	462		
Non-deliverable forward - buy	Soybean meal purchase - floating price	Soybean meal - CBOT	1st Qtr. 2022	29,998 ton	405.51	(2,131)		
Non-deliverable forward - buy	Soybean meal purchase - floating price	Soybean meal - CBOT	2nd Qtr. 2022	9,999 ton	406.37	62		
Collar - buy	Soybean meal purchase - floating price	Soybean meal - CBOT	3rd Qtr. 2021	10,000 ton	439.38	(2,052)		
Collar - buy	Soybean meal purchase - floating price	Soybean meal - CBOT	4th Qtr. 2021	4,990 ton	396.28	513		
Collar - buy	Soybean purchase - floating price	Soybean - CBOT	3rd Qtr. 2021	5,000 ton	463.82	1,656		
Collar - buy	Soybean purchase - floating price	Soybean - CBOT	4th Qtr. 2021	10,000 ton	447.32	4,662		
Non-deliverable forward - buy	Corn purchase - floating price	Corn - CBOT	3rd Qtr. 2021	3,000 ton	856.57	3,405		
Non-deliverable forward - buy	Corn purchase - floating price	Corn - CBOT	4th Qtr. 2021	5,999 ton	738.35	3,388		
Non-deliverable forward - buy	Corn purchase - floating price	Corn - CBOT	1st Qtr. 2022	2,000 ton	858.81	1,148		
Collar - buy	Corn purchase - floating price	Corn - B3	3rd Qtr. 2021	7,899 ton	937.59	(235)		
Collar - buy	Corn purchase - floating price	Corn - B3	4th Qtr. 2021	7,899 ton	937.59	425		
Collar - buy	Soybean oil purchase - floating price	Soybean oil - CBOT	3rd Qtr. 2021	8,994 ton	861.86	21,491		
Collar - buy	Soybean oil purchase - floating price	Soybean oil - CBOT	4th Qtr. 2021	2,994 ton	794.77	7,931		
							<b>41,209</b>	

(1) Base price of each commodity in USD/ton, except for Corn - B3 denominated in R\$/ton.

							06.30.21	
Fair value hedge - Derivative Instruments	Hedged object	Index	Maturity	Quantity	Exercise rate (1)	Fair value		
<b>Parent company and consolidated</b>								
Non-deliverable forward - sell	Soybean purchase - fixed price	Soybean - CBOT	1st Qtr. 2022	15,000 ton	503.65	(56)		
Non-deliverable forward - sell	Corn purchase - fixed price	Corn - CBOT	4th Qtr. 2021	208,511 ton	160.18	(74,507)		
Non-deliverable forward - sell	Corn purchase - fixed price	Corn - CBOT	1st Qtr. 2022	63,077 ton	200.41	(10,724)		
Non-deliverable forward - sell	Corn purchase - fixed price	Corn - CBOT	2nd Qtr. 2022	156,400 ton	215.50	(15,941)		
Non-deliverable forward - sell	Corn purchase - fixed price	Corn - CBOT	3rd Qtr. 2022	39,995 ton	184.67	(4,801)		
Corn future - sell	Corn purchase - fixed price	Corn - B3	4th Qtr. 2021	10,800 ton	1,495.83	581		
Corn future - sell	Corn purchase - fixed price	Corn - B3	1st Qtr. 2022	12,258 ton	1,674.90	615		
Collar - sell	Corn purchase - fixed price	Corn - B3	3rd Qtr. 2021	29,970 ton	1,470.66	(1,870)		
Collar - sell	Corn purchase - fixed price	Corn - B3	4th Qtr. 2021	62,910 ton	1,649.32	4,647		
Collar - sell	Corn purchase - fixed price	Corn - B3	1st Qtr. 2022	19,980 ton	1,575.00	(13)		
Put - Buy	Corn purchase - fixed price	Corn - B3	4th Qtr. 2021	5,994 ton	1,616.67	807		
							<b>(101,262)</b>	

(1) Base price of each commodity in USD/ton, except for Corn - B3 denominated in R\$/ton.

							06.30.21	
Fair value hedge - Derivative instruments	Protection object	Assets	Liabilities	Maturity	Notional	Exercise rate	Fair value	
<b>Parent company and consolidated</b>								
Non-deliverable forward	Cost in USD	BRL	USD	4th Qtr. 2021	USD 33,399	5.4416	11,891	
Non-deliverable forward	Cost in USD	BRL	USD	1st Qtr. 2022	USD 20,196	5.3666	4,132	
Non-deliverable forward	Cost in USD	BRL	USD	2nd Qtr. 2022	USD 33,705	5.6207	11,240	
Non-deliverable forward	Cost in USD	BRL	USD	3rd Qtr. 2022	USD 7,386	5.6278	2,000	
							<b>29,263</b>	

## 24.5. Effects of hedge instruments on financial information

The effects of financial instruments for hedging exchange rate, commodities price and interest rates in the income for the period, in Other Comprehensive Income and in the financial position are set forth below:

Income for the period							Consolidated
Apr - Jun 2021	Note	Exposure	Hedge accounting	Foreign Exchange	Commodities	Interest Rate	Total
Net Sales				11,523,458	-	-	11,523,458
Derivatives result		Operating Results	Cash flow	113,443	-	-	113,443
<b>Net Revenue</b>	<b>26</b>			<b>11,636,901</b>	<b>-</b>	<b>-</b>	<b>11,636,901</b>
Cost of Sales				-	(9,331,014)	-	(9,331,014)
Derivatives result		Operating Results	Cash flow / Fair value	-	(79,905)	-	(79,905)
<b>Cost of Sales</b>				<b>-</b>	<b>(9,410,919)</b>	<b>-</b>	<b>(9,410,919)</b>
Interests on loans and borrowings				-	-	(430,690)	(430,690)
Interest Rate Derivatives result		Interest expenses	Cash flow	-	-	4,254	4,254
Foreign Exchange variation on assets and liabilities				858,600	-	-	858,600
Foreign Exchange Derivatives result		Financial Position	Not designated	(908,782)	-	-	(908,782)
<b>Effects on Financial Result</b>	<b>28</b>			<b>(50,182)</b>	<b>-</b>	<b>(426,436)</b>	<b>(476,618)</b>

Other Comprehensive Income							Consolidated
Apr - Jun 2021		Exposure	Hedge accounting	Foreign Exchange	Commodities	Interest Rate	Total
Derivative Instruments - current		Operating Results	Cash flow	165,973	(88,353)	-	77,620
Non-derivative Instruments - non-current		Operating Results	Cash flow	153,567	-	-	153,567
Non-derivative Instruments - non-current		Foreign investments	Net investment	170,637	-	-	170,637
<b>Other Comprehensive Income (1)</b>				<b>490,177</b>	<b>(88,353)</b>	<b>-</b>	<b>401,824</b>

Income for the period							Consolidated
Jan - Jun 2021	Note	Exposure	Hedge accounting	Foreign Exchange	Commodities	Interest Rate	Total
Net Sales				22,190,161	-	-	22,190,161
Derivatives result		Operating Results	Cash flow	38,717	-	-	38,717
<b>Net Revenue</b>	<b>26</b>			<b>22,228,878</b>	<b>-</b>	<b>-</b>	<b>22,228,878</b>
Cost of Sales				-	(17,611,029)	-	(17,611,029)
Derivatives result		Operating Results	Cash flow / Fair value	-	(196,907)	-	(196,907)
<b>Cost of Sales</b>				<b>-</b>	<b>(17,807,936)</b>	<b>-</b>	<b>(17,807,936)</b>
Interests on loans and borrowings				-	-	(855,810)	(855,810)
Interest Rate Derivatives result		Interest expenses	Fair value	-	-	5,040	5,040
Foreign Exchange variation on assets and liabilities				266,215	-	-	266,215
Foreign Exchange Derivatives result		Financial Position	Not designated	(416,061)	-	-	(416,061)
<b>Effects on Financial Result</b>	<b>28</b>			<b>(149,846)</b>	<b>-</b>	<b>(850,770)</b>	<b>(1,000,616)</b>

Other Comprehensive Income							Consolidated
Jan - Jun 2021		Exposure	Hedge accounting	Foreign Exchange	Commodities	Interest Rate	Total
Derivative Instruments - current		Operating Results	Cash flow	83,494	(39,932)	-	43,562
Non-derivative Instruments - non-current		Operating Results	Cash flow	42,971	-	-	42,971
Non-derivative Instruments - non-current		Foreign investments	Net investment	45,877	-	-	45,877
<b>Other Comprehensive Income (1)</b>				<b>172,342</b>	<b>(39,932)</b>	<b>-</b>	<b>132,410</b>

(1) All effects are presented gross of taxes.

Statement of financial position							Consolidated
06.30.21	Note	Exposure	Hedge accounting	Foreign Exchange	Commodities	Interest Rate	Total
Designated derivatives		Operating Results	Cash flow / Fair value	159,532	(60,053)	5,040	104,519
Not designated derivatives		Financial Position	Not designated	43,660	-	-	43,660
<b>Asset / (Liability) net</b>				<b>203,192</b>	<b>(60,053)</b>	<b>5,040</b>	<b>148,179</b>
Derivative Instruments - current (2)		Operating Results	Cash flow	131,436	131,374	-	262,810
Non-derivative instruments - non-current		Operating Results	Cash flow	(840,247)	-	-	(840,247)
Non-derivative Instruments - non-current		Foreign investments	Net investment	(298,798)	-	-	(298,798)
<b>Other Comprehensive Income (1)</b>				<b>(1,007,609)</b>	<b>131,374</b>	<b>-</b>	<b>(876,235)</b>
Derivatives result		Operating Results	Cash flow / Fair value	-	638,481	-	638,481
<b>Inventories</b>	<b>7</b>			<b>-</b>	<b>638,481</b>	<b>-</b>	<b>638,481</b>

- (1) All effects are presented gross of taxes.  
(2) Includes R\$(2,937) related to the time value of the foreign exchange option contracts, and R\$641 related to the time value of the commodity options contracts.

Statement of financial position							Consolidated
12.31.20	Note	Exposure	Hedge accounting	Foreign Exchange	Commodities	Interest Rate	Total
Designated derivatives		Operating Results	Cash flow / Fair value	95,558	(144,057)	-	(48,499)
Not designated derivatives		Financial Position	Not designated	55,442	-	(14,649)	40,793
<b>Asset / (Liability) net</b>				<b>151,000</b>	<b>(144,057)</b>	<b>(14,649)</b>	<b>(7,706)</b>
Derivative Instruments - current		Operating Results	Cash flow	47,942	171,306	-	219,248
Non-derivative instruments - non-current		Operating Results	Cash flow	(883,218)	-	-	(883,218)
Non-derivative Instruments - non-current		Foreign investments	Net investment	(344,674)	-	-	(344,674)
<b>Other Comprehensive Income</b>				<b>(1,179,950)</b>	<b>171,306</b>	<b>-</b>	<b>(1,008,644)</b>
Derivatives result		Operating Results	Cash flow / Fair value	-	442,398	-	442,398
<b>Inventories</b>	<b>7</b>			<b>-</b>	<b>442,398</b>	<b>-</b>	<b>442,398</b>

In the statement of cash flows, the effect of the derivative financial instruments designated as hedge accounting is presented in the line item in which the hedged object is recorded. For the instruments not designated, the effects are presented in the Derivative Financial Instruments line item.

Summarized financial position of derivative financial instruments:

	Parent company		Consolidated	
	06.30.21	12.31.20	06.30.21	12.31.20
<b>Asset</b>				
<b>Designated as hedge accounting</b>				
Currency derivatives	162,808	177,208	162,808	177,208
Commodities derivatives	71,320	125,304	71,320	125,304
Interest rate derivatives	7,659	-	7,659	-
<b>Not designated as hedge accounting</b>				
Currency derivatives	40,988	59,037	44,244	75,478
	<b>282,775</b>	<b>361,549</b>	<b>286,031</b>	<b>377,990</b>
Current assets	272,881	361,315	276,137	377,756
Non-current assets	9,894	234	9,894	234
<b>Liabilities</b>				
<b>Designated as hedge accounting</b>				
Currency derivatives	(3,276)	(81,650)	(3,276)	(81,650)
Commodities derivatives	(131,373)	(269,361)	(131,373)	(269,361)
Interest rate derivatives	(2,619)	-	(2,619)	-
<b>Not designated as hedge accounting</b>				
Currency derivatives	-	(13,610)	(584)	(20,036)
Interest rate derivatives	-	(14,649)	-	(14,649)
	<b>(137,268)</b>	<b>(379,270)</b>	<b>(137,852)</b>	<b>(385,696)</b>
Current liabilities	(129,613)	(378,543)	(130,197)	(384,969)
Non-current liabilities	(7,655)	(727)	(7,655)	(727)

## 24.6. Sensitivity analysis

The Management understands that the most relevant risks that may affect the Company's results are the volatility of commodities prices and foreign exchange rates. Currently the fluctuation of the interest rates does not affect significantly the Company's results since Management has chosen to keep at fixed rates a considerable portion of its debts.

The amounts below represent the possible impacts (incremental results) of the hedging instruments and their respective hedged positions, considering situations of increase and decrease in the selected risk factors.

The information used in the preparation of the analysis is based on the position as of June 30, 2021, which has been described in the items above. The future results may diverge significantly of the estimated values if the reality presents different than the assumptions used. Positive values indicate gains and negative values indicate losses.

Exchange rate - Balance	Scenario						
	Base	- 50%	- 25%	- 10%	+ 10%	+ 25%	+ 50%
<b>USD</b>	<b>5.0022</b>	<b>2.5011</b>	<b>3.7517</b>	<b>4.5020</b>	<b>5.5024</b>	<b>6.2528</b>	<b>7.5033</b>
Monetary Assets and Liabilities		2,352,379	1,176,190	470,476	(470,476)	(1,176,190)	(2,352,379)
Derivative Instruments - Not designated		(2,356,036)	(1,178,018)	(471,207)	471,207	1,178,018	2,356,036
<b>Net effect</b>		<b>(3,657)</b>	<b>(1,828)</b>	<b>(731)</b>	<b>731</b>	<b>1,828</b>	<b>3,657</b>
<b>EUR</b>	<b>5.9276</b>	<b>2.9638</b>	<b>4.4457</b>	<b>5.3348</b>	<b>6.5204</b>	<b>7.4095</b>	<b>8.8914</b>
Monetary Assets and Liabilities		674,893	337,447	134,979	(134,979)	(337,447)	(674,893)
Derivative Instruments - Not designated		(616,621)	(308,310)	(123,324)	123,324	308,310	616,621
<b>Net effect</b>		<b>58,272</b>	<b>29,137</b>	<b>11,655</b>	<b>(11,655)</b>	<b>(29,137)</b>	<b>(58,272)</b>
<b>JPY</b>	<b>0.0451</b>	<b>0.0225</b>	<b>0.0338</b>	<b>0.0405</b>	<b>0.0496</b>	<b>0.0563</b>	<b>0.0676</b>
Monetary Assets and Liabilities		(79,105)	(39,553)	(15,821)	15,821	39,553	79,105
Derivative Instruments - Not designated		56,313	28,156	11,263	(11,263)	(28,156)	(56,313)
<b>Net effect</b>		<b>(22,792)</b>	<b>(11,397)</b>	<b>(4,558)</b>	<b>4,558</b>	<b>11,397</b>	<b>22,792</b>
<b>RUB</b>	<b>0.0684</b>	<b>0.0342</b>	<b>0.0513</b>	<b>0.0615</b>	<b>0.0752</b>	<b>0.0854</b>	<b>0.1025</b>
Monetary Assets and Liabilities		(464)	(232)	(93)	93	232	464
<b>Net effect</b>		<b>(464)</b>	<b>(232)</b>	<b>(93)</b>	<b>93</b>	<b>232</b>	<b>464</b>
<b>TRY</b>	<b>0.5746</b>	<b>0.2873</b>	<b>0.4310</b>	<b>0.5171</b>	<b>0.6321</b>	<b>0.7183</b>	<b>0.8619</b>
Monetary Assets and Liabilities		4,275	2,137	855	(855)	(2,137)	(4,275)
<b>Net effect</b>		<b>4,275</b>	<b>2,137</b>	<b>855</b>	<b>(855)</b>	<b>(2,137)</b>	<b>(4,275)</b>
<b>AOA</b>	<b>0.0077</b>	<b>0.0038</b>	<b>0.0058</b>	<b>0.0069</b>	<b>0.0084</b>	<b>0.0096</b>	<b>0.0115</b>
Monetary Assets and Liabilities		(99,508)	(49,754)	(19,902)	19,902	49,754	99,508
<b>Net effect</b>		<b>(99,508)</b>	<b>(49,754)</b>	<b>(19,902)</b>	<b>19,902</b>	<b>49,754</b>	<b>99,508</b>

Exchange rate - Operating results	Scenario						
	Base	- 50%	- 25%	- 10%	+ 10%	+ 25%	+ 50%
<b>USD</b>	<b>5.0022</b>	<b>2.5011</b>	<b>3.7517</b>	<b>4.5020</b>	<b>5.5024</b>	<b>6.2528</b>	<b>7.5033</b>
Revenue in USD		(1,390,432)	(695,216)	(278,086)	278,086	695,216	1,390,432
NDF		550,242	275,121	110,048	(110,048)	(275,121)	(550,242)
Collar		287,627	143,813	57,525	(51,713)	(110,661)	(254,475)
Loans - Designated		552,563	276,282	110,513	(110,513)	(276,282)	(552,563)
<b>Net effect</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>5,812</b>	<b>33,152</b>	<b>33,152</b>

Exchange rate - Operating results	Scenario						
	Base	- 50%	- 25%	- 10%	+ 10%	+ 25%	+ 50%
USD	5.0022	2.5011	3.7517	4.5020	5.5024	6.2528	7.5033
Cost of Sales		(236,819)	(118,409)	(47,364)	47,364	118,409	236,819
NDF		236,819	118,409	47,364	(47,364)	(118,409)	(236,819)
<b>Net effect</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Operating results - Commodities	Scenario						
	Base (1)	- 50%	- 25%	- 10%	+ 10%	+ 25%	+ 50%
<b>Soy Grain - CBOT</b>	<b>513</b>	<b>256</b>	<b>385</b>	<b>462</b>	<b>564</b>	<b>641</b>	<b>769</b>
Cost of Sales		3,847	1,924	769	(769)	(1,924)	(3,847)
Collar		(6,428)	(2,564)	(872)	1,545	3,863	7,727
NDF		3,847	1,924	769	(769)	(1,924)	(3,847)
<b>Net effect</b>		<b>1,266</b>	<b>1,284</b>	<b>666</b>	<b>7</b>	<b>15</b>	<b>33</b>
<b>Soybean Meal - CBOT</b>	<b>400</b>	<b>200</b>	<b>300</b>	<b>360</b>	<b>440</b>	<b>500</b>	<b>600</b>
Cost of Sales		47,991	23,995	9,598	(9,598)	(23,995)	(47,991)
Collar		(6,645)	(3,199)	(1,156)	320	2,167	5,614
NDF		(41,393)	(20,697)	(8,279)	8,279	20,697	41,393
<b>Net effect</b>		<b>(47)</b>	<b>99</b>	<b>163</b>	<b>(999)</b>	<b>(1,131)</b>	<b>(984)</b>
<b>Soybean Oil - CBOT</b>	<b>1,401</b>	<b>701</b>	<b>1,051</b>	<b>1,261</b>	<b>1,541</b>	<b>1,752</b>	<b>2,102</b>
Cost of Sales		8,398	4,199	1,680	(1,680)	(4,199)	(8,398)
Collar		(6,982)	(4,199)	(1,680)	1,680	4,199	8,398
<b>Net effect</b>		<b>1,416</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Corn - CBOT</b>	<b>230</b>	<b>115</b>	<b>173</b>	<b>207</b>	<b>254</b>	<b>288</b>	<b>346</b>
Cost of Sales		(37,801)	(18,900)	(7,560)	7,560	18,900	37,801
NDF		37,801	18,900	7,560	(7,560)	(18,900)	(37,801)
<b>Net effect</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Corn - B3</b>	<b>1,543</b>	<b>771</b>	<b>1,157</b>	<b>1,388</b>	<b>1,697</b>	<b>1,928</b>	<b>2,314</b>
Cost of Sales		(125,084)	(62,542)	(25,017)	25,017	62,542	125,084
Collar		70,399	35,553	13,897	(8,135)	(25,568)	(61,261)
NDF		17,786	8,893	3,557	(3,557)	(8,893)	(17,786)
Put		4,631	2,316	926	(428)	(428)	(428)
<b>Net effect</b>		<b>(32,268)</b>	<b>(15,780)</b>	<b>(6,637)</b>	<b>12,897</b>	<b>27,653</b>	<b>45,609</b>

(1) Base price of each commodity in USD/ton, except for Corn - B3 denominated in R\$/ton.

## 24.7. Financial instruments by category

			Parent company 06.30.21
	Amortized cost	Fair value through profit and loss	Total
<b>Assets</b>			
Cash and bank	85,734	-	85,734
Cash equivalents	-	2,565,839	2,565,839
Marketable securities	-	329,947	329,947
Restricted cash	24,246	-	24,246
Trade accounts receivable	6,200,964	241,381	6,442,345
Other receivables	71,219	-	71,219
Derivatives not designated	-	40,988	40,988
Derivatives designated as hedge accounting (1)	-	241,787	241,787
<b>Liabilities</b>			
Trade accounts payable	(8,839,649)	-	(8,839,649)
Supply chain finance	(1,450,608)	-	(1,450,608)
Loans and borrowings (2)	(17,801,989)	(1,634,128)	(19,436,117)
Derivatives designated as hedge accounting (1)	-	(137,268)	(137,268)
	<b>(21,710,083)</b>	<b>1,648,546</b>	<b>(20,061,537)</b>

- (1) All derivatives are classified at fair value through profit and loss. Those designated as hedge accounting instruments have their gains and losses also affecting Equity and Inventories.
- (2) The part of the loans and borrowings the is object in a fair value hedge is classified as Fair value through profit and loss. The rest of the loans and borrowings balance is classified as amortized cost and those designated as cash flow or net investment hedge accounting instruments have their gains and losses also affecting Equity.

			Parent company 12.31.20
	Amortized cost	Fair value through profit and loss	Total
<b>Assets</b>			
Cash and bank	118,307	-	118,307
Cash equivalents	-	3,757,832	3,757,832
Marketable securities	-	327,559	327,559
Restricted cash	24,358	-	24,358
Trade accounts receivable	4,906,964	310,265	5,217,229
Other receivables	86,404	-	86,404
Derivatives not designated	-	59,037	59,037
Derivatives designated as hedge accounting	-	302,512	302,512
<b>Liabilities</b>			
Trade accounts payable	(8,170,012)	-	(8,170,012)
Supply chain finance	(1,452,637)	-	(1,452,637)
Loans and borrowings	(19,310,254)	-	(19,310,254)
Derivatives not designated	-	(28,259)	(28,259)
Derivatives designated as hedge accounting	-	(351,011)	(351,011)
	<b>(23,796,870)</b>	<b>4,377,935</b>	<b>(19,418,935)</b>

			Consolidated 06.30.21
	Amortized cost	Fair value through profit	Total
<b>Assets</b>			
Cash and bank	3,015,503	-	3,015,503
Cash equivalents	-	3,926,339	3,926,339
Marketable securities	318,123	331,321	649,444
Restricted cash	24,246	-	24,246
Trade accounts receivable	2,726,982	241,381	2,968,363
Other receivables	71,219	-	71,219
Derivatives not designated	-	44,244	44,244
Derivatives designated as hedge accounting (1)	-	241,787	241,787
<b>Liabilities</b>			
Trade accounts payable	(9,764,589)	-	(9,764,589)
Supply chain finance	(1,450,608)	-	(1,450,608)
Loans and borrowings (2)	(20,921,055)	(1,634,128)	(22,555,183)
Derivatives not designated	-	(584)	(584)
Derivatives designated as hedge accounting (1)	-	(137,268)	(137,268)
Written option- business combination	-	(106,095)	(106,095)
	<b>(25,980,179)</b>	<b>2,906,997</b>	<b>(23,073,182)</b>

- (1) All derivatives are classified at fair value through profit and loss. Those designated as hedge accounting instruments have their gains and losses also affecting Equity and Inventories.
- (2) The part of the loans and borrowings the is object in a fair value hedge is classified as Fair value through profit and loss. The rest of the loans and borrowings balance is classified as amortized cost and those designated as cash flow or net investment hedge accounting instruments have their gains and losses also affecting Equity.

		Fair value through other comprehensive income	Fair value through profit and loss	Consolidated 12.31.20 Total
	Amortized cost	Equity instruments		
<b>Assets</b>				
Cash and bank	2,439,072	-	-	2,439,072
Cash equivalents	-	-	5,137,553	5,137,553
Marketable securities	287,504	42,029	329,202	658,735
Restricted cash	24,358	-	-	24,358
Trade accounts receivable	3,789,616	-	310,265	4,099,881
Other receivables	86,404	-	-	86,404
Derivatives not designated	-	-	75,478	75,478
Derivatives designated as hedge accounting	-	-	302,512	302,512
<b>Liabilities</b>				
Trade accounts payable	(9,009,987)	-	-	(9,009,987)
Supply chain finance	(1,452,637)	-	-	(1,452,637)
Loans and borrowings	(22,404,426)	-	-	(22,404,426)
Derivatives not designated	-	-	(34,685)	(34,685)
Derivatives designated as hedge accounting	-	-	(351,011)	(351,011)
Written option- business combination	-	-	(185,401)	(185,401)
	<b>(26,240,096)</b>	<b>42,029</b>	<b>5,583,913</b>	<b>(20,614,154)</b>

## 24.8. Fair value of financial instruments

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Depending on the inputs used for measurement, the financial instruments at fair value may be classified into 3 hierarchy levels:

- » Level 1 – Uses quoted prices (unadjusted) for identical instruments in active markets. In this category are classified investments in stocks, savings accounts, overnights, term deposits, Financial Treasury Bills (“LFT”) and investment funds;
- » Level 2 – Uses prices quoted in active markets for similar instruments, prices quoted for identical or similar instruments in non-active markets and evaluation models for which inputs are observable. In this level are classified the investments in Bank Deposit Certificates (“CDB”) and derivatives, which are measured by well-known pricing models: discounted cash flows and Black-Scholes. The observable inputs are interest rates and curves, volatility factors and foreign exchange rates;
- » Level 3 – Instruments for which significant inputs are non-observable. The Company has a financial liability arising from a put option written in the context of a business combination.

The table below presents the overall classification of financial instruments measured at fair value by measurement hierarchy. For the six-month period ended on June 30, 2021, there were no changes among the 3 levels of hierarchy.

	06.30.21			Parent company 12.31.20		
	Level 1	Level 2	Total	Level 1	Level 2	Total
<b>Financial Assets</b>						
<b>Fair value through profit and loss</b>						
Savings account and overnight	119,550	-	119,550	102,336	-	102,336
Bank deposit certificates	-	2,442,530	2,442,530	-	3,650,812	3,650,812
Financial treasury bills	315,036	-	315,036	312,515	-	312,515
Investment funds	18,670	-	18,670	19,728	-	19,728
Trade accounts receivable	-	241,381	241,381	-	310,265	310,265
Derivatives	-	282,775	282,775	-	361,549	361,549
<b>Financial Liabilities</b>						
<b>Fair value through profit and loss</b>						
Derivatives	-	(137,268)	(137,268)	-	(379,270)	(379,270)
Loans and borrowings	-	(1,634,128)	(1,634,128)	-	-	-
	453,256	1,195,290	1,648,546	434,579	3,943,356	4,377,935

	06.30.21				Consolidated 12.31.20			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>								
<b>Fair value through other comprehensive income</b>								
Stocks	-	-	-	-	42,029	-	-	42,029
<b>Fair value through profit and loss</b>								
Savings account and overnight	1,420,426	-	-	1,420,426	1,220,232	-	-	1,220,232
Term deposits	49,953	-	-	49,953	250,189	-	-	250,189
Bank deposit certificates	-	2,452,201	-	2,452,201	-	3,662,448	-	3,662,448
Financial treasury bills	315,036	-	-	315,036	312,515	-	-	312,515
Investment funds	20,044	-	-	20,044	21,371	-	-	21,371
Trade accounts receivable	-	241,381	-	241,381	-	310,265	-	310,265
Derivatives	-	286,031	-	286,031	-	377,990	-	377,990
<b>Financial Liabilities</b>								
<b>Fair value through profit and loss</b>								
Derivatives	-	(137,852)	-	(137,852)	-	(385,696)	-	(385,696)
Loans and borrowings	-	(1,634,128)	-	(1,634,128)	-	-	-	-
Written option– business combination	-	-	(106,095)	(106,095)	-	-	(185,401)	(185,401)
	1,805,459	1,207,633	(106,095)	2,906,997	1,846,336	3,965,007	(185,401)	5,625,942

Except for the items set forth below, the fair value of all other financial instruments is approximate to their book value. The fair value of the bonds set forth below is based on prices observed in active markets, level 1 of the fair value hierarchy, while the debentures are based on level 2 and are measured by discounted cash flows.

	Currency	Maturity	Parent company and Consolidated			
			Book value	06.30.21 Fair value	Book value	12.31.20 Fair value
BRF S.A.						
BRF SA BRFSBZ 5 7/8	USD	2022	(354,656)	(371,839)	(367,714)	(389,611)
BRF SA BRFSBZ 4 3/4	USD	2024	(1,480,939)	(1,580,701)	(1,538,086)	(1,659,891)
BRF SA BRFSBZ 3.95	USD	2023	(1,164,622)	(1,217,553)	(1,207,468)	(1,275,598)
BRF SA BRFSBZ 2 3/4	EUR	2022	(989,814)	(1,012,445)	(1,081,404)	(1,105,478)
BRF SA BRFSBZ 4 7/8	USD	2030	(3,502,512)	(3,707,880)	(3,951,539)	(4,333,054)
BRF SA BRFSBZ 5 3/4	USD	2050	(3,949,066)	(4,187,092)	(4,106,115)	(4,705,851)
Debenture - 1st Issue	BRL	2026	(792,807)	(810,362)	(771,138)	(778,016)
Debenture - 2nd Issue	BRL	2030	(2,364,235)	(2,411,963)	(2,250,867)	(2,225,796)
Debenture - 3rd Issue	BRL	2031	(980,044)	(919,039)	-	-
<b>Parent company</b>			<b>(15,578,695)</b>	<b>(16,218,874)</b>	<b>(15,274,331)</b>	<b>(16,473,295)</b>
BRF GmbH						
BRF SA BRFSBZ 4.35	USD	2026	(2,486,110)	(2,661,659)	(2,577,667)	(2,779,574)
<b>Consolidated</b>			<b>(18,064,805)</b>	<b>(18,880,533)</b>	<b>(17,851,998)</b>	<b>(19,252,869)</b>

### 24.8.1. Level 3 measurement

The Company holds a financial liability arising from a put option written in the context of a business combination. This option gives the non-controlling shareholder the right to sell its equity stake in the subsidiary for an amount equivalent, in Turkish Liras, to a multiple of the Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) of the economic group of this subsidiary in the last 12 months prior to the exercise. The exercise period is comprised of the six-month period beginning on May 25, 2021. This liability is measured at the present value of redemption amount using internal assumptions regarding the results of that economic group.

The effects of the subsequent measurement resulted in a gain in financial results of R\$74,172 in the six-month ended on June 30, 2021 (gain of R\$390,353 in the same period of the prior year) and a loss of R\$28,121 for the three-month period ended on June 30, 2021 (gain of R\$337,677 in the same period of the prior year), as per note 28.

## 25. SEGMENT INFORMATION

The operating segments are reported consistently with the management reports provided to the main strategic and operational decision makers for assessing the performance of each segment and allocation of resources. The operating segments information is prepared considering three reportable segments, being: Brazil, International and Other Segments.

The operating segments include the sales of all distribution channels and are subdivided according to the nature of the products, for which the characteristics are described below:

- » Poultry: production and sale of whole poultry and in-natura cuts.
- » Pork and others: production and sale of in-natura cuts.
- » Processed: production and sale of processed food, frozen and processed products derived from poultry, pork and beef, margarine, vegetables and soybean-based products.
- » Other sales: sale of flour for food service and others.

Other segments are comprised of commercialization and development of animal nutrition ingredients, human nutrition, plant nutrition (fertilizers) and health care (health and wellness), as well as commercialization of agricultural products.

The items not allocated to the segments are presented as Corporate and refer to relevant events not attributable to the operating segments.

The net sales for each reportable operating segment is set forth below:

Net sales	2021		Consolidated 2020	
	Apr - Jun	Jan - Jun	Apr - Jun	Jan - Jun
<b>Brazil</b>				
In-natura	1,399,081	2,746,505	1,093,445	2,350,532
Poultry	1,035,554	2,069,002	793,689	1,763,725
Pork and other	363,527	677,503	299,756	586,807
Processed	4,393,007	8,426,675	3,541,008	6,933,812
Other sales	25,200	37,042	8,402	13,665
	<b>5,817,288</b>	<b>11,210,222</b>	<b>4,642,855</b>	<b>9,298,009</b>
<b>International</b>				
In-natura	4,577,130	8,608,000	3,563,006	7,016,267
Poultry	3,828,284	7,244,702	3,007,661	5,978,347
Pork and other	748,846	1,363,298	555,345	1,037,920
Processed	722,780	1,403,685	563,054	1,074,175
Other sales	128,080	237,372	81,226	132,547
	<b>5,427,990</b>	<b>10,249,057</b>	<b>4,207,286</b>	<b>8,222,989</b>
<b>Other segments</b>	<b>391,623</b>	<b>769,599</b>	<b>253,785</b>	<b>531,993</b>
	<b>11,636,901</b>	<b>22,228,878</b>	<b>9,103,926</b>	<b>18,052,991</b>

The income (loss) before financial results for each segment and for Corporate is set forth below:

	2021		Consolidated 2020	
	Apr - Jun	Jan - Jun	Apr - Jun	Jan - Jun
Brazil	125,425	499,903	352,266	716,145
International	281,156	455,980	227,685	668,333
Other segments	86,166	177,059	22,628	60,157
<b>Sub total</b>	<b>492,747</b>	<b>1,132,942</b>	<b>602,579</b>	<b>1,444,635</b>
Corporate	87,575	75,291	(15,392)	(302,769)
	<b>580,322</b>	<b>1,208,233</b>	<b>587,187</b>	<b>1,141,866</b>

The composition of the main effects not allocated to the operating segments and presented as Corporate is set forth below:

Corporate	2021		Consolidated 2020	
	Apr - Jun	Jan - Jun	Apr - Jun	Jan - Jun
Investigations involving the Company (note 1.4)	(2,905)	(8,142)	(11,771)	(24,072)
Reversal/(provision) for tax and civil contingencies	79,243	74,925	(19,263)	(59,889)
Expenses COVID-19 (1)	(17,054)	(24,996)	(2,182)	(26,260)
Results with sale and disposal of fixed assets	6,430	12,085	5,287	(5,987)
Expenses with demobilization	(816)	(3,020)	-	-
Impairment and result in the sale of investments	23,471	23,590	993	(6,764)
Agreement - Class Action	-	-	-	(204,436)
Arbitration reversal	-	-	14,520	14,520
Restructuring plan	-	-	13	13
Other	(794)	849	(2,989)	10,106
	<b>87,575</b>	<b>75,291</b>	<b>(15,392)</b>	<b>(302,769)</b>

(1) Mainly comprised of donations in Brazil, consultants and expenses with health and safety, which are not associated with the business segments.

No customer individually or in aggregate (economic group) accounted for more than 5% of net sales for the six-month period ended on June 30, 2021 and 2020.

The goodwill arising from business combinations and the intangible assets with indefinite useful life (trademarks) were allocated to the reportable operating segments, considering the economic benefits generated by such intangible assets. The allocation of these intangible assets is presented below:

	Goodwill		Trademarks		Consolidated Total	
	06.30.21	12.31.20	06.30.21	12.31.20	06.30.21	12.31.20
	Brazil	1,151,498	1,151,498	982,478	982,478	2,133,976
International	1,726,882	1,784,079	314,057	345,260	2,040,939	2,129,339
	<b>2,878,380</b>	<b>2,935,577</b>	<b>1,296,535</b>	<b>1,327,738</b>	<b>4,174,915</b>	<b>4,263,315</b>

Information related to total assets by reportable segment is not disclosed, as it is not included in the set of information made available to the Company's management, which makes investment decisions and determine allocation of resources based on information about the consolidated assets.

## 26. NET SALES

	Parent company				Consolidated			
	2021		2020		2021		2020	
	Apr - Jun	Jan - Jun	Apr - Jun	Jan - Jun	Apr - Jun	Jan - Jun	Apr - Jun	Jan - Jun
<b>Gross sales</b>								
Brazil	7,199,687	13,886,104	5,739,830	11,506,128	7,199,687	13,886,104	5,739,830	11,506,128
International	4,056,673	7,605,682	2,198,586	4,751,730	5,803,099	10,986,923	4,537,513	8,804,578
Other segments	400,017	790,106	274,412	566,044	430,969	847,609	283,285	590,579
	<b>11,656,377</b>	<b>22,281,892</b>	<b>8,212,828</b>	<b>16,823,902</b>	<b>13,433,755</b>	<b>25,720,636</b>	<b>10,560,628</b>	<b>20,901,285</b>
<b>Sales deductions</b>								
Brazil	(1,382,399)	(2,675,882)	(1,096,975)	(2,208,119)	(1,382,399)	(2,675,882)	(1,096,975)	(2,208,119)
International	(6,175)	(10,757)	(24,698)	(48,646)	(375,109)	(737,866)	(330,227)	(581,589)
Other segments	(36,486)	(72,547)	(27,746)	(54,683)	(39,346)	(78,010)	(29,500)	(58,586)
	<b>(1,425,060)</b>	<b>(2,759,186)</b>	<b>(1,149,419)</b>	<b>(2,311,448)</b>	<b>(1,796,854)</b>	<b>(3,491,758)</b>	<b>(1,456,702)</b>	<b>(2,848,294)</b>
<b>Net sales</b>								
Brazil	5,817,288	11,210,222	4,642,855	9,298,009	5,817,288	11,210,222	4,642,855	9,298,009
International	4,050,498	7,594,925	2,173,888	4,703,084	5,427,990	10,249,057	4,207,286	8,222,989
Other segments	363,531	717,559	246,666	511,361	391,623	769,599	253,785	531,993
	<b>10,231,317</b>	<b>19,522,706</b>	<b>7,063,409</b>	<b>14,512,454</b>	<b>11,636,901</b>	<b>22,228,878</b>	<b>9,103,926</b>	<b>18,052,991</b>

## 27. OTHER OPERATING INCOME (EXPENSES), NET

	Parent company				Consolidated			
	2021		2020		2021		2020	
	Apr - Jun	Jan - Jun	Apr - Jun	Jan - Jun	Apr - Jun	Jan - Jun	Apr - Jun	Jan - Jun
Recovery of expenses (1)	9,259	69,213	156,174	234,651	9,280	69,236	156,370	235,057
Provision reversal	-	-	70,625	70,625	-	-	70,625	70,625
Scrap sales	2,875	5,853	2,742	5,434	2,941	5,956	2,787	5,562
Provision for civil and tax risks	79,285	74,971	(22,796)	(65,272)	79,344	74,720	(23,045)	(65,520)
Other employees benefits	(7,078)	(14,413)	(8,214)	(15,649)	(7,078)	(14,413)	(8,214)	(15,649)
Insurance claims costs	(8,350)	(11,526)	(1,791)	(5,476)	(7,872)	(11,282)	(828)	(2,517)
Gains (losses) on the disposal of non-financial assets	3,533	7,304	7,390	(2,380)	30,158	36,015	223	(7,153)
Employee participation and bonuses	(6,405)	(14,526)	(71,874)	(121,399)	(8,495)	(29,055)	(71,347)	(117,992)
Demobilization expenses	(862)	(2,993)	(2,108)	(5,863)	(816)	(3,020)	(1,998)	(6,255)
Expected credit losses in other receivables	(749)	(1,089)	(92)	(3,185)	(749)	(1,089)	308	(3,157)
Other (2)	(5,129)	(11,405)	17,165	(175,596)	(914)	(1,888)	10,205	(193,001)
	<b>66,379</b>	<b>101,389</b>	<b>147,221</b>	<b>(84,110)</b>	<b>95,799</b>	<b>125,180</b>	<b>138,553</b>	<b>(100,000)</b>

- (1) Includes recovery of PIS and COFINS taxes on inputs in the amount of R\$27,164 and effects of the final decision related to the exclusion of ICMS from the PIS and COFINS calculation basis of Batávia in the amount of R\$29,887 (note 9.1) for the six-month period ended on June 30, 2021 (R\$227,423 of recovery of PIS and COFINS taxes on inputs in the same period of previous year).
- (2) Includes expenditures with investigations (note 1.4) and in 2020 expenses with class action agreement.

## 28. FINANCIAL INCOME (EXPENSES), NET

	Note	Parent company				Consolidated			
		2021		2020		2021		2020	
		Apr - Jun	Jan - Jun	Apr - Jun	Jan - Jun	Apr - Jun	Jan - Jun	Apr - Jun	Jan - Jun
<b>Financial income</b>									
Interest on cash and cash equivalents	4	23,147	40,404	32,813	53,847	31,097	57,364	21,474	51,029
Income with marketable securities	5	2,628	4,279	2,478	21,921	11,766	18,018	28,800	45,387
Fair value through other comprehensive income		-	-	-	-	-	-	243	454
Fair value through profit and loss		2,447	3,987	2,306	6,060	2,455	3,996	2,305	5,716
Amortized cost		181	292	172	15,861	9,311	14,022	26,252	39,217
Interest on recoverable taxes (1)	9	34,400	111,922	23,659	80,256	34,422	111,961	23,704	80,340
Interest on other assets		6,395	18,836	7,382	17,085	6,539	19,134	7,855	17,955
		<b>66,570</b>	<b>175,441</b>	<b>66,332</b>	<b>173,109</b>	<b>83,824</b>	<b>206,477</b>	<b>81,833</b>	<b>194,711</b>
<b>Financial expenses</b>									
Interests on loans and borrowings	15	(380,513)	(755,022)	(272,631)	(550,464)	(430,690)	(855,810)	(317,077)	(631,570)
Interest with related parties	30	(81,302)	(156,747)	(100,565)	(181,326)	-	-	-	-
Interest on contingencies	21	(79,267)	(120,888)	(28,818)	(85,577)	(79,267)	(120,888)	(28,818)	(85,577)
Interest on leases	18	(42,099)	(85,773)	(47,015)	(95,261)	(61,691)	(116,981)	(51,494)	(103,863)
Interest on actuarial liabilities		(9,984)	(19,968)	(9,303)	(18,587)	(11,209)	(22,629)	(10,224)	(20,363)
Interest on other liabilities		4,442	(286)	3,956	5,360	4,394	(351)	3,977	5,384
Written option - Business combination	24.8.1	-	-	-	-	(28,121)	74,172	337,677	390,353
Adjustment to present value	6 and 16	(143,397)	(286,494)	(90,680)	(181,468)	(142,721)	(286,100)	(90,557)	(181,498)
Other		(34,000)	(51,871)	(32,827)	(85,300)	(47,969)	(95,102)	(10,047)	(108,779)
		<b>(766,120)</b>	<b>(1,477,049)</b>	<b>(577,883)</b>	<b>(1,192,623)</b>	<b>(797,274)</b>	<b>(1,423,689)</b>	<b>(166,563)</b>	<b>(735,913)</b>
<b>Monetary, exchange and derivative results, net</b>									
Exchange rate variation on monetary assets and liabilities		2,612,268	834,380	(1,265,586)	(6,120,056)	858,600	266,215	(334,800)	(1,533,734)
Derivative results		(889,438)	(416,241)	227,599	1,268,540	(904,528)	(411,021)	229,227	1,278,164
		<b>1,722,830</b>	<b>418,139</b>	<b>(1,037,987)</b>	<b>(4,851,516)</b>	<b>(45,928)</b>	<b>(144,806)</b>	<b>(105,573)</b>	<b>(255,570)</b>
		<b>1,023,280</b>	<b>(883,469)</b>	<b>(1,549,538)</b>	<b>(5,871,030)</b>	<b>(759,378)</b>	<b>(1,362,018)</b>	<b>(190,303)</b>	<b>(796,772)</b>

- (1) For the six-month period ended on June 30, 2021, the effect includes the final decision related to the exclusion of ICMS from the PIS and COFINS calculation basis from Batávia (note 9) in the amount of R\$45,156 (null in the same period of the previous year).

## 29. STATEMENT OF INCOME BY NATURE

The Company discloses its statement of income by function and thus presents below the details by nature:

	2021		Parent company		2021		Consolidated	
	2021		2020		2021		2020	
	Apr - Jun	Jan - Jun	Apr - Jun	Jan - Jun	Apr - Jun	Jan - Jun	Apr - Jun	Jan - Jun
<b>Costs of sales</b>								
Raw materials and supplies (1)	6,270,908	11,301,971	4,231,356	8,139,255	7,141,711	13,264,616	5,047,664	9,722,981
Salaries and employees benefits	1,045,274	2,065,117	983,001	1,914,252	1,064,560	2,103,960	1,002,007	1,947,175
Depreciation	476,697	921,537	419,500	835,104	522,284	1,007,993	460,821	913,052
Amortization	13,759	38,871	12,704	26,389	30,458	71,520	29,238	57,583
Other	659,221	1,343,360	536,325	1,096,795	651,906	1,359,847	585,304	1,180,331
	<b>8,465,859</b>	<b>15,670,856</b>	<b>6,182,886</b>	<b>12,011,795</b>	<b>9,410,919</b>	<b>17,807,936</b>	<b>7,125,034</b>	<b>13,821,122</b>
<b>Sales expenses</b>								
Indirect and direct logistics expenses	666,956	1,220,478	547,545	1,063,078	754,265	1,416,093	624,692	1,208,409
Marketing	120,140	232,774	86,606	203,672	159,423	316,604	136,138	290,233
Salaries and employees benefits	266,092	516,581	267,851	517,086	358,715	696,467	353,584	671,734
Depreciation	50,080	93,516	37,740	68,621	117,002	192,023	57,533	111,113
Amortization	16,074	41,428	15,319	29,038	21,813	54,150	22,753	42,712
Other	125,656	244,197	102,720	208,853	132,894	301,801	166,189	321,022
	<b>1,244,998</b>	<b>2,348,974</b>	<b>1,057,781</b>	<b>2,090,348</b>	<b>1,544,112</b>	<b>2,977,138</b>	<b>1,360,889</b>	<b>2,645,223</b>
<b>Administrative expenses</b>								
Salaries and employees benefits	62,221	108,474	50,540	90,720	100,562	184,309	85,617	155,839
Fees	13,574	24,824	17,350	29,213	13,574	24,824	17,350	29,213
Depreciation	8,384	17,153	8,172	14,483	11,147	26,706	12,130	21,627
Amortization	10,802	21,902	6,646	14,245	11,334	23,066	7,505	15,713
Other	32,192	53,500	39,901	61,229	55,658	93,354	67,863	110,633
	<b>127,173</b>	<b>225,853</b>	<b>122,609</b>	<b>209,890</b>	<b>192,275</b>	<b>352,259</b>	<b>190,465</b>	<b>333,025</b>

- (1) Includes recoveries of PIS and COFINS taxes on inputs and export credits in the amount of R\$34,266 for the six-month period ended on June 30, 2021 (null in the same period of the previous year).

The Company incurred in expenses with internal research and development of new products of R\$20,456 for the six-month period ended on June 30, 2021 in the parent company and in the consolidated (R\$31,187 in the parent company and in the consolidated in the same period of the prior year) and R\$9,604 for the three-month period

ended on June 30, 2021 in the parent company and in the consolidated (R\$14,872 in the parent company and in the consolidated in the same period of the prior year).

### 30. RELATED PARTIES

In the normal course of business, rights and obligations arise between related parties, resulting from transactions of sale and purchase of products, as well as from financial operations.

The Company holds a Related Parties Transactions Policy, which was reviewed and approved by the Board of Directors and applies to all subsidiaries of the group.

The policy mentioned above provides the conditions that must be observed for the realization of a transaction between related parties, as well as establishes approval hierarchies according to the value and nature of the transactions involved. The policy also foresees situations of conflict of interests and how they must be conducted.

In May and June 2021, Marfrig Global Foods S.A. (“Marfrig”) acquired common shares issued by BRF S.A., achieving 31.66% of participation in the Company’s capital stock. With such participation, Marfrig is able to exercise significant influence over BRF S.A., becoming a related party. The transactions and balances with Marfrig and its subsidiaries during the period are presented below.

The balances of the transactions with related parties are as follows:

	Parent company											
	Accounts receivable		Dividends and interest on shareholders' equity receivable		Loans		Trade accounts payable		Other rights		Advances and other liabilities	
	06.30.21	12.31.20	06.30.21	12.31.20	06.30.21	12.31.20	06.30.21	12.31.20	06.30.21	12.31.20	06.30.21	12.31.20
Banvit	-	-	-	-	-	-	-	-	521	190	-	-
BRF Energia S.A.	-	-	-	-	-	-	(30,609)	(13,063)	-	-	-	-
BRF Foods GmbH	591,693	799,571	-	-	-	-	-	-	104	54	(55)	(56)
BRF Foods LLC	-	-	-	-	-	-	-	-	491	501	-	(2)
BRF Global GmbH	4,993,989	2,319,292	-	-	-	-	-	-	-	-	(8,264,790)	(7,095,587)
BRF GmbH	-	-	-	-	-	-	-	-	101	995	(1,716,341)	(1,845,759)
BRF Pet S.A.	13,695	6,228	-	-	-	-	(37)	(37)	485	480	-	-
Establecimiento Levino Zaccardi y Cia. S.A.	-	-	-	-	309	315	-	-	-	-	-	-
Federal Foods	-	-	-	-	-	-	-	-	-	-	(464)	-
Sadia Alimentos S.A.	-	-	-	-	-	-	-	-	-	-	(3,303)	(3,069)
Sadia Chile S.A.	125,917	114,742	-	-	-	-	-	-	3	3	-	-
Sadia International Ltd.	-	-	-	-	-	-	-	-	-	-	-	(18,990)
Sadia Uruguay S.A.	3,237	5,743	-	-	-	-	-	-	-	-	(39,890)	(38,823)
VIP S.A. Empreendimentos e Partic. Imob.	-	-	10	10	-	-	-	-	-	-	-	-
Marfrig Global Foods S.A.	6,563	-	-	-	-	-	(33,218)	-	-	-	-	-
Marfrig Chile S.A.	1,380	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>5,736,474</b>	<b>3,245,576</b>	<b>10</b>	<b>10</b>	<b>309</b>	<b>315</b>	<b>(63,864)</b>	<b>(13,100)</b>	<b>1,705</b>	<b>2,223</b>	<b>(10,024,843)</b>	<b>(9,002,286)</b>

- (1) The amount corresponds to export pre-payments, usual operation between the productive units in Brazil with the wholly-owned subsidiaries that operate as trading companies in the international market.
- (2) BRF S.A. performs reimbursement to certain subsidiaries for losses incurred in the normal course of their operations, generating liabilities recorded as Other Obligations with Related Parties.

	Accounts receivable	Consolidated Trade accounts payable
	06.30.21	06.30.21
Marfrig Global Foods S.A.	6,563	(33,218)
Marfrig Chile S.A.	2,271	-
<b>Total</b>	<b>8,834</b>	<b>(33,218)</b>

	Parent company											
	Sales				Financial results, net				Purchases			
	2021		2020		2021		2020		2021		2020	
	Apr - Jun	Jan - Jun	Apr - Jun	Jan - Jun	Apr - Jun	Jan - Jun	Apr - Jun	Jan - Jun	Apr - Jun	Jan - Jun	Apr - Jun	Jan - Jun
BRF Energia S.A.	-	-	-	-	-	-	-	-	(87,272)	(169,145)	(60,244)	(131,460)
BRF Foods GmbH	56,284	107,340	47,582	93,362	-	-	-	-	-	-	-	-
BRF Global GmbH	3,705,021	7,123,995	2,693,708	5,307,306	(80,665)	(155,603)	(82,775)	(147,907)	-	-	-	-
BRF Pet S.A.	2,854	5,788	1,317	2,487	-	-	-	-	-	-	(29)	(58)
Establecimiento Levino Zaccardi y Cia. S.A.	-	-	-	-	3	6	-	4	-	-	-	-
Perdigão International Ltd.	-	-	-	-	-	-	(17,084)	(31,879)	-	-	-	-
Sadia Alimentos S.A.	-	-	-	-	(42)	(84)	(166)	(361)	-	-	-	-
Sadia Chile S.A.	45,124	83,906	46,936	79,518	-	-	-	-	-	-	-	-
Sadia Uruguay S.A.	15,639	31,360	11,270	20,713	(598)	(1,066)	(544)	(1,186)	-	-	-	-
Marfrig Chile S.A. (1)	1,376	1,376	-	-	-	-	-	-	-	-	-	-
Marfrig Global Foods S.A. (1)	7,943	7,943	-	-	-	-	-	-	(49,875)	(49,875)	-	-
<b>Total</b>	<b>3,834,241</b>	<b>7,361,708</b>	<b>2,800,813</b>	<b>5,503,386</b>	<b>(81,302)</b>	<b>(156,747)</b>	<b>(100,565)</b>	<b>(181,326)</b>	<b>(137,147)</b>	<b>(219,020)</b>	<b>(60,273)</b>	<b>(131,518)</b>

	Consolidated			
	Sales		Purchases	
	2021		2021	
	Apr - Jun	Jan - Jun	Apr - Jun	Jan - Jun
Marfrig Chile S.A. (1)	2,156	2,156	-	-
Marfrig Global Foods S.A. (1)	7,943	7,943	(54,530)	(54,530)
<b>Total</b>	<b>10,099</b>	<b>10,099</b>	<b>(54,530)</b>	<b>(54,530)</b>

(1) The period ranges from May 21, 2021 to June 30, 2021.

The subsidiaries of the Company enter into loan agreements pursuant its cash management strategy. As of June 31, 2021, the balance of these transactions was R\$2,000,279 (R\$2,116,463 as of December 31, 2020) with a weighted average rate of 4.09% p.a. (3.01% p.a. as of December 31, 2020).

The Company has made contributions related to the post-employment benefit plans of its employees to BRF Previdência, which holds these plans (note 20). Additionally, the Company leased properties owned by BRF Previdência, and for the six-month period ended on June 30, 2021 the total amount of lease payments was R\$10,207 (R\$9,764 in the same period of the prior year) for the three-month period ended on June 30, 2021, the total amount of lease payments was R\$5,046 (R\$4,882 in the same period of the prior year).

The Company maintains other transactions with related parties resulting from guarantees, transferences and donations to related associations and institutes, as well as leasing and other commercial transactions with related people and entities. Such transactions are compliant with the Related Party Transactions Policy and are not relevant, individually or in aggregate.

### 30.1. Management remuneration

The total remuneration and benefits expense with board members, statutory directors and the head of internal audit are set forth below:

	Consolidated			
	2021		2020	
	Apr - Jun	Jan - Jun	Apr - Jun	Jan - Jun
Salary and profit sharing	17,512	31,187	23,638	35,605
Short-term benefits (1)	230	424	1,492	1,611
Private pension	293	590	589	896
Termination benefits	749	1,498	1,439	4,403
Share-based payment	7,338	14,186	4,360	8,394
	<b>26,122</b>	<b>47,885</b>	<b>31,518</b>	<b>50,909</b>

(1) Comprises: medical assistance, educational expenses and others.

In addition, the executive officers (non-statutory) received among remuneration and benefits the total amount of R\$13,227 for the six-month period ended on June 30, 2021 (R\$9,435 in the same period of the prior year) and R\$4,998 for the three-month period ended on June 30, 2021 (R\$4,835 in the same period of the prior year).

## 31. COMMITMENTS

In the normal course of the business, the Company enters into agreements with third parties for the purchase of raw material, mainly corn and soymeal. The agreed prices in these agreements can be fixed or variable. The Company also enters into other agreements, such as electricity supply, packaging supplies, construction of buildings and others for the supply of its manufacturing activities. The firm commitments schedule is set forth below:

	Parent company 06.30.21	Consolidated 06.30.21
Current	4,850,421	5,121,264
Non-current	1,931,718	2,167,664
July to december 2022	565,093	662,406
2023	563,086	667,129
2024	235,693	262,895
2025	164,320	171,708
2026 onwards	403,526	403,526
	<b>6,782,139</b>	<b>7,288,928</b>

## 32. TRANSACTIONS THAT DO NOT INVOLVE CASH

The following transactions did not involve cash or cash equivalents during the six-month period ended on June 30, 2021:

- (i) Capitalized loan interest: as referred in note 13.
- (ii) Addition of lease by right-of-use assets and respective lease liability: in the six-month period ended on June 30, 2021 amounted to R\$195,829 in the parent company and R\$378,575 in the consolidated (R\$171,669 in the parent company and R\$227,600 in the same period of the prior year) and in the three-month period ended on June 30, 2021, amounted to R\$140,918 in the parent company and R\$246,208 in the consolidated (R\$21,260 in the parent company and R\$21,463 in the same period of the prior year).

## 33. EVENTS AFTER THE REPORTING PERIOD

### 33.1. Investments in Aleph Farms, Ltd

On July 2, 2021, the Company participated in the round of investments (Series B) promoted by Aleph Farms, Ltd ("Aleph"), an Israeli startup that develops proteins in the laboratory from animal cells. The Company contributed the amount equivalent to R\$13,082 (USD2,500), which added to resources from other investors, will be destined to the large-scale global marketing of products made from cultivated meat, as well as expansion of the startup's portfolio.

## 34. APPROVAL OF THE INTERIM FINANCIAL INFORMATION

The interim financial information was approved and the issuance authorized by the Board of Directors on August 12, 2021.

### BOARD OF DIRECTORS

Chairman (Independent)	Pedro Pullen Parente
Vice-Chairman (Independent)	Augusto Marques da Cruz Filho
Independent Member	Dan Ioschpe
Independent Member	Flavia Buarque de Almeida
Independent Member	Flavia Maria Bittencourt
Non-Independent Member	Ivandr� Motiel da Silva
Independent Member	Jos� Luiz Os�rio de Almeida Filho
Independent Member	Luiz Fernando Furlan
Independent Member	Marcelo Feriozzi Bacci
Independent Member	Roberto Rodrigues

### FISCAL COUNCIL

Chairman	Att�lio Guaspari
Member	Andr� Vicentini
Member	Maria Paula Soares Aranha

### AUDIT AND INTEGRITY COMMITTEE

Committee Coordinator (Independent)	Augusto Marques da Cruz Filho
Non-Independent Member	Ivandr� Motiel da Silva
Independent Member	Marcelo Feriozzi Bacci
External Member	Jer�nimo Antunes
External Member	Valmir Pedro Rossi

### BOARD OF EXECUTIVE OFFICERS

Global Chief Executive Officer	Lorival Nogueira Luz J�nior
Chief Financial and Investor Relations Officer	Carlos Alberto Bezerra de Moura
Vice-President of People, Services and Technology	Alessandro Rosa Bonorino
Vice-President of Institutional Relations and Sustainability	Grazielle Tallia Parenti
Vice-President of Integrated Planning and Logistics	Leonardo Campo Dallorto
Vice-President of New Business	Marcel Sacco
Vice-President of Quality and Research & Development	Neil Hamilton dos Guimarães Peixoto Jr.
Vice-President of Brazil Market	Sidney Rog�rio Manzano
Vice-President of Operations and Procurement	Vin�cius Guimar�es Barbosa

Marcos Roberto Badollato  
Accounting Director

Heitor Carpigiani de Paula  
Accountant - CRC 1SP336262/O-4

## COMENTARY ABOUT THE BEHAVIOR OF THE COMPANY'S PROJECTIONS

On December 08, 2020, the management disclosed certain estimates and expectations in connection with the Company for the next ten years, including the following projections:

(a) Expectation to make investments of, approximately, R\$ 55 billion within the next ten years, setting up a prudent net financial leverage limit (ratio between net debt and Adjusted EBITDA of the 12 prior months) up to three times;

(b) Period between 2021 and 2023: expectation to achieve a net revenue of approximately R\$ 65 billion, with a growing EBITDA twice the size in comparison to the current one, considering the last 12 months ended September 30, 2020;

(c) Period between 2024 and 2026: growth expectation of the net revenue and of the EBITDA of approximately 2,5 times in relation to the current levels, considering the last 12 months ended September 30, 2020 and a revenue growth of more than 60% in the Brazilian market;

(d) Period between 2027 and 2030: expectation to reach a net revenue of more than R\$ 100 billion and an EBITDA growth of more than 3,5 times in relation to the current level, considering the last 12 months ended September 30, 2020, consistent EBITDA Margins above 15%, net margin of approximately 6% and return on invested capital ("ROIC") of approximately 16%.

The projections disclosed above are mere forecast and reflect the current management's expectation in relation to BRF's future. Nevertheless, these projections depend on certain factors and market conditions that escape the Company's control and, therefore, may differ in relation to numbers and results that will be effectively recorded by the Company.

## BREAKDOWN OF THE CAPITAL BY OWNER (NOT REVIEWED)

The shareholding position of the shareholders holding more than 5% of the voting stock, management, members of the Board of Directors is presented below:

Shareholders	06.30.21		12.31.20	
	Quantity	%	Quantity	%
<b>Major shareholders</b>				
Marfrig Global Food S.A.	257,267,671	31.66	Not available (2)	
JPMorgan Chase & Co.	58,109,075	7.15	Not available (2)	
Fundação Petrobras de Seguridade Social - Petros (1)	56,947,828	7.01	92,716,266	11.41
Caixa de Previd. dos Func. do Banco do Brasil (1)	50,331,852	6.19	74,856,852	9.21
Kapitalo Investimentos Ltda.	40,784,398	5.02	Not available (2)	
<b>Management</b>				
Board of Directors	6,385,302	0.79	6,865,302	0.84
Executives	901,819	0.11	605,902	0.07
Treasury shares	4,083,804	0.50	4,766,084	0.59
Other	337,661,497	41.57	632,662,840	77.88
	<b>812,473,246</b>	<b>100.00</b>	<b>812,473,246</b>	<b>100.00</b>

(1) The pension funds are controlled by employees that participate in the respective entities.

(2) Information not available, as participation is less than 5%.

The Company is bound to arbitration in the Market Arbitration Chamber, as established by the arbitration clause in the by-laws.



## INDEPENDENT AUDITORS' REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Board of Directors and Shareholders of  
BRF S.A.  
Itajaí - SC

### Introduction

We have reviewed the accompanying individual and consolidated interim financial information of BRF S.A. ("Company") contained in the Quarterly Information Form - ITR for the quarter ended June 30, 2021, which comprises the statement of financial position as of June 30, 2021 and the respective statements of income (loss) and comprehensive income (loss) for the three and six-month period then ended, and changes in equity and cash flows for the six-month period then ended, including the explanatory notes.

The Company's management is responsible for the preparation of this individual and consolidated interim financial information in accordance with Technical Pronouncement CPC 21 (R1) - *Demonstração Intermediária* and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board - IASB, as well as for the presentation of this information in accordance with standards issued by the *Comissão de Valores Mobiliários - CVM*, applicable to the preparation of Quarterly Information Form - ITR. Our responsibility is to express a conclusion on this interim financial information based on our review.

### Scope of review

We conducted our review in accordance with the Brazilian and International standards on review engagements of interim financial information (NBC TR 2410 - Revisão de Informações Intermediárias Executada pelo Auditor da Entidade and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for the financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the auditing standards and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion on the individual and consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the Quarterly Information Form - ITR referred to above has not been prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34, issued by IASB, applicable to the preparation of Quarterly Information Form - ITR, and presented in accordance with the standards issued by the *Comissão de Valores Mobiliários - CVM*.

### Emphasis of matter

We draw attention to explanatory note 1.4 to the interim financial information, individual and consolidated, which describe the investigations concluded by United States Government authorities and the ongoing investigations conducted by Brazilian Government authorities involving the Company, as well as their current and potential developments. In the current stage of the ongoing investigations, it is not possible to determine the potential financial and non-financial impacts on the Company resulting from them and of their potential developments and, consequently, to record potential losses which could have a material adverse effect on the Company's financial position, results of operations and cash flows in the future. Our conclusion is not modified in respect of this matter.

### Other matters - Statements of Value Added

The interim financial information above mentioned includes the Statements of Value Added, individual and consolidated, for the six-month period ended June 30, 2021, prepared under the responsibility of the Company's management and presented as supplementary information for the purposes of IAS 34. These statements were submitted to review procedures together with the review of the Quarterly Information, with the objective of concluding whether they are reconciled with the interim financial information and accounting records, as applicable, and whether their form and content are in accordance with the criteria defined in Technical Pronouncement CPC 09 - Statement of Added Value. Based on our review, nothing has come to our attention that causes us to believe that it has not been prepared, in all material respects, in accordance with the criteria defined in this Pronouncement and consistent with the individual and consolidated interim financial information taken as a whole.

São Paulo, August 12, 2021

KPMG Auditores Independentes  
CRC 2SP014428/O-6  
Original report in Portuguese signed by

Fabian Junqueira Sousa  
Accountant CRC 1SP235639/O-0

## OPINION OF THE AUDIT AND INTEGRITY COMMITTEE

The Audit and Integrity Committee of BRF S.A., in fulfilling its statutory and legal duties, examined the interim financial information (parent company and consolidated) for the six-month period ended on June 30, 2021, the Management Report and the review report issued without modification by KPMG Auditores Independentes.

There were no situations of significant divergence between the Company's Management, the independent auditors and the Audit Committee in relation to the Company's interim financial information.

Based on the documents reviewed and the explanations provided, the members of the Audit and Integrity Committee, undersigned, issued the opinion that the interim financial information are in a position to be approved.

São Paulo, August 12, 2021.

Augusto Marques da Cruz Filho  
Coordinator (Independent)

Ivandr  Motiel da Silva  
Non-Independent member

Marcelo Feriozzi Bacci  
Independent member

Jer nimo Antunes  
External member

Valmir Pedro Rossi  
External member

## STATEMENT OF EXECUTIVE BOARD ON THE INTERIM FINANCIAL INFORMATION AND INDEPENDENT AUDITOR'S REPORT

In compliance with the dispositions of sections V and VI of the article 25 of the CVM Instruction No. 480/09, the executive board of BRF S.A. states that:

- (i) reviewed, discussed and agreed with the Company's interim financial information for the six-month period ended on June 30, 2021, and
- (ii) reviewed, discussed and agreed with the opinions expressed in the audit report issued by KPMG Auditores Independentes for the Company's interim financial information for the six-month period ended on June 30, 2021.

São Paulo, August 12, 2021.

Lorival Nogueira Luz Júnior  
Global Chief Executive Officer

Carlos Alberto Bezerra de Moura  
Chief Financial and Investor Relations Officer

Alessandro Rosa Bonorino  
Vice-President of People, Services and Technology

Grazielle Tallia Parenti  
Vice-President of Institutional Relations and Sustainability

Leonardo Campo Dallorto  
Vice-President of Integrated Planning and Logistics

Marcel Sacco  
Vice-President of New Business

Neil Hamilton dos Guimarães Peixoto Jr.  
Vice-President of Quality and Research & Development

Sidney Rogério Manzano  
Vice-President of Brazil Market

Vinícius Guimarães Barbosa  
Vice-President of Operations and Procurement