

São Paulo, August 10, 2021 – Marfrig Global Foods S.A. – Marfrig (B3 Novo Mercado: MRFG3 and Level 1 ADR: MRRTY) announces today its results for the second quarter of 2021 (2Q21). Except where stated otherwise, the following operating and financial information is presented in nominal Brazilian real, in accordance with International Financial Reporting Standards (IFRS), and should be read together with the income statement and notes to the financial statements for the period ended June 30, 2021 filed at the Securities and Exchange Commission of Brazil (CVM).



Base Date: Aug. 09, 2021

Market Cap:

R\$13.9 billion

Stock Price:

MRFG3 R\$19.52

Shares issued:

711,369,913 shares



**Conference Call in English
Wednesday – Aug 11, 2021**

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Consolidated 2Q21 Highlights

- **Net Revenue** of R\$20.6 billion (+9.0% vs. 2Q20);
- **Adjusted EBITDA** of R\$3.9 billion (-3.6% vs. 2Q20);
- **Adjusted EBITDA Margin** of 19.1% (-249 bps vs. 2Q20);
- **Net Income** of R\$1.7 billion (+9.0% vs. 2Q20);
- **Free Cash Flow** of R\$2.2 billion (-31.4 vs. 2Q20).

Operating Highlights

NORTH AMERICA OPERATION

- **Net Revenue** of US\$2.9 billion (+10.1% vs. 2Q20);
- **Adjusted EBITDA** of US\$722 million (+13.8% vs. 2Q20);
- **Adjusted EBITDA Margin** of 24.5% (+80 bps vs. 2Q20).

SOUTH AMERICA OPERATION

- **Net Revenue** of R\$5.0 billion (+14.1% vs. 2Q20);
- **Adjusted EBITDA** of R\$181 million (-70.5% vs. 2Q20);
- **Adjusted EBITDA Margin** of 3.6% (-10.3 bps vs. 2Q20).

Other Highlights

- **Financial leverage** measured as ratio of Net Debt/ Adjusted EBITDA LTM of 1.45x in Brazilian real and 1.55x in U.S. dollar.
- **Dividends:** Proposal to distribute dividends in the amount of R\$958.4 million | Dividend yield approximately of 7%.
- **Equity Investment:** acquisition of indirect relevant interest in BRF.
- **Further Processing:** segment accounted for around 15% of the Net Revenue of the South America Operation in 2Q21, up from 9% in 2Q20.
- **Efficiency Program:** gain of around R\$30 million in 2Q20.
- **Investment in last 12 months of R\$1.7 billion:** in projects to expand organic growth and higher-value products.

Events after the reporting period

- **Agribusiness Certificates of Receivables (CRA):** Issue of R\$1.2 billion, in two series of 7 and 10 years, with an average rate after the swap operation of CDI + 0.97% p.a., making it one of Marfrig's lowest-cost operations ever.
- **Treasury shares Cancellation:** Approval of the cancellation of 20 million shares held in treasury
- **Buyback Share Program:** Approval of repurchase of up to 26.3 million shares

Message from Management

The second quarter of 2021 was marked by the excellent scenario in the United States, which reflected the high supply of animals combined with strong demand for beef. This favorable environment was supported by inventory rebuilding in the food service chain, the economic situation driven by stimulus packages and strong seasonality, i.e., the so-called barbecue season.

Primary processing volume in the U.S. industry reached 6.6 million head in the quarter, increasing 17.4% in relation to the same period of 2020. The cattle cost accompanied the higher primary processing volume (in the reference price USDA KS Steer \$/cwt), increasing by 12% in 2Q21 compared to 2Q20. The higher raw material cost was practically offset by the stability in the beef sales price (USDA Comp Cutout \$/cwt), which, multiplied by the higher sales volume, led the North America Operation to deliver its best result ever.

In contrast, South America is experiencing a situation different from that of the other countries where Marfrig operates. In Brazil, where domestic demand is still slowly recovering, exports remained the main driver of profitability in the protein industry. However, despite this demand from export markets, primary processing volume in the country declined sharply from the same period last year. The effects from the lower primary processing and sharp increases in raw material costs led exports to decline in the first six months compared to the same six-month period of 2020. According to data compiled by the Ministry of Agriculture, Livestock & Supply (MAPA) with SECEX/ME, beef shipments decreased slightly, with the 874,000 tons shipped in the period representing declines of 33,000 tons or 3.6% from the prior-year period.

Meanwhile, in Uruguay, which is experiencing a scenario different from that of its South American counterparts, according to data from the National Meat Institute (INAC), primary processing volume increased 33.5% on the prior-year quarter (647k head in 2Q21 vs. 485k head in 2Q20). The trend suggests a rebuilding of the cattle herd over recent years and that the supply of finished cattle will increase over the coming years.

Thanks to its geographic diversification, with a strong presence in North America and a lean and focused operation in South America, Marfrig reported record-high net revenue (R\$20.6 billion) and its second highest Adj. EBITDA (R\$3.9 billion) on a quarterly basis, representing Adj. EBITDA margin of 19%.

Another highlight was Marfrig's record-high net income, which grew 10% on the prior-year quarter to R\$1.7 billion in 2Q21. In the first six months of 2021, net income was R\$2 billion. Based on this result, Management is proposing the distribution in advance of interim dividends, of approximately R\$958 million.

Marfrig also continued to uphold its nonnegotiable commitment to financial health and ended 2Q21 with its lowest leverage ratio (net debt/Adjusted EBITDA) ever: 1.45x in BRL and 1.55x in USD.

Still in the second quarter, Marfrig announced the acquisition of a passive relevant interest in BRF. The acquisition is in line with the Company's strategy to diversify its investments in segments that complement its business sector.

We will continue to focus on creating value for all shareholders, on always operating sustainably and on creating value for the cattle chain, our local communities and, especially, all Marfrig clients and partners.

Marcos Antonio Molina dos Santos
Chairman of the Board

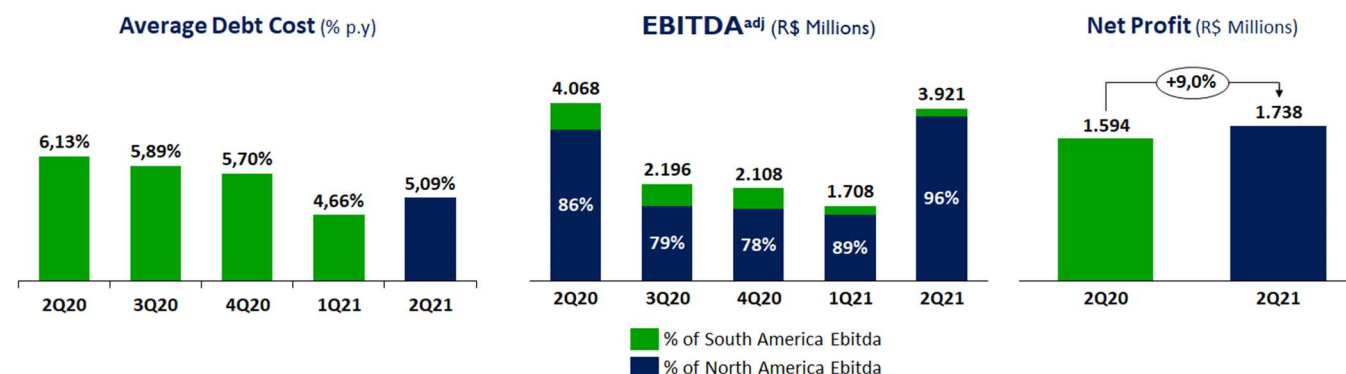
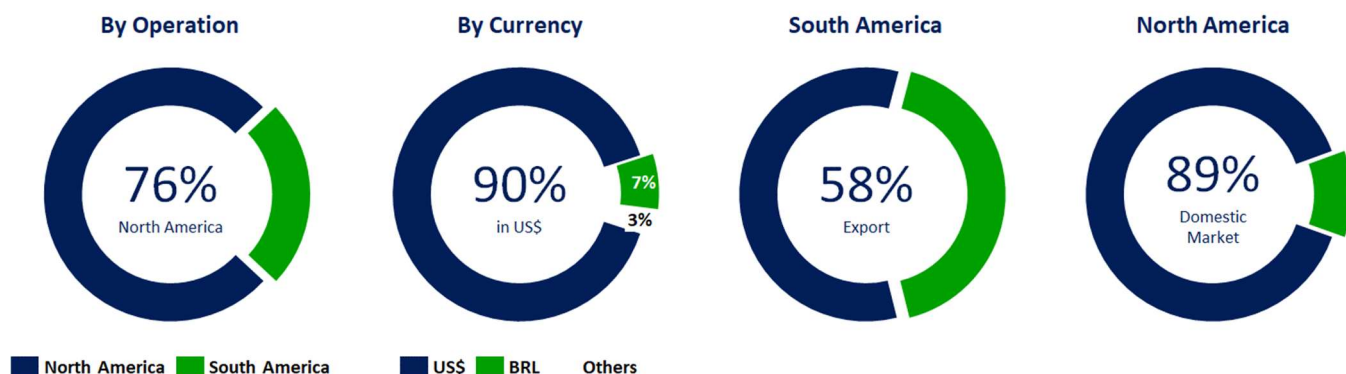
Key Consolidated Indicators

R\$ Million	2Q21	2Q20	Var. %	1Q21	Var. %	LTM2Q21	LTM2Q20	Var. %
Net Revenue	20.574	18.881	9,0%	17.236	19,4%	72.909	59.344	22,9%
North America	15.550	14.479	7,4%	12.663	22,8%	52.907	42.802	23,6%
South America	5.023	4.402	14,1%	4.573	9,8%	20.002	16.543	20,9%
Adj. EBITDA	3.921	4.068	-3,6%	1.708	129,5%	9.934	8.408	18,1%
North America	3.782	3.480	8,7%	1.523	148,3%	8.684	6.791	27,9%
South America	181	613	-70,5%	211	-14,2%	1.380	1.759	-21,6%
Adj. EBITDA Margin (%)	19,1%	21,5%	-249 bps	9,9%	915 bps	13,6%	14,2%	-54 bps
North America	24,3%	24,0%	28 bps	12,0%	1229 bps	16,4%	15,9%	55 bps
South America	3,6%	13,9%	-1033 bps	4,6%	-101 bps	6,9%	10,6%	-374 bps
Net Profit	1.738	1.594	9,0%	279	522,0%	3.862	1.584	143,8%
Net Debt (in R\$)	14.378	17.382	-17,3%	17.747	-19,0%	14.378	17.382	-17,3%
Net Debt LTM EBITDA (R\$)	1,45 x	2,07 x	-0,62 x	1,76 x	-0,31 x	1,45 x	2,07 x	-0,62 x
Net Debt LTM EBITDA (US\$)	1,55 x	1,79 x	-0,24 x	1,69 x	-0,14 x	1,55 x	1,79 x	-0,24 x
Average Cost of Debt (% a.a)	5,09%	6,13%	-103 bps	4,66%	43 bps	5,09%	6,13%	-103 bps
Average Debt Term (years)	4,76	4,35	9,3%	5,05	-5,8%	4,76	4,35	9,3%

* Calculation of Consolidated Adj. EBITDA considers the amounts related to Corporate, in accordance with Appendix I.

Select Consolidated Results

Net Revenue



Results by Business Unit

North America Operation

Volume (thousand tons)	2Q21	2Q20	Var. %	1Q21	Var. %	LTM2Q21	LTM2Q20	Var. %
Total Volume	507	451	12,5%	508	-0,2%	2.044	1.943	5,2%
Domestic Market	436	380	14,8%	429	1,8%	1.744	1.634	6,7%
Exports	71	71	0,1%	79	-10,8%	300	309	-2,7%

US\$ Million	2Q21	2Q20	Var. %	1Q21	Var. %	LTM2Q21	LTM2Q20	Var. %
Net Revenue	2.948	2.678	10,1%	2.315	27,3%	9.842	9.451	4,1%
Domestic Market	2.635	2.437	8,1%	2.021	30,4%	8.697	8.348	4,2%
Exports	313	241	29,9%	294	6,4%	1.145	1.103	3,8%
COGS	(2.162)	(1.991)	8,6%	(1.978)	9,3%	(7.969)	(7.818)	1,9%
Gross Profit	786	687	14,5%	337	133,1%	1.873	1.633	14,7%
Gross Margin (%)	26,7%	25,6%	103 bps	14,6%	1.211 bps	19,0%	17,3%	175 bps
Adj. EBITDA	722	635	13,8%	277	160,5%	1.628	1.426	14%
Margin (%)	24,5%	23,7%	80 bps	12,0%	1253 bps	16,5%	15,1%	146 bps

Net Revenue & Volume

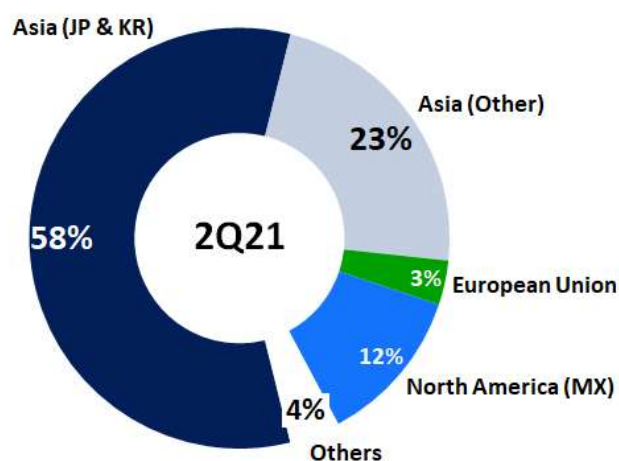
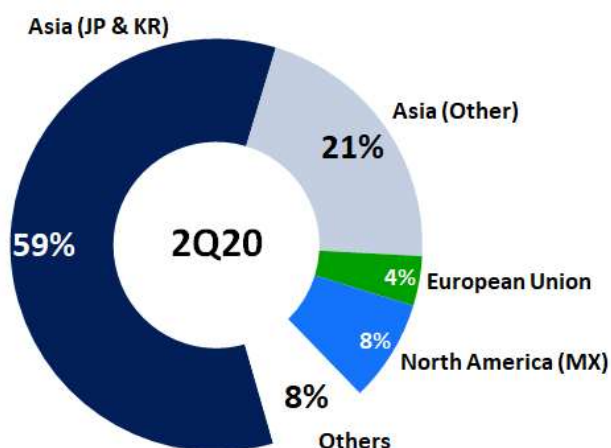
At the North America Operation, total sales volume in 2Q21 came to 507k tons (+12.5% vs. 2Q20), of which 436k tons (or 86% of the total) were sold in the domestic market.

The net revenue of the North America Operation set a new a record for the period, of US\$2,948 million, representing an increase of 10.1% compared to 2Q20. In Brazilian real, the operation's net revenue was R\$15,550 million, up 7.4% on 2Q20.

This strong performance is explained by the higher total sales volume and the higher average sales price in the export market, which increased 30% compared to 2Q20 and offset the 5.7% decline in the average price in USD in the domestic market.

Export Profile

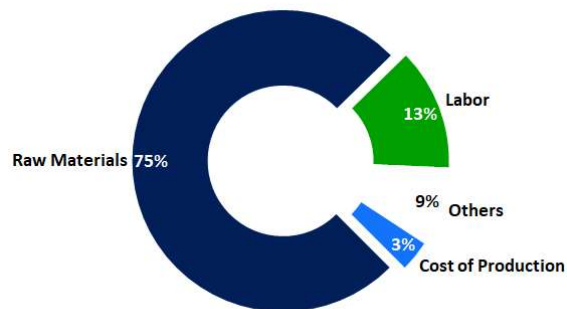
(% of Net Revenue)



Cost of Goods Sold

In 2Q21, cost of goods sold was US\$2,162 million, increasing 8.6% compared to 2Q20, explained by the higher average cattle price, as explained below, and the higher sales volume in the period.

The average price used as a reference for cattle purchases (USDA KS Steer) was US\$119.76/cwt, increasing 12.0% from 2Q20, reflecting the normalization of capacity utilization in 2Q21 compared to 2Q20, which was the worst period of the pandemic and registered the highest absentee rate in the industry.



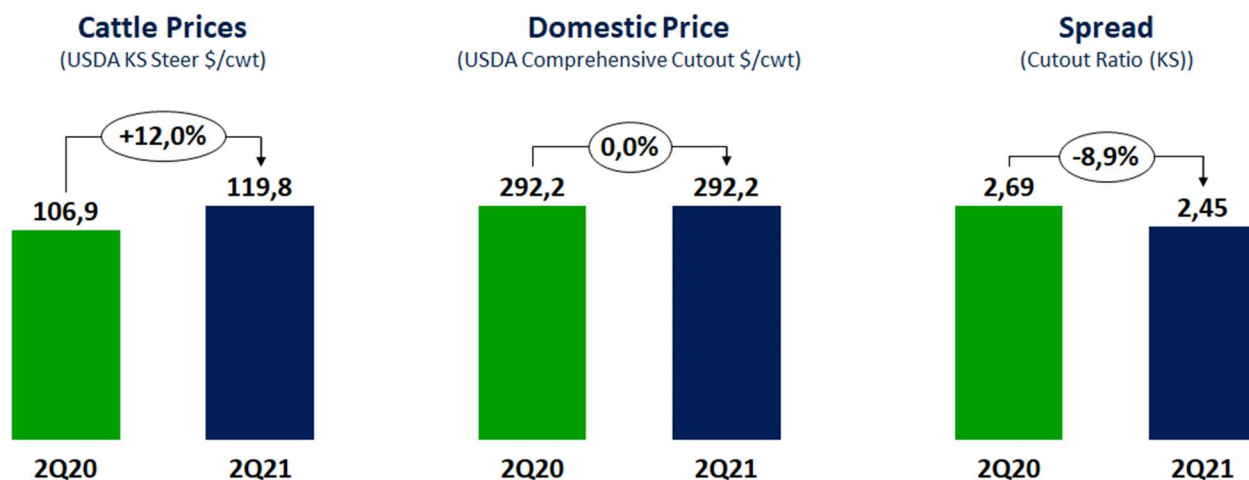
Gross Income & Gross Margin

Gross profit was US\$786 million in 2Q21, advancing 14.5% compared to 2Q20. In Brazilian real, gross income came to R\$4,120 million, 9.6% higher than the gross income reported in the same quarter of 2020.

The figure, which set a new record for the period, is explained by the strong demand for beef products in the United States combined with the high cattle supply.

In 2Q21, the average sales price indicator (USDA Comprehensive) stood at US\$292.66/cwt, in line with the same period of 2020. Another highlight in the quarter was the credits from subproducts, such as leather and other products, which increased 64.4% to US\$11.74/cwt, compared to US\$7.14/cwt in 2Q20.

Consequently, gross margin in 2Q21 was 26.7%, expanding 103 bps from a year earlier.



Adj. EBITDA & Adj. EBITDA Margin

Adj. EBITDA in 2Q21 reached US\$722 million, which is the operation's highest quarterly result ever and 13.8% higher than in 2Q20. Adj. EBITDA margin in the quarter was 24.5%, expanding 70 bps from 2Q20.

In Brazilian real, Adj. EBITDA was R\$3,782 million, growing 8.7% from 2Q20.

South America Operation

Volume (thousand tons)	2Q21	2Q20	Var. %	1Q21	Var. %	LTM2Q21	LTM2Q20	Var. %
Total Volume	319	339	-5,8%	311	2,8%	1.394	1.435	-2,9%
Domestic Market	208	209	-0,4%	193	7,8%	865	947	-8,7%
Exports	111	130	-14,4%	117	-5,4%	529	488	8,5%

R\$ Million	2Q21	2Q20	Var. %	1Q21	Var. %	LTM2Q21	LTM2Q20	Var. %
Net Revenue (R\$ Million)	5.023	4.402	14,1%	4.573	9,8%	20.002	16.543	20,9%
Domestic Market	2.126	1.389	53,1%	1.812	17,3%	7.991	6.566	21,7%
Exports	2.898	3.013	-3,8%	2.761	5,0%	12.011	9.977	20,4%
COGS	(4.635)	(3.600)	28,7%	(4.174)	11,0%	(17.756)	(14.050)	26,4%
Gross Profit	389	802	-51,5%	399	-2,6%	2.246	2.493	-9,9%
Gross Margin (%)	7,7%	18,2%	-1048 bps	8,7%	-99 bps	11,2%	15,1%	-384 bps
Adj. EBITDA	181	613	-70,5%	211	-14,2%	1.380	1.759	-21,6%
Margin (%)	3,6%	13,9%	-1033 bps	4,6%	-101 bps	6,9%	10,6%	-374 bps

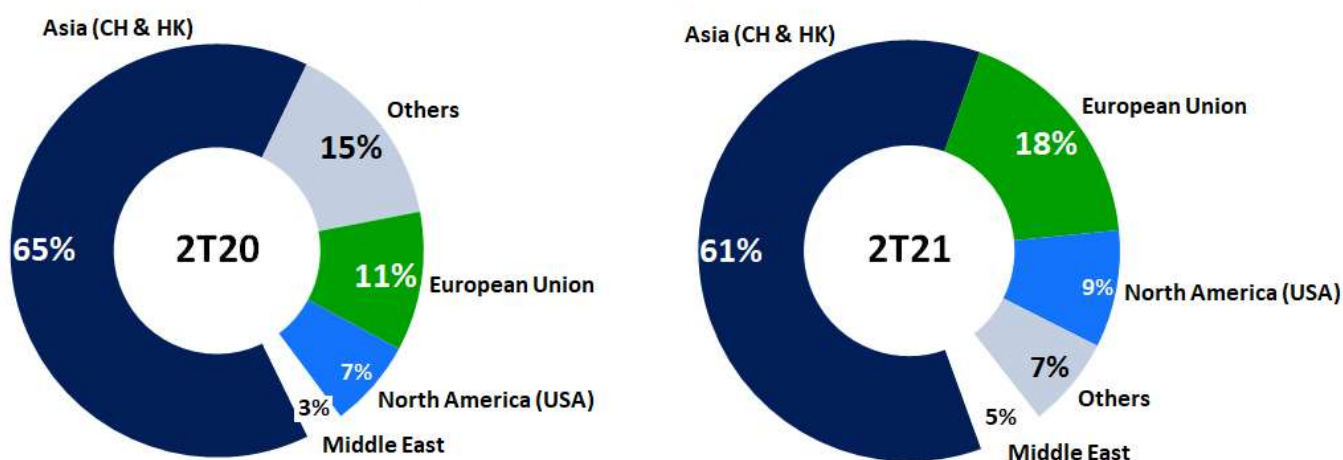
Net Revenue & Volume

In 2Q21, the South America Operation registered sales volume of 319k tons, 5.8% lower than in the prior-year quarter. The reduction is explained mainly by the 14.4% decline in sales volume to export markets.

Net revenue from the South America Operation was R\$5,023 million in 2Q21, 14.1% higher than in 2Q20. Performance in the quarter is explained by: (i) the 21.1% increase in the average price of total sales, led by the average price practiced in the domestic market, which rose 53.7% in the comparison period, offsetting the lower total sales, which decreased 5.8%.

In the second quarter, exports accounted for 58% of the operation's revenue. Approximately 61% of the operation's total export revenue came from shipments to China and Hong Kong.

Export Profile (% of Net Revenue)



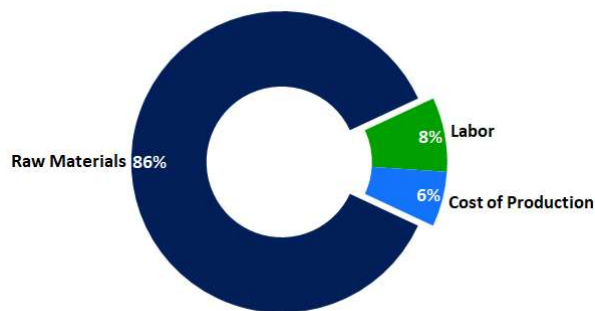
Cost of Goods Sold

Cost of goods sold was R\$4,635 million, up 28.7% on the same period of 2020. The increase is basically explained by raw material costs, which accounted for 85.6% of total COGS.

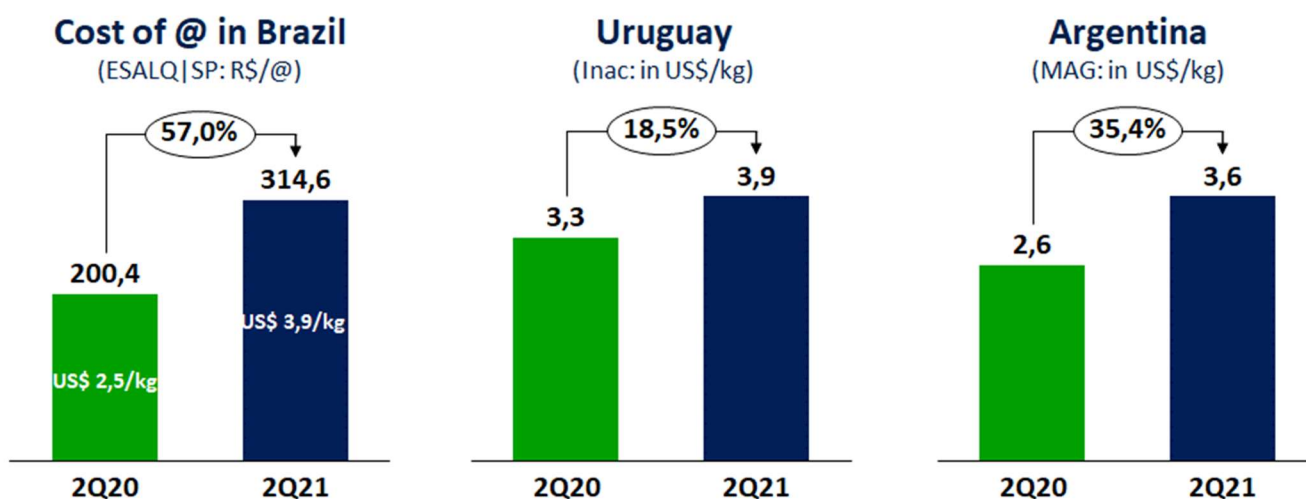
In Brazil, the cattle cost (CEPEA *arroba* price) was R\$314.6, increasing 57% on the prior-year period. According to data from the Ministry of Agriculture, primary processing came to 10.2 million head between January and June (considering meatpackers that operate under federal inspection), with this volume 3% lower than in 2Q20. In this analysis, the data compiled by the specialized consulting firm Agrifatto show that primary processing volume at meatpackers under federal inspection was the lowest of the last 17 years.

In Argentina, raw material costs also rose, to US\$ 3.560/ton, or 35.4% higher than in the same quarter of 2020.

In Uruguay, the cattle price fell 18.5% from a year earlier (US\$3.82 in 2Q21 vs. US\$3.26 in 2Q20), according to INAC data.



Cost of Cattle By Country



Gross Income & Gross Margin

In 2Q21, gross income from the South America Operation was R\$389 million, decreasing 51.5% from 2Q20. Gross margin in the quarter stood at 7.7%, compared to 18.2% in the prior-year quarter. The margin compression is explained by the above-mentioned increase in cattle costs and the decrease in total sales, with these factors partially offset by the higher sales of further-processed products and the initiatives to cut costs and expenses under the operating improvements and efficiency program launched in 2019.

The program captured gains of around R\$30 million in 2Q21 compared to 1Q21, which had a direct impact on the operating performance of the South America Operation.

Note that the measures described above are structural and that their gains, under the rigid discipline of the program of targets set for each year, will perpetuate going forward regardless of conditions external to the business.

Adj. EBITDA & Adj. EBITDA Margin

In 2Q21, the Adj. EBITDA of the South American Operation was R\$181 million, 70.5% lower than in 2Q20. Adj. EBITDA Margin was 3.6%, representing compression of 1,033 bps on the prior-year quarter, due to the reasons described above.

Consolidated Results

Consolidate Results

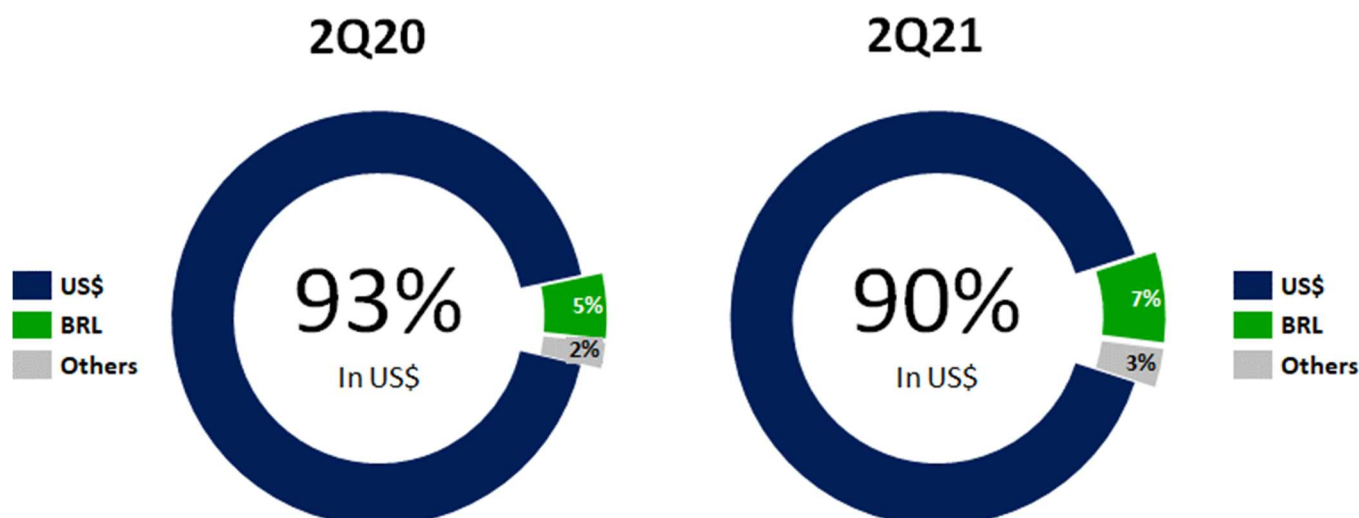
Volume (thousand tons)	2Q21	2Q20	Var. %	1Q21	Var. %	LTM2Q21	LTM2Q20	Var. %
Consolidated Volume	826	790	4,7%	819	0,9%	3.438	3.378	1,8%
Domestic Market	645	589	9,4%	622	3,6%	2.609	2.582	1,1%
Exports	182	200	-9,3%	197	-7,6%	830	797	4,1%

R\$ Million	2Q21	2Q20	Var. %	1Q21	Var. %	LTM2Q21	LTM2Q20	Var. %
Net Revenue (R\$ Million)	20.574	18.881	9,0%	17.236	19,4%	72.909	59.344	22,9%
Domestic Market	16.023	14.569	10,0%	12.868	24,5%	54.740	44.464	23,1%
Exports	4.551	4.311	5,6%	4.368	4,2%	18.168	14.880	22,1%
COGS	(16.065)	(14.320)	12,2%	(14.986)	7,2%	(60.666)	(49.132)	23,5%
Gross Profit	4.509	4.561	-1,1%	2.250	100,4%	12.243	10.213	19,9%
Gross Margin (%)	21,9%	24,2%	-224 bps	13,1%	886 bps	16,8%	17,2%	-42 bps
Adj. EBITDA	(965)	(851)	13,4%	(912)	5,8%	(3.787)	(3.072)	23,3%
Margin (%)	3.921	4.068	-3,6%	1.708	129,6%	9.934	8.408	18,1%
Net Revenue (R\$ Million)	19,1%	21,5%	-249 bps	9,9%	915 bps	13,6%	14,2%	-54 bps
Financial Result	52	(774)	n.a	(733)	-107,1%	(1.449)	(3.233)	-55,2%
Financial Result Before Tax	3.503	2.807	24,8%	508	589,0%	6.652	3.512	89,4%
Net Financial Result	1.738	1.594	9,0%	279	522,0%	3.862	1.584	143,8%

Consolidated Net Revenue

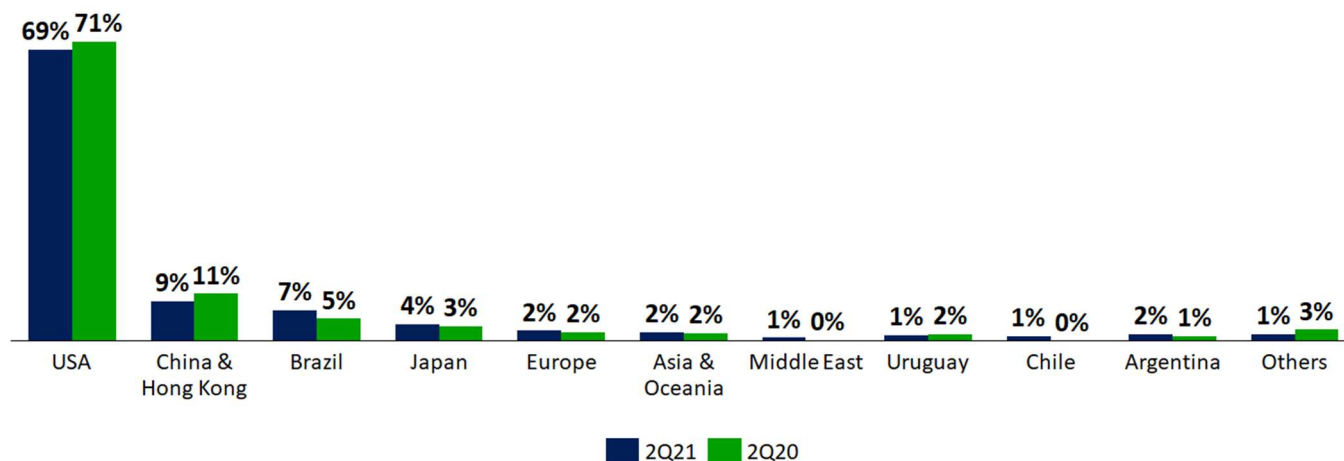
In 2Q21, Marfrig's consolidated net revenue set a record-high of R\$20,574 million, representing growth of 9.0% on 2Q20, supported by the revenue growth of 14.1% at the South America Operation and of 7.4% at the North America Operation in Brazilian real.

In 2Q21, net revenue in U.S. dollar and in currencies other than the Brazilian real accounted for 90% of total revenue, corresponding to the sum of the revenues generated by the North America Operation and by exports from South America. Meanwhile, only 7% of the Company's revenue was generated in Brazilian real.



Consumer Markets (% of Consolidated Net Revenue)

Marfrig's revenue mix in terms of geographies is distributed across the world's main consumer markets. In 2Q21, the United States accounted for 69% of consolidated sales, exports to China for 9% and Brazil's domestic market for 7%.



Cost of Goods Sold

In 2Q21, Marfrig's cost of goods sold came to R\$16,065 million, increasing 12.2% on the prior-year period, explained by the higher raw material costs in both the South America and North America Operations, as mentioned above, with this factor partially offset by the effects from the weaker BRL on the translation into USD of the costs of the North American Operation.

Selling, General & Administrative Expenses

Selling, general & administrative (SG&A) expenses amounted to R\$965 million. SG&A expenses as a ratio of net revenue (SG&A/NOR) stood at 4.69%, up 18 bps from 4.51% in 2Q20.

Selling expenses were R\$685 million, or 3.3% of net revenue, up 10 bps on the prior-year quarter. The increase in selling expenses is basically explained by higher freight and logistics expenses, which were offset by the lower sales volume.

General and administrative expenses came to R\$279 million, or 1.4% of net revenue, in line with the ratio in 2Q20.

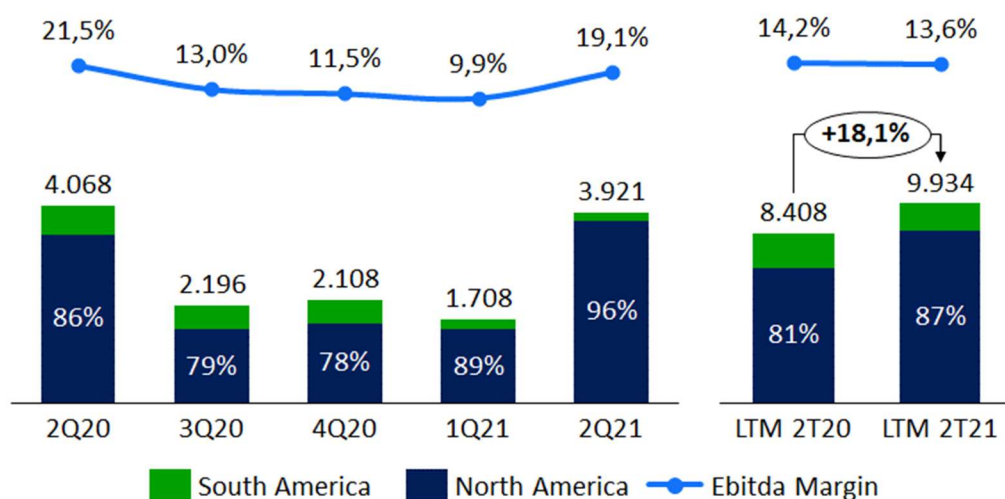
Adj. EBITDA & Adj. EBITDA Margin

In 2Q21, Adj. EBITDA was R\$3,921 million, down 3.6% compared to 2Q20. Adj. EBITDA margin stood at 19.1%, compressing 249 bps from 2Q20.

Performance in the quarter is explained by: (i) the record-high performance of the North America Operation, which offset the lower primary processing volume and consequent lower sales volume in the South America Operation.

In the quarter, 96% of consolidated Adj. EBITDA was contributed by the North America Operation.

adjEBITDA & Margin (R\$ million)



Consolidated Financial Result

The net financial result in 2Q21, excluding the effects from exchange variation, was an expense of R\$43.9 million, representing a reduction of 87.3% from 1Q21.

Exchange variation in the quarter registered a gain of R\$96.3 million, based on end-of-period exchange rates (R\$5.00 in 2Q21 vs. R\$5.70 in 1Q21).

As a result, the net financial result in 2Q21, considering exchange variation, was positive R\$52.4 million.

A highlight in the quarter was the R\$228.2 million gain from the mark-to-market adjustment of the passive investment in the shares of BRF, which was recognized under "Other Revenues and Expenses," as shown in the following table.

R\$ Million	2Q21	2Q20	Var. %	1Q21	Var. %	LTM2Q21	LTM2Q20	Var. %
Net Interest Provisioned	(321)	(496)	-35,3%	(408)	-21,2%	(1.636)	(1.282)	27,6%
Other Financial Revenues and Expenses	277	37	658,5%	62	347,2%	503	(596)	n.a
Financial Result	(44)	(460)	-90,5%	(346)	-87,3%	(1.133)	(1.878)	-39,7%
Exchange Variation	96	(314)	n.a	(387)	n.a	(316)	(1.355)	-76,7%
Net Financial Result	52	(774)	n.a	(733)	-107,1%	(1.449)	(3.233)	-55,2%

Net Income (Loss)

In 2Q21, net income from continuing operations was R\$1,737.6 million, advancing 9% on 2Q20.

In the year to date, net income came to R\$2,017.0 million, 38.4% higher than in the same six-month period of 2020.

Based on this strong performance, management is proposing the distribution of approximately R\$958 million in dividends.

Marfrig's consistent delivery of profitability over periods is the result of management's straightforward strategy, focus on operating efficiency and nonnegotiable commitment to financial discipline.

Capital Expenditures

In 2Q21, capex amounted to R\$454.5 million, of which approximately 50.3%, or R\$228.8 million, was allocated to maintenance and operational improvements.

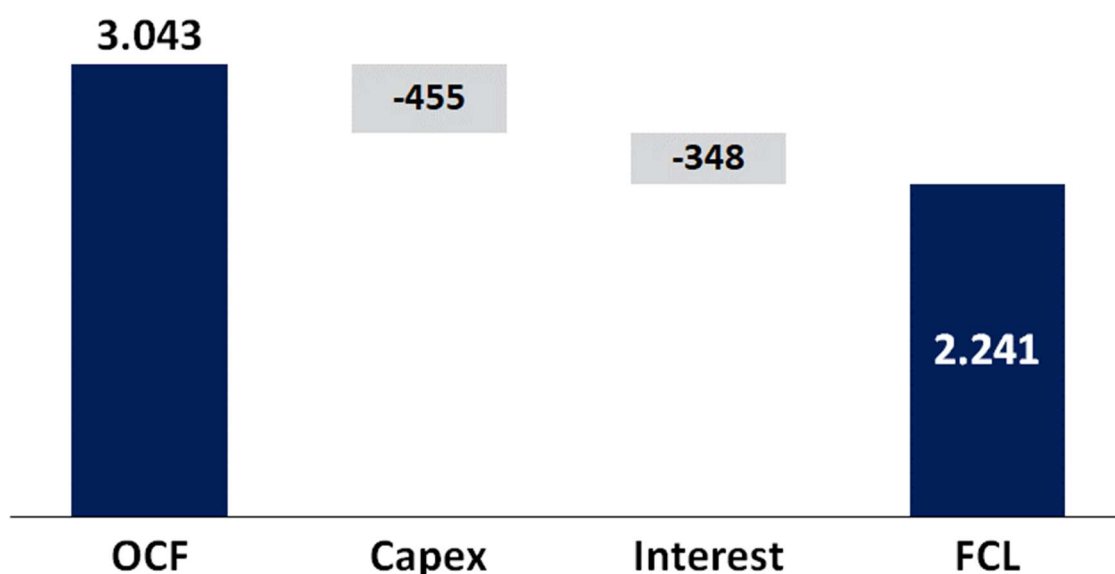
The remaining balance (49.7% or R\$225.7 million) was allocated to investments in organic growth projects, with highlights including the expansion in primary processing capacity, the beef patty lines and the stocking and cold room areas at the Várzea Grande Complex.

Other investments include the expansion of canned beef production capacity at Pampeano and the beef patty plant at Bataguassu.

Cash Flow

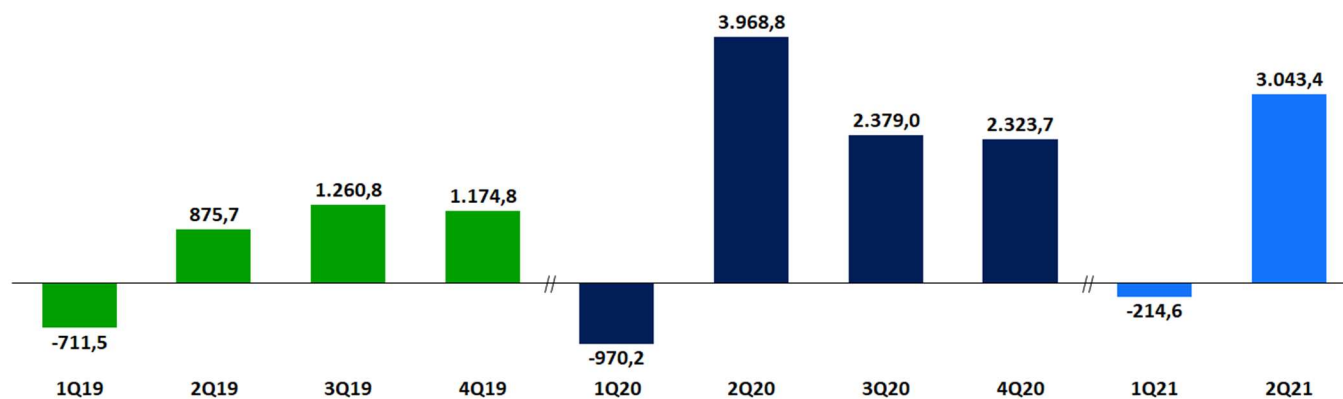
Marfrig's operating cash flow was positive R\$3,043.4 million in 2Q21, explained essentially by the record-high performance of the North America Operation. In the quarter, capital expenditures came to R\$454.5 million and interest expenses amounted to R\$347.7 million, which resulted in free cash flow of R\$2,241.2 million.

Free Cash Flow (R\$ Million)



As mentioned above, the strong cash generation in 2Q21 was sufficient to cover 15 times the cumulative balance of the first quarter.

Operational Cash Flow (R\$ Million)



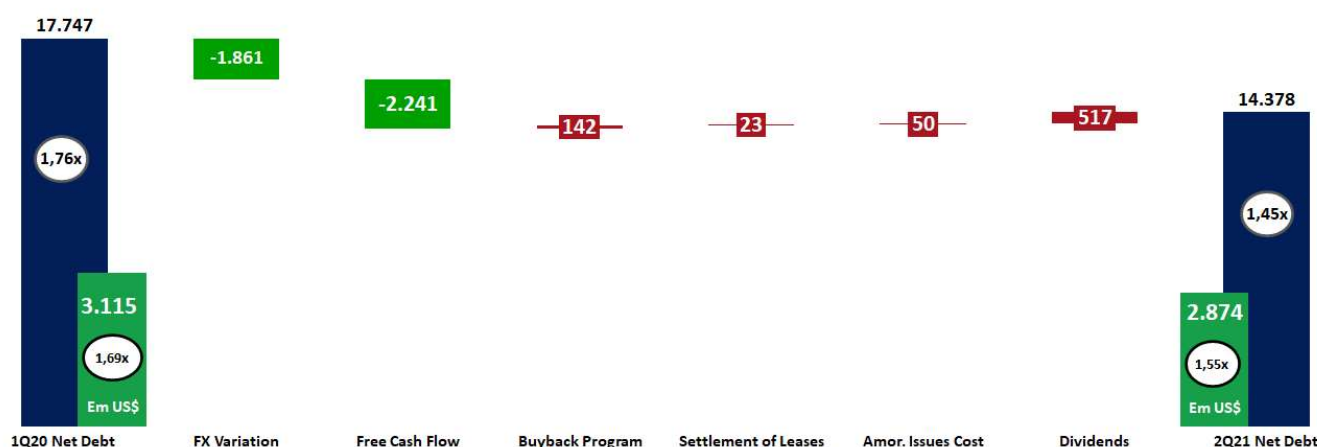
Capital Structure

Net Debt

Because a large portion of Marfrig's debt is denominated in U.S. dollar (debt denominated in USD or currencies other than the BRL ended the quarter at roughly 78% of total debt), the variations discussed in this section are based on the amounts in U.S. dollar.

Net debt ended 2Q21 at US\$2,874 million, down 7.7% from 1Q21. In BRL, net debt ended the quarter down 19%, at R\$14,378 million, compared to R\$17,747 million in 1Q21. The reduction in USD is due to the strong cash generation in the period, mainly at the North America Operation, and in BRL is explained by the exchange variation gain of around R\$1,861 million.

Net Debt Evolution & Leverage (R\$ million)



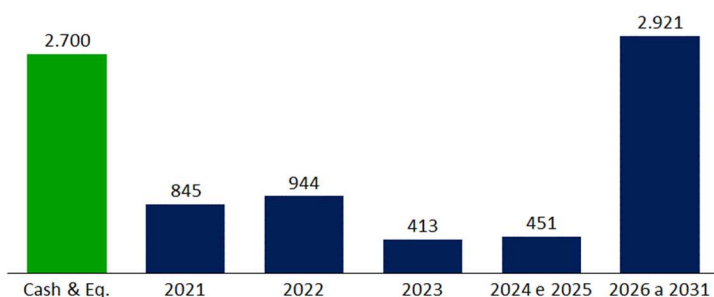
In 2Q21, Marfrig distributed some R\$517.1 million in dividends to third parties, of which R\$141 million refers to the distribution for fiscal year 2020 to all Marfrig shareholders, and the remainder to the non-controlling interest held by National Beef.

Financial leverage, measured by the ratio of net debt to proforma Adj. EBITDA LTM (last 12 months), stood at 1.55x in U.S. dollar, representing a reduction of 0.14x in relation to 1Q21. In BRL, the leverage ratio was 1.45x, or 0.31x lower than in the previous quarter.

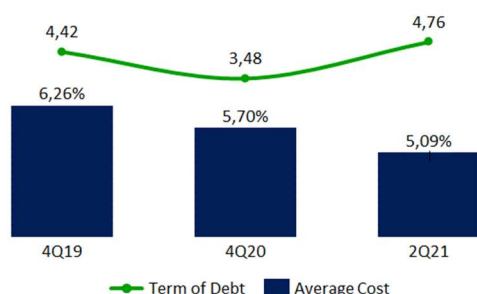
The results represent Marfrig's lowest leverage ratios ever in both currencies, which attests to its commitment to maintaining a solid financial position.

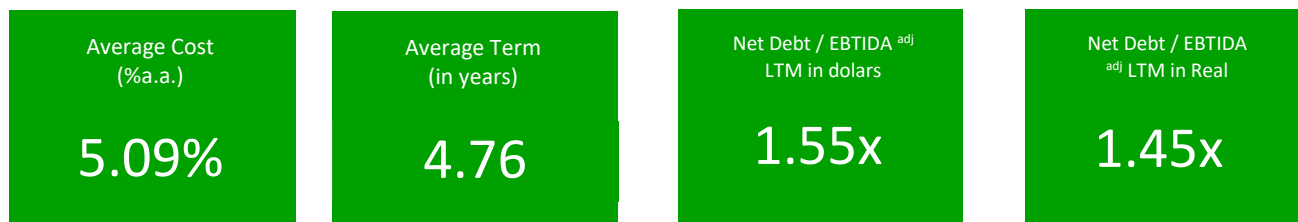
On June 30, 2021, the Company's cash position covered its liabilities coming due over the next four years, its average debt term stood at 4.76 years, its long-term liabilities corresponded to 70% of total debt and its average debt cost was 5.09%.

Cash Position & Debt Maturity Schedule (In R\$ Million)



Average Cost & Term of Debt (% y.y. and years)





LIABILITY MANAGEMENT

On August 9, Marfrig concluded its 8th debentures issue. The debentures were subscribed and paid in by RB Capital Companhia de Securitização, with the proceeds coming from a public offering of certificates of agribusiness receivables (“CRA”) in a single series of the 16th issue. The CRAs are secured by agribusiness credit rights represented by the Issue.

Given the strong demand that exceeded the initial offering of R\$1 billion by 2.3 times, the Company opted to exercise the option of an additional allotment of 20% for which it reduced the interest rate by around 0.315% p.a.

The issue was carried out in two series, with a first series of R\$777 million, due in seven years, with yield of 4.50% p.a., adjusted by the IPCA index, and a second series of R\$423 million, due in 10 years, with yield of 4.60% p.a., also adjusted by the IPCA.

Marfrig opted to carry out a swap agreement of the index so that the issue would be aligned with its debt profile. Therefore, the final cost of the instrument will be approximately CDI plus 0.97% p.a., which represents one of the Company's lowest borrowing costs ever.

Details of Capital Structure

R\$ Million	2Q21	2Q20	Var. %	1Q21	Var. %
Short Term Debt	8.430	4.606	83%	7.380	14%
Long Term Debt	19.452	20.951	-7%	21.424	-9%
Total Gross Debt	27.881	25.556	9%	28.804	-3%
In Brazilian Reais	22%	4%	1830 bps	10%	1192 bps
Foreign currency	78%	96%	-1830 bps	90%	-1192 bps
Cash & Equivalents	(13.504)	(8.174)	65%	(11.057)	22%
Net Debt	14.378	17.382	-17%	17.747	-19%
Net Debt EBITDA^{adj} (R\$)	1,45 x	2,07 x	-0,62 x	1,76 x	-0,31 x
Net Debt EBITDA^{adj} (US\$)	1,55 x	1,79 x	-0,24 x	1,69 x	-0,14 x

ESG Initiatives

Marfrig has a robust ESG management model that adopts sustainability and corporate governance as key pillars of its strategy.

Our business activities generate important social and environmental impacts. We feed billions of people around the world with products made from beef protein, but also operate in an industry with production models characterized by high consumption of natural resources. To minimize the environmental impacts of our activities throughout the value chain, we adopt concrete actions, which are divided into six dimensions. The connection among them is strategic, because it allows us to deliver products of superior quality while also being environmentally responsible:

- Control of origin
- Reducing greenhouse gas emissions
- Animal welfare
- Use of natural resources (water and energy)
- Management, treatment and destination of effluents and solid waste
- Social responsibility

In corporate governance, the Sustainability Committee, which advises the Board of Directors, is formed mostly by independent members, one of whom is a former executive director of Greenpeace, who is responsible for guiding the strategy and conducting bilateral discussions on the topic with all stakeholders.

Highlights of second quarter:

Cerrado Monitoring:

- 100% of the maps of farms in the Cerrado region incorporated in the geomonitoring platform;
- Study of exposure to deforestation risk in Marfrig's supply chain in the Cerrado region.

Deforestation risk map:

- Inclusion in Marfrig's geomonitoring platform;
- Integration with the entire polygon base of Marfrig suppliers.

Program for Sustainable Production of Calves

- Investment of 1.8 million euros for expansion;
- Over 100 small properties benefited.

Unified protocol – Federal Prosecution Office (MPF)

- Pilot audit carried out by independent party with 100% conformity to the criteria of the Unified Protocol.

Tools for monitoring indirect suppliers

- Adoption of Visipeç for identifying indirect suppliers;

- Start of input of supplier data into the blockchain platform Conecta.

With simplified access, Conecta was structured in partnership with Safe Trace, which specializes in traceability in the food chain; CPQD, an audit platform; The Nature Conservancy (TNC), an NGO dedicated to environmental conservation; and Amigos da Terra, an NGO operating in the social and environmental area. To join the system, producers receive an invitation to download the application and to register. After registering, they can upload data on their properties and herds, such as certificates of birth, death and vaccination of the animals, as well as invite their suppliers and register purchases, sales and other operations. The platform also stores the social and environmental certificates required to become a Marfrig supplier.

Events after the reporting period

Nonconvertible debentures

On August 10, 2021, the Corporation announced the issue of one million and two hundred thousand (1,200,000) non-convertible, unsecured debentures in two series issued by the Corporation, with unit face value of one thousand reais (R\$1,000), in the aggregate amount of R\$1,200,000,000.00, for private placement, with the first issue due on July 15, 2028 and the second on July 15, 2031, which marks the eighth (8th) issue of debentures by the Corporation.

Dividend distribution

On August 10, 2021, the Company approved, in a meeting of the Board of Directors, the distribution of interim dividends for the period ended June 30, 2021, in the total amount of nine hundred fifty-eight million, three hundred eighty-eight thousand, eight hundred eighty-three reais and eighty-five centavos (R\$958,388,883.85). The ex-dividend date is September 10, 2021 and the payment date is September 28, 2021.

Cancelling of treasury shares

The Board of Directors of the Company, in a meeting held on August 10, 2021, decided to approve the cancelation of twenty million (20,000,000) common shares, without par value, issued by the Company and held in treasury on said date, without any reduction in the capital stock. With the cancelation of shares, the Company's capital stock is now divided into six hundred ninety-one million, three hundred sixty-nine thousand, nine hundred thirteen (691,369,913) common shares, all registered, book-entry and without par value. Therefore, Article 5 of Marfrig's Bylaws, which establishes its capital stock, should be amended at a Shareholders Meeting to be called at an opportune time.

Buyback Program

The Board of Directors, at a meeting held on August 10, 2021, approved the use of capital reserves, profit reserves and available resources based on the Financial Information for the 2nd quarter of 2021, for the acquisition, in a single operation or in a series of operations, up to 26,342,240 (twenty-six million, three hundred and forty-two thousand, two hundred and forty) common, registered, book-entry shares with no par value, issued by the Company, in accordance with the following terms and conditions ("Buyback Program").

Other

The Company entered into option agreements formalizing its intention to buy shares representing 8.93% of the capital stock of BRF. This agreements are in the process of being analyzed by Brazil's antitrust agency CADE (*Conselho Administrativo de Defesa Econômica*).

Disclaimer

This material is a presentation of general information about Marfrig Global Foods S.A. and its consolidated subsidiaries (jointly the "Corporation") on the date hereof. The information is presented in summary form and does not purport to be complete.

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The data contained herein were obtained from various external sources and the Corporation has not verified said data through any independent source. Therefore, the Corporation makes no warranties as to the accuracy or completeness of such data, which involve risks and uncertainties and are subject to change based on various factors.

This material includes forward-looking statements. Such statements do not constitute historical fact and reflect the beliefs and expectations of the Corporation's management. The words "anticipate," "hope," "expect," "estimate," "intend," "project," "plan," "predict," "aim" and other similar expressions are used to identify such statements.

Although the Corporation believes that the expectations and assumptions reflected by these forward-looking statements are reasonable and based on the information currently available to its management, it cannot guarantee results or future events. Such forward-looking statements should be considered with caution, since actual results may differ materially from those expressed or implied by such statements. Securities are prohibited from being offered or sold in the United States unless they are registered or exempt from registration in accordance with the U.S. Securities Act of 1933, as amended ("Securities Act"). Any future offering of securities must be made exclusively through an offering memorandum. This document does not constitute an offer, invitation or solicitation to subscribe or acquire any securities, and no part of this presentation nor any information or statement contained herein should be used as the basis for or considered in connection with any contract or commitment of any nature. Any decision to buy securities in any offering conducted by the Corporation should be based solely on the information contained in the offering documents, which may be published or distributed opportunistically in connection with any security offering conducted by the Corporation, depending on the case.

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APPENDIX I – Income Statement

R\$ Million	2Q21		2Q20		Var.	
	R\$	%ROL	R\$	%ROL	R\$	%
Net sales revenue	20.574	100,0%	18.881	100,0%	1.693	9,0%
Cost of products and goods sold	(16.065)	-78,1%	(14.320)	-75,8%	(1.745)	12,2%
Gross profit	4.509	21,9%	4.561	24,2%	(52)	-1,1%
Selling and General administrative expenses	(965)	-4,7%	(851)	-4,5%	(114)	13,4%
Selling	(685)	-3,3%	(611)	-3,2%	(75)	12,3%
Administrative	(279)	-1,4%	(240)	-1,3%	(39)	16,2%
EBITDA^{adj}	3.921	19,1%	4.068	21,5%	(147)	-3,6%
Other operating income (expenses)	(89)	-0,4%	(130)	-0,7%	41	-31,7%
EBITDA	3.832	18,6%	3.938	20,9%	(106)	-2,7%
Equity Participation	(5)	0,0%	(0)	0,0%	(5)	n.a
D&A	(377)	-1,8%	(358)	-1,9%	(19)	5,2%
EBIT	3.451	16,8%	3.580	19,0%	(130)	-3,6%
Financial Results	52	0,3%	(774)	-4,1%	826	-106,8%
Financial revenues/expenses	(44)	-0,2%	(460)	-2,4%	416	-90,5%
Exchange rate variation	96	0,5%	(314)	-1,7%	410	-130,7%
EBT	3.503	17,0%	2.807	14,9%	696	696
Taxes	(1.127)	-5,5%	(605)	-3,2%	(522)	(522)
Continued Operation - Net Profit	2.376	11,6%	2.202	11,7%	175	2.376
Total Net Profit	2.376	11,6%	2.202	11,7%	175	2.376
Minority Stake	(639)	-3,1%	(608)	-3,2%	(31)	5,1%
Net Profit (Loss) - Continued Op.	1.738	8,4%	1.594	8,4%	144	144
Net Profit (Loss) - Total	1.738	8,4%	1.594	8,4%	144	144
P&L – USD x BRL	R\$ 5,30		R\$ 5,39		(R\$ 0,09)	
BS – USD x BRL	R\$ 5,00		R\$ 5,48		(R\$ 0,48)	

DRE por Operação

2Q21	North America		South America		Corporate	
	R\$	%ROL	R\$	%ROL	R\$	%ROL
Net sales revenue	15.550	100,0%	5.023	100,0%	-	100,0%
Cost of products and goods sold	(11.430)	-73,5%	(4.635)	-92,3%	-	0,0%
Gross profit	4.120	26,5%	389	7,7%	-	0,0%
Selling and General administrative expenses	(522)	-3,4%	(315)	-6,3%	(128)	0,0%
EBITDA adj	3.782	24,3%	181	3,6%	(42)	0,0%

APPENDIX II – Adjusted EBITDA Reconciliation

Reconciliation of Adjusted Ebitda	2Q21	2Q20
R\$ Million		
Net Profit / Loss	1.738	1.594
(+) Provision for income and social contribution taxes	1.127	605
(+) Non-controlling Interest	639	608
(+) Net Exchange Variation	(96)	314
(+) Net Financial Charges	44	460
(+) Depreciation & Amortization	377	358
(+) Equivalence of non-controlled companies	5	0
EBITDA	3.832	3.938
(+) Other Operacional Revenues/Expenses	89	130
EBITDA^{adj}	3.921	4.068

APPENDIX III – Cash Flow

Statement of Cash Flows		
(In thousands of Brazilian reais - R\$)	2Q21	2Q20
Net Income for the period from operations	1.737.639	1.593.947
Non-cash Items	1.592.621	1.644.821
Depreciation and amortization	376.615	357.993
Non-controlling interes	638.762	607.792
Provision for contingencies	621	34.698
Deferred taxes and tax liabilities	284.735	(107.743)
Equity in earnings (losses) of subsidiaries	4.788	-
Exchange variation on financing	(396.293)	323.407
Exchange variation on other assets and liabilities	300.029	(9.368)
Interest expenses on financial debt	347.696	391.082
Interest expenses on financial lease	5.034	5.933
Cost with issue of financial operations	22.807	23.333
Leasing adjustment to present value	28	(485)
Estimated non-realization of inventories	1.269	73
Estimated losses with doubtful accounts	105	3.712
Estimated losses with non-realization of recoverable taxes	218	(101)
Other non-cash effects	6.207	14.495
Equity Changes	(286.884)	729.674
Trade accounts receivable	(1.047.552)	(401.813)
Current inventory and biological assets	(609.443)	333.308
Court deposits	(2.984)	(5.598)
Accrued payroll and related charges	645.541	818.941
Trade payables and supplier chain financing	622.833	(125.396)
Current and deferred taxes	158.359	592.492
Notes receivable and payable	(68.945)	(75.569)
Other assets and liabilities	15.307	(406.691)
Cash flow (used in) provided by operating activities	3.043.376	3.968.442
Investments	(18.884)	-
Investments in fixed and non-current biological assets	(433.580)	(308.276)
Investments in intangible assets	(2.014)	(280)
Cash flow used in investing activities	(454.478)	(308.556)
Loans and financing	1.794.030	(3.331.861)
Loans granted	7.357.071	1.686.940
Loans settled	(5.563.041)	(5.018.801)
Leases	(50.316)	(88.886)
Treasury shares	(142.468)	10.648
Acquisition of non-controlling interest	-	-
Dividends (subsidiaries) paid to non-controlling shareholders	(517.114)	(53.576)
Cash flow (used in) provided by financing activities	1.084.132	(3.463.675)
Exchange variation on cash and equivalents	(1.226.166)	403.656
Cash flow in the period	2.446.864	599.867
Balance at end of period	13.503.819	8.174.043
Balance at start of period	11.056.955	8.410.113
Change in the period	2.446.864	599.867

APPENDIX IV – Balance Sheet

ASSET	2Q21	2Q20	LIABILITIES	2Q21	2Q20
CURRENT ASSET			CURRENT LIABILITIES		
Cash and cash equivalents	13.503.821	11.757.449	Trade accounts payable	2.784.709	2.768.069
Trade accounts receivable	3.209.438	2.513.032	Supply chain finance	1.400.306	1.545.664
Inventories of goods and merchandise	3.810.767	2.851.160	Accrued payroll and related charges	1.584.899	509.299
Biological assets	26.848	36.922	Taxes payable	8.429.600	6.566.089
Recoverable taxes	813.570	704.783	Loans and financing	79.957	125.899
Prepaid expenses	74.587	93.107	Notes payable	147.771	161.432
Notes receivable	37.485	27.400	Lease payable	1.884.225	1.710.034
Advances to suppliers	290.118	154.978	Advances from customer	0	70.542
Other receivables	344.402	281.071	Dividends payable	338.905	407.360
	22.111.036	18.419.902		16.650.372	13.864.388
LONG TERM RECEIVABLES			NON-CURRENT LIABILITIES		
Court deposits	54.036	48.943	Loans and financing	19.451.818	20.244.058
Notes receivable	0	2.150	Taxes payable	410.367	372.302
Deferred income and social contribution taxes	1.326.172	1.542.293	Deferred income and social contribution taxes	84.112	98.831
Recoverable taxes	3.861.902	3.000.291	Provisions for contingencies	409.197	428.939
Other receivables	376.782	234.790	Lease payable	470.932	527.998
	5.618.892	4.828.467	Notes payable	160.160	246.356
			Other payables	200.736	210.506
				21.187.322	22.128.990
Investments	221.598	210.680	SHAREHOLDER'S EQUITY		
Property, plant and equipment	8.338.759	8.062.919	Share Capital	8.204.391	8.204.391
Intangible assets	7.416.287	7.985.473	Capital reserves, options granted and shares in treasury	(1.775.052)	(1.684.338)
	15.976.644	16.259.072	Legal Reserve	59.327	59.327
			Profits Reserve	148.431	148.431
			Proposal additional Dividends	958.389	70.542
			Other comprehensive income	(4.469.128)	(4.703.644)
			Accumulated Profits	1.059.271	0
			Controlling shareholders' equity	4.185.629	2.094.709
			NON-CONTROLLING INTEREST	1.683.249	1.419.354
			Equity Total	5.868.878	3.514.063
TOTAL ASSET	43.706.572	39.507.441	TOTAL LIABILITIES	43.706.572	39.507.441

APPENDIX V – Exchange Conversion

R\$ Million	2Q21	2Q20	Var. %	1Q21	Var. %	LTM2Q21	LTM2Q20	Var. %
Average Dollar (R\$ US\$)	5,30	5,39	-1,7%	5,47	-3,2%	5,39	4,48	20,1%
Closing Dollar (R\$ US\$)	5,00	5,48	-8,7%	5,70	-12,2%	5,00	5,48	-8,7%
Average UYU Peso (UYU US\$)	43,9	43,14	1,8%	43,09	1,9%	43,08	39,04	10,3%
Average ARS Peso (ARS US\$)	94,03	67,67	39,0%	88,57	6,2%	83,99	59,77	40,5%

APPENDIX VI – About Marfrig

Marfrig Global Foods S.A. is the world's second largest beef producer, with operations in the United States, Brazil, Uruguay, Argentina and Chile.

- In the United States, its subsidiary National Beef is the fourth largest beef processor and one of the industry's most efficient companies. The North America operation has three primary processing plants with capacity of 13,100 head/day, which corresponds to over 3.7 million head/year, or roughly 14% of U.S. primary processing capacity.
- In Brazil, Marfrig is the second largest beef processor, with primary processing capacity of 12,100 head/day and annual production capacity of 77,000 tons of beef patties. With brands renowned for their quality, such as Bassi and Montana, Marfrig focuses on the retail and foodservice channels in the domestic market, with its clients including top restaurants and steakhouses.
- In Uruguay, it is the industry's largest company and stands out for producing and selling organic beef and other niche products ("higher value-added").
- In Argentina, in addition to having two primary processing plants and being one of the country's leading exporters, Marfrig is the leading producer and seller of beef patties and sausages and owns two of the region's most valuable and recognized brands (Paty and Vienissima!).
- In Chile, Marfrig is the country's leading beef importer and has a lamb primary processing plant in the Patagonia region, which supplies the largest consumer markets abroad.
- The partnership between Marfrig and Archer-Daniels-Midland Company (ADM) led to the creation of PlantPlus Foods, a joint venture that will combine the innovation capacity, operational excellence and global scale of both companies to produce and market plant-based products through retail and foodservice channels in the South American and North American markets.

Country	Slaughter Units	Effective slaughter capacity (heads/day)
NORTH AMERICA OPERATION	3	13,100
USA	3	13,100 mil
SOUTH AMERICA OPERATION	17	17,000
Brazil	11	12,100
Uruguay	4	3,700
Argentina	2	1,200
TOTAL	20	30,100

Further Processing: Also distributed across the Americas, the further processing business is responsible for producing and developing products such as beef patties, canned beef, meats with sauces, cold cuts, hot dogs and other products.

Country	Processing Units	Patties production capacity (tons/year)	Production capacity of other processed products (tons/year)	Total processed capacity (tons/year)
NORTH AMERICA OPERATION	5	100,000	104,000	204,000
EUA	5	100,000	104,000	204,000
SOUTH AMERICA OPERATION	7	122,000	105,000	227,000
Brazil	3	77,000	66,000	143,000
Uruguay	1	6,000	6,000	12,000
Argentina	3	39,000	33,000	72,000
TOTAL	12	222,000	209,000	431,000

Marfrig also has 10 distribution centers and sales offices in South America, Europe and Asia.

In Uruguay and Chile, Marfrig also has lamb primary processing lines with capacity of 6,500 head/day.



Marfrig Global Foods S.A.

Consolidated and Interim Quarterly
Information (ITR)

At June 30, 2021

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(Free translation from the original in Portuguese. In the event of any discrepancies, the Portuguese language version shall prevail)

Report on the review of interim financial information

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To the Board of directors and shareholders of
Marfrig Global Foods S.A.
São Paulo – SP

Introduction

We have reviewed the accompanying individual and consolidated interim accounting information of Marfrig Global Foods S.A. (Company), comprised in the Quarterly Information Form for the quarter ended June 30, 2021, comprising the balance sheet as of June 30, 2021 and the respective statements of income and of comprehensive income for the periods of three and six months then ended, and the changes in shareholders' equity and cash flows for the period of six months then ended, including the footnotes.

Management is responsible for the preparation of the individual and consolidated interim financial information in accordance with NBC TG 21 – Interim Financial Reporting and with international standard IAS 34 – Interim Financial Reporting, as issued by the International Accounting Standards Board (IASB), such as for the presentation of these information in accordance with the standards issued by the Brazilian Exchange Securities Commission, applicable to the preparation of interim financial information. Our responsibility is to express a conclusion on this interim financial information based on our review.

Review scope

We conducted our review in accordance with the Brazilian and International standards on reviews of interim information (NBC TR 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). The review of interim 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 audit 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 individual and consolidated interim financial information included in the quarterly information form referred to above has not been prepared, in all material respects, in accordance with NBC TG 21 and IAS 34 applicable to the preparation of interim financial information, and presented in accordance with the standards issued by the Brazilian Securities Exchange Commission.

Other matters

Statements of value added

The quarterly information referred to above includes the individual and consolidated statements of value added for the period of six months ended June 30, 2021, prepared under the responsibility of the Company's management and presented as supplementary information for the purposes of IAS 34. This statements were submitted to the same review procedures in conjunction with the review of the Company's interim financial information in the order to conclude they are reconciliated to the interim financial information and to the accounting records, as applicable, and whether the structure and content are in accordance with the criteria established in the NBC TG 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that the accompanying statements of value added were not prepared, in all material respects, in accordance with the individual and consolidated interim financial information taken as a whole.

São Paulo, June 10, 2021



Jefferson Coelho Diniz
Assurance Partner

Grant Thornton Auditores Independentes

MARFRIG GLOBAL FOODS S.A.

Balance Sheet

As of June 30, 2021 and December 31, 2020

(In thousands of Brazilian reais - R\$)

ASSETS

	Note	Parent		Consolidated	
		6/30/2021	12/31/2020	6/30/2021	12/31/2020
Current Assets					
Cash and cash equivalents	4	31,762	291,563	1,611,197	2,041,924
Marketable securities	5	4,578,829	53,456	11,892,624	9,715,525
Trade accounts receivable - domestic	6	388,186	346,121	2,490,811	2,026,341
Trade accounts receivable - foreign	6	1,460,702	754,648	718,627	486,691
Inventories of goods and merchandise	7	912,612	623,150	3,810,767	2,851,160
Biological assets		-	-	26,848	36,922
Recoverable taxes	8	598,155	538,325	813,570	704,783
Prepaid expenses		12,747	12,148	74,587	93,107
Notes receivable	9	400,430	359,055	37,485	27,400
Advances to suppliers		98,412	81,473	290,118	154,978
Dividends receivable		1,349,956	-	-	-
Other receivables		42,018	37,671	344,402	281,071
		9,873,809	3,097,610	22,111,036	18,419,902
Non-Current Assets					
Court deposits		47,606	42,701	54,036	48,943
Recoverable taxes	8	3,837,688	2,976,861	3,861,902	3,000,291
Notes receivable	9	14,218,130	14,078,584	-	2,150
Deferred income and social contribution taxes	10	718,958	1,037,059	1,326,172	1,542,293
Other receivables		2,600	3,986	376,782	234,790
		18,824,982	18,139,191	5,618,892	4,828,467
Investments	11	6,171,367	7,714,909	70,941	60,023
Investment property	12	150,657	150,657	150,657	150,657
Property, plant and equipment	13	3,485,338	3,180,920	7,706,851	7,524,964
Right-of-use assets	14	159,878	168,769	631,908	537,955
Intangible assets	15	283,536	295,482	7,416,287	7,985,473
		10,250,776	11,510,737	15,976,644	16,259,072
		29,075,758	29,649,928	21,595,536	21,087,539
Total assets		38,949,567	32,747,538	43,706,572	39,507,441

The management notes are an integral part of the interim individual and consolidated financial statements.

MARFRIG GLOBAL FOODS S.A.

Balance Sheet

As of June 30, 2021 and December 31, 2020

(In thousands of Brazilian reais - R\$)

LIABILITIES AND EQUITY

	Note	Parent		Consolidated	
		6/30/2021	12/31/2020	6/30/2021	12/31/2020
Current liabilities					
Trade accounts payable	16	731,598	733,463	2,784,709	2,768,069
Accrued payroll and related charges		135,438	107,822	1,400,306	1,545,664
Taxes payable	17	761,336	41,757	1,584,899	509,299
Loans, financing and debentures	18	5,727,873	5,089,995	8,429,600	6,566,089
Advances from customers	19	1,503,838	1,594,846	1,884,225	1,710,034
Lease payable	20	9,443	11,875	147,771	161,432
Notes payable	21	77,868	119,703	79,957	125,899
Dividends payable		-	70,542	-	70,542
Other payables		50,319	69,706	338,905	407,360
		8,997,713	7,839,709	16,650,372	13,864,388
Non-current liabilities					
Taxes payable	17	145,943	157,080	410,367	372,302
Loans, financing and debentures	18	4,047,906	700,272	19,451,818	20,244,058
Deferred income and social contribution taxes	10	-	-	84,112	98,831
Lease payable	20	150,176	157,528	470,932	527,998
Notes payable	21	21,094,632	21,452,888	160,160	246,356
Provision for contingencies	22	327,568	345,352	409,197	428,939
Other payables		-	-	200,736	210,506
		25,766,225	22,813,120	21,187,322	22,128,990
Equity					
Share capital	23.1	8,204,391	8,204,391	8,204,391	8,204,391
Capital reserves, granted options and treasury shares	23.2	(1,775,052)	(1,684,338)	(1,775,052)	(1,684,338)
Legal reserve	23.3	59,327	59,327	59,327	59,327
Earnings reserve	23.4	148,431	148,431	148,431	148,431
Proposed dividend	23.5	958,389	70,542	958,389	70,542
Other comprehensive income	23.6	(4,469,128)	(4,703,644)	(4,469,128)	(4,703,644)
Retained earnings		1,059,271	-	1,059,271	-
Controlling shareholders' equity		4,185,629	2,094,709	4,185,629	2,094,709
Non-controlling interest		-	-	1,683,249	1,419,354
Total equity		4,185,629	2,094,709	5,868,878	3,514,063
Total liabilities and shareholders' equity		38,949,567	32,747,538	43,706,572	39,507,441

The management notes are an integral part of the interim individual and consolidated financial statements.

MARFRIG GLOBAL FOODS S.A.

Statement of income Periods ended March 31, 2021 and 2020

(In thousands of Brazilian reais - R\$, except earnings per share)

	Note	Parent				Consolidated			
		2nd Quarter 2021	YTD 2021	2nd Quarter 2020	YTD 2020	2nd Quarter 2021	YTD 2021	2nd Quarter 2020	YTD 2020
Net sales revenue	24	3,588,665	6,556,593	2,988,263	5,741,733	20,573,673	37,809,499	18,880,653	32,382,262
Cost of products and goods sold	25	(3,442,432)	(6,245,283)	(2,369,591)	(4,664,798)	(16,064,939)	(31,050,883)	(14,319,687)	(26,145,189)
Gross profit		146,233	311,310	618,672	1,076,935	4,508,734	6,758,616	4,560,966	6,237,073
Operating income (expenses)		2,050,167	2,415,663	1,544,222	1,655,838	(1,058,026)	(2,066,411)	(980,474)	(1,792,150)
Selling expenses	25	(131,705)	(258,255)	(129,398)	(266,424)	(685,455)	(1,345,555)	(610,605)	(1,155,444)
General and administrative expenses	25	(49,872)	(87,503)	(24,175)	(49,422)	(279,142)	(530,655)	(240,154)	(452,460)
Equity in earnings (losses) of subsidiaries		2,296,319	2,925,327	1,787,722	2,108,896	(4,788)	(6,440)	-	-
Other operating income (expenses)		(64,575)	(163,906)	(89,927)	(137,212)	(88,641)	(183,761)	(129,715)	(184,246)
Net income (loss) before net financial income (losses)		2,196,400	2,726,973	2,162,894	2,732,773	3,450,708	4,692,205	3,580,492	4,444,923
Financial income (expenses)	26	(51,739)	(529,982)	(656,835)	(1,642,225)	52,379	(680,682)	(773,861)	(1,956,883)
Financial income		714,757	1,250,284	726,508	1,369,891	1,061,371	1,462,641	723,568	1,410,632
Financial expenses		(766,496)	(1,780,266)	(1,383,343)	(3,012,116)	(1,008,992)	(2,143,323)	(1,497,429)	(3,367,515)
Net income (loss) before taxes		2,144,661	2,196,991	1,506,059	1,090,548	3,503,087	4,011,523	2,806,631	2,488,040
Income and Social Contribution taxes		(407,022)	(179,982)	87,888	366,469	(1,126,686)	(1,128,787)	(604,892)	(318,572)
Current and deferred income tax	29	19,615	138,119	-	-	(841,951)	(946,314)	(554,856)	(596,606)
Current and deferred social contribution	29	(426,637)	(318,101)	87,888	366,469	(284,735)	(182,473)	(50,036)	278,034
Net income (loss) for the period from continuing operations		1,737,639	2,017,009	1,593,947	1,457,017	2,376,401	2,882,736	2,201,739	2,169,468
Controlling interest		1,737,639	2,017,009	1,593,947	1,457,017	1,737,639	2,017,009	1,593,947	1,457,017
Non-controlling interest		-	-	-	-	638,762	865,727	607,792	712,451
		1,737,639	2,017,009	1,593,947	1,457,017	2,376,401	2,882,736	2,201,739	2,169,468
Basic and diluted (losses) earnings per share - Common	27	2.4875	2.8867	2.2755	2.0799	2.4875	2.8867	2.2755	2.0799

The management notes are an integral part of the interim individual and consolidated financial statements.

MARFRIG GLOBAL FOODS S.A.

Statement of cash flows Periods ended June 30, 2021 and 2020

(In thousands of Brazilian reais - R\$)

	Parent		Consolidated	
	YTD 2021	YTD 2020	YTD 2021	YTD 2020
Net income for the period from operations	2,017,009	1,457,017	2,017,009	1,457,017
Non-cash items	(2,083,227)	(1,256,540)	2,917,837	2,979,038
Depreciation and amortization	160,529	139,481	746,573	661,890
Non-controlling interest	-	-	865,727	712,451
Provision for contingencies	(17,784)	37,371	(5,024)	54,945
Deferred taxes and tax liabilities	318,101	(366,469)	182,473	(435,813)
Equity in earnings (losses) of subsidiaries	(2,925,327)	(2,108,896)	6,440	-
Exchange variation on financing	26,718	948,731	20,138	945,240
Exchange variation on other assets and liabilities	161,589	(50,064)	271,071	448
Interest expenses on financial debt	177,183	28,029	746,545	684,940
Interest expenses on financial lease	1,406	2,329	10,638	11,617
Cost with issue of financial operations	3,878	1,800	46,372	212,577
Leasing adjustment to present value	85	(436)	85	(434)
Estimated non-realization of inventories	8,577	(13,358)	10,384	(13,995)
Estimated losses with doubtful accounts	794	7,208	(87)	9,688
Estimated losses with non-realization of recoverable taxes	-	72,204	5,886	71,846
Other non-cash effects	1,024	45,530	10,616	63,638
Equity changes	1,043,655	(1,711,781)	(2,106,030)	(1,437,836)
Trade accounts receivable	(819,124)	(888,194)	(680,355)	(427,188)
Current inventory and biological assets	(298,039)	135,925	(1,124,735)	44,270
Court deposits	(4,905)	(9,886)	(5,095)	(9,908)
Accrued payroll and related charges	27,616	27,810	(116,697)	397,040
Trade payables and supplier chain financing	(10,441)	(478,585)	91,543	(1,046,680)
Current and deferred taxes	(203,342)	(395,488)	218,050	228,034
Notes receivable and payable	2,377,419	112,656	(50,405)	(126,125)
Other assets and liabilities	(25,529)	(216,019)	(438,336)	(497,279)
Cash flow provided by (used in) operating activities	977,437	(1,511,304)	2,828,816	2,998,219
Investing activities				
Investments	(219,680)	-	(18,884)	-
Investments in fixed and non-current biological assets	(444,731)	(223,186)	(829,504)	(497,020)
Investments in intangible assets	(404)	(1,765)	(2,507)	(1,915)
Investments in marketable securities	(4,525,373)	825,980	(2,177,099)	1,278,542
Cash flow provided by (used in) investing activities	(5,190,188)	601,029	(3,027,994)	779,607
Financing activities				
Loans and financing	3,777,733	707,706	787,076	(4,413,569)
Loans obtained	7,307,637	2,829,078	19,638,714	4,007,030
Loans settled	(3,529,904)	(2,121,372)	(18,851,638)	(8,420,599)
Leases payable	(11,275)	(35,311)	(100,622)	(152,932)
Treasury shares	(149,645)	(32,860)	(149,645)	(32,860)
Acquisition of non-controlling interest	-	(32,989)	-	(4,073)
Dividends (paid) received in the period	331,111	-	(660,511)	(53,576)
Cash flow provided by (used in) financing activities	3,947,924	606,546	(123,702)	(4,657,010)
Exchange variation on cash and equivalents	5,025	108,025	(107,848)	1,921,656
Cash flow in the period	(259,802)	(195,704)	(430,728)	1,042,472
Cash and cash equivalents				
Balance at end of period	31,761	48,994	1,611,195	2,817,374
Balance at start of period	291,563	244,698	2,041,923	1,774,902
Change in the period	(259,802)	(195,704)	(430,728)	1,042,472

The management notes are an integral part of the interim individual and consolidated financial statements.

MARFRIG GLOBAL FOODS S.A.

Statement of value added Periods ended June 30, 2021 and 2020

(In thousands of Brazilian reais - R\$)

	Parent		Consolidated	
	YTD 2021	YTD 2020	YTD 2021	YTD 2020
Revenue	6,964,769	6,128,267	38,331,253	32,883,528
Sales of goods and services	6,962,195	6,131,374	38,317,732	32,879,497
Other revenues	3,368	4,098	13,435	18,559
Expected losses with doubtful accounts	(794)	(7,205)	86	(14,528)
Inputs purchased from other firms (including taxes - ICMS, IPI, PIS and Cofins)	6,318,012	4,936,338	28,938,408	24,557,201
Cost of goods sold and services rendered	5,456,795	3,938,130	24,339,014	21,480,632
Material, energy, outsourced services and other	861,217	998,208	4,599,394	3,076,569
Gross value added	646,757	1,191,929	9,392,845	8,326,327
Depreciation and amortization	160,529	139,481	746,573	661,890
Net value created by company	486,228	1,052,448	8,646,272	7,664,437
Value added received through transfer	4,175,611	3,478,787	1,456,201	1,410,632
Equity in earnings (losses) of subsidiaries	2,925,327	2,108,896	(6,440)	-
Financial income and exchange rate gains	1,250,284	1,369,891	1,462,641	1,410,632
Total value added to be distributed	4,661,839	4,531,235	10,102,473	9,075,069
Value added distribution	4,661,839	4,531,235	10,102,473	9,075,069
Employees	349,981	358,920	3,480,815	3,002,993
Direct compensation	272,260	275,010	3,394,922	2,911,943
Benefits	61,029	65,883	67,788	71,678
FGTS (severance pay fund)	16,692	18,027	18,105	19,372
Taxes payable	505,810	(304,446)	1,493,346	442,457
Federal	334,613	(407,533)	1,302,494	279,555
State	167,534	100,405	187,157	160,190
Municipal	3,663	2,682	3,695	2,712
Value distributed to providers of capital	1,789,039	3,019,744	2,245,576	3,460,151
Interest	1,780,266	3,012,116	2,143,323	3,367,515
Rentals	8,773	7,628	102,253	92,636
Value distributed to shareholders	2,017,009	1,457,017	2,882,736	2,169,468
Net income from operations in the year	2,017,009	1,457,017	2,017,009	1,457,017
Non-controlling interest			865,727	712,451

The management notes are an integral part of the interim individual and consolidated financial statements.

MARFRIG GLOBAL FOODS S.A.

Statement of comprehensive income Periods ended June 30, 2021 and 2020

(In thousands of Brazilian reais - R\$)

	Parent				Consolidated			
	2nd Quarter 2021	YTD 2021	2nd Quarter 2020	YTD 2020	2nd Quarter 2021	YTD 2021	2nd Quarter 2020	YTD 2020
Net income (loss) in the period	1,737,639	2,017,009	1,593,947	1,457,017	2,376,401	2,882,736	2,201,739	2,169,468
Exchange variation on net investments and balance sheet translation	117,631	234,516	(425,864)	(1,077,717)	(481,528)	(367,316)	(425,864)	(704,089)
Operations to hedge against exchange variation	-	-	278,891	-	-	-	278,891	-
Total comprehensive income (loss) for the year	117,631	234,516	(146,973)	(1,077,717)	(481,528)	(367,316)	(146,973)	(704,089)
Total comprehensive income	1,855,270	2,251,525	1,446,974	379,300	1,894,873	2,515,420	2,054,766	1,465,379
Attributable to:								
Controlling interest	1,855,270	2,251,525	1,446,974	379,300	1,855,270	2,251,525	1,446,974	379,300
Non-controlling interest	-	-	-	-	39,603	263,895	607,792	1,086,079

The management notes are an integral part of the interim individual and consolidated financial statements.

MARFRIG GLOBAL FOODS S.A.

Notes to the separate (Parent Company) and consolidated financial statements for the periods ended June 30, 2021 and 2020 (In thousands of Brazilian reais, except where otherwise indicated)

1. Operations

Marfrig Global Foods S.A. is a multinational corporation operating in the food industry, in the food service, retail and convenience, industrial and export channels in Brazil and around the world. With a production footprint spanning the Americas, it has a diversified and comprehensive portfolio of products and its operations are founded on its commitment to excellence and quality, which has assured its products presence in the world's largest restaurant chains and supermarkets, as well as homes in nearly 100 countries. The Corporation's activities include the production, processing, further processing, sale and distribution of animal-based (beef, lamb and fish) and plant-based proteins. The Corporation is domiciled in Brazil and headquartered in the city of São Paulo.

The Corporation is a publicly held corporation with its shares listed on the Novo Mercado listing segment of the Brazilian Stock Exchange B3 S.A. – Brasil, Bolsa, Balcão (“B3”) under the stock symbol MRFG3. Because it is listed on the Novo Mercado special corporate governance segment of B3, the Corporation is subject to arbitration under the Market Arbitration Chamber, pursuant to the arbitration clause in its by-laws. It also trades as a Level I American Depositary Receipt (ADR), under the ticker MRRTY, on the Over-the-Counter (OTC) Market in the United States. Each ADR (USOTC:MRRTY) corresponds to one common share (B3:MRFG3).

The Corporation's stock is also a component of the main performance indicators of Brazil's Capital Markets, such as the Bovespa Index (Ibovespa, the most important indicator of the average performance of Brazilian stocks). Marfrig stock is also a component of the stock indexes of the Brazilian Stock Exchange: BM&FBOVESPA Broad Brazil Index (IBrA); Brazil Index 100 (IBrX 100); Brazil Index 50 (IBrX 50); Consumption Index (ICON); Corporate Governance Trade Index (IGCT); Special Corporate Governance Stock Index (IGC); Novo Mercado Corporate Governance Index (IGC-NM); Industrial Sector Index (INDX); Special Tag-Along Stock Index (ITAG); Small Cap Index (SMLL). The Corporation's stock also is a component of the main sustainability indexes of the B3, such as the Corporate Sustainability Index (ISE) and the Carbon Efficient Index (ICO2).

2. Presentation and preparation of the parent company and consolidated interim financial statements

The Management of the Corporation approved the issue of these separate and consolidated interim financial statements on August 10, 2021, and warrants that, based on its judgment, all material information is substantiated and corresponds to that used in its management activities.

2.1. Statement of compliance

Consolidated interim financial statements

The Corporation's consolidated interim financial statements were prepared and are presented in accordance with accounting practices adopted in Brazil and with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

The accounting practices adopted in Brazil include those provided for in Brazilian Corporations Law, the Brazilian Accounting Standards (NBCs) and resolutions and instructions issued by the Securities and Exchange Commission of Brazil (CVM).

The parent company and consolidated Statement of Added Value (DVA) is required under Brazilian Corporation Law and the accounting practices adopted in Brazil applicable to public companies. IFRS standards do not require said statement. As a result, under IFRS, this statement is being presented as supplementary information, without prejudice to the complete set of interim financial statements.

MARFRIG GLOBAL FOODS S.A.

Notes to the separate (Parent Company) and consolidated financial statements for the periods ended June 30, 2021 and 2020 (In thousands of Brazilian reais, except where otherwise indicated)

Parent company interim financial statements

The parent company interim financial statements were prepared based on the accounting practices adopted in Brazil and resolutions issued by CFC and are disclosed jointly with the consolidated financial statements, observing the accounting guidelines based on Brazilian Corporation Law (Federal Law 6,404/76), which include the provisions introduced, amended and revoked by Law 11,638 of December 28, 2007, Law 11,941 of May 27, 2009 (former Provisional Presidential Decree 449 of December 3, 2008) and Law 12,973 of May 13, 2014.

There is no difference between the shareholders' equity and consolidated income (loss) and the parent company's shareholders' equity and income (loss) disclosed in the parent company interim financial statements. Thus, the consolidated/parent company interim financial statements are being presented in the same document.

2.2. Basis of presentation

The parent company and consolidated interim financial statements are denominated in Brazilian real (R\$), which is the reporting currency, and all amounts are rounded to thousands of Brazilian real, unless otherwise stated.

The consolidated interim financial statements were prepared on the historical cost basis, unless otherwise stated. Certain assets and financial instruments may be stated at fair value.

The preparation of parent company and consolidated interim financial statements in accordance with IFRS and NBCs requires Management to make certain accounting estimates. The areas involving considerable judgment or use of estimates for the parent company and consolidated interim financial statements are stated in note 3.1.

2.3. Foreign currency translation

Functional and reporting currency

The interim financial statements of each consolidated subsidiary and those used as a basis for accounting for investments under the equity method are prepared using the functional currency of each entity.

Under NBC TG 02/R3 (CVM Resolution 640/10) – effect of changes in exchange rates and translation of financial statements, functional currency is the currency of the primary economic environment in which the entity operates. To define the functional currency of each subsidiary, Management considered which currency significantly influences the sale price of their goods and services and the currency in which most of their production input costs are paid or incurred. The consolidated interim financial statements are expressed in Brazilian real (R\$), which is the functional and reporting currency of Marfrig Global Foods S.A.

Transactions and balances

Foreign currency transactions are translated into the functional currency of the Corporation using the exchange rate at the transaction date. Gains and losses resulting from the difference between the monetary asset and liability balance translation at the end of the period or year and the translation of the transaction balances are recognized in the income statement. Non-monetary assets and liabilities in foreign currency measured at fair value are translated at the exchange rate on the date on which their fair value is determined and the differences resulting from such translation will be recognized under other comprehensive income on the closing date of each period or fiscal year.

Group companies

The results of operations and the financial position of all consolidated subsidiaries and investments accounted for under the equity method, whose functional currency differs from the reporting currency, are translated from the reporting currency, as follows:

MARFRIG GLOBAL FOODS S.A.

Notes to the separate (Parent Company) and consolidated financial statements for the periods ended June 30, 2021 and 2020 (In thousands of Brazilian reais, except where otherwise indicated)

- i. Asset and liability balances are translated using the exchange rate in effect at the date of the consolidated interim financial statements;
- ii. Statement of operation accounts are translated using the monthly average exchange rate; and
- iii. All differences arising from the foreign currency translation are recognized in shareholders' equity and in consolidated comprehensive income (loss) under "Cumulative translation adjustments."

3. Summary of significant accounting practices

3.1. Significant accounting practices

The interim financial statements were prepared in accordance with NBC TG 21/R3 (CVM Resolution 673/11) – Interim financial statements, which sets forth the minimum interim accounting information to be reported and the principles of recognition and measurement for complete or condensed interim financial statements. Thus, the quarterly information presented here was prepared based on the accounting policies and estimate calculation methods used while preparing the annual financial statements for the fiscal year ended December 31, 2020. There has been no change in said policies and estimate calculation methods.

As allowed by NBC TG 21/R3 (CVM Resolution 673/11), and based on the recommendations contained in Official Letter CVM/SNC/SEP/No. 003/2011, management chose not to report once again the details presented in Note 3 to the 2020 financial statements, with the summary of significant accounting practices, to avoid repeating the information already disclosed in its latest annual financial statements. As a result, users must read these quarterly financial statements together with the annual financial statements for the fiscal year ended December 31, 2020, to have a better understanding.

3.2. Comments on COVID-19

Because the Corporation's business is considered essential, its operations were not affected significantly as a result of the Covid-19 pandemic, including in the period ended June 30, 2021.

To protect its operational employees, the Corporation opted to suspend partially the activities of certain plants during in the period ended June 30, 2021 in a way that avoided interruptions of over one week at each plant. The Corporation estimated the costs related to these shutdown at approximately R\$50.7 million.

In 2020, the Corporation carried out various social actions, which are described in the financial statements for the fiscal year ended December 31, 2020. The main social actions conducted by the Corporation during this half-year, which amounted to R\$41.4 million, are described below:

- ✓ Marfrig provided its employees with tests and other prevention materials, such as hand sanitizer, masks and work clothing during the six-month period, which amounted to R\$19.2 million;
- ✓ The Corporation hired new employees and granted remunerated leave for persons in high-risk groups and those infected with the virus, which amounted to R\$20.3 million; and
- ✓ The Corporation donated beef to supplement the emergency food boxes distributed by the Ministry of Social Development, which amounted to R\$1.9 million.

The Corporation's outlook with regard to the Covid-19 pandemic, given the current scenario, is that it should maintain its operations at normal levels and that, as the vaccination campaigns advance, the restrictions imposed by governments should be lifted and consequently other activities most affected should normalize. Therefore, the Corporation, based on its studies and projections, does not expect significant impacts on its operations due to Covid-19. Nevertheless, it will continue to monitor the effects from the pandemic in the coming months to register, if any, potential significant effects on the financial statements when they become substantially known and measurable.

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3.3. New standards and interpretations

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1, corresponding to CPC 26, to specify the requirements to classify liabilities as current or non-current. The amendments clarify the following points:

- ✓ What does a right to postpone settlement mean;
- ✓ The right to postpone must exist on the base date of the report;
- ✓ This classification is not affected by the probability of an entity exercising its right of postponement;
- ✓ Only if a derivative embedded in a convertible liability is itself an equity instrument would the terms of a liability not affect its classification.

Changes are effective for periods beginning January 1, 2023 and must be applied retrospectively.

The Company will assess the impact the changes will have on current practice and whether existing loan agreements may require renegotiation.

3.4. Consolidated financial statements

The consolidated financial statements include the accounts of the Corporation and its subsidiaries, as per the table showing the equity interests of the Corporation in note 11.1 – Direct investments of the parent company. The table below presents the direct and indirect equity interests held by the Corporation by business segment include in the consolidated interim financial statements as of June 30, 2021:

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Equity interest

Parent Company	Core Activity
Marfrig Global Foods S.A	Processing and marketing of product (formed by cattle slaughter facilities in operation, which are also used in beef processing, for lamb primary processing, for producing cleaning and personal care products, and for producing animal feed, located in the States of São Paulo, Mato Grosso, Mato Grosso do Sul, Pará, Rondônia, Goiás and Rio Grande do Sul, in addition to Distribution Centers in the States of São Paulo, Rio de Janeiro, Pernambuco and Paraná, which are also used for beef processing).
Subsidiaries	Core Activity
Masplen Ltd	Holding company
Pampeano Alimentos S.A	Producer of canned meat and other processed products
Marfrig Overseas Ltd	Specific Purpose Entity - SPEs
Marfrig Comercializadora de Energia Ltda	Energy trading and associated services
Inaler S.A	Processing and marketing of products
Establecimientos Colonia S.A	Processing and marketing of products
Frigorífico Tacuarembó S.A	Processing and marketing of products
Indusol S.A	Specific Purpose Entity - SPE for commission of industry in Uruguay
Prestcott International S.A	Holding company
Cledinor S.A	Processing and marketing of products: beef and lamb
Abilun S.A	Holding company
Dicasold	Marketing and distribution of food products
Marfrig Chile S.A	Processing and marketing of products
Frigorífico Patagônia S.A	Processing and marketing of products
Marfrig Peru S.A.C.	Marketing of products
Las Animas S.A.	Holding company
Marfrig Argentina S.A.	Processing and marketing of products
Estancias del Sur S.A	Processing and marketing of products
MFG Holdings SAU	Holding company
Quickfood S.A.	Processing and marketing of products
Campo Del Tesoro	Processing and marketing of products
Marfrig Holdings (Europe) B.V	Holding company whose purpose is to raise funds
Marfrig Beef (UK) Limited	Holding company
Weston Importers Ltd	Trading company
MARB Bondco PLC	Holding company whose purpose is to raise funds
MBC Bondco Limited	Holding company whose purpose is to raise funds
Marfrig China	Holding company whose purpose is to raise funds
Marfrig Beef International Ltd.	Holding company
Marfrig NBM Holdings Ltd.	Holding company
Beef Holdings Limited	Holding company
COFCO Keystone Supply Chain (H. Kong) Investment Ltd	Joint Venture
COFCO Keystone Supply Chain (China) Investment Ltd.	Joint Venture
COFCO Keystone Supply Chain Logistics (China)	Joint Venture
NBM US Holdings, Inc.	Holding company whose purpose is to raise funds
National Beef Packing Company, LLC	Processing and marketing of products
MF Foods USA LLC.	Marketing of products
Plant Plus Foods, LLC	Joint Venture
Plant Plus Foods Brasil Ltda.	Joint Venture
Iowa Premium LLC	Processing and marketing of products
National Carriers, Inc.	Transportation
NCI Leasing, Inc	Leasing transportation
National Beef California, LP	Processing and marketing of products
National Beef Japan, Inc.	Marketing of products
National Beef Korea, Ltd.	Marketing of products
Kansas City Steak Company, LLC	DTC Marketing of products
National Elite Transportation LLC	Transportation
National Beef Leathers, LLC	Processing of leather
National Beef de León S. de R.L. de C.V.	Processing of leather
National Beef Ohio	Processing and marketing of products
National Beef aLF, LLC	Holding company
ALF Ventures, LLV	Processing and marketing of products

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The interim financial statements of subsidiaries located abroad were originally prepared in domestic currency, according to the applicable laws of each country where the companies are located. They were converted into the accounting practices issued by the International Accounting Standards Board (IASB) at their relating functional currencies. Later, those financial statements were translated into Brazilian Reais, using the exchange rate prevailing on the balance sheet date.

3.5. Reclassification in the statement of cash flows for the period ended June 30, 2020

The Corporation's Management conducted a reclassification of the statement of cash flows for the period ended June 30, 2020, due to the reclassification to improve the presentation of cash flows of debenture and bond transactions, which previously were presented separately from loans and financing, to the cash flows of loans and financing, given their nature. Said reclassification did not change the cash flow from financing activities or other elements of these interim financial statements.

3.6. Reclassification of the balance sheet related to period ended December 31, 2020

To improve the presentation of the balance sheet for the fiscal year ended December 31, 2020, the Corporation's Management reclassified right-of-use assets, which previously were presented in property, plant and equipment, to a separate item under non-current assets. Said reclassification did not change the other elements of these interim financial statements.

4. Cash and cash equivalents

Cash and cash equivalents group are composed of cash and demand deposits, as follows:

	Parent		Consolidated	
	6/30/2021	12/31/2020	6/30/2021	12/31/2020
Cash and banks	6,795	33,432	1,284,712	1,458,344
Cash equivalents	24,967	258,131	326,485	583,580
	31,762	291,563	1,611,197	2,041,924

	Parent		Consolidated	
	6/30/2021	12/31/2020	6/30/2021	12/31/2020
Cash and banks:				
Brazilian real	23,061	176,314	30,747	180,869
US dollar	8,108	114,608	1,469,229	1,677,384
Other	593	641	111,221	183,671
	31,762	291,563	1,611,197	2,041,924

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5. Marketable Securities

The Corporation's marketable securities by type are as follows:

	PMPV ⁽¹⁾	Currency	Average interest rate p.a. %	Parent	
				6/30/2021	12/31/2020
Bank deposit certificates - CDB ⁽²⁾	-	Real	3.98%	844,804	7,192
Fixed income bond	-	Real	3.81%	15,268	14,939
Brazilian prize-draw investment bonds	-	Real	-	1,056	1,056
FIDC ⁽²⁾	0.04	Real	7.80%	29,742	30,269
Total				890,870	53,456
Marketable securities					
B3 securities and Rental	-	Real	-	3,250,679	-
Marketable securities Share rental		Real		437,280	-
Total ^(N.5.1)				3,687,959	-
Total assets				4,578,829	53,456
Consolidated					
	PMPV ⁽¹⁾	Currency	Average interest rate p.a. %	6/30/2021	12/31/2020
Bank deposit certificates - CDB ⁽²⁾	-	Real	3.98%	844,804	7,192
Repurchase and reverse repurchase agreements	-	Real	-	17,501	-
Time Deposit ⁽²⁾	2.78	Dolar	-	5,785,400	9,661,766
FIDC ⁽²⁾	0.04	Real	7.80%	29,742	30,269
Fixed income bond	-	Real	3.87%	16,629	16,298
Total				6,694,076	9,715,525
B3 securities and Rental ⁽³⁾	-	Real	-	3,250,679	-
Marketable securities Share rental	-	Real	-	437,280	-
ADRs	-	Dolar	-	1,510,589	-
Total ^(N.5.1)				5,198,548	-
Total assets				11,892,624	9,715,525

⁽¹⁾ Weighted average maturity in years.

⁽²⁾ Transactions have daily liquidity and can be redeemed at any time. Said maturity is the maturity of the operation.

5.1. Acquisition of shares in BRF S.A. ("BRF")

The following table shows the changes in the securities related to the acquisition of shares in BRF:

Operation	Number of shares	Equity interest	Purchase cost	Gain (loss)	Balance conversion adjustment	Market value on June 30, 2021
B3	118,941,800	14.64%	3,277,220	(26,541)	-	3,250,679
ADR's	55,207,486	6.79%	1,316,175	254,758	(60,344)	1,510,589
Share rental	16,000,000	1.97%	437,280	-	-	437,280
Totais	190,149,286	23.40%	5,030,675	228,217	(60,344)	5,198,548

In the period ended June 30, 2021, the Corporation acquired common shares issued by BRF directly in the market and in an auction on the stock exchange, which resulted in an equity interest of 23.40% in the capital of BRF, representing 190,149,286 common shares.

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The share acquisition transactions were conducted as follows:

- (i) Acquisition on the B3 SA by Marfrig Global Foods SA (parent company) of 118,941,800 common shares, representing 14.64% of the share capital of BRF;
- (ii) Acquisition via ADRs on the U.S. Stock Exchange by Marfrig Overseas Limited (subsidiary) of 55,207,486 common shares, representing 6.79% of the share capital of BRF; and
- (iii) Stock rental by Marfrig Global Foods SA (parent company) of 16,000,000 common shares, representing 1.97% of the share capital of BRF.

These events conducted by the Corporation occurred in accordance with the following definitions authorized in minutes:

- On May 18, 2021, the Board of Directors resolved to authorize the investment in shares in BRF S.A. under the following conditions: a) the securities acquired do not exceed 33.33% of the total capital in BRF to avoid triggering the poison pill provided for in article 41 of its Bylaws; b) the equity interest will be reached through the acquisition of: i) American Depositary Receipts (ADR); ii) shares traded on the B3 – Brasil, Bolsa e Balcão S.A.; iii) share auctions in the market; iv) derivatives (options and rentals); and v) private agreements; c) the investment initially will be passive, without exerting any influence on the business activities of BRF, such as appointing members to the Board of Directors or executing agreements that regulate the exercise of voting rights by Marfrig; d) the unit value of the securities held in BRF S.A. does not exceed the amount of R\$30.00. To practice all acts required to fulfill the strategy established herein, including, but not limited to, the execution of operations on the stock exchange and the execution of main, ancillary and financing contracts in order to carry out the planned acquisitions;
- On June 9, 2021, the Audit Board issued a favorable opinion of the operation carried out, recommending still in the same meeting investments in people, systems and cybersecurity; and
- On June 11, 2021, the Board of Directors ratified all acts practiced by the Corporation's Management for the acquisition of shares in BRF.

The operation is aligned with the Marfrig's Market Risk Management Policy. The surplus cash balance after the minimum safety cash is calculated may be invested by the treasury in Equity investments: acquisition of shares listed on the stock exchange at market prices.

The mark-to-market (MTM) adjustment of the share portfolio must be conducted on a daily basis. The market risk sensitivity analysis of the share portfolio must be conducted on a daily basis.

The Corporation is presenting the sensitivity analysis as of June 30, 2021 in Note 28.10.

The aforementioned acquisitions of equity interests in BRF seek to diversify the Corporation's investments in a segment that complements its sector, in a company with recognized management.

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6. Trade accounts receivable – domestic and foreign customers

	Parent		Consolidated	
	6/30/2021	12/31/2020	6/30/2021	12/31/2020
Trade accounts receivable - domestic	388,186	346,121	2,490,811	2,026,341
Trade accounts receivable - foreign	1,460,702	754,648	718,627	486,691
	1,848,888	1,100,769	3,209,438	2,513,032
Amounts not yet due	1,840,888	1,088,294	2,482,468	1,735,137
Amounts overdue				
From 1 to 30 days	275	6,532	621,950	655,772
From 31 to 60 days	334	4,243	49,267	48,704
From 61 to 90 days	7,391	1,700	55,753	73,419
More than 90 days	38,205	37,411	56,704	57,851
(-) Expected losses with doubtful accounts	(38,205)	(37,411)	(56,704)	(57,851)
	1,848,888	1,100,769	3,209,438	2,513,032

The expected loss with doubtful accounts was set up in an amount deemed sufficient by Management to cover possible losses on the realization of its receivables, using the criteria of provisioning for the full amount of receivables overdue more than 90 days. The Corporation does not have a history of relevant problems with collection, which reinforces the reasonable reserve estimated by the Corporation.

In addition, the Corporation revised its estimated losses, given the counter-cyclical measures adopted to combat COVID-19 pandemic, and, despite the requests for deferral of payments by certain clients, the Corporation concluded that there is no significant evidence that would lead to a change in the criterion adopted by the Company to record the expected losses from doubtful accounts.

Changes in expected loss with doubtful accounts are as follows:

	Parent	Consolidated
Balance on December 31, 2020	(37,411)	(57,851)
Estimate accrued	(794)	87
Translation gains (losses)	-	1,060
Balance on June 30, 2021	(38,205)	(56,704)

In June 2014, a receivables backed investment fund (*Fundo de Investimento de Direitos Creditórios* - FIDC) was created to sell a portion of the receivables from the installment sale in the domestic market, in the amount of R\$173,000 (principal). On June 30, 2021, invoices negotiated with the fund MRFG amounted to R\$134,996.

7. Inventories of products and merchandise

In the period ended June 30, 2021 and fiscal year ended December 31, 2020, inventories of finished products were carried at average purchase and/or production cost, as explained below:

	Parent		Consolidated	
	6/30/2021	12/31/2020	6/30/2021	12/31/2020
Finished products	840,587	547,458	3,062,803	2,213,842
Raw materials	6,020	7,690	346,911	255,014
Packaging and storeroom supplies	85,747	79,167	423,744	394,827
(-) Expected losses	(19,742)	(11,165)	(22,691)	(12,523)
	912,612	623,150	3,810,767	2,851,160

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The Corporation grounds its estimates on historical losses, as follows:

	<u>Parent</u>	<u>Consolidated</u>
Balance on December 31, 2020	(11,165)	(12,523)
Estimates accrued	(8,577)	(10,384)
Translation gains (losses)	-	216
Balance on June 30, 2021	(19,742)	(22,691)

During the period ended June 30, 2021, the Corporation's Management evaluated the estimated losses for inventories, and found coherent the amounts of R\$19,742 and R\$22,691 for the parent company and consolidated, respectively.

8. Recoverable taxes

	<u>Parent</u>		<u>Consolidated</u>	
	<u>6/30/2020</u>	<u>12/31/2020</u>	<u>6/30/2020</u>	<u>12/31/2020</u>
ICMS (State VAT)	595,122	562,198	608,507	573,642
PIS and Cofins (taxes on sales) credits	1,638,780	1,620,754	1,717,933	1,693,189
IRPF / IRPJ and CSLL (taxes on income) recoverable	2,282,648	1,408,983	2,337,994	1,428,286
Other	10,572	14,530	121,725	115,938
(-) Expected losses from non-realization	(91,279)	(91,279)	(110,687)	(105,981)
	4,435,843	3,515,186	4,675,472	3,705,074
Current assets	598,155	538,325	813,570	704,783
Non-current assets	3,837,688	2,976,861	3,861,902	3,000,291

8.1. ICMS (State VAT)

The balance of recoverable ICMS derives from credits taken for ICMS paid on the acquisition of raw, packaging and other materials and inputs, in amounts higher than the debts generated from domestic sales, since foreign market sales are free from this tax. The Corporation has been seeking ways to optimize these balances, when authorized, through transfers to third parties, for payments to suppliers of equipment, raw materials, consumption inputs and, in certain states, requests for reimbursement in cash.

8.2. PIS and COFINS taxes

Pursuant to Federal Laws 10.637/02 and 10.833/03, the Corporation has noncumulative PIS and COFINS credits on the acquisition of raw, packaging, and other materials used in goods sold in foreign and domestic markets.

With the changes provided for by Law 13.670, in August 2018, which permitted the offsetting of social security liabilities using other credits from the taxpayer generated as from said date, the Corporation started settling its social security liabilities using such credits, successfully using its PIS and COFINS tax credits generated since then.

Furthermore, the Corporation and the Office of the General Counsel for the National Treasury (PGFN) entered into with an agreement named "Procedural Legal Transaction (NJP) (SEI Procedure 19839.108398/2019-15), in which this accrued balance will be used for mandatory offsets, pursuant to Articles 73 and 74 of Federal Law 9,430/96, of its tax liability, mainly for the liabilities included under the special tax amnesty programs.

8.3. IRRF / IRPJ and CSLL recoverable

Refers to withholding of income tax at source on services rendered to related companies located abroad and marketable securities, prior-year negative balances of income and social contribution taxes and income tax paid abroad on net income made available in Brazil. Income tax paid abroad is payable via the offsetting of income and social contribution taxes calculated on profit for future periods and have no time limit.

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8.4. Expected losses from non-realization of tax credits

The estimated losses for non-realization of tax credits were calculated based on the best estimate of realization of the Corporation's recoverable taxes balances, in which main credits are mainly from PIS/COFINS.

In the period ended June 30, 2021, the changes in this item were as follows:

	Parent	Consolidated
Balance at December 31, 2020	(91,279)	(105,981)
Addition	-	(6,256)
Write-off	-	370
Translation gains (losses)	-	1,180
Balance at June 30, 2021	(91,279)	(110,687)

9. Notes receivable

	Parent		Consolidated	
	6/30/2021	12/31/2020	6/30/2021	12/31/2020
Related-party transactions ^(a)	14,612,632	14,426,523	26,418	17,879
Market transactions receivable ^(b)	-	-	5,085	449
Other notes receivable	5,928	11,116	5,982	11,222
Total	14,618,560	14,437,639	37,485	29,550
Current assets	400,430	359,055	37,485	27,400
Non-current assets	14,218,130	14,078,584	-	2,150

- (a) The amount presented at the Parent Company refers mostly to balances resulting from loan transactions with its subsidiaries, as described in note 32 Related parties;
- (b) In the note 28, we break down financial instrument operations practiced by the Corporation. The Corporation and its subsidiaries are subject to market risks related to foreign exchange variations, interest rates fluctuations and commodities prices variations. These represent the amount of mark-t-market adjustment of derivatives receivable.

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10. Deferred income and social contribution taxes

	Parent		Consolidated	
	6/30/2021	12/31/2020	6/30/2021	12/31/2020
Income tax	524,261	758,159	1,114,642	1,248,506
Social contribution tax	194,697	278,900	211,530	293,787
Deferred tax assets	718,958	1,037,059	1,326,172	1,542,293
Income tax	-	-	(84,112)	(98,831)
Deferred tax liabilities	-	-	(84,112)	(98,831)
Total deferred taxes	718,958	1,037,059	1,242,060	1,443,462

Deferred income and social contribution tax assets and liabilities are offset when there is a legal right to offset tax liabilities using tax credits and provided they are related to the same tax authority and legal person.

Credits from deferred tax assets on tax losses and social contribution tax loss carryforwards are booked to the extent that it is probably that the future taxable income will be available for use when the effective payment is made and/or said additions and exclusions of temporary differences are realized, when these will become deductible and taxable for the calculation of the taxable income, based on the assumptions and conditions established in the Corporation's business model.

The carrying amount of the deferred tax asset is revised periodically and projections, limited to five years, are revised annually, and if there are relevant factors that modify the projections, they are revised during the Corporation's fiscal year.

The estimates for assessing the probability of the occurrence or not of future profits for the offsetting of tax credits described above are based on the judgments and assumptions incorporated into the projections. By definition, the resulting accounting estimates rarely are equal to the corresponding actual results (due to uncertainties and the high level of judgment applicable to determining such assumptions and estimates). Therefore, such estimates and assumptions represent significant risk, with the probability of requiring a significant adjustment to the carrying amounts of the assets in the individual and consolidated interim financial statements at the time of the respective assessments.

Note that the projections were based on the assumptions for net income and historical data on the Corporation's profitability, adjusted by the most recent material information, taking into account the diverse economic scenarios of each market where the Corporation operates, due to its global and diversified presence in the Americas (approximately 93% of the Corporation's revenues originate in currencies other than the Brazilian real).

The technical feasibility studies that support the recoverability of the deferred tax liability, which were prepared by the Management and approved by the Board of Directors, took into consideration the end of the operational restructuring process started in 2013 and concluded in 2018, whereby the Corporation adjusted its capital structure and debt level through a sequence of strategic initiatives.

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Based on the above, note that expected realization of "Deferred Tax Assets," based on a technical feasibility study, is as follows:

Year	Parent	Consolidated
2021	294,891	403,233
2022	330,855	441,262
2023	32,342	245,854
2024	41,558	150,094
2025	19,312	85,729
	718,958	1,326,172

The following table presents the breakdown of deferred taxes:

	Parent		Consolidated	
	6/30/2021	12/31/2020	6/30/2021	12/31/2020
ASSETS				
Income tax losses	1,306,890	1,535,829	1,582,433	1,822,975
Social contribution tax loss carryforwards	471,583	554,001	490,708	571,454
Temporary differences	207,995	201,666	427,468	322,382
Total assets	1,986,468	2,291,496	2,500,609	2,716,811
LIABILITIES				
Temporary differences	(1,267,510)	(1,254,437)	(1,258,549)	(1,273,349)
Total liabilities	(1,267,510)	(1,254,437)	(1,258,549)	(1,273,349)
Deferred tax assets, net	718,958	1,037,059	1,242,060	1,443,462

11. Investments

	Parent		Consolidated	
	6/30/2021	12/31/2020	6/30/2021	12/31/2020
Interest in subsidiaries	5,447,373	6,961,696	-	-
Goodwill derived from business combinations	723,984	753,203	-	-
Other investments	10	10	70,941	60,023
	6,171,367	7,714,909	70,941	60,023

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Information on investments in Subsidiaries on June 30, 2021 is shown below:

	Shares / Units of interest	% interest	Country	Share capital	Equity	Net income (loss)	Equity according to % interest (1)	Total assets	Total liabilities	Non-controlling shareholders	Net revenue	Interest - net income (loss)	Goodwill
Marfrig Chile S.A.	9,950	99.50	Chile	80,034	235,747	25,915	234,568	440,802	205,047	8	416,372	25,785	-
Inaler S.A.	66,247,320	100.00	Uruguay	46,417	65,338	23,117	65,338	343,795	278,457	-	443,520	23,118	109,868
Frigorífico Tacuarembó S.A.	163,448,688	99.96	Uruguay	31,980	223,361	87,537	223,272	674,455	451,094	-	845,648	87,503	164,271
Maspfen Ltd	5,050	100.00	Jersey Island	18,466	(65,577)	(14,080)	(65,577)	(64,707)	870	-	-	(14,081)	48,853
Prestcott International S.A.	79,638,916	100.00	Uruguay	14,617	114,321	26,865	114,321	493,684	379,363	-	478,275	26,865	63,116
Estab. Colonia S.A.	80,647,477	100.00	Uruguay	173,597	84,736	35,076	84,736	554,038	469,302	-	630,830	35,076	337,876
Marfrig Overseas Ltd	1	100.00	Cayman Islands	-	(1,068,901)	192,252	(1,068,901)	9,495,637	10,564,538	-	-	192,252	-
Marfrig Argentina S.A.	1,249,300,248	99.95	Argentina	262,272	65,509	(16,316)	65,476	361,354	295,848	(3)	383,993	(16,308)	-
Marfrig Com. de Energia Ltda	149,985	99.99	Brazil	-	(2,510)	100	(2,510)	6,491	9,001	-	28,095	100	-
Marfrig Holdings (Europe) BV	426,842	100.00	Netherlands	2,330,600	3,520,554	(8,871)	3,520,554	12,865,259	9,344,705	-	-	(8,871)	-
Marfrig Peru S.A.C.	4,988	99.76	Peru	7	(801)	(26)	(799)	92	893	-	-	(26)	-
Marfrig Beef (UK) Limited	2,001	100.00	United Kingdom	1,418,664	1,954,304	745,651	1,954,304	2,002,713	48,409	-	-	745,651	-
Marfrig Beef International Limited	2,001	100.00	United Kingdom	711,946	238,462	1,853,495	238,462	4,624,363	4,385,901	-	-	1,853,495	-
Abilun S.A.	400,000	100.00	Uruguay	46	(3,364)	(500)	(3,364)	26,984	32,410	(2,062)	76,413	(500)	-
MFG Holdings SAU	100,000	100.00	Argentina	-	48,461	(26,435)	48,461	853,097	772,010	32,626	5,736	(26,435)	-
QuickFood S.A.	57,900,314	10.00	Argentina	230,869	267,853	(40,290)	26,785	756,925	489,072	-	695,412	(4,029)	-
Las Animas S.A	4,950,000	99.99	Paraguai	4	(36)	(35)	(36)	13	49	-	-	(35)	-
Campo Del Tesoro	39,351,200	95.00	Argentina	3,963	19,075	(7,048)	18,121	84,877	65,802	-	125,236	(6,696)	-

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The changes in investments as of June 30, 2021 are shown as follows:

	12/31/2020	Dividends	Capital increase/ decrease	Other comprehensive income	Equity in earnings (losses) of subsidiaries	6/30/2021 ⁽¹⁾
Marfrig Chile S.A.	270,498	(52,060)	-	(10,509)	25,541	233,470
Inaler S.A.	45,488	-	-	(3,267)	23,116	65,337
Frigorífico Tacuarembó S.A.	200,057	(52,301)	-	(12,412)	86,946	222,290
Masplen Ltd	(71,175)	-	-	35	(2,859)	(73,999)
Prestcott International S.A.	93,229	-	-	(5,850)	26,943	114,322
Estab. Colonia S.A.	54,097	-	-	(4,710)	34,337	83,724
Marfrig Overseas Ltd	(1,310,633)	-	-	49,480	192,252	(1,068,901)
Marfrig Argentina S.A.	(136,614)	-	219,680	(1,858)	(15,838)	65,370
MFG Com. de Energia Ltda	(2,610)	-	-	-	100	(2,510)
Marfrig Holdings (Europe) BV	4,530,217	(963,060)	-	(37,731)	(8,871)	3,520,555
Marfrig Peru S.A.C.	(823)	-	-	48	(26)	(801)
Marfrig Beef (UK) Limited	1,402,853	(100,712)	-	(93,495)	745,643	1,954,289
Marfrig Beef International Limited	1,779,972	(3,485,779)	-	90,775	1,853,495	238,463
Abilun S.A.	(2,980)	-	-	116	(500)	(3,364)
MFG Holdings SAU	54,876	-	-	19,085	(25,546)	48,415
QuickFood S.A.	34,122	-	-	1,179	(2,675)	32,626
Las Animas S.A	(6)	-	-	5	(35)	(36)
Campo Del Tesoro	21,128	-	-	3,691	(6,696)	18,123
Total	6,961,696	(4,653,913)	219,680	(5,418)	2,925,327	5,447,373

⁽¹⁾ Refers to the percentage of the Corporation's interest in its subsidiaries, adjusted by profit on unrealized inventories upon the consolidation of balances.

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12. Investment property

Investment property refers to tanneries and industrial plants that, under the Corporation's strategy, are held to generate lease income, whose amounts are registered at fair value.

	Parent and Consolidated		
	Land	Constructions and buildings	Total
Tannery in Promissão	3,246	2,953	6,199
Tannery in Bataguassú	-	43,656	43,656
Plant in Capão do Leão	3,340	36,638	39,978
Plant in Mato Leitão	2,060	13,031	15,091
Plant in Pirenópolis	2,845	42,888	45,733
Net balance at 6/30/2021	11,491	139,166	150,657

13. Property, plant and equipment

The following tables show the weighted average annual depreciation rate determined using the straight-line method and based on the economic useful life of the assets and their balances.

Changes in property, plant and equipment (Parent Company):

Description	Parent				Total
	Property, Plant and Equipment				
	Land, constructions and Buildings	Machinery, equipment, furniture and fixtures	Construction in progress	Other	
Avg. annual depreciation rates	3.80%	15.45%	-	11.69%	
Acquisition cost	3,242,480	1,079,890	60,262	372,687	4,755,319
Accumulated depreciation	(795,557)	(609,755)	-	(169,087)	(1,574,399)
Net balance on 12/31/2020	2,446,923	470,135	60,262	203,600	3,180,920
Additions	3,376	56,922	352,217	32,216	444,731
Write-offs		(524)	(84)	(417)	(1,025)
Transfers	308,009	875	(313,983)	5,099	-
Reclassification*			(508)	489	(19)
Depreciation in the period	(76,673)	(38,828)		(23,768)	(139,269)
Net balance on 6/30/2021	2,681,635	488,580	97,904	217,219	3,485,338
Acquisition cost	3,539,392	1,133,523	97,904	426,728	5,197,547
Accumulated depreciation	(857,757)	(644,943)	-	(209,509)	(1,712,209)
Net balance at the end of the period	2,681,635	488,580	97,904	217,219	3,485,338

* Amounts reclassified to right-of-use assets and intangible assets

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Changes in property, plant and equipment (Consolidated):

Consolidated					
Description	Property, Plant and Equipment				Total
	Land, constructions and buildings	machinery, equipment, furniture and fixtures	Construction in progress	Other	
Avg. annual depreciation rates	3.77%	12.18%	-	11.01%	
Acquisition cost	5,511,125	4,891,481	821,605	881,134	12,105,345
Accumulated depreciation	(1,401,245)	(2,858,418)	-	(320,718)	(4,580,381)
Net balance on 12/31/2020	4,109,880	2,033,063	821,605	560,416	7,524,964
Additions	3,720	71,239	721,181	33,364	829,504
Write-offs	(1,635)	(7,698)	(927)	(403)	(10,663)
Transfers	356,123	120,049	(512,679)	36,507	-
Reclassification*	(13,549)	(48,949)	14,266	(118,703)	(166,935)
Translation gains (losses)	(36,421)	(42,181)	(41,446)	(7,511)	(127,559)
depreciation in the period	(117,035)	(184,470)	-	(40,955)	(342,460)
Net balance on 6/30/2021	4,301,083	1,941,053	1,002,000	462,715	7,706,851
Acquisition cost	5,769,652	4,786,022	1,002,000	828,576	12,386,250
Accumulated depreciation	(1,468,569)	(2,844,969)	-	(365,861)	(4,679,399)
Net balance at the end of the period	4,301,083	1,941,053	1,002,000	462,715	7,706,851

*Amounts reclassified to right-of-use assets and intangible assets.

Pursuant to NBC TG 01/R4 (CVM Resolution 639/10) – asset impairment, an asset is tested for impairment on an annual basis. The asset's value must be estimated only if there is any indication of impairment.

If any indication of impairment is found, recoverability analysis comprises projecting the profitability and future cash of the Corporation's business units, which are discounted to present value to identify the degree of recoverability of the asset.

During the period ended June 30, 2021, the book values of the Corporation's assets were not greater than the amounts which could be obtained by use or sale.

The Corporation and its subsidiaries recorded property, plant and equipment that are fully depreciated and still in operation, as well as temporarily idle items, as follows:

Description	Parent and Consolidated	
	6/30/2021	
	Temporarily idle property, plant and equipment	Property, plant and equipment fully depreciated and still in operation
Land, constructions and buildings	117,737	7,938
Machinery, equipment, furniture and fixtures	8,185	73,098
Other property, plant and equipment	291	41,802
	126,213	122,838

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14. Right-of-use assets

The following tables show the weighted average annual depreciation rate determined using the straight-line method and based on the economic useful life of the assets and their balances. With the adoption of IFRS 16, assets related to leases are now recognized as right-of-use assets under property, plant and equipment.

Changes in right-of-use assets (Parent Company):

Description	Parent		
	Right-of-use		
	Plants	Other	Total
Avg. annual depreciation rates	10.64%	20.00%	
Acquisition cost	203,098	11,237	214,335
Accumulated depreciation	(38,525)	(7,041)	(45,566)
Net balance on 12/31/2020	164,573	4,196	168,769
Reclassification*	-	(489)	(489)
Depreciation in the period	(7,974)	(428)	(8,402)
Net balance on 6/30/2021	156,599	3,279	159,878
Acquisition cost	203,098	4,363	207,461
Accumulated depreciation	(46,499)	(1,084)	(47,583)
Net balance at the end of the period	156,599	3,279	159,878

*Amounts reclassified from property, plant and equipment.

Changes in right-of-use assets (Consolidated):

Description	Consolidated			
	Right-of-use			
	Plants	Maquinery and equipment	Other	Total
Avg. annual depreciation rates	9.53%	13.06%	15.16%	
Acquisition cost	274,650	543,370	14,989	833,009
Accumulated depreciation	(65,402)	(219,583)	(10,069)	(295,054)
Net balance on 12/31/2020	209,248	323,787	4,920	537,955
Additions	1,328	34,391	-	35,719
Write-offs	(464)	(514)	-	(978)
Reclassification*	(178)	48,587	118,018	166,427
Translation gains (losses)	(807)	(11,391)	(4,145)	(16,343)
	(14,108)	(71,817)	(4,947)	(90,872)
Net balance on 6/30/2021	195,019	323,043	113,846	631,908
Acquisition cost	272,605	591,891	125,105	989,601
Accumulated depreciation	(77,586)	(268,848)	(11,259)	(357,693)
Net balance at the end of the period	195,019	323,043	113,846	631,908

*Amounts reclassified from property, plant and equipment

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15. Intangible assets

The Corporation has intangible assets, composed of non-current assets, presented pursuant to NBC TG 04/R4 (CVM Resolution 644/10) – intangible assets, as shown in the summary below:

Changes in the intangible assets accounts for the period ended June 30, 2021 are as follows:

Parent Company

	Amortization rate	Balance at December 31, 2020	Acquisition	Reclassification*	Amortization	Balance at June 30, 2021
Sales channels	6%	210,236	-	-	(8,129)	202,107
Rights of use	6%	37,655	-	-	(1,456)	36,199
Software and licenses	14%	24,708	404	508	(3,273)	22,347
Trademarks and patents	0%	22,883	-	-	-	22,883
Total		295,482	404	508	(12,858)	283,536

*Amounts reclassified from property, plant and equipment.

Consolidated

	Amortization rate	Balance at December 31, 2020	Acquisition	Translation gains (losses)	Reclassification*	Amortization	Balance at June 30, 2021
Goodwill	0%	1,763,232	-	(67,428)	-	-	1,695,804
Sales channel	6%	210,235	-	-	-	(8,129)	202,106
Rights of use	5%	37,655	-	-	-	(1,456)	36,199
Software and Licenses	10%	30,563	2,507	(298)	508	(3,797)	29,483
Trademarks and patents	0%	1,530,318	-	(41,858)	-	(56,419)	1,432,041
Client relationship	0%	2,198,933	-	(72,855)	-	(136,698)	1,989,380
Supplier relationship	0%	2,206,848	-	(75,040)	-	(106,883)	2,024,925
Other intangible assets	0%	7,689	-	(1,481)	-	141	6,349
Total		7,985,473	2,507	(258,960)	508	(313,241)	7,416,287

*Amounts reclassified from property, plant and equipment.

The goodwill generated from acquisitions of ownership interests abroad is expressed in the business unit's functional currency and is translated at the closing rate, in accordance with NBC TG 02/R3 (CVM Resolution 540/10) – effects of changes in exchange rates and translation of financial statements.

16. Trade payables

	Parent		Consolidated	
	6/30/2021	12/31/2020	6/30/2021	12/31/2020
Third parties	584,251	409,863	2,643,430	2,473,050
Related parties ⁽¹⁾	147,347	323,600	141,279	295,019
Total	731,598	733,463	2,784,709	2,768,069

(1) Trade payables with related parties are detailed in Note 32 – Related parties.

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17. Taxes payable

	Parent		Consolidated	
	6/30/2021	12/31/2020	6/30/2021	12/31/2020
Income and social contribution taxes payable	779,525	56,532	1,822,342	689,481
Special tax debt installment plans	113,926	128,472	113,926	129,380
Other taxes, fees and contributions payable	13,828	13,833	58,998	62,740
	907,279	198,837	1,995,266	881,601
Current liabilities	761,336	41,757	1,584,899	509,299
Non-current liabilities	145,943	157,080	410,367	372,302

Special Installment Payment Programs – Federal Law 11,941/09, 12,865/2013, 12,996/2014, Special Tax Amnesty Program (PERT) under Federal Law 13,496/2017, Procedural Legal Transaction (NJP) – Office of the General Counsel for the National Treasury (PGFN) and TA 120 of the State of Mato Grosso

On November 8, 2019, the Corporation entered into a Procedural Legal Transaction, simply referred to as “NJP”, based on Articles 190 and 191 of the Code of Civil Procedure and the Administrative Rules of the Office of the General Counsel for the National Treasury (PGFN) 360 of June 13, 2018 and 742 of December 21, 2018. This agreement provides for the formalization of a plan to pay federal tax liabilities in installments through the use of PIS and COFINS tax credits with requests for reimbursement analyzed and approved by the Federal Revenue Service of Brazil.

In conformity with the agreements signed, during 2020, Brazil’s Federal Revenue Service conducted settlements on its own initiative of the remaining tax credits already inspected, adjusted by the Selic interest rate, in the amount of R\$614 million.

Changes in special installment payment plans are as follows:

	Parent		Consolidated	
	6/30/2021	12/31/2020	6/30/2021	12/31/2020
Opening balance	128,472	806,563	129,380	807,555
(+) Adhesion to the installment payment program	100	-	100	-
(-) Inflation adjustment interest	8,585	16,777	8,591	16,796
(-) Payments made	(23,231)	(80,430)	(24,145)	(80,533)
(-) Offset with tax credits	-	(614,438)	-	(614,438)
Net balance	113,926	128,472	113,926	129,380
Current liabilities	24,801	27,924	24,801	28,028
Non-current liabilities	89,125	100,548	89,125	101,352

On June 25, 2021, the Corporation joined the program for the payment in installments of debits owed to third-parties –“S” system to SESI, with the amounts referring to the period from July 2018 to April 2019, and with the payments to be made over sixty months.

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18. Loans, financing and debentures

Parent					
Credit facility	Charges (% p.a.)	Weighted average interest rate (p.a.)	Weighted average maturity (years)	6/30/2021	12/31/2020
Domestic currency:					
FINAME/FINEP	TJLP + Fixed Rate	0.00%	-	-	1
NCE/Working Capital	Fixed Rate+%CDI	5.69%	0.84	1,375,639	1,330,922
CPR / CCB	CDI	5.89%	2.13	3,825,684	1,180,979
Non-convertible debentures - CRA	104% CDI	4.35%	1.62	501,166	497,448
Share rental (a)	Fixed Rate	2.80%	0.08	437,280	-
Total domestic currency		5.50%		6,139,769	3,009,350
Foreign currency:					
Prepayment / NCE / ACC (US\$)	Fixed Rate+ FX	3.40%	1.23	3,238,861	2,780,917
Bank loan (EUR)	Floating Rate + FX	4.48%	3.16	397,149	-
Total foreign currency		3.52%		3,636,010	2,780,917
Total loans and financing		4.76%		9,775,779	5,790,267
Current liabilities				5,727,873	5,089,995
Non-current liabilities				4,047,906	700,272

Consolidated					
Credit facility	Charges (% p.a.)	Weighted average interest rate (p.a.)	Weighted average maturity (years)	6/30/2021	12/31/2020
Domestic currency:					
FINAME/FINEP	TJLP + Fixed Rate	0.00%	-	-	1
NCE/Working Capital	Fixed Rate+%CDI	8.83%	0.81	1,441,351	1,330,955
CPR / CCB	CDI	5.89%	2.13	3,825,684	1,180,979
Non-convertible debentures - CRA	104% CDI	4.35%	1.62	501,166	497,449
Share rental (a)	Fixed Rate	2.80%	0.08	437,280	-
Total domestic currency		6.23%		6,205,481	3,009,384
Foreign currency:					
Prepayment / NCE / ACC (US\$)	Fixed Rate+ FX	3.39%	1.22	3,313,894	2,832,883
Bonds (US\$) (b)	Fixed Rate+ FX	5.45%	7.78	14,719,686	16,546,530
Bank loan (US\$)	Floating Rate + FX	3.89%	0.71	2,012,778	2,739,359
Bank loan (EUR)	Floating Rate + FX	4.48%	3.16	397,149	-
Revolving credit facility	Floating Rate + FX	1.87%	0.94	1,232,430	1,681,991
Total foreign currency		4.77%		21,675,937	23,800,763
Total loans and financing		5.09%		27,881,418	26,810,147
Current liabilities				8,429,600	6,566,089
Non-current liabilities				19,451,818	20,244,058

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The changes in loans and financing, debentures and interest on debentures are as follows:

Description	12/31/2020	Acquisitions	Loan costs	Payments	Interest	Exchange variation	Balance sheet conversion adjustments	6/30/2021
Parent	5,790,267	7,307,637	3,878	(3,529,904)	177,183	26,718	-	9,775,779
Consolidated	26,810,147	19,638,714	46,372	(18,851,638)	746,545	20,138	(528,860)	27,881,418

Loans, financing, debentures and interest on debentures fall due as follows:

	Parent		Consolidated	
	6/30/2021	12/31/2020	6/30/2021	12/31/2020
2021	3,119,212	5,089,995	4,225,538	6,566,089
2022	2,958,605	474,166	4,720,882	2,859,065
2023	1,325,975	226,106	2,068,306	1,214,054
2024	2,221,921	-	2,237,970	3,884,751
2025	-	-	16,101	5,157,918
2026 to 2031	150,066	-	14,612,621	7,128,270
Total	9,775,779	5,790,267	27,881,418	26,810,147

(a) Share rentals

On June 30, 2021, the Corporation acquired 16,000,000 shares in BRF, as disclosed in note 5.1, at the market value of R\$437,280, under the type “Share rental.” In this type of operation, investors rent shares to other investors, for which they charge a rental rate.

The transaction involves a rate and a period agreed upon by the parties. In most cases, both parties can request the early termination of the agreement.

(b) Senior Notes - BONDS

On January 14, 2021, the Corporation concluded its international bonds offering in the aggregate amount of US\$1.5 billion. The issue received demand 4.5 times higher than the offer. The bonds maturing in 2031 were issued with an interest rate of 3.95% p.a., the Corporation’s lowest ever. The operation was rated “BB-” in foreign currency by Standard & Poor’s (“S&P”) and “BB” by Fitch Ratings. The transaction is guaranteed by Marfrig Global Foods S.A., NBM US Holdings, Marfrig Holdings (Europe) B.V. and Marfrig Overseas Limited.

The issue is part of the Liability Management process to lengthen the Corporation’s debt maturity profile and reduce the cost of its capital structure, and was used in the Tender Offer of Senior Notes due in 2024 with remuneration of 7.000% p.a. and the Senior Notes due in 2025 with remuneration of 6.875% p.a..

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18.1. Guarantees for loans and financing

	Parent		Consolidated	
	6/30/2021	12/31/2020	6/30/2021	12/31/2020
Balance of financing	<u>9,775,779</u>	<u>5,790,267</u>	<u>27,881,418</u>	<u>26,810,147</u>
Guarantees:				
Bank guarantee	-	-	12,029	-
Surety	984,579	956,295	1,157,750	1,035,630
Leased asset	-	1	-	1
Export document	-	-	120,287	125,394
Facilities	-	-	1,242,434	1,829,756
Marketable securities	-	-	11,783	23,856
Mortgage	-	-	145,658	135,154
Securities	437,280	-	437,280	-
No guarantees	8,353,920	4,833,971	24,754,197	23,660,356

18.2. Covenants

The Corporation is party to some loan and financing contracts that contain clauses requiring the maintenance of specific limits of consolidated debt, through covenants. These covenants set the limit of 4.75 for the ratio of Net Debt to EBITDA in the last 12 months. Failure to comply therewith could lead creditors to request the early maturity of the Corporation's debt.

Due to the contractual provisions (carve-out) that allow the exclusion of foreign exchange variation effects from the calculation of leverage ratio (net debt/EBITDA LTM), the Corporation clarifies that based on this methodology, the current leverage ratio (net debt/EBITDA LTM) stood at 1.36.

The leverage ratio is calculated as follows:

	6/30/2021
Consolidated gross debt	27,881,418
(-) Consolidated cash and cash equivalents	13,503,821
Consolidated net debt	<u>14,377,597</u>
EBITDA in the period ended June 30, 2021*	9,933,780
EBITDA ratio	<u>1.45</u>
Consolidated net debt	14,377,597
(-) Effect from exchange variation (carve-out)	869,884
Consolidated adjusted net debt	<u>13,507,713</u>
Leverage ratio	<u>1.36</u>

*EBITDA is presented on a pro forma basis, including the operations/companies acquired, considering the results of the last 12 months.

The Corporation did not identify any breach of its covenants as of June 30, 2021.

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19. Advances from clients

	Parent		Consolidated	
	6/30/2021	12/31/2020	6/30/2021	12/31/2020
Advances from clients	1,503,838	1,594,846	1,884,225	1,710,034
	<u>1,503,838</u>	<u>1,594,846</u>	<u>1,884,225</u>	<u>1,710,034</u>

Advances from clients refer to amounts received in advance from clients in accordance with the Corporation's credit policies.

20. Lease payable

The Corporation measures its lease liabilities at the present value of installments and costs associated with the lease agreement, as provided for in NBC TG 6/R3 (CVM Resolution 787/17).

The following table presents the breakdown of lease payables:

Lease	Parent			
	Weighted average interest rate (p.a.)	Weighted average maturity (years)	6/30/2021	12/31/2020
Plants, facilities and buildings	7.00%	6.9	174,889	185,552
Software license	13.33%	-	16	16
Other	5.51%	1.9	3,529	4,141
Interest to incur			(18,815)	(20,306)
Total	7.79%		<u>159,619</u>	<u>169,403</u>
Current liabilities			9,443	11,875
Non-current liabilities			150,176	157,528

Lease	Consolidated			
	Weighted average interest rate (p.a.)	Weighted average maturity (years)	6/30/2021	12/31/2020
Plants, facilities and buildings	6.45%	6.2	216,716	233,817
Software license	13.33%	-	16	16
Machinery and equipment	3.44%	3.4	342,083	390,861
Other	3.28%	6.5	89,219	97,133
Interest to incur			(29,331)	(32,397)
Total	4.63%		<u>618,703</u>	<u>689,430</u>
Current liabilities			147,771	161,432
Non-current liabilities			470,932	527,998

Financial charges are recognized as financial expenses and recognized based on the real discount rate, according to the remaining period of the agreement.

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The following table presents the changes in lease payables:

Description	12/31/2020	Acquisitions	Financial expense	Payments	Write-offs	Translation gains (losses)	Balance sheet conversion adjustment	Adjustment at present value	6/30/2021
Parent	169,403	-	1,406	(11,275)	-	-	-	85	159,619
Consolidated	689,430	35,719	10,638	(100,622)	-	(7)	(16,540)	85	618,703

The following table presents the maturity schedule of lease agreements:

	Parent		Consolidated	
	6/30/2021	12/31/2020	6/30/2021	12/31/2020
Up to 1 year	9,443	11,875	147,771	161,432
From 1 to 5 years	56,093	52,319	309,269	336,863
More than 5 years	94,083	105,209	161,663	191,135
Total	159,619	169,403	618,703	689,430

20.1. Potential right to PIS and COFINS

The Corporation holds the potential right to recoverable PIS/COFINS taxes embedded in the consideration of leases for industrial plants and others. The measurement of the cash flows from the leases did not detail the tax credits, with the potential effects from PIS/COFINS presented in the following table:

Description	Nominal	Adjustment at present value
Lease consideration	174,889	156,986
Potential PIS/COFINS (9.25%)	16,177	14,521

20.2. Inflationary effects

The Corporation adopted as accounting policy the requirements of NBC TG 6/R3 (CVM Resolution 787/17) to measure and remeasure its right of use, based on discounted cash flow without considering inflation. The Management evaluated the impacts of using nominal flows and concluded that they do not present significant differences from the information presented. To ensure the faithful representation of the information with regard to the requirements of NBC TG 6/R3 (CVM Resolution 787/17) and to comply with the orientations of the CVM, the balances of right-of-use assets, depreciation, lease liabilities and financial expenses without inflation, referred to as actual flow, and the estimate of the balances adjusted for inflation in the comparison period, referred to as inflation-adjusted flow, are presented. Other assumptions, such as the timetable for the maturity of liabilities and the interest rates used in the calculation, are presented in other items of these notes, while the inflation rates are observable in the market, enabling the users of the interim financial statements to determine the inflation-adjusted flows. The Company used the Broad Consumer Price Index - IPCA (8.35% p.a.) to adjust the balance for inflation.

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Right-of-use assets			Lease liabilities		
	Parent	Consolidated		Parent	Consolidated
Real flow	6/30/2021	6/30/2021	Real flow	6/30/2021	6/30/2021
Right of use	168,280	722,780	Lease liabilities	161,025	629,341
Depreciation	(8,402)	(90,872)	Financial expenses	(1,406)	(10,638)
Inflation-adjusted flo	Parent	Consolidated	Inflation-adjusted flow	Parent	Consolidated
	6/30/2021	6/30/2021		6/30/2021	6/30/2021
Right of use	169,558	727,186	Lease liabilities	162,248	633,205
Depreciation	(8,466)	(91,401)	Financial expenses	(1,417)	(10,700)

20.3. Effects from COVID-19 on lease agreements

The Corporation's Management evaluated the requirements of CVM Resolution 859 and concluded that there are no effects on this individual and consolidated accounting information.

21. Notes payable

	Parent		Consolidado	
	6/30/2021	12/31/2020	6/30/2021	12/31/2020
Notes payable for investments in Brazil (a)	194,534	233,742	194,534	233,742
Market transactions payable (b)	19,947	105,768	22,036	111,964
Related parties (c)	20,934,472	21,206,532	-	-
Other	23,547	26,549	23,547	26,549
	21,172,500	21,572,591	240,117	372,255
Current liabilities	77,868	119,703	79,957	125,899
Non-current liabilities	21,094,632	21,452,888	160,160	246,356

- (a) The amount refers primarily to the balance of the acquisition of all shares in Mercomar Empreendimentos e Participações Ltda., acquired in May 2015, with final maturity scheduled for March 2024;
- (b) In note 28, we break down financial instrument operations practiced by the Corporation. The Corporation and its subsidiaries are subject to market risks related to foreign exchange variations, interest rates fluctuations and commodities price variations. These represent the amount of mark-t-market adjustment of derivatives payable; and
- (c) The amount refers to loans with subsidiaries. A breakdown of the balance can be found in Note 32 Related-party transactions.

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22. Provisions for contingencies

22.1. Provisions

The Corporation and its subsidiaries are involved in several labor, tax and civil proceedings, in the ordinary course of business, for which provisions based on legal counsel's estimates have been set up. The principal information about these proceedings is presented below:

	Parent		Consolidado	
	6/30/2021	12/31/2020	6/30/2021	12/31/2020
Labor and social security	48,038	48,781	89,421	92,215
Tax	199,485	216,299	218,380	237,310
Civil	80,045	80,272	101,396	99,414
	<u>327,568</u>	<u>345,352</u>	<u>409,197</u>	<u>428,939</u>

The following table shows the changes in provisions in the period ended June 30, 2021:

	Parent				Consolidated			
	Labor and social security	Tax	Civil	Total	Labor and social security	Tax	Civil	Total
December 31, 2020	48,781	216,299	80,272	345,352	92,215	237,310	99,414	428,939
Addition to provision	-	-	469	469	6,707	1,833	8,414	16,954
Reversal of provision	(743)	(16,814)	(696)	(18,253)	(2,000)	(17,310)	(2,668)	(21,978)
Payments	-	-	-	-	(493)	(5)	(25)	(523)
Translation gains (losses)	-	-	-	-	(7,008)	(3,448)	(3,739)	(14,195)
June 30, 2021	<u>48,038</u>	<u>199,485</u>	<u>80,045</u>	<u>327,568</u>	<u>89,421</u>	<u>218,380</u>	<u>101,396</u>	<u>409,197</u>

22.2. Labor and social security

As at June 30, 2021, the Corporation and its subsidiaries are parties to various labor claims. Based on the Corporation's and its subsidiaries' payment history, a provision of R\$89,421 was set up. In the opinion of the Management and legal counsel, this provision is sufficient to face probable losses. Most of the labor claims filed against the Corporation and its subsidiaries refer to matters usually questioned in this industry, such as dismissal for just cause, preparation time, breaks for personnel who work in refrigerated environments, commuting time and ergonomic risk, among others. The Management of the Corporation believes no individual labor claim is relevant.

22.3. Tax

Based on the opinion of its legal advisors, the Corporation revised its estimate for unmaterialized tax risks in view of certain processes and legal discussions involving the Administrative Council of Tax Appeals (CARF), in addition to decisions on matters under dispute. Management reassessed the reserve in the total amount of R\$218,380, with the main discussions including the exclusion of ICMS tax from the calculation base of PIS/COFINS, disallowance compensation of estimated IRPJ/CSLL, lack of addition of profits abroad in the calculation of tax and contribution in income, GILRAT and ICMS proof of exports. The Corporation, supported by its legal advisors, considered sufficient the amounts registered in provision for potential impacts in the event that such risks materialize.

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22.4. Civil

Based on the opinion of legal advisors, the Management recognized on June 30, 2021a provision for the number of shares considered to be of probable risk, totaling R\$101,396. The civil suits of the Corporation and its subsidiaries involve disputes typically related to business agreements and indemnities. The provisioned amount is substantially composed of the early termination of the agreement for sponsorship of the Brazilian National Football Teams entered into with the Brazilian Football Confederation (CBF), and reflects the adjustment of the existing risk for inflation.

22.5. Contingent liabilities

Contingent liabilities, whose probability of loss for the Corporation was defined by its legal advisors as possible and, as such, are not recorded in the books of account according to prevailing legislation, are shown below:

	Parent		Consolidado	
	6/30/2021	12/31/2020	6/30/2021	12/31/2020
Labor and social security	69,329	72,784	75,242	78,615
Tax	816,600	791,214	847,322	823,770
Civil	9,820	9,859	9,932	9,950
	895,749	873,857	932,496	912,335

22.6. Labor and social security

The labor and social security lawsuits in which the Corporation and its subsidiaries are parties typically involve issues usually claimed in the segment, such as dismissal without cause, preparation time, breaks for persons working in refrigerated environments, overtime, ergonomic hazards and others, which are individually insignificant.

22.7. Tax

The main tax matters discussed at court that in the opinion of the Management and legal counsel are rated as possible losses for the Corporation and its subsidiaries is presented below.

a) Federal Taxes and Contributions

As at June 30, 2021, the Corporation was a party to administrative proceedings and court claims filed by the Federal Government at the total historical value of R\$744,964, claiming:

- (i) No increase in taxable income and IRPJ/CSLL base for profits earned abroad in calendar year 2009, disallowance of goodwill amortization and non-subjection to tax of interest from loan agreements in force with subsidiaries abroad, in the historical amount of R\$83,911.
- (ii) Disallowance of PIS/COFINS credits for calendar year 2014 used for the payment of taxes in the historical amount of R\$324,379;
- (iii) Payment of IOF for calendar year 2016 related to checking account agreements executed among the companies of the group in the historical amount of R\$21,923;
- (iv) The Corporation and its subsidiaries have federal tax debits, whose collection suits are individually immaterial, totaling R\$314,751.

b) State VAT – ICMS

On June 30, 2021, the Corporation had administrative proceedings, and court claims in the historical amount of R\$101,104, claiming the following:

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- (i) Tax Deficiency Notices discussing the collection of ICMS taxes in the state of Goiás related to the disallowance of ICMS tax credits due to noncompliance with accessory obligations, error in the basis for calculation of the value due in ICMS taxes, failure to return credits granted after goods were returned, failure to return ICMS credits on the acquisition of inputs/goods proportionally to disbursements, failure to substantiate exports of goods abroad, which amount to a historical amount of R\$50,249;
 - (ii) The Corporation and its subsidiary Pampeano are parties to administrative proceedings and legal suits, whose collection suits are individually immaterial, totaling R\$50,855.
- c) Taxes on Services of Any Nature (ISSQN)**
On June 30, 2021, the Corporation is involved in three lawsuits (two in legal court and one in the administrative level) which claim the collection of local government taxes in the historical amount of R\$1,254.

22.8. Civil

The civil suits of the Corporation and its subsidiaries involve disputes typically related to business agreements and indemnities, which are not individually relevant.

22.9. Additional information

Sale of the Keystone business

The Corporation is disputing the price adjustment and negotiation practices adopted by the buyer in the agreement for the sale of the business unit Keystone Foods in civil lawsuits with the U.S. courts. The items related to price adjustment were submitted to evaluation in the arbitration process established in the agreement. The buyer filed an action discussing, among other things, the repurchase of McKey Korea LLC (Korean company owned by Keystone Foods) by Marfrig. The proceeding is in the evidentiary stage and testimony of witnesses.

National Beef business

Four class actions were filed in the United States alleging that the company and its subsidiary, National Beef, with other companies in the industry, colluded to control cattle prices. In all the actions, the court issued decisions that excluded Marfrig as a defendant and maintained National Beef, which is defending the action. In January 2020, two class actions were filed in the United States alleging that National Beef labeled certain products inappropriately, in violation of U.S. state laws. The claims were denied by the lower court and the plaintiffs filed appeal against the decision. National Beef also was notified of a civil investigation by the U.S. Department of Justice regarding the purchase of fed cattle and responded to it by providing the required information.

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23. Shareholders' equity

On June 30, 2021 and December 31, 2020, shareholders' equity was broken down as follows:

	Note	6/30/2021	12/31/2020
Share capital	23.1	8,204,391	8,204,391
Capital reserves, options granted and treasury shares	23.2	(1,775,052)	(1,684,338)
Legal reserve	23.3	59,327	59,327
Earnings reserve	23.4	148,431	148,431
Proposed dividend	23.5	958,389	70,542
Other comprehensive income	23.6	(4,469,128)	(4,703,644)
Accumulated losses		1,059,271	-
		4,185,629	2,094,709

23.1. Share capital

Subscribed and paid-in share capital as at June 30, 2021 and December 31, 2020 totals R\$8,204,391 and is represented by 711,369,913 common shares without par value. On June 30, 2021, 348,967,153 shares, or 49.06% of the capital was held by the controlling shareholder: Marcos Antonio Molina dos Santos, Marcia Aparecida Pascoal Marçal dos Santos and MMS Participações Ltda. (company controlled by Marcos and Marcia, each holding a 50% ownership interest). The free float was 362,402,760 shares, or 50.94%, of which 27,100,010 shares are held in treasury, and 880,252 shares are held by its Board of Directors (BD), Audit Board (AB) and Executive Board (EB).

Share Capital

	Balance at June 30, 2021	Balance at December 31, 2020
Common shares		
Controlling shareholders	348,967,153	341,330,644
Total controlling shareholders	348,967,153	341,330,644
Treasury shares	27,100,010	19,413,106
Shares held by BD, AB and EB	880,252	975,641
Other outstanding shares	334,422,498	349,650,522
Total free-float	362,402,760	370,039,269
Number of shares	711,369,913	711,369,913
Total share capital (R\$ '000)	8,204,391	8,204,391

23.2. Capital reserves, options granted and treasury shares

On June 30, 2021, the balances of the capital reserves, options granted and treasury shares were broken down as follows:

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Capital reserves, options granted and treasury shares	Balance at December 31, 2020	Translation gains (losses)	Acquisition	Balance at June 30, 2021
Capital reserve				
Goodwill on capital transactions - National Beef	(1,662,739)	61,706	-	(1,601,033)
Goodwill on capital transactions - Tacuarembó	(158)	-	-	(158)
Goodwill on Stock Option	(11,788)	-	(2,775)	(14,563)
Common shares	184,800	-	-	184,800
	(1,489,885)	61,706	(2,775)	(1,430,954)
Treasury shares				
Treasury shares	(194,453)	-	(149,645)	(344,098)
	(194,453)	-	(149,645)	(344,098)
	(1,684,338)	61,706	(152,420)	(1,775,052)

Treasury shares

On June 30, 2021, Corporation held 27,100,010 common shares in treasury, which were booked at the amount of R\$332,407, which corresponds to an average cost of R\$12.27 per share.

On June 30, 2021, treasury shares amounted to R\$344,098, of which R\$11,691 refers to treasury shares cancelled.

Changes in treasury shares in the period are shown in the table below:

Held in treasury	Number of shares	Amount (R\$ '000)
Balance at December 31, 2020	19,413,106	182,762
(+) Acquisition - Repurchase program	9,200,300	165,536
(-) Disposal - Stock options	(1,587,321)	(15,891)
Balance at June 30, 2021	27,026,085	332,407

Share buyback program

Shares repurchased were held in treasury for exercise of stock options by the beneficiaries of the Corporation's Stock Option Plan and/or subsequent cancellation or sale. On March 9, 2021, the Corporation's Board of Directors approved the use of the available capital and profit reserve to acquire shares. The buyback program includes the acquisition of up to 9,554,341 registered, book-entry common shares without par value, limited to ten percent (10%) of the Corporation's free-float shares. The maximum period for effecting the purchase transactions is eighteen (18) months, starting on March 9, 2021 and ending on September 9, 2022.

23.3. Legal reserve

It is 5% (five per cent) of the Corporation's net income, as defined in its by-laws and current legislation. The balance of the legal reserve on June 30, 2021 and December 31, 2020 was R\$59,327.

23.4. Retained earnings

The balance of the retained earnings reserve on June 30, 2021 and December 31, 2020 was R\$148,431.

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23.5. Proposed dividend

As decided by Annual Shareholders Meeting held on April 8, 2021, the Corporation distributed an additional dividend in the amount of R\$70,542, for the fiscal year ended December 31, 2020.

In the period ended June, 30 2021, the Corporation calculated adjusted net income, already deducting five percent (5%) from the legal reserve, for an interim dividend in the amount of R\$1,916,777. The Corporation is proposing to distribute fifty percent (50%) of this amount, in the amount of R\$958,389.

According to its bylaws, the Corporation is allowed to prepare balance sheets for six months or shorter periods. Observing the conditions imposed by law, the Board of Directors may: (a) decide to distribute dividends against the profit account determined by the semiannual balance sheet or for shorter periods ad referendum the Shareholders Meeting; and (b) declare interim dividends against the profit reserves account existing as of the last annual or semiannual balance sheet.

23.6. Other comprehensive income

This account recognizes, before being recorded in the statement of operations for the period, translation gains (losses) resulting from the translation of interim financial statements of subsidiaries abroad, whose functional currency differs from that of the Corporation, the corresponding entries of increases or decreases in the amount attributed to asset and liability items arising from their adjustment to market price on investments in subsidiaries directly and indirectly held by the Corporation. Such accumulated effect will be transferred to the statement of operations for the period as gain or loss only upon the disposal or write-off of the investment.

This account also recognized the effects from the adoption of deemed cost and the result of derivative financial instruments designated for hedge accounting not yet realized.

On June 30, 2021, the balance of other comprehensive income was broken down as follows:

Other comprehensive income	Balance at December 31, 2020	Exchange effect	Realization	Balance at June 30, 2021
Exchange variation on net investments and balance sheet conversion	2,605,284	80,402	-	2,685,686
Exchange variation on loan	(8,177,246)	245,689	-	(7,931,557)
Exchange variation on goodwill	815,322	(90,924)	-	724,398
Deemed cost	52,996	-	(651)	52,345
	(4,703,644)	235,167	(651)	(4,469,128)

23.7. Shareholder compensation

When proposed by the Corporation, shareholder compensation is paid in the form of dividends and/or interest on equity based on the limits set by law and by the Corporation's Bylaws.

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24. Net sales revenue

	Parent		Consolidated	
	6/30/2021	6/30/2020	6/30/2021	6/30/2020
Revenue from sales of products				
Domestic sales	3,173,805	2,511,966	29,350,624	24,996,203
Foreign sales	3,788,390	3,619,408	8,967,109	7,883,289
	<u>6,962,195</u>	<u>6,131,374</u>	<u>38,317,733</u>	<u>32,879,492</u>
Deductions from gross sales				
Taxes on sales	(228,259)	(142,868)	(255,012)	(180,360)
Returns and discounts	(177,343)	(246,773)	(253,222)	(316,870)
	<u>(405,602)</u>	<u>(389,641)</u>	<u>(508,234)</u>	<u>(497,230)</u>
Net sales revenue	<u>6,556,593</u>	<u>5,741,733</u>	<u>37,809,499</u>	<u>32,382,262</u>

25. Costs and expenses by nature

The Corporation has decided to present the statements of income by function. The breakdown by nature is below:

	Parent		Consolidated	
	6/30/2021	6/30/2020	6/30/2021	6/30/2020
Cost of sales				
Inventory costs	5,792,067	4,219,287	27,248,138	22,857,579
Depreciation and amortization	142,905	122,471	547,798	481,230
Employee salaries and benefits	310,311	323,040	3,254,947	2,806,380
	<u>6,245,283</u>	<u>4,664,798</u>	<u>31,050,883</u>	<u>26,145,189</u>
Administrative expenses				
Depreciation and amortization	17,040	16,703	195,011	176,359
Employee salaries and benefits	42,482	29,144	207,839	176,625
Other	27,981	3,575	127,805	99,476
	<u>87,503</u>	<u>49,422</u>	<u>530,655</u>	<u>452,460</u>
Selling expenses				
Depreciation and amortization	584	307	3,764	4,301
Employee salaries and benefits	22,819	26,879	79,837	81,057
Freight	151,929	164,255	1,008,496	862,847
Other	82,923	74,983	253,458	207,239
	<u>258,255</u>	<u>266,424</u>	<u>1,345,555</u>	<u>1,155,444</u>

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26. Net financial result

The Corporation's financial income (expenses) is as follows:

	Parent		Consolidated	
	6/30/2021	6/30/2020	6/30/2021	6/30/2020
Interest received, earnings from marketable securities	10,420	14,776	59,393	52,841
Interest, debentures and lease with financial institutions	(189,490)	(196,285)	(794,163)	(889,601)
Inflation adjustments, bank expenses, amortiz. cost on debt and other	(136,063)	(562,049)	117,081	(174,434)
Gain (loss) from securities ⁽¹⁾	(26,541)	-	228,217	-
Translation gains and losses	(188,308)	(898,667)	(291,210)	(945,689)
Total	(529,982)	(1,642,225)	(680,682)	(1,956,883)
Financial income	1,250,284	1,369,891	1,462,641	1,410,632
Financial expenses	(1,780,266)	(3,012,116)	(2,143,323)	(3,367,515)
Total	(529,982)	(1,642,225)	(680,682)	(1,956,883)

⁽¹⁾ MTM adjustment of the share-based securities acquired from BRF, as shown in Note 5.1.

27. Earnings (loss) per share

The following table shows the calculation of earnings (loss) per share for the fiscal periods ended June 30, 2021 and 2020 (in thousands, unless otherwise stated):

	6/30/2021	6/30/2020
Profit attributable to shareholders from the Corporation	2,017,009	1,457,017
Weighted average number of shares in the period (units)	711,369,913	711,369,913
Weighted average number of shares held in treasury (units)	(12,649,018)	(10,836,203)
Weighted average number of outstanding common shares (units)	698,720,895	700,533,710
Earnings or losses attributable to shareholders from the Corporation	2.8867	2.0799

28. Financial instruments - risk management

28.1. Overview

The Corporation and its subsidiaries are exposed to market risks related to exchange rate gains (losses), equity income, interest rate and commodities price fluctuations of a nature considered normal to their business. In order to minimize these risks, the Corporation has policies and procedures to minimize these exposures and may use hedging instruments, as long as previously approved by the Board of Directors.

Among the Corporation's guidelines we highlight: Monitoring levels of exposure to each market risk; measuring these risks; setting limits for making decisions and using hedging mechanisms, always aiming at minimizing the foreign exchange exposure of its debts, cash flows and interest rates.

The Corporation shall be represented exclusively by its Officers and Attorney-in-Fact, observing the limitations provided in the Bylaws, and subject to approval of the Board of Directors for acts and transactions in amounts exceeding such limit.

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The Corporation only enters into transactions with derivatives or similar instruments that offer a maximum protection against: foreign currencies, interest rates and commodity prices, and also adopts a conservative policy of not entering into transactions that could affect its financial position. The Corporation does not enter into leveraged transactions with derivatives or similar instruments.

The Corporation also has a sound financial policy, maintaining a high level of cash balance, cash equivalents and short-term financial investments. At the same time, the maturity of the Corporation's long-term indebtedness is such way that it is not concentrated in any single year.

28.2. Credit risk management

The Corporation and its subsidiaries are subject to credit risk. Credit risk deals with group's financial losses if a client or counterpart in a financial instrument fails to comply with contractual obligations, which arise from most receivables.

The Corporation and its subsidiaries limit their exposure by analyzing credit and managing client's portfolio, seeking to minimize the economic exposure to a certain client and/or market that may represent significant losses.

The Global Credit Risk Policy determines the guideline for financial credit risk management based on the following:

- ✓ Limit of counterparty's credit risk concentration to 15% of total current assets;
- ✓ Investments in solid and prime financial institutions, based on their financial rating;
- ✓ Balance between assets and liabilities.

Conducted evaluations are based on information flows and follow-up of the volume of purchases in the market. The internal controls cover the assignment of credit limits.

The maximum exposure to credit risk for the Corporation and its subsidiaries are the trade accounts receivable shown in note 6, where the value of the effective risk of possible losses is presented as provision for credit risk is also shown.

Values subject to credit risk:

	Parent		Consolidated	
	6/30/2021	12/31/2020	6/30/2021	12/31/2020
Cash and cash equivalents	31,762	291,563	1,611,197	2,041,924
Financial investments and bonds and securities	4,578,829	53,456	11,892,624	9,715,525
Receivables from Brazilian clients	388,186	346,121	2,490,811	2,026,341
Receivables from foreign clients	1,460,702	754,648	718,627	486,691
Other receivables	44,618	41,657	721,184	515,861
Total	6,504,097	1,487,445	17,434,443	14,786,342

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28.3. Liquidity risk management

Liquidity risk arises from the Corporation's and its subsidiaries' working capital management and the amortization of the principal and finance charges of debt instruments. This is the risk that the Corporation and its subsidiaries will find to settle its falling due payables.

The Corporation and its subsidiaries manage their capital based on parameters to optimize the shareholding structure focused on liquidity and leverage metrics that enable a return to shareholders over the medium term, consistent with the risks assumed in the transaction.

The main indicator for monitoring is the modified immediate liquidity ratio, which is the ratio between cash and cash equivalents and current indebtedness (short term).

	Parent		Consolidated	
	6/30/2021	12/31/2020	6/30/2021	12/31/2020
Short-term cash, cash equivalents and short-term financial investments	4,610,591	345,019	13,503,821	11,757,449
Short-term loans and financings	5,727,873	5,089,995	8,429,600	6,566,089
Modified liquidity ratio	0.80	0.07	1.60	1.79

28.4. Market risk management

The Corporation is exposed to market risks arising from commodity prices, interest rates and exchange rates. For each risk, the Corporation conducts a continuous management and sensitivity studies presented in this note.

28.5. Interest rate risk

Interest rate risk refers to the Corporation's risk of incurring economic losses due to negative changes in interest rates. This exposure basically refers to changes in market interest rates which affect the Corporation's assets and liabilities indexed to the TJLP (long-term interest rate), LIBOR (London Interbank Offered Rate) or CDI (interbank deposit rate).

In order to reduce debt service costs, the Corporation and its subsidiaries continually monitor market interest rates to assess the need to enter into new derivative contracts to hedge its operations against the risk of fluctuations of these rates.

The interest rate exposure risk of the Corporation and its subsidiaries as of June 30, 2021 and December 31, 2020 is as follows:

	Parent		Consolidated	
	6/30/2021	12/31/2020	6/30/2021	12/31/2020
Exposure to CDI rate:				
Loans linked to CDI	5,702,489	3,009,349	5,768,201	3,009,383
(-) CDB-DI (R\$)	(844,804)	(7,191)	(844,804)	(7,191)
Subtotal	<u>4,857,685</u>	<u>3,002,158</u>	<u>4,923,397</u>	<u>3,002,192</u>
Exposure to LIBOR rate:				
Rotating Credit Facility (US\$)	-	-	3,245,208	4,421,350
Subtotal	<u>-</u>	<u>-</u>	<u>3,245,208</u>	<u>4,421,350</u>
Total	<u>4,857,685</u>	<u>3,002,158</u>	<u>8,168,605</u>	<u>7,423,542</u>

On June 30, 2021, the Corporation did not have any swap transactions contracted.

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28.6. Commodity price risk

In its activities, the Corporation purchases its main commodity, cattle, which is the largest individual components of its production costs and is subject to certain variables. The price of cattle acquired from third parties is directly related to market conditions, and is influenced by domestic availability and foreign market demand. To reduce the impact of risks on commodity prices, the Corporation holds cattle in feedlots and trades derivative financial instruments in the futures market, as well as other operations.

The derivative financial instruments used to hedge against commodity price risks on June 30, 2021, which are not designated for hedge accounting, are as follows:

Consolidated						
Instrument	Hedge object	Register	Notional US\$	Notional R\$	6/30/2021	12/31/2020
					MTM R\$	MTM R\$
Futures	Fed cattle	B3	(1,019)	(5,098)	-	(65)
Futures	Fed cattle	CME	3,927	19,642	924	47
			<u>2,908</u>	<u>14,544</u>	<u>924</u>	<u>(18)</u>

- **Commodities sensitivity analysis**

The table below shows the sensitivity analysis for the price of commodities. The Corporation considered scenario I as appreciation of 10% and scenarios II and III as deterioration of 25% and 50% for commodity price volatility, using as reference the closing price on June 30, 2021.

Consolidated					
Parity - USDA Price - Cattle - R\$/US\$		Current	Scenario I	Scenario II	Scenario III
Instrument	Risk	scenario			
Futures	Increase in fed cattle price	-	95	(239)	(477)
Futures	Increase in fed cattle price	924	2,888	(3,987)	(8,897)
		<u>924</u>	<u>2,983</u>	<u>(4,226)</u>	<u>(9,374)</u>

28.7. Exchange rate risk

Exchange rate risk consists of the risk of foreign exchange fluctuations leading the Corporation and its subsidiaries to incur losses and causing a reduction in the values of assets or an increase in the values of liabilities. The Corporation's main current exchange rate exposure relates to the US dollar fluctuation against the Brazilian real.

Given that approximately 93% of the Corporation's revenues are denominated in currencies other than the Brazilian real, the Corporation has a natural *hedge* against the maturities of future obligations in foreign currency.

The Corporation also has a sound financial policy, maintaining a high level of cash balance and short-term financial investments with solid financial institutions. Assets and liabilities in foreign currency are presented as follows:

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Description	Parent		Effects of translation gains (losses) 2021
	6/30/2021	12/31/2020	
Operating			
Trade accounts receivable	1,460,702	754,648	(38,006)
Imports payable	(25,028)	(42,487)	67,166
Dividends receivable	1,349,956	-	(193,187)
Subtotal	2,785,630	712,161	(164,027)
Financial			
Loans and financing	(3,636,010)	(2,780,917)	(26,719)
Notes payable and receivable	52,571	346,191	(2,586)
Balance of banks and marketable securities (*)	8,701	115,249	5,024
Subtotal			
Total	(789,108)	(1,607,316)	(188,308)
Translation gains			868,697
Translation losses			(1,057,005)
Translation gains (losses), net			(188,308)

(*) Refers only to banks and marketable securities that generated translation gains (losses).

Description	Consolidated		Effects of translation gains (losses) 2021
	6/30/2021	12/31/2020	
Operating			
Trade accounts receivable	718,627	486,691	(45,841)
Imports payable	(223,257)	(209,824)	73,719
Dividends receivable	1,349,956	-	(193,187)
Other	(18,621)	(97,117)	3,410
Subtotal	1,826,705	179,750	(161,899)
Financial			
Loans and financing	(21,675,937)	(23,800,763)	(20,139)
Notes payable and receivable	70,691	368,130	(108,489)
Balance of banks and marketable securities (*)	123,405	327,348	(683)
Subtotal	(21,481,841)	(23,105,285)	(129,311)
Total	(19,655,136)	(22,925,535)	(291,210)
Translation gains			985,882
Translation losses			(1,277,092)
Translation gains (losses), net			(291,210)

(*) Refers only to banks and marketable securities that generated translation gains (losses).

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The Corporation contracted Non-Deliverable Forwards (NDFs) contracts, all of them non-speculative in nature, to minimize the effects of the foreign exchange variation on its exports, as per the breakdown below, the results of which are accounted for under the items "Exchange Rate Gains" and "Exchange Rate Losses".

Consolidated							6/30/2021	12/31/2020
Instrument	Hedge object	Register	Asset	Liabilities	Notional receivable	Notional payable	MTM R\$	MTM R\$
Operations not designated for Hedge Accounting								
NDF	Fx rate	OTC	USD	GBP	15,499	77,529	826	(3,874)
NDF	Fx rate	OTC	USD	EUR	1,724	8,622	104	(378)
NDF	Fx rate	OTC	USD	AUD	794	3,973	(102)	(570)
NDF	Fx rate	OTC	EUR	BRL	79,395	397,149	(19,947)	-
NDF	Fx rate	OTC	USD	CLP	12,470	62,377	1,245	(974)
							(17,874)	(5,796)

- Consolidated exchange rate exposure sensitivity analysis**

The table below shows the sensitivity analysis for the consolidated exchange rate exposure. The Corporation considered scenario I as appreciation of 10% and scenarios II and III as deterioration of 25% and 50% for foreign exchange volatility, using as reference the closing rate on June 30, 2021.

Consolidated					
Parity - US\$ x EUR		Current	Scenario I	Scenario II	Scenario III
Instrument	Risk	Scenario			
NDF	US\$ appreciation	104	748	(2,234)	(4,365)
Parity - US\$ x GBP					
Instrument	Risk	Current	Scenario I	Scenario II	Scenario III
NDF	US\$ appreciation	826	(6,768)	19,782	38,746
Parity - US\$ x AUD					
Instrument	Risk	Current	Scenario I	Scenario II	Scenario III
NDF	US\$ appreciation	(102)	(510)	917	1,937
Parity - EUR x Real					
Instrument	Risk	Current	Scenario I	Scenario II	Scenario III
NDF	EUR appreciation	(19,947)	(59,566)	79,437	178,724
Parity - US\$ x CLP					
Instrument	Risk	Current	Scenario I	Scenario II	Scenario III
NDF	US\$ appreciation	1,245	6,238	(15,594)	(31,189)

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Details of the accounting policies and methods used (including criteria for recognition, measurement bases and criteria for recognition of gains and losses) for each class of financial instruments and equity are presented in note 3.1.

Assets and liabilities presented on the balance sheet under “notes receivable” and “notes payable” regarding derivative transactions, which are intended for equity hedging, are shown below:

	Parent		Consolidated	
	6/30/2021	12/31/2020	6/30/2021	12/31/2020
Notes receivable - derivatives (note 9)	-	-	5,085	449
Notes payable - derivatives (note 21)	19,947	(105,768)	22,036	(111,964)
Total, net	<u>19,947</u>	<u>(105,768)</u>	<u>27,121</u>	<u>(111,515)</u>

28.9. Fair value of financial instruments

The method used by the Corporation to determine market value consists in calculating the future value based on contracted conditions and determining the present value based on market curves obtain from Bloomberg’s database, except for futures market derivatives whose fair values are calculated based on the on daily adjustments of variations in market prices of commodities and futures acting as consideration.

According to NBC TG 40/R2 (CVM Resolution 684/12), the Corporation and its subsidiaries classify the measurement of fair value according to hierarchical levels which reflect the importance of indices used in such measurement, as follows:

- **Level 1:** Prices quoted in (non-adjusted) active market for identical assets and liabilities;
- **Level 2:** Other available information, except those of Level 1, where quoted prices relate to similar assets and liabilities, whether directly, by obtaining prices in active markets, or indirectly, such as evaluation techniques using active market data.
- **Level 3:** Indices used for the calculation do not derive from an active market. The Corporation and its subsidiaries do not have instruments at this measurement level.

Currently, the fair value of all the financial instruments of the Marfrig Group is reliably measured and hence these are classified as level 1 and 2, as shown below:

	Parent		Consolidated	
	Level 1	Level 2	Level 1	Level 2
Current assets				
Marketable securities	-	4,578,829	-	11,892,624
Notes receivable - derivatives	-	-	-	5,085
Non-current liabilities				
Notes payable - derivatives	19,947	-	22,036	(1,986)
Total	<u>19,947</u>	<u>4,578,829</u>	<u>22,036</u>	<u>11,895,723</u>

Management understands that the results obtained with derivative transactions are in line with the risk management strategy adopted by the Corporation and its subsidiaries.

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28.10. Sensitivity analysis of acquisitions of BRF shares

We present below a sensitivity analysis for the gains (losses) of the securities on the B3 and the ADRs on the shares acquired from BRF, as shown in note 5.1.

In scenario I, the amount of R\$30.07 and US\$5.94 was considered per share, which is the highest price quote of six months period ended June 30, 2021. In this scenario, the Corporation would record a gain of R\$299,360 and US\$53,541 on the B3 and ADRs, respectively.

In scenario II, the amount of R\$20.05 and US\$3.73 was considered per share, which is the lowest price of six months period ended June 30, 2021. In this scenario, the Corporation would register a loss of R\$892,437 and US\$68,468 on the B3 and ADRs, respectively.

In scenario III, the percentage of 49.98% for B3 and 59.25% for ADRs were considered, which refers to the variation between the highest and the lowest price per share of six months period ended June 30, 2021. This percentage was applied on the amount of R\$27.33 and US\$5.47 (share price on June 30, 2021). In this scenario, the Corporation would register a loss of R\$1,651,070 and US\$151,331 on the B3 and ADRs, respectively.

Instrument	Risk	Current Scenario	Scenario I	Scenario II	Scenario III
BRF Shares (B3)	Market value gain (loss) - R\$	(26,541)	299,360	(892,437)	(1,651,070)
BRF Shares (ADRs)	Market value gain (loss) - US\$	49,500	53,541	(68,468)	(151,331)

29. Income and social contribution taxes

Income and social contribution taxes were calculated according to prevailing legislation and Federal Law 12,973/2014.

Income and social contribution tax calculations and returns, when required, are open to review by tax authorities for varying statutory years in relation to the payment or filing date.

Below are the calculation and reconciliation of income and social contribution taxes in the income statements of six months period ended June 30, 2021:

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	Parent		Consolidated	
	6/30/2021	6/30/2020	6/30/2021	6/30/2020
Net income before taxes	2,196,991	1,090,548	4,011,523	2,488,040
Non-controlling interest on profit or loss before taxes	-	-	(865,727)	(712,451)
Net income before taxes - adjusted	2,196,991	1,090,548	3,145,796	1,775,589
Income and social contribution taxes - Nominal rate (34%)	(746,977)	(370,786)	(1,069,570)	(603,699)
Adjustments to determine the effective tax rate:				
Taxation on profit of companies abroad	(359,356)	-	(359,356)	-
Effect from differences in tax rate of companies abroad	-	-	329,754	191,007
Tax incentives	15,002	19,598	41,173	50,595
Equity income (loss)	994,611	717,026	(2,190)	-
Other additions/exclusions	(83,262)	631	(68,598)	43,526
Total	(179,982)	366,469	(1,128,787)	(318,572)
Total current taxes	138,119	-	(946,314)	(596,606)
Total deferred taxes	(318,101)	366,469	(182,473)	278,034
	(179,982)	366,469	(1,128,787)	(318,572)
Effective tax rate (*)	8%	-34%	36%	18%

(*) The difference between nominal and effective rate is significantly affected by equity income (loss) in Parent and taxes on profit abroad in Consolidated.

30. Segment reporting

The Corporation established an integrated and geographically diversified business model, which consists of production units located in strategic places, combined with a broad distribution network with access to the world's main channels and consumer markets.

Currently, Marfrig operates 20 cattle processing plant in Brazil, Argentina, Uruguay and the United States, as well as a lamb processing plant in Chile. For processed products, such as beef patties, canned beef, plant-based products, etc., the Corporation has over 12 plants located in the same countries in which it has cattle processing plants.

The Corporation believes that continuous improvement in its internal processes will enable it to further enhance efficiency and cut costs, which, coupled with a result-driven management that is committed to profitable growth, will drive profitability and cash generation.

Furthermore, to better evaluate and analyze the operating performance of its two main operating segments, the Corporation presents the corporate segment formed by a corporate headquarter and non-operating entities.

	Net revenue		Operating income		Non-current assets	
	6/30/2021	6/30/2020	6/30/2021	6/30/2020	6/30/2021	12/31/2020
North America	28,212,963	24,214,665	4,954,359	3,973,209	6,125,204	515,031
South America	9,596,536	8,167,597	5,917	744,406	10,791,564	9,455,102
Corporate	-	-	(256,237)	(272,692)	4,678,768	11,117,406
Total	37,809,499	32,382,262	4,692,205	4,444,923	21,595,536	21,087,539

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31. Insurance coverage

The Corporation's policy is to insure its property, plant and equipment and inventories subject to risk, at amounts deemed sufficient to cover possible losses, taking into consideration the nature of its activities and the insurance advisors' opinion.

Based on the maximum risk weighting, the Corporation does not have a policy of maintaining insurance policies to protect against lost profits, given the broad geographic distribution of its plants and the fact that its operations can be reorganized in the event that any need arises.

The risk assumptions adopted, given their nature, are not part of the scope of an audit of financial statements and, accordingly, were not reviewed by the Corporation's independent auditors.

Below is a summary of the amounts insured by the Corporation:

Description	Parent		Consolidated	
	6/30/2021	12/31/2020	6/30/2021	12/31/2020
Buildings and meatpacking plants	2,552,871	2,552,871	6,508,142	6,634,632
Inventories	438,911	438,911	999,451	1,043,471
Third-party warehouse	72,731	72,731	136,580	118,457
Vehicles	12,707	12,802	30,057	31,472
Transportation of goods	78,865	75,482	1,679,099	3,698,860
Officers' guarantees	500,220	519,670	580,311	561,260
Civil liability	25,000	26,900	468,288	505,077
Aircraft	278,144	548,794	778,364	1,068,464
Other	762,158	705,431	825,658	771,690
	4,721,607	4,953,592	12,005,950	14,433,383

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32. Related-party transactions

32.1. Related parties to the Parent Company

The following tables, except for transactions with controlling shareholders, show the transactions between the Corporation and its wholly owned subsidiaries:

	Parent							
	Outstanding Balance				Recognized as profit or loss			
	Amounts receivable		Amounts payable		Income		Expenses	
	6/30/2021	12/31/2020	6/30/2021	12/31/2020	6/30/2021	6/30/2020	6/30/2021	6/30/2020
Prestcott International S.A.	343	-	608	774	-	-	1,043	3,793
Establecimientos Colonia S.A.	456	2,541	1,025	82	2,086	10,229	1,409	2,808
Frigorífico Tacuarembó S.A.	1,360	416	2,537	3,176	-	1,839	5,170	6,257
Inaler S.A.	314	-	-	485	-	-	-	2,246
Marfrig Argentina S.A	175,288	388,608	-	1,831	-	-	-	841
Marfrig Chile S.A.	17,628	3,099	52,337	55,485	72,287	115,930	-	5,174
Marfrig Holdings (Europe) BV	5,643,004	8,587,820	12,618,343	13,744,877	-	-	-	-
Marfrig Overseas Ltd.	5,496,426	3,426,020	208,785	211,864	-	-	-	-
Marfrig Comercializadora de Energia Ltda	8,852	20,638	-	-	-	-	24,113	28,761
Masplen Ltd	513,808	590,575	20	4	233,049	142,962	349	-
Marfrig Beef UK Limited	2,134,364	1,838,168	8,107,318	7,249,762	3,224,425	3,271,880	-	-
Marfrig Beef International Limited (1)	1,382,463	18,256	-	-	9,352	-	-	144
MFG Holdings SAU	240,066	240,314	6	15,324	34,682	20,922	5,031	-
Campo Del Tesoro	93	-	-	6,797	-	-	2,514	-
Las Animas	35	-	-	-	-	-	-	-
Controlling shareholders	-	-	7,169	3,435	9	8	-	-
Key management personnel	30	2,695	1,049	3,450	33	54	2,100	1,344
Other related parties	16,997	32,600	140,230	290,787	36	13	193,570	96,128
	<u>15,631,527</u>	<u>15,151,750</u>	<u>21,139,427</u>	<u>21,588,133</u>	<u>3,575,959</u>	<u>3,563,837</u>	<u>235,299</u>	<u>147,496</u>

⁽¹⁾ Part of the balance refers to dividends receivable amounting to R\$1,349,956.

The nature of related-party transactions between Marfrig Group companies is represented by commercial transactions (purchases and sales) and sending of cash for payment of such transactions, as well as for working capital.

Intercompany transactions (instruments receivable and payable) in Brazil (parent company and subsidiaries) are managed by checking accounts held between the companies based on the centralized cash system managed by the parent company.

Purchases and sales of products are made at market values. No guarantees or estimated losses with doubtful accounts are required. These transactions involve purchase and sale of fresh meat and cattle, poultry and lamb processed products.

Transactions between subsidiaries do not have an impact on consolidated interim financial statements, given that they are eliminated in consolidation.

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32.2. Consolidated related parties

	Consolidated							
	Outstanding balance				Recognized as profit or loss			
	Accounts receivable		Accounts payable		Income		Expenses	
	6/30/2021	12/31/2020	6/30/2021	12/31/2020	6/30/2021	6/30/2020	6/30/2021	6/30/2020
Controlling shareholders	-	-	7,169	3,435	9	8	-	-
Key management personnel	30	2,695	1,049	4,233	48	66	2,100	1,344
Other related parties	16,997	32,600	140,230	290,787	36	13	193,570	96,128
Joint venture	9,486	947	-	-	-	-	-	-
	<u>26,513</u>	<u>36,242</u>	<u>148,448</u>	<u>298,455</u>	<u>93</u>	<u>87</u>	<u>195,670</u>	<u>97,472</u>

32.3. Controlling shareholders

A suretyship agreement was entered into with the controlling shareholder, MMS Participações Ltda., under which said shareholder guarantees certain obligations of the Corporation. These transactions were conducted on an arm's length basis and in accordance with internal guidelines formally established by the Corporation.

32.4. Other related parties

The controlling shareholders own membership interests in other entities that have businesses with Marfrig Group. The aggregate amount of transactions is represented in the table above under "other related parties." Most of transactions refer primarily to sale of animals for slaughter and to associated logistics services. These transactions are carried out on an arm's length basis, in accordance with internal guidelines formally established by the Corporation that are periodically verified by the Corporation management to attest their compliance with market conditions.

32.5. Joint ventures

The indirect subsidiaries Beef Holdings Limited and NBM US Holdings, Inc. have one joint venture each, which are recognized through the equity method of accounting.

The following table summarizes the main financial information on unconsolidated joint ventures in the interim financial statements, in accordance with NBC TG 18(R3) (CVM Resolution 696/12) – Investments in associates, subsidiaries and joint ventures.

	% Interest	Country	Total assets	Total liabilities	Loss for the period
COFCO-Keystone Supply Chain	45%	China	150,614	150,614	-
Plant Plus Foods LLC, Inc.	70%	EUA	24,795	33,994	(9,200)
Total			<u>175,409</u>	<u>184,608</u>	<u>(9,200)</u>

32.5.1 Plantplus Foods Brasil Ltda.

On April 6, 2021, Plantplus Foods Brasil Ltda. was established, whose purpose is to conduct the business activities related to the corporate consulting, research, development, production, promotion and marketing of plant-based processed food products.

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The corporate structure is shown below:

Ownership Structure			
Partners	Capital R\$	No. Membership interest	% Ownership Interest
Plantplus Foods LLC	1,980,000.00	1,980,000	99.00%
ADM Investments Limited	6,000.00	6,000	0.30%
Marfrig Global Foods S.A.	14,000.00	14,000	0.70%
Total	2,000,000.00	2,000,000	100.00%

32.6. Statutory Audit Committee

The Company's Statutory Audit Committee was established by the Board of Directors Meeting held on November 29, 2019. The Audit Committee receives compensation on a monthly basis, which does not include any variable component.

33. Management compensation

As permitted under NBC TG 21/R3 (CVM Resolution 673/11) and based on the recommendations in Official Letter CVM/SNC/SEP/Nº 003/2011, the Management chose not to present once again the details in its Notes of Management Compensation and sub-items (Board of Directors, Statutory Officers, Audit Board, Stock Option Plan) so as to prevent the repetition of information already reported in the financial statements for the fiscal year ended December 31, 2020, so as to provide a better understanding to users.

33.1. Consolidated compensation

The compensation of Management and Board members is made up of the compensation of six members of the Board of Directors (the other two opted for not receiving compensation as board members, one of whom is also a member of the Statutory Board of Executive Officers and receives compensation from that body), six members of the Audit Board (three of whom are alternate members) and four officers appointed as per the Corporation's by-laws.

The added value of the compensation received by the Corporation's Management and Board members for their services is defined through market practices, with the participation of the Compensation, Corporate Governance and Human Resources Committee, made up exclusively of members of the Board of Directors of the Corporation, one of whom acts as Coordinator of the Committee:

Description	6/30/2021	6/30/2020
Consolidated Management compensation	35,306	48,320
Total	35,306	48,320

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33.2. Stock option plan

In the period ended June 30, 2021, a total of 873,297 shares were transferred to the Management of the Corporation under the stock option plans. The changes in options exercised throughout the year are shown in the tables below:

Total options exercised by month		
	Number of shares exercised	Average Market Price⁽¹⁾ (R\$ per share)
January/21	-	13.72
February/21	11,525	14.31
March/21	318,800	15.98
April/21	220,538	19.05
May/21	210,249	18.86
June/21	112,185	18.80
Options exercised - 2021	873,297	

⁽¹⁾ Average monthly price disclosed by B3 S.A. - Brasil, Bolsa, Balcão of Marfrig's common shares, under the ticker MRFG3.

Consolidated Changes	2021	2020
(Options)		
Opening balance	2,470,732	3,653,287
Options granted	-	121,253
Options exercised	(873,297)	(1,127,599)
Options canceled and expired	-	(176,209)
Closing balance	1,597,435	2,470,732

The expected dilution of ownership interest of current shareholders, when stock options are exercised at the vesting date, up to the limit of shares held in the treasury for this purpose, is 0.23% of all shares at June 30, 2021, as detailed in the table below:

Percentage of Dilution					
	ESP XI LP 16-17 Plan	ESP XII LP 17-18 Plan	ESP XIII LP 18-19 Plan	ESP XIV LP 19-20 Plan	Total
Granting date	12/20/2017	9/25/2018	8/14/2019	11/11/2020	
Unexercised agreements	18,066	538,683	949,747	90,939	1,597,435
Treasury stock					(27,100,010)
Total shares except treasury stock					684,269,903
Percentage of dilution	0.00%	0.08%	0.14%	0.01%	0.23%

The Corporation recognized expenses relating to granting of plans in effect for the period ended June 30, 2021 and fiscal year ended December 31, 2020, as detailed in the table below:

Effects from the exercise of options (R\$ '000)	2021	2020
Amount received from sale of shares - Exercised options	2,587	3,456
(-) Cost of treasury shares disposed of	(8,947)	(8,651)
Effect on disposal of shares	(6,360)	(5,195)

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Due to the exercise of stock options, the Corporation incurred costs with the sale of treasury shares of R\$8,947. At June 30, 2021, the book value of treasury shares was recorded under the Corporation's shareholders' equity in the amount of R\$332,407 (R\$182,762 at December 31, 2020).

The fair value of the options was measured on an indirect basis, according to the Black-Scholes pricing method, based on the following assumptions:

- **Standard deviation:** 25.25%. Volatility is measured taking into consideration the daily prices of the Corporation's shares traded on the Brazilian stock exchange (B3) under the ticker MRFG3, from January 1, 2021 to June 30, 2021;
- **Risk-free interest rate:** 4.61% p.a. The Corporation uses as risk-free interest rate the Long-Term Interest Rate (TJLP) annualized on calculation date and available on the federal revenue service website: receita.fazenda.gov.br/orientacao/tributaria/pagamentos-e-parcelamentos/taxa-de-juros-de-longo-prazo-tjlp.

The fair value of options as of June 30, 2021 ranged between a minimum of R\$13.14 and a maximum of R\$16.45 per share for SPECIAL plans.

Changes to the stock option programs are presented below:

Plans	Granting Date	Performance (vesting) period	Option expiration date	Options granted	Vested options	Options exercised in the period	Options cancelled and/or expired in the period	Options exercised and/or cancelled in prior periods	Unexercised agreements	Option exercise price
Options Exercised/Cancelled in Previous Periods				12,954,382	10,293,566			10,483,650	2,470,732	
ESP X LP 15-16	11/7/2016	3/3/2020	9/2/2020	306,219	306,219	963	0	305,256	0	R\$ 3.0281
ESP XI LP 16-17	12/20/2017	3/3/2020	9/2/2020	126,517	126,517	955	0	125,191	371	R\$ 3.3592
ESP XI LP 16-17	12/20/2017	3/3/2021	9/2/2021	126,337	126,337	80,903	0	27,739	17,695	R\$ 3.3592
ESP XII LP 17-18	9/25/2018	3/3/2020	9/2/2020	504,385	504,385	6,985	0	495,188	2,212	R\$ 3.1789
ESP XII LP 17-18	9/25/2018	3/3/2021	9/2/2021	504,385	504,385	353,292	0	59,435	91,658	R\$ 3.1789
ESP XII LP 17-18	9/25/2018	3/3/2022	9/2/2022	504,189	0	0	0	59,376	444,813	R\$ 3.1789
ESP XIII LP 18-19	8/14/2019	3/3/2020	9/2/2020	470,753	470,753	4,148	0	464,644	1,961	R\$ 2.9110
ESP XIII LP 18-19	8/14/2019	3/3/2021	9/2/2021	470,753	470,753	395,737	0	22,844	52,172	R\$ 2.9110
ESP XIII LP 18-19	8/14/2019	3/3/2022	9/2/2022	470,753	0	0	0	22,844	447,909	R\$ 2.9110
ESP XIII LP 18-19	8/14/2019	3/3/2023	9/2/2023	470,514	0	0	0	22,809	447,705	R\$ 2.9110
ESP XIV LP 19-20	11/11/2020	3/3/2021	9/2/2021	30,314	30,314	30,314	0	0	0	R\$ 6.1857
ESP XIV LP 19-20	11/11/2020	3/3/2022	9/2/2022	30,314	0	0	0	0	30,314	R\$ 6.1857
ESP XIV LP 19-20	11/11/2020	3/3/2023	9/2/2023	30,314	0	0	0	0	30,314	R\$ 6.1857
ESP XIV LP 19-20	11/11/2020	3/3/2024	9/2/2024	30,311	0	0	0	0	30,311	R\$ 6.1857
Total on	6/30/2021			12,954,382	11,417,987	873,297	0	10,483,650	1,597,435	

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Plans	Granting Date	Market value of unvested options at the end of the period (R\$ '000)	Market value of outstanding vested options at the end of the period (R\$ '000)	Effects in the result of the period in case of recognition (R\$ '000)
ESP X LP 15-16	07/11/2016	n/a	n/a	0.0
		0.0	0.0	0.0
ESP XI LP 16-17	20/12/2017	5.9	5.9	3.3
ESP XI LP 16-17	20/12/2017	279.2	279.2	158.2
		285.1	285.1	161.5
ESP XII LP 17-18	25/09/2018	35.3	35.3	20.2
ESP XII LP 17-18	25/09/2018	1,463.0	1,463.0	836.0
ESP XII LP 17-18	25/09/2018	7,143.0	0.0	4,057.0
		8,641.3	1,498.3	4,913.1
ESP XIII LP 18-19	14/08/2019	31.8	31.8	18.4
ESP XIII LP 18-19	14/08/2019	846.7	846.7	489.8
ESP XIII LP 18-19	14/08/2019	7,309.0	0.0	4,205.2
ESP XIII LP 18-19	14/08/2019	7,362.6	0.0	4,203.3
		15,550.2	878.5	8,916.7
ESP XIV LP 19-20	11/11/2020	n/a	n/a	0.0
ESP XIV LP 19-20	11/11/2020	398.4	0.0	185.3
ESP XIV LP 19-20	11/11/2020	406.6	0.0	185.3
ESP XIV LP 19-20	11/11/2020	414.5	0.0	185.3
		1,219.5	0.0	556.0
Total em	30/06/2021	25,696.0	2,661.9	14,547.4

33.3 Direct Granting of Shares

During the period ended June 30, 2021, 714,024 shares were transferred to the Managers of the Corporation.

Total shares granted by month	
Period	Number of shares granted
January - 21	-
February - 21	-
March - 21	-
April - 21	651,797
May - 21	62,227
June - 21	-
Shares granted - 2021	714,024

34. Additional information of the cash flow statements

In compliance with item 43 and 44(a) of NBC TG 03/R3 – Statement of Cash Flows, the following table presents the changes in liabilities from financing activities arising from cash and non-cash flows:

Description	Parent				Balance on 6/30/2021
	Balance on 12/31/2020	Cash flow	Non-cash change		
			Exchange rate fluctuation	Other ⁽¹⁾	
Loans, financing and debentures	5,790,267	3,777,733	26,718	181,061	9,775,779
Lease payable	169,403	(11,275)	-	1,491	159,619
Capital reserves, options granted and treasury shares	(1,684,338)	(149,645)	61,706	(2,775)	(1,775,052)
	4,275,332	3,616,813	88,424	179,777	8,160,346

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Description	Consolidated					Balance on 6/30/2021
	Balance on	Cash flow	Non-cash change			
	12/31/2020		New agreements	Exchange rate fluctuation	Other ⁽¹⁾	
Non-controlling interest	1,419,354	(660,511)	-	58,679	865,727	1,683,249
Loans, financing and debentures	26,810,146	787,076	-	(508,721)	792,917	27,881,418
Lease payable	689,430	(100,622)	35,719	(16,547)	10,723	618,703
Capital reserves, options granted and treasury shares	(1,684,338)	(149,645)	-	61,706	(2,775)	(1,775,052)
	27,234,592	(123,702)	35,719	(404,883)	1,666,592	28,408,318

⁽¹⁾ The amounts presented under other for loans, financing and debentures and for lease payable refer to interest expenses incurred in the period and for non-controlling interest refers to the amount attributed to the income or loss for the period.

35. Events after the reporting periodNonconvertible debentures

On August 10, 2021, the Corporation announced the issue of one million and two hundred thousand (1,200,000) non-convertible, unsecured debentures in two series issued by the Corporation, with unit face value of one thousand reais (R\$1,000), in the total amount of R\$1,200,000,000.00, issued for private placement, with the first issue coming due on July 15, 2028 and the second issue on July 15, 2031. This is the eighth (8th) issue of debentures by the Corporation.

Dividend distribution

On August 10, 2021, the Company approved, in a meeting of the Board of Directors, the distribution of interim dividends for the period ended June 30, 2021, in the total amount of nine hundred fifty-eight million, three hundred eighty-eight thousand, eight hundred eighty-three reais and eighty-five centavos (R\$958,388,883.85). The ex-dividend date is September 10, 2021 and the payment date is September 28, 2021.

Cancelling of treasury shares

The Board of Directors of the Company, in a meeting held on August 10, 2021, decided to approve the cancellation of twenty million (20,000,000) common shares, without par value, issued by the Company and held in treasury on said date, without any reduction in the capital stock. With the cancellation of shares, the Company's capital stock is now divided into six hundred ninety-one million, three hundred sixty-nine thousand, nine hundred thirteen (691,369,913) common shares, all registered, book-entry and without par value. Therefore, Article 5 of Marfrig's Bylaws, which establishes its capital stock, should be amended at a Shareholders Meeting to be called at an opportune time.

Others

The Company entered into option agreements formalizing its intention to buy shares representing 8.93% of the capital stock of BRF. This agreements are in the process of being analyzed by Brazil's antitrust agency CADE (Conselho Administrativo de Defesa Econômica).

* * *

Statement of Executive Officers on the Financial Statements

Statement of Executive Officers on the Financial Statements

In compliance with the provisions of CVM Instruction 480, the Board of Executive Officers declares that it has discussed, reviewed and agreed to the financial statements related to the second quarter of 2021 fiscal year.

Sao Paulo, August 10, 2021.

Executive Officers:

Miguel de Souza Gularte
Chief Executive Officer

Tang David
Chief Administrative and Financial and IR

Heraldo Geres
Chief Legal Officer

Rodrigo Marçal Filho
Executive Officer

Statement of Executive Officers on the Independent Auditors Report

Statement of Executive Officers on the Independent Auditors Report

In compliance with the provisions of CVM Instruction 480, the Board of Executive Officers declares that it has discussed, reviewed and agreed with the opinions expressed in the Independent Auditors Report on the financial statements related to the second quarter of 2021 fiscal year.

Sao Paulo, August 10, 2021.

Executive Officers:

Miguel de Souza Gularte
Chief Executive Officer

Tang David
Chief Administrative and Financial and IR

Heraldo Geres
Chief Legal Officer

Rodrigo Marçal Filho
Executive Officer